

Before the

**National Surface Transportation
Infrastructure Financing Commission**

Statement of

The American Trucking Associations

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Driving Trucking's Success

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The American Trucking Associations¹ is pleased to submit comments to the National Surface Transportation Infrastructure Financing Commission. The trucking industry and the highway system that supports it are the linchpins in the nation's freight transportation system. The industry hauls 69% of the freight by volume and 84% by revenue. In addition, the trucking industry plays an important role in the movement of intermodal rail, air and water freight. Truck tonnage is projected to increase, reaching toward the 14 billion ton mark by 2018. Trucking revenue accounts for \$646 billion of our nation's economy. The rest of the transportation modes combined account for \$125 billion. By 2018, trucking revenue will exceed \$1.1 trillion, a market share that will represent 83% of goods moved. This growth, of course, means more trucks will be on the road. We estimate another 2.9 million more trucks will be needed to serve the nation's economy, a 42% increase.²

The trucking industry is a significant user of the highway system and provides a large share of revenues used to fund transportation infrastructure maintenance and improvement. In 2005, commercial trucks paid 35.7% of state and federal highway user fees, a total of \$35.2 billion.³ This included \$16.55 billion paid into the federal Highway Trust Fund, accounting for 42% of HTF receipts. However, truck use of the system was disproportionately low compared to fees paid. Commercial trucks comprised 10.9% of registered vehicles in 2005 and 13.8% of vehicle miles traveled.⁴

ATA commends the Commission for providing a clear picture of the current status of the surface transportation system. Among the statements in the interim report that should be amplified are:

- Current HTF revenues are grossly inadequate for funding even maintenance of the system.
- The highway system does not meet the demands of travelers, goods movement and safety.
- Greater investment, coupled with wiser investment, is needed.
- Federal funding must be considered in the context of national needs.

ATA believes that sources of funding for surface transportation – highways in particular – should meet the following general criteria:

- easy and efficient to collect;
- have a low evasion rate;
- be tied to highway use; and
- not create impediments to interstate commerce.

¹ The American Trucking Associations is the largest national trade association for the trucking industry. Through a federation of other trucking groups, industry-related conferences and its 50 affiliated state trucking associations, ATA represents more than 37,000 members covering every type of motor carrier in the United States.

² Global Insight, *U.S. Freight Transportation Forecast to...2018*, 2007.

³ The American Trucking Associations, *Trucking Trends 2007-2008*.

⁴ Federal Highway Administration, *2005 Highway Statistics*.

Fuel Tax

ATA believes that fuel taxes meet all of these criteria. Currently, the federal tax on diesel generates approximately \$400 million per year for each penny collected. ATA believes that a reasonable increase in this tax could finance a significant share of projects critical to the movement of highway freight, assuming the revenues are not diverted to other uses. We recognize that over the long term, due to changes in vehicle technologies, the tax on diesel and gasoline may not be a viable source of revenue. We are willing to consider alternatives that meet the criteria described above.

Tolls

Because of important measures adopted by Congress and by state and federal taxation agencies, fuel tax evasion is relatively low. Tolls, on the other hand, are often easily evaded, usually by motorists using alternative, less safe routes that were not built to handle the level and type of traffic experienced due to toll evasion. This was most clearly illustrated by the exodus of traffic from the Ohio Turnpike when toll rates on that highway were increased by 82% in the 1990s. When the Ohio Turnpike increased its truck toll rate to 17.6 cents/mile for 5-axle trucks, the result was massive diversion to alternate routes. The Ohio Department of Transportation found that a decade after the increase, growth in truck traffic on the turnpike was static, while truck traffic on parallel roads tripled. ODOT determined that these parallel routes had much higher accident rates. For example, U.S. 20, which saw a 267 % increase in truck traffic, had a fatal accident rate that was 17 times higher than the Turnpike's rate.

Traffic diversion is also one reason why it is absolutely essential for the federal government to maintain control over tolling of Interstate Highways. When tolls are imposed on a highway, diversion of traffic can have impacts well beyond the immediate highway corridor or state border. This was clearly illustrated when Virginia was considering a private-sector proposal to build mandatory-use tolled truck-only lanes along all 325 miles of Interstate 81 in the Commonwealth. A study conducted for the state⁵ found that under the toll rates being considered, more than half of the trucks and at least three-quarters of truck vehicle miles would shift to alternate routes. Under a conservative toll rate, the study predicted that approximately 26% of truck miles would shift to routes outside the Commonwealth. Some of these routes would take trucks through already congested, highly polluted cities, including Atlanta and Washington, DC.

Furthermore, through their ability to strategically place toll collection facilities, states can target out-of-state drivers. While the Commerce Clause provides some protection, tolling Interstates provides too great an incentive for states to impose tolls on motorists who have little or no political influence over such practices.

Maintenance of federal authority over tolling Interstate Highways is the only way to ensure that the interstate impacts are accounted for when determining tolling costs and benefits. The right of citizens to petition government for redress of grievances must not be taken away through the granting of unfettered authority by states to impose tolls on interstate travelers. While one may

⁵ Reebie Associates, *The Impact of Tolls on Freight Movement for I-81 in Virginia*, April 8, 2004.

argue that tolls are simply a user fee, when toll agency revenues exceed what is necessary for maintenance, operation and construction of the facility, the toll becomes a tax, and the user has the right to political representation in the setting of toll rates, representation that only the federal government can provide to a motorist who is not a resident of the state. This is particularly important when one considers that the federal government typically provides 90% of the funding for Interstate Highway construction.

Furthermore, there are significant capital and operating costs associated with collecting tolls, while fuel taxes are relatively inexpensive to administer. While state fuel tax collection costs are one to two percent of revenue, on major toll roads collection expenses constitute one-quarter to one-third of revenue.⁶ Adoption of open-road tolling will eliminate some labor costs, but the capital investment will take decades to recover. Furthermore, as the number of toll facilities grows, so too do the number of points of collection, creating an administrative nightmare for trucking companies who operate throughout the country and are often required to establish accounts with multiple tolling authorities. A lack of transponder uniformity will also force carriers to purchase and install multiple transponders.

In short, due to their steep collection costs, tolls are not an ideal method for collecting user fees under most circumstances. These costs must be offset by user benefits in order to justify the use of tolls as a financing mechanism. Furthermore, while the interim report discusses the political hurdles associated with increasing fuel taxes, the Commission should also acknowledge the strong public opposition to tolls, particularly on existing highways. The public is more likely to accept a fuel tax increase than a toll on an existing road. Interstate tolling has been authorized since 1991, yet no Interstate Highway, other than HOV lanes, has been tolled; however, since 1991 most states and the federal government have raised their fuel taxes. It is folly to suggest, as some have, that tolls are a more politically acceptable means of raising money for transportation than are fuel tax increases. This has not been our experience, and most public opinion surveys to the contrary do not give enough information for respondents to give an informed opinion. Once people learn the details of specific toll projects, such as the toll rates and the impacts of traffic diversion, for example, opinion tends to shift in opposition to tolls.

Furthermore, tolls represent double taxation. Truckers pay an average of nearly 50 cents per gallon in federal and state taxes on the diesel fuel they consume, and they pay federal excise taxes on the equipment they purchase, on the tires they use, and for the privilege of using their trucks. The states levy truck registration fees that average more than \$1,500 a year per truck, and some states impose other highway user taxes as well. These federal and state taxes apply whenever a motor carrier uses a road – whether that road is tolled or not. The state fees effectively serve as a mileage tax because they are paid (by interstate trucks) based on miles traveled in the state. Therefore, although the motor carrier industry strongly supports a system of taxation based on highway use, charging tolls on top of existing highway fees is inefficient, inequitable, and unfair. This is particularly true when the toll road is leased to a private investor, relieving the state of any cost responsibility for that facility.

⁶ American Transportation Research Institute, “Highway Funding Analysis: Defining the Legacy for Users,” 2007.

Congestion Pricing

An element of tolling is congestion pricing – the theory that if users pay their full marginal social costs of driving some would make different choices. Generally, the choices are to travel at a time of day when traffic congestion is less severe or to choose an alternate travel mode. For the trucking industry, no alternate mode exists. In addition, the trucking company's customers generally decide pick-up and delivery times. Because of the competitive nature of the industry, many trucking companies find it extremely difficult to allocate toll costs to individual deliveries, thus giving the shipper no incentive to change schedules. Therefore, congestion pricing is not an appropriate mechanism for regulating travel time choices of trucking companies. A more effective approach would give direct incentives to shippers who make choices that are likely to reduce traffic congestion. These conclusions are supported by a recent report from the Rensselaer Polytechnic Institute.⁷ That study found that when pricing was imposed on trucks entering New York City, only 9% passed the fees on to their customers, and on average, the increased rates did not recover the total toll cost. The study concluded that a toll charge of \$203 – which must all be passed on to the shipper – is the minimum price necessary to substantially affect receivers' willingness to adjust delivery schedules.

The impact of congestion pricing on congestion in general is questionable. While the economic theory may be sound, actual implementation is likely to be problematic. The number of passenger and commercial vehicle drivers who are willing and able to change their travel patterns is likely to be low, in part because the very high price necessary to drive these decisions is unlikely to pass political muster. While the London congestion charge is often cited as an example of pricing that works, the most recent evaluation by Transport for London⁸ found an *increase* in congestion in both the charging zone and surrounding areas. TFL attributed this conclusion to various road construction projects. Nonetheless, there is no definitive evidence to date which suggests that London's pricing scheme has reduced congestion in the central city or beyond over the long term.

The most logical U.S. area for implementation of congestion pricing is Manhattan, given the low number of access points on the island and the high level of congestion. Indeed, New York City recently considered such a scheme, which was ultimately rejected by the state legislature. An evaluation of the initial proposal submitted by the Mayor showed that pricing would have very little impact on congestion. Speeds within the pricing zone were projected to increase by just 7%, bringing speeds from a current average of 8 mph to a new average of 8.56 mph.⁹

Privatization of Toll Facilities

ATA believes that while private financing of highway infrastructure may play a limited role in addressing future transportation needs, certain practices may generate unintended consequences whose costs will vastly exceed their short-term economic benefits. In particular, we are very concerned about attempts by some states to carve up the most important segments of the

⁷ Jose Holguin Veras. *Necessary Conditions for Off-Hour Deliveries, Freight Road Pricing and Alternative Policies in Competitive Markets*, 2007.

⁸ Transport for London. *Central London Congestion Charging: Impacts Monitoring, Fifth Annual Report*, July 2007.

⁹ City of New York. *PlanYC Transportation Technical Report*, April 22, 2007.

highway system for long-term lease to the highest bidder. We believe that leasing existing highways to private interests is inconsistent with the efficient and cost-effective movement of freight, is not in the public's best interest, and represents a vision for the Nation's transportation system that is short-sighted and ill-conceived. We therefore oppose these schemes.

While privatization discussions tend to center on financing concepts and the great public benefits from concession fee revenue, what often gets lost or ignored is the impact of these deals on the users of the toll facilities and on the general public. Chief among the concerns is the impact of toll road privatization on toll rates. Demand elasticity, the art and science of determining how high rates can increase before a significant number of users will abandon the toll road, is the private operator's chief method for deciding appropriate toll rates. Private toll road operators need not be concerned about the social impacts of toll rates on low-income workers, or on the costs to businesses that depend on the highway for transporting employees, customers, goods or services. Nor do private operators care about the extent of traffic diversion to lower quality, less safe, roads. Their main concern is to maximize the toll road's profitability within the confines of the lease agreement and the law.

Supporters of privatization point out that toll rates are unlikely to increase substantially because customers will choose to simply migrate to toll-free roads. In some cases, this may be true – a reasonable toll-free alternative may be available. On most major toll roads, however the only alternative may be a two-lane road with traffic lights and a significant amount of local traffic. In the case of a toll bridge or tunnel, there may be no alternative at all. Complicating the situation is a standard practice of including non-compete clauses in lease agreements, which prohibit or severely restrict improvements to competing roads. While these clauses have become less egregious over the years, lessees have a great incentive to become advocates for making alternative routes less efficient in other ways. For example, a non-compete agreement struck between the private operator of the E-470 in the Denver area and local jurisdictions resulted in traffic lights being installed and speed limits lowered on Tower Road in Commerce City in order to make Tower Road a less attractive alternative to the E-470.¹⁰ Private operators are likely to become advocates against any improvements to competing routes, regardless of how the lease agreement is written.

Privatization boosters also point to caps on toll rate increases that have been a standard part of privatization agreements. However, two major lease agreements that have been completed in the United States – the Indiana Toll Road and Chicago Skyway – have been accompanied by very large initial rate increases combined with caps on future increases that by some estimates could exceed six percent annually. Close examination of these deals reveals the extent of the problem and should serve as warnings about future privatization efforts.

Indiana Toll Road

In 2006, the state of Indiana agreed to lease the Indiana Toll Road to the Macquarie-Cintra private sector consortium. In exchange for a \$3.85 billion concession fee, the firms can collect the toll revenue and agree to operate, maintain and improve the highway. Under the agreement, toll rates for a 5-axle truck increase incrementally from \$14.55 to \$32.00 in 2010 (all figures

¹⁰ Denver Post. *Toll of E-470's No-Compete Pact: Deal Creates Gridlock by Design*, Nov. 9, 2005.

assume the truck traverses the entire length of the highway). On June 30, 2010 the lessee can increase toll rates by 8.2%, the rate of inflation (CPI) or the annual rate of change in national GDP per capita, compounded over the previous 4 years. Since 1960, the annual average rate of change in GDP/capita was 6.2%. From 2004 to 2005, the increase was 5.4%. Assuming a conservative 5.5 % annual average increase, the toll rate for a 5-axle truck may therefore rise by up to 23.9%, or to a rate of \$39.64 in 2010. Therefore, toll rates for a 5-axle truck may increase by about 172% over five years if the lessees decide to maximize toll rate increases. Less than two years after financial close, toll rates for a 5-axle truck increased by more than 87%, from \$14.55 to \$27.25. Toll rates on cars paying cash went up by 72%. However, the State of Indiana has been paying Macquarie-Cintra to delay toll rate increases on passenger vehicles with electronic toll tags. Therefore, the financial impact on taxpayers has been understated. The impact of Turnpike privatization on users of the highway has been significant. Over a 2-year period between September 2005 (prior to privatization) and September 2007 (14 months after privatization) revenue increased by more than 62% despite a four percent reduction in traffic.¹¹

Toll rate increases of these magnitudes will inevitably result in diversion of traffic. By 2010, the truck toll rate on the Indiana Toll Road is likely to be approximately 25 cents per mile, 42% higher than the Ohio Turnpike's toll rate at its peak. The two highways are essentially the same route, and have similar alternatives. Therefore, it is reasonable to expect a level of diversion on the Indiana Toll Road that is at least as great as was experienced in Ohio.

There is a significant difference between the states that allows one to address these challenges effectively and forces the other to suffer the consequences. Because the Ohio Turnpike Commission is a public authority, the Governor and Secretary of Transportation were able to make changes – including lowering truck toll rates and increasing speed limits – which attracted a substantial amount of truck traffic back to the turnpike. Since control of the Indiana Toll Road has shifted from public to private hands, addressing these types of issues will not be quite as easy, and the lessees will base all changes in their operations on the potential impacts on their profitability, and not on the impacts on the public welfare.

As bad as the situation may be under the 2010 toll rates, it may even get worse. Beginning on June 30, 2011, the lessees may use the same criteria identified for annual toll increases. Assuming an average annual 5.5 % increase in GDP/capita, the maximum potential toll rates for a 5-axle truck are:

- 5 years: \$51.81
- 10 years: \$67.71
- 20 years: \$115.56

This rate of increase will produce a toll rate that by 2016 will be equivalent to a fuel tax of approximately \$2.00 per gallon, and by 2031 will equal \$4.42 per gallon.

It has been suggested that these massive toll rate escalations are unrealistic because, as has been demonstrated on other facilities, including the Ohio Turnpike, raising the toll rate too high forces

¹¹ Macquarie Infrastructure Group. Press Releases October 8, 2006; October 8, 2007.

significant traffic off the highway. However, the lessee will set a toll rate to a level that maximizes profitability, not traffic. In fact, when the Ohio Turnpike lowered its toll rates, the highway experienced an income loss, despite significant traffic increases. Private sector operators have little or no interest in and no responsibility for what happens off the toll road. In fact, if Indiana wants to upgrade alternative routes to Interstate Highway quality standards to address traffic problems caused by diverted toll road traffic, the state will have to compensate the toll road operators for loss of revenue. This creates a perfect scenario for the lessee: a portion of the revenue lost due to diversion of traffic as a result of high tolls will simply come back as compensation from the state, and the lessee profits additionally by avoiding maintenance and expansion costs that it would otherwise have borne had that traffic not diverted. The combination of construction costs and compensation to the lessee could, over the course of a 75 year lease, easily exceed the state's concession fee plus earned interest.

Finally, the projected toll rates far exceed what is necessary to raise sufficient money for the operation, maintenance and improvement of the Indiana Toll Road. This means that toll road users will be forced to subsidize other state functions and enrich toll road investors, with little benefit to themselves.

Chicago Skyway

Effective in 2005, the City of Chicago agreed to a concession agreement in which Macquarie-Cintra would take control of the Chicago Skyway for 99 years in exchange for \$1.8 billion. Concession revenue is to be used primarily to pay off city debt.

Macquarie-Cintra used similar toll escalation caps for both the Indiana Toll Road and Skyway deals. However, the availability of free alternatives may hold rates down. On the other hand, because the Chicago area is already very congested, an acceptable loss of traffic to the owners of the Skyway due to toll rate increases may have a negative impact on the mobility of the alternative routes. Again, however, profit, not regional mobility or the larger public interest, is the lessee's main concern. Therefore, by giving up control of this asset, the city has also given up the ability to incorporate it into a broader transportation strategy.

Interestingly, the lessee was given the option to increase tolls during peak travel periods for vehicles with more than 3 axles (i.e. trucks and buses), which they have already taken full advantage of. However, the concession agreement did not allow them to impose congestion pricing on passenger vehicles, which comprise the vast majority of vehicle traffic and cause the bulk of the congestion.

Toll rates will increase by 150% over the first 12 years of the lease and then are capped at about 6% (based on historical GDP/capita). Most Skyway users are Indiana residents, so there is little political impact from these increases and little recourse for users of the toll road other than to vote with their wallets and use an alternative route if possible. The toll increases are essentially a commuter tax, with the lessees and the city, not the payers of the tax, enjoying the benefits of the revenue.

Beyond the concerns over toll rates, there are also questions about whether private toll road operators will act in the public's best interest. It is impossible to predict changing circumstances over the life of a lease, which tend to be long-term – up to 99 years in duration. Many of the facilities under consideration for private takeover are among the most critical links in our freight and military logistics chains. They are also important commuter and tourist arteries. Will the private operators act in the public interest, even if it cuts into their bottom line? Given that their responsibility is to their shareholders, this is unlikely. When other corporations act in a manner that is not perceived to be in the public's best interest, the free market tends to correct their behavior. In a situation where the corporation essentially has a monopoly, these market forces do not exist. When the free market fails, government must often step in to protect the public. ATA believes that when it comes to the long-term lease of critical highway infrastructure, it is necessary and appropriate for the federal government to take action to protect the public interest and to establish interstate commerce protections.

We also believe that if too much reliance is placed on the private sector for financing highways, the criteria for project selection will shift from larger public benefits such as congestion mitigation, safety and reduction of emissions, to an evaluation of the project's ability to pay for itself and to subsidize unrelated government functions.

Mileage Fees

ATA has many concerns about mileage (or VMT) fees, and until these concerns are resolved, we oppose mileage tax schemes as a replacement for or supplement to traditional highway fees.

The most oft-cited reason for a mileage tax is that as vehicles become more fuel-efficient, or as gasoline and diesel are replaced, the fuel tax will become an unreliable or obsolete source of revenue. However, most experts predict that this only becomes a real concern in 15-20 years. In addition, it is possible that the source of energy, whether electricity, natural gas, hydrogen, etc. could be taxed, making mileage taxes unnecessary. Indeed, the Oregon pilot program documentation acknowledges that electric vehicles, which cannot be charged the mileage fee at a gas station, can be assessed a fee based on the amount of electricity used for recharging.

There is great potential for evasion due to individual points of collection (i.e. every single motorist). While technology may be available to limit evasion, any technology can be defeated. The Oregon pilot program, which relies on in-vehicle technology, was a voluntary system and therefore has not considered the potential for evasion. Indeed, the technology used could be “unplugged” at the gas station to avoid mileage fee payment. GPS-based systems, such as that currently being utilized for trucks in Germany and the system outlined in the University of Iowa study, also rely on on-board technology, which can be tampered with. Significant effort and expense is required to ensure compliance. Austria, which uses a DSRC system to charge truck tolls, relies on an extensive and expensive network of overhead gantries, which read an on-board unit and apply a mileage charge with each pass. Switzerland has a similar system, but also utilizes GPS. In both cases, as well as in the German system, the gantries are used to verify that a valid, working OBU is installed.

Collection likely entails significant capital and operating costs, particularly related to enforcement. The user faces potentially significant capital costs to purchase and install the transponder or on-board unit. Costs could be minimized if installed as original equipment, but near total fleet turnover will likely take 20 years, requiring extensive retrofitting unless a dual mileage/fuel tax system is adopted. It is clear, however, that the collection costs to both the user and the tax collector will be far greater than is currently experienced under the fuel tax system.

ATA is also concerned about the significant interstate commerce implications brought about by the ability to use differential pricing based on geographic location. States could very well determine where interstate traffic is prevalent and charge disproportionately high fees based on geography. This creates the need for federal oversight and possibly a high degree of federal control.

Finally, while widescale use of congestion pricing has been touted as one of the benefits of mileage fees, this creates significant complications that will make it very difficult for carriers to recover their costs.

Additional Revenue Sources

We encourage the Commission to consider potential additional revenue sources identified in a study by the American Transportation Research Institute.¹² Government fleets represent a very large hidden subsidy vis-à-vis their exemption from, or tax reimbursement of, fuel taxes. These fleets are large – easily exceeding more than 5 million vehicles, although this may not include local government fleets. Of these, nearly 2 million are trucks. The simplistic argument is that government ought not to charge itself taxes. Unfortunately, the more pressing, and unstated, issue is user-payment equity and unfair subsidies. It is well understood that publicly owned vehicles such as transit buses, snow-plows and road construction trucks transmit considerable axle-weight pressures. ATRI research shows that a significant percentage of these government vehicles do not pay state and/or federal fuel taxes. The effect is that pavement damage, infrastructure maintenance costs, and related revenue shortfalls caused by government fleet exemptions are borne by, and blamed on, the private-sector users. This creates an ironic hypocrisy to government-generated arguments that vehicles are not paying fully allocated costs of using the transportation system.

All IRS federal fuel tax exemptions must be eliminated in order to identify, attribute and collect the desired federal user fees. The impact of exempting government fleets from state fuel taxes is also significant and important, but more politically challenging. The value to just the Federal HTF exceeds \$500 million per year.

Existing transit operational subsidies are typically \$1 - \$2 per regular route passenger, and can exceed \$20 per rider for suburban and paratransit systems. While it may not be politically palatable to eliminate the HTF transfer made to transit, it is not well known that the hundreds of thousands of transit vehicles are also not paying the majority of state and federal fuel taxes. To fully understand the true costs and impacts of transit, transit exemptions should be disclosed.

¹² *Ibid.*

Finally, in nearly every instance that a state “leaking underground storage tank” remediation fund has been challenged in court as not being an appropriate use of HTF revenues, the court has required the removal of the LUST fund from the HTF. Furthermore, the Federal LUST fund receives more than \$72 million each year from gas and diesel fuel tax. This money should instead be dedicated to transportation projects.

The Federal Role

One of the Commission’s Congressional charges is to determine whether the federal role in funding surface transportation should be reduced. ATA believes that while the federal role must continue, it must also change.

When the federal highway program was created, it had a clearly defined mission: to finance construction of the Interstate Highway System. When that mission was complete, the money was still coming into the Highway Trust Fund (HTF), but Congress did not identify a new federal role. With few exceptions, Congress and the states tend to view the HTF and the highway authorization process as simply an opportunity to address parochial interests, without putting these decisions into the context of a broader national vision. What attempts are made to focus on national priorities tend to get lost in the battle for greater state apportionments and earmarks for local projects. In the meantime, critical projects whose failings have national or broad regional implications go unfunded. The ability to plan, from a national perspective, for the transportation challenges of the 21st century, is impossible within this parochial atmosphere.

This is not to suggest that the current federal program is devoid of benefit. Local transportation challenges are necessarily dealt with by state and local governments, and the continued flow of federal resources to address these needs is important. However, because the full benefits of moving freight extend beyond metropolitan and state boundaries, projects which might otherwise receive a higher priority go unfunded, in part because many are extremely expensive and would, by themselves, eat up state budgets.

The failure by planners at all levels of government to identify and fund projects that are important to the movement of freight points to problems in the transportation planning process itself. While federal law requires states and Metropolitan Planning Organizations to identify transportation needs within their own boundaries, vehicle travel is not bounded by lines on a map. Transportation extends across state and local government borders, but currently the planning process does not. While a small number of states have adopted a degree of regional planning, the ability to fund projects outside of their states, even when they are likely to benefit greatly by such decisions, is tempered by political reality. The federal government is the only entity in a position to determine the national and regional benefits of highway projects that facilitate the movement of freight, and is singularly equipped to provide sufficient resources and strong leadership to ensure that these projects are completed. We cannot stress enough our disagreement with those who believe that the federal role in funding highway projects should be discarded in favor of local control and private finance. ATA believes that the federal government must adopt a new mission: to provide the leadership and resources necessary to facilitate the safe and efficient movement of goods on the nation’s highway system.

Conclusions

ATA urges the Commission to consider the impacts of any highway user fee on the users of the system, and to ensure that all costs, both direct and indirect, are accounted for to the extent feasible. This includes the safety, energy, economic and environmental effects of the fee. For example, no examination of toll financing is complete without also considering the additional infrastructure, energy and environmental costs due to evasion.

We hope that these comments are helpful. Noting that the Commission has not met with a single individual or organization who directly represents the interests of those who use the highway system or pay highway user fees, ATA would be more than willing to meet with the Commission to further discuss our views.

Thank you for the time and effort that you have committed to this very difficult task, and for the opportunity to provide input. Any questions or comments may be directed to Darrin Roth, ATA's Director of Highway Operations, at droth@trucking.org or (703) 838-1900.