THE SECRETARY OF TRANSPORTATION
WASHINGTON, DC 20590

April 29, 2014

The Honorable John A. Boehner
Speaker of the House of Representatives
Washington, DC 20515

Dear Mr. Speaker:

Before the end of the summer, the Highway Trust Fund is projected to become insolvent. This situation, in addition to the upcoming expiration just weeks later of the authorities that fund our Federal surface transportation programs, is forcing many States and communities to put on hold crucial transportation projects because they do not have the funding certainty to build and repair the roads, bridges, and other critical transportation projects that the Nation depends upon to move people, energy, and freight.

The Administration encourages serious, bipartisan efforts in Congress to address this near-term crisis. But we should also use the opportunity of reauthorization to invest in modernizing our aging infrastructure to grow our economy and to empower American communities to meet the transportation needs of a growing population that will increase by 100 million in the coming decades.

The only way we will be able to address these urgent challenges is if everyone puts their ideas on the table and has an open-minded, honest conversation in an effort to find common ground and forge a path forward. I am encouraged that members from both parties have already started such a discussion and are working together to find a solution.

As part of this critically important discussion, the U.S. Department of Transportation is pleased to provide to you, for introduction and referral to the appropriate committees, a bill --

> To authorize highway infrastructure and safety, transit, motor carrier, rail, and other surface transportation programs, and for other purposes.

The Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act, or the GROW AMERICA Act, shares some important goals with the bipartisan work already underway in Congress, especially our emphasis on a multi-year reauthorization. The GROW AMERICA Act proposes to reauthorize the surface transportation programs, over a 4-year period, that will improve the operation, condition, and safety of the Nation's surface transportation system by implementing policies that advance the President's goals to support job creation and economic activity, expedite the project approval and permitting processes, create ladders of opportunity to the middle class, and ensure taxpayer dollars are spent as efficiently as possible.

Specifically, the Administration's legislative proposal to reauthorize the Nation's surface transportation programs will accomplish the following objectives:

Provide States, Local Governments, and Construction Workers with Multi-Year Funding Certainty. The Administration proposes a $302 billion, 4-year transportation reauthorization that will allow State and local governments to effectively plan and execute transformative transportation projects that improve the Nation's global competitiveness, and in the process, support millions of well-paying jobs. Importantly, this proposal will prevent the insolvency of the Highway Trust Fund during the authorization period, and provide for an $87 billion increase over current spending from the Highway Trust Fund.

Maintain the World's Safest Transportation System. The Administration continues to place safety at the forefront of the Department's activities. Despite encouraging progress in recent years at reducing fatality rates on the Nation's roadways, 33,561 people died in 2012. While this number is down from 42,196 in 2001, it highlights both the tremendous progress as well as the ongoing work that remains in further reducing preventable deaths.

This reauthorization proposal builds on recent progress to improve the safety of the Nation's roadways and bridges, public transit systems, passenger and intercity rail systems, and motor carrier operations by investing $36.5 billion in the Federal Highway Administration's (FHWA) safety programs, $210 million in the Federal Transit Administration's (FTA) Public Transportation Safety program, and $2.35 billion for the Federal Railroad Administration's (FRA) Positive Train Control (PTC) program, as well as funding the efforts in the National Highway Traffic Safety Administration (NHTSA) and the Federal Motor Carrier Safety Administration (FMCSA). This funding will be used to increase seatbelt usage, reduce the dangers caused by distracted and drunk driving, and to ensure the safety of all users of every mode of transportation.

In addition, transportation associated with our Nation's growing energy production requires greater oversight and investment. The Administration's proposal will fund the safety programs of the Pipeline and Hazardous Materials Safety Administration (PHMSA) and enhance its authority and ability to improve safety oversight over the movement of hazardous materials, including crude oil traveling over the national freight rail network.

Reduce Timelines to Deliver Infrastructure Projects. This proposal will continue efforts by the Administration to modernize the Federal infrastructure permitting process by reducing permitting and approval timelines and creating incentives that will produce better outcomes for communities and the environment. The proposal will improve interagency coordination by instituting concurrent, rather than consecutive, project review and will increase transparency and accountability of project reviews and timelines. The Administration believes job creation and infrastructure development go hand-in-hand with environmental protection and community involvement, and opposes any legislation that would undermine bedrock environmental laws and protections.

Invest in Freight Networks and Improve Goods Movement. The Administration's proposal includes a dedicated freight funding program that will foster economic growth and improve the efficiency and reliability of freight movement in the United States. This proposal provides $10 billion over 4 years for a new multimodal freight grant program for projects—including those for railways, highways, and ports—that address the greatest needs for the efficient movement of goods across the country. The proposal includes significant incentive grant opportunities, as well as competitive discretionary grants, to encourage coordinated investment in freight infrastructure. Shippers, representatives from truck, rail, and other industries, and representatives from associated labor organizations will have meaningful seats at the table in directing these investments.

Reform and Strengthen Local Transportation Investment Decisionmaking. This proposal will create incentives that will allow Metropolitan Planning Organizations to better align and coordinate their planning and investment decisions in order to serve regional economic and community needs in a more effective way. The proposal also strengthens local decisionmaking in allocating Federal funding to foster investment in projects that meet the needs of vibrant and expanding economic regions, including regions that cross State or local geographic boundaries.

Improve Access to Jobs and Education. The Administration is dedicated to improving opportunities for all Americans—urban, suburban, and rural—by investing in transportation projects that more effectively connect communities to centers of employment, education, and services. This proposal will greatly expand transit and help to create ladders of opportunity for transit-dependent populations. It includes an average of $550 million per year for a new transit deployment program for rapidly growing regions.

Invest in the Nation's Workforce. The proposal includes a 4-year investment of $245 million in a new workforce development program that will work in partnership with the U.S. Department of Labor, States, and other key stakeholders to support and enhance the size, diversity, and skills of our Nation's construction workforce. It also provides incentive grants for States that use their workforce development funds for high-quality, on-the-job training.

Meet Growing Market Demand in Passenger Rail. In the coming decades, the national transportation system must be prepared to handle substantial increases in the movement of people and goods. Given the existing capacity constraints on other modes, rail will play an increasingly vital role in accommodating this growth. These investments will result in other public benefits as well, such as reduced reliance on foreign oil, reduced air pollution, and increased safety. The GROW AMERICA Act creates grant programs and establishes policy frameworks to allow for market-based investments to improve passenger rail corridors, mitigate the impact of rail operations in local communities, and develop the Nation's rail workforce.

Finance the Bill Through Pro-Growth Business Tax Reform. The $302 billion authorization in this proposal for new mandatory spending is subject to the Statutory Pay-As-You-Go (PAYGO) Act. As shown in the President's 2015 Budget, the PAYGO costs of this proposal would be $70.1 billion over the 10-year period from 2015 through 2024. To pay for this proposal, the Administration proposes to supplement current revenues to the new Transportation

Trust Fund with the one-time savings generated from transitioning to a new business tax system that is simpler and more efficient.

The Administration believes that a comprehensive approach to reforming our business tax code can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates current loopholes that reward companies for moving profits overseas and allow them to avoid paying their fair share. While revenue neutral over the long-run, the transition to this system will generate temporary revenue, for example, by taking into account the $1 to $2 trillion of untaxed foreign earnings that U.S. companies have accumulated overseas, repealing the LIFO inventory method, and reforming accelerated depreciation. The President's Fiscal Year 2015 Budget includes a $150 billion allowance for these one-time savings, which we propose to use to fill the Trust Fund shortfall and fully offset the costs of this 4-year transportation reauthorization proposal.

We look forward to working with you and our public and private sector stakeholders to enact a robust 4-year surface transportation bill before the expiration of current transportation programs on September 30, 2014.

The Office of Management and Budget advises that the enactment of this legislative proposal would be consistent with the President's program.

I have sent a similar letter to the President of the Senate.

Sincerely,

Anthony R. Foxx

Enclosures