

## ABOUT H.R. 5449

Increased vehicle fuel efficiency and a stagnant federal gas tax have encouraged increased demand on our transportation system without proportionally contributing to necessary maintenance and investment. Americans are embracing other transportation options and we are transitioning to a clean-energy economy. Within the next decade, it will no longer make sense to have a transportation system financed by gallons of fuel consumed. Two national transportation study commissions, authorized in 2005, named a road usage charge based on vehicle miles travelled (VMT) as the most promising revenue alternative to the gas tax the “consensus choice” for the future. The Road User Charge Advancement Act of 2019 builds on the success of the STSFA program to further enhance national understanding and competencies in collecting a road user charge. The legislation would reauthorize the program through Fiscal Year 2025, increase the authorization amount to \$35 million, and reduce the state match requirement to incentivize more states to participate. The legislation also includes more frequent reporting requirements to provide more frequent knowledge-sharing opportunities and provides special consideration for states that are collecting revenues in their pilots. These projects will provide a variety of models from which best practices can be determined and explore the possibility of scaling a road usage charge regionally or nationally.



# THE ROAD USER CHARGE ADVANCEMENT ACT OF 2019

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## **The Problem: Declining Transportation Revenues Fail to Support Necessary Investment**

Increased vehicle fuel efficiency and a stagnant federal gas tax have encouraged increased demand on our transportation system without proportionally contributing to necessary maintenance and investment. Americans are embracing other transportation options and we are transitioning to a clean-energy economy. Within the next decade, it will no longer make sense to have a transportation system financed by gallons of fuel consumed.

There are already significant funding challenges. The federal gas tax, unchanged since 1993, has lost more than 40% of its purchasing power due to inflation and fuel efficiency gains. As a result, Congress has transferred more than \$140 billion in general fund revenues to prop up the Highway Trust Fund since 2008. Without new sources of revenue, or increasing existing sources, the total Highway Trust Fund shortfall is projected to reach more than \$170 billion in the next 10 years.

Our failure to adequately fund our transportation system has impacts in everyone's life. Congestion cost the U.S. economy more than \$300 billion a year and the average motorist pays more than \$600 a year in maintenance costs due to rough roads, to say nothing of the nearly 100 hours each motorist spends in traffic. These statistics will only become grimmer if we can't tie our transportation revenues to our transportation demands.

## **The Solution: An Alternative Fee on Miles Traveled**

Two national transportation study commissions, authorized in 2005, named a road usage charge based on vehicle miles travelled (VMT) as the most promising revenue alternative to the gas tax the "consensus choice" for the future. In recent years, Oregon, Missouri, California, Washington, Colorado, Utah, Minnesota, Delaware, New Hampshire, and Hawaii have operated or are operating pilot projects where drivers are charged for the number of miles traveled as part of the Surface Transportation Systems Funding Alternatives (STSFA) program. STSFA was authorized in the FAST Act and provides \$10-15 million annually to states testing the feasibility, ability to administer, and public acceptance of road user charges. The tests have proved convenient for drivers, demonstrated strong protections for personal privacy, and have been easy to administer.

## **The Road User Charge Advancement Act of 2019**

The Road User Charge Advancement Act of 2019 builds on the success of the STSFA program to further enhance national understanding and competencies in collecting a road user charge. The legislation would reauthorize the program through Fiscal Year 2025, increase the authorization amount to \$35 million, and reduce the state match requirement to incentivize more states to participate. The legislation also includes more frequent reporting requirements to provide more frequent knowledge-sharing opportunities and provides special consideration for states that are collecting revenues in their pilots. These projects will provide a variety of models from which best practices can be determined and explore the possibility of scaling a road usage charge regionally or nationally.

**Supported by:** AASHTO, American Highway Users Alliance, American Planning Association, American Public Works Association (APWA), American Road & Transportation Builders Association (ARTBA), American Society of Civil Engineers (ASCE), American Traffic Safety Services Association (ATSSA), Association of Commuter Transportation (ACT), Association of Equipment Manufacturers (AEM), International Union of Operating Engineers (IUOE), Laborers International Union of North American (LIUNA), and the National Association of Counties (NACo).

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