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**Masser, Michelle**

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**To:** Lashway, Lisa  
**Subject:** RE: Federal Action on Transport Funding & Unemployment Benefits

**From:** NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]  
**Sent:** Wednesday, March 03, 2010 4:23 PM  
**To:** Lashway, Lisa  
**Subject:** Federal Action on Transport Funding & Unemployment Benefits

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William G. Dressel Jr.  
Executive Director  
Michael J. Darcy, CAE  
Asst. Executive Director

**LEAGUE ALERT**

Municipal Clerk: Please forward to Mayor and Governing Body.

March 3, 2010

**RE: Federal Action on Transportation  
Funding and Unemployment Benefits**

Dear Mayor:

Last night, the U. S. Senate signed off on legislation that includes a one-month extension of the highway law, ending a stalemate that had frozen federal reimbursements for state road work and forced the furlough of roughly 2,000 Transportation Department employees.

The Senate voted in favor, 78-19, of the H.R. 4691, which also included an extension of unemployment benefits and a number of other provisions.

The House passed its extension last Thursday, but the Senate was prevented from following suit by Kentucky Senator Jim Bunning, who waged a one-man filibuster aimed at forcing lawmakers to find the roughly \$10 billion needed to offset the bill's cost.

After a day of negotiations with GOP and Democratic leaders, Bunning ultimately agreed to end the standoff in exchange for the chance to offer an amendment to require lawmakers to pay for the legislation. The Senate voted, 43-53, against waiving a portion of the budget act needed to allow his amendment.

Bunning originally called for the bill to be paid for with unspent stimulus dollars, but instead his amendment would have prevented paper companies from claiming a lucrative biofuel tax credit for their production of a wood-pulping byproduct, known as "black liquor," which paper companies burn as fuel. Budget analysts estimate closing the potential loophole could save as much as \$24 billion over 10 years, and House Democrats included the fix in their health care bill.

The highway law was set to expire last September, but has been continued by a series of one- and two-month extensions, the most recent of which expired at the end of February. Because the law expired at midnight Sunday, DOT had been unable to reimburse states for road and bridge work for the first two days of this week. The spending freeze prevented the distribution of more than \$150 million a day to states.

The DOT furlough also temporarily halted work on more than 40 transportation projects on federal lands because federal inspectors were sent home from the work sites. States warned that traditional road and bridge work would also be slowed if the spending freeze continued because they would have been forced to suspend some current projects and postpone bids for future ones.

If you have any questions, contact Jon Moran at 609-695-3481, ext. 121.

Very truly yours,

William G. Dressel, Jr.  
Executive Director