Hold For Release
February 26, 2009

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The U.S. Should Shift From the Gas Tax to a Mileage-Based Usage Fee by 2020.
The current federal motor fuels tax is unsustainable over the long term.

(Washington D.C.) — A bi-partisan Congressionally-created commission will urge lawmakers to fundamentally shift the way the federal government collects revenues to fund transportation infrastructure. Culminating nearly two years of study and deliberation, the National Surface Transportation Infrastructure Financing Commission will offer its consensus view and roadmap for sweeping reform of the nation's transportation infrastructure funding approach with the release of its final report *Paying Our Way: A New Framework for Transportation Finance* during a press conference on Thursday February 26th. The Financing Commission will offer specific recommendations for addressing the significant and widening gap between federal investment and the nation's transportation infrastructure needs, while at the same time moving the federal government away from reliance on motor fuel taxes toward more direct fees charged to transportation infrastructure users. Charging vehicle drivers a mileage fee embodies the "user pays" principle and more accurately aligns the costs and benefits of the surface transportation system to those who are using it. More transparent charges for using infrastructure may also spur drivers to use the system more efficiently, reducing the overall investment need.

"With the expected shift to more fuel efficient vehicles," said Robert Atkinson, the chair of the Financing Commission and president of the Information Technology and Innovation Foundation, "it will be increasingly difficult to rely on the gas tax to raise the funds needed to improve, let alone maintain our nation's surface transportation infrastructure." In addition to a federal mileage-based charge, the Financing Commission calls for the federal government to facilitate state and local governments' ability to raise their share of needed revenues in ways that also spur efficient use of the system and stepped-up investment, including through tolling portions of roads and charging premiums for rush-hour travel in heavily used urban corridors, so-called congestion pricing. The Financing Commission provides detailed recommendations for lawmakers to facilitate the effective use of private investment and to provide government credit support to assist in the financing of transportation infrastructure projects to stretch the federal government's limited resources. In order to support the transition from the gas tax to a mileage-based charge, the Financing Commission recommends a ten cent per gallon increase in the federal gas tax (15 cents for diesel) and indexing the tax to inflation going forward. The gas tax, which is not currently indexed to inflation, has lost 1/3 of its purchasing power since 1993, the last time the tax was increased. The Financing Commission urges the federal government to act swiftly. While the nearly $40 billion in transportation infrastructure spending included in the stimulus package will be helpful, it will cover only a very small share of the shortfall in highway and transit funding and will not address the systemic crisis the nation faces in its surface transportation infrastructure investment.

"We must start transitioning to a new paradigm now," says Commissioner Mike Krusee "If we don't start, we will never get there."

The Financing Commission Press conference: National Press Club 2-26-09 9:30 am EST.
For more information on the Financing Commission, please visit:
http://financecommission.dot.gov/