

United States Senate

WASHINGTON, D.C. 20510

January 13, 2009

The Honorable Harry Reid
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

Dear Senators Reid and McConnell:

As the 111th Congress convenes, our first priority is consideration of an economic stimulus package. As you know, our nation has fallen deeper into recession, with the number of people filing unemployment claims reaching a 26-year high and consumers cutting spending for the fifth successive month during November as their incomes shrank. The financial and manufacturing sectors of our economy are in crisis. And our middle-class families are finding it harder to save, hold on to their jobs, pay for college and make ends meet.

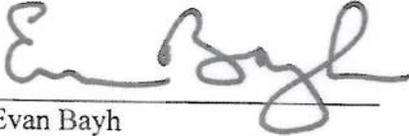
Any stimulus package must restart economic growth and put job creation first, and we applaud President-elect Obama's call to focus on investments in infrastructure, middle-class tax relief, and green jobs. However, we question the efficacy and fairness of using existing funding formulas to achieve these goals. These formulas are unfair to the millions taxpayers we represent and would not allocate spending to areas and industries where the need is greatest.

In particular, we would like to call to your attention the existing funding formula as a means of distributing transportation funding. As so-called "donor states," our taxpayers receive less than a dollar for every dollar of money we contribute to the Highway Trust Fund. The stimulus package is intended to reverse the economic downturn and encourage the creation of millions of new jobs for the 21st century. Use of the existing transportation funding formula should be reevaluated. Instead, funding should be allocated based on economic need, and specifically on putting the most number of Americans back to work as soon as possible.

We propose that the chief factors in determining funding allocations be based on assisting states facing high unemployment, high foreclosure rates, increased food stamp use and other economic indicators derived from loss of jobs and wages. Across the United States over 2 million workers have lost jobs this year, driving the unemployment rate to 7.2 percent. In November, 37 states and the District of Columbia recorded over-the-month unemployment rate increases, 5 states registered decreases, and 8 states had no change. Every three months, 250,000 new families enter into foreclosure. The number of Americans on food stamps reached an all time high in November exceeding 30 million Americans. Furthermore, no sector of our economy is under greater strain than the manufacturing sector. According to the Bureau of Labor Statistics, Indiana, Michigan and Florida lost over 90,000 manufacturing jobs since December 2007.

If the economic stimulus is supposed to create jobs, we should reconsider the need to follow that formula which takes funding from some states that have higher unemployment than the national average. We hope that as you craft this economic stimulus package, you will strongly consider this an opportunity to stimulate the economy and create jobs by including a fair funding formula for transportation that provides equity to all states.

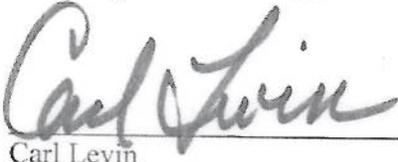
Sincerely,



Evan Bayh



Richard Lugar



Carl Levin



Debbie Stabenow



Bill Nelson



Mel Martinez