



International Union of Operating Engineers

AFFILIATED WITH THE AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

July 21, 2014

The Honorable Harry Reid
522 Hart Senate Office Building
Washington, DC 20510

JAMES T. CALLAHAN
GENERAL PRESIDENT

Dear Leader Reid:

The International Union of Operating Engineers appreciates your leadership in bringing H.R. 5021 to the Senate floor, legislation that will provide a patch to cover the pending shortfall in the Highway Trust Fund. In order to avoid a calamity in August that could result in the loss of 700,000 construction jobs, including thousands of jobs for Operating Engineers, the Highway Trust Fund must be patched. Of that there can be no doubt.

The International Union of Operating Engineers (IUOE) represents almost 400,000 members in 123 local unions across the U.S. and Canada, including operating engineers who work as heavy equipment operators, mechanics, and surveyors in the construction industry, many of whom are building America's transportation infrastructure.

As you know, the United States Department of Transportation forecasts that the Highway Trust Fund will fall woefully short of meeting MAP-21's funding commitments in the next couple of weeks. Failing to fulfill the promises of MAP-21 is simply unacceptable to states, local governments, contractors, Operating Engineers, and thousands of other construction workers.

What is frustrating for Operating Engineers is that Congress – under both Democratic and Republican Leadership – has demonstrated an unwillingness to wrestle with the long-term funding needs of this nation's transportation infrastructure. In 2009, Congress, at the President's urging, "kicked the can" on a multi-year reauthorization of this essential federal program. The duration of the 27-month MAP-21, while necessary, was still far short of a traditional five- or six-year surface transportation bill. We fear that the extension and funding patch through May contained in H.R. 5021 will ensure that the program limps along, forestalling a meaningful multi-year authorization of the surface transportation program.

Planning, engineering, design, and financing of transportation infrastructure requires a long-term approach and policy certainty that can only be delivered by a multi-year bill.

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Operating Engineers respectfully request action on a long-term highway and transit bill at the earliest possible opportunity. While still admittedly a difficult, complex task to be squeezed into a relatively short duration, the IUOE believes that the next realistic chance to enact a long-term bill will be in the lame-duck session of Congress before the end of the year.

Consequently, the IUOE supports the bipartisan Boxer/Carper/Corker amendment that will trigger congressional action on the surface transportation program before the adjournment of the 113th Congress.

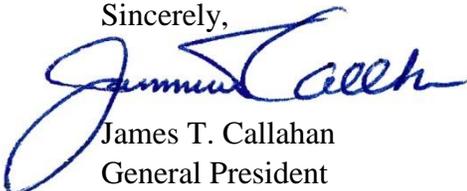
Further, the revenue package contained in the Wyden/Hatch amendment presents an improvement to the House-passed bill, and the IUOE believes that it, too, should be folded into the legislation that the Senate sends to the other body. Tax compliance offsets reinforce the idea that the Trust Fund should be paid for by raising real revenue, which is necessary for any effective, long-term funding strategy for the Trust Fund.

Patching the hole in the Highway Trust Fund to continue reimbursing states for approved transportation projects must be the first priority. That step will avoid catastrophic job loss to the already battered construction industry, which is still down nearly 20% of all jobs since the start of the Great Recession. The next step must be to enact a long-term bill as expeditiously as possible. Strengthening the revenue proposal will also help set the plate for a future reauthorization of the law.

H.R. 5021 must pass in some form. The International Union of Operating Engineers seeks your support for provisions that will make it more likely that a long-term bill is enacted sooner and that would strengthen the overall revenue package.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "James T. Callahan". The signature is stylized and cursive, with a large initial "J" and "C".

James T. Callahan
General President