

May 2, 2023

Chair Dibble, Chair Hornstein and Members of the Transportation Conference Committee:

On behalf of the 29,000 members and family members of Laborers' International Union of North America (LIUNA) Minnesota and North Dakota, I am writing to urge you to pass a long-term, dedicated, comprehensive transportation funding package to fix our crumbling roads and bridges and inadequate transit systems. HF 2887, the Omnibus Transportation bill which passed the House of Representatives on a bipartisan vote, is a structural investment that will make our multimodal transportation system safer, cleaner and more fair and help connect all Minnesotans to opportunities. While a step in the right direction, the Senate companion (SF 3157) falls short, and we urge conferees to follow the recommendation of Senate and House Transportation Committees and restore critical delivery fee revenue.

Since 2008, comprehensive transportation funding has been LIUNA's #1 priority. Today, Minnesota has more than 600 structurally deficient bridges, thousands of miles of roads in poor condition, and an inadequate transit system. The American Society of Civil Engineers recently graded our roads a 'D+', bridges a 'C' and transit a 'C-'. Now is the time to finish unfinished business and address this growing threat to Minnesotans' safety, health and prosperity.

There is no budget surplus in transportation funding. Over the next 20 years, Minnesota faces a \$30 billion funding shortfall just to maintain our roads, bridges and transit. Metro Transit is racing toward a nearly \$300 million fiscal cliff beginning in 2026.

Over 90 percent of road and bridge funding comes from dedicated funding sources like the gas tax, which is projected to raise less revenue beginning in 2025. The remaining eight percent of road and bridge funding comes from sales taxes, including the sales tax on auto parts and repairs. Capped at \$145.6 million since 2020, even this revenue source is losing value due to inflation.

We need new long-term and dedicated funding — no less than \$1 billion per year for roads and bridges and \$500 million per year for transit — to make our roads, bridges and transit safer. HF 2887 as passed by the House of Representatives makes significant progress towards fixing, catching up and keeping up our roads, bridges and transit. The conference committee should restore the Senate Transportation Committee-recommended delivery fee and metro sales tax.

LIUNA recognizes and strongly supports House and Senate proposals to increase registration fees and motor vehicle sales taxes, and to create a metro sales tax dedicated to transit and highways in the metropolitan region. With a \$6 billion structural general fund surplus and a transportation funding deficit, we also strongly support accelerating the phase-in for 100 percent dedication of the sales taxes on auto parts and repairs to transportation, and restoring the metro sales tax increase recommended by both Transportation Committees.

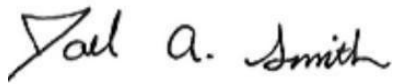
Finally, restoration of the delivery fee is absolutely necessary, because allowing our roads and bridges to crumble is not an option. The delivery fee is a new and innovative way to diversify road and bridge funding sources for the future. The fee makes sense considering the wear-and-tear that delivery trucks are causing to our infrastructure and understanding that, as consumers, the alternative to deliveries would mean spending more time and money going to the store.

We are grateful for the leaders, on both sides of the aisle, who fulfilled their duty in 2008 after the I-35W collapse, and voted for new longterm and dedicated revenue for transportation. A decade and a half later, it is time for our leaders to unite and meet the moment again.

Today, the most traveled structurally deficient bridges in Minnesota are in Anoka, Dakota, Hennepin and Ramsey counties, and two bridges on Hwy 14 in Mankato. According to MnDOT, we need to be replacing 320 bridges per year and funding only allows the replacement of 100-200 bridges per year. Minnesotans are counting on you to close the safety gap.

HF 2887 and SF 3157 as recommended by the House and Senate Transportation committees will make our members and all Minnesotans safer, create thousands of family-supporting construction careers, and boost our local economies. We urge you to restore the delivery fee and pass a long-term and dedicated comprehensive transportation funding package out of conference committee.

Respectfully,

A handwritten signature in black ink that reads "Joel A. Smith". The signature is written in a cursive style with a large initial "J" and "S".

Joel Smith
President and Business Manager