

## Support User Fees to Fund our Transportation Infrastructure

PRESERVE

THE HIGHWAY TRUST FUND

## **Background:**

Funding for federal surface transportation programs is supported by revenues from motor fuels user fees and other trucking user fees, which are deposited into the Highway Trust Fund (HTF). However, Congress has not adjusted the motor fuels user fees since 1993, and the purchasing power of these user fees has fallen significantly. In addition, improved vehicle fuel efficiency and the growing number of alternative fuel vehicles – like electric – are further reducing revenues. The HTF continues to face revenue shortfalls and it will only get worse over the next decade. As a result, some in Congress and the Biden administration, have questioned the need for a HTF and have suggested funding infrastructure through annual appropriations.

The Infrastructure Investment and Jobs Act (IIJA) included a provision that requires the U.S. Department of Transportation (U.S. DOT) to establish a national pilot program to "test the design, acceptance, implementation, and financial sustainability" of a Vehicles Miles Traveled (VMT) fee system as an alternative to the gas tax for infrastructure funding.

## **AGC Message:**

- **Congress should preserve the Highway Trust Fund.** Questioning the need for a HTF is completely misguided. The HTF provides long-term, dedicated funding for states and local governments to plan for large infrastructure projects. In addition, construction companies would be unable to plan for investments in their equipment and construction workforce.
- **Preserve the User Fee System.** Funding transportation infrastructure from the general fund through the regular appropriations process would make planning construction projects nearly impossible. It would jeopardize construction projects during government shutdowns. Finally, it would jeopardize construction companies' ability to pay their workers.
- Congress Should Hold U.S. DOT Accountable on the VMT Pilot. U.S. DOT is required to create an advisory board which will make recommendations for standing up this national VMT pilot program. U.S. DOT is well overdue on their 90-day deadline to create the advisory board. AGC supported an ENO <u>study</u> that makes recommendations to U.S. DOT on how to effectively stand up this pilot.

## Action Needed:

House and Senate: Preserve the Highway Trust Fund and support user fees to fund our transportation infrastructure.