

## **Federal Fuel Tax Remains Most Effective Way to Fund Highway Infrastructure**

On July 23, ATA told the House Subcommittee on Select Revenue Measures, House Committee on Ways and Means, that the federal fuel tax remains the most cost-effective way to fund essential highway infrastructure projects.

In her statement on behalf of ATA, 2<sup>nd</sup> Vice Chair Barbara Windsor said that an increase in the fuel tax -- with the additional revenue invested in projects and programs that address national highway infrastructure needs -- is by far the best way to ensure sufficient funding for highway projects over the near term.

“With collection costs at just 0.2 percent of revenue, no alternative funding schemes can match the efficiency or equitability of the federal fuel tax,” said Windsor, who is President and CEO of Hahn Transportation, based in New Market, Maryland.

ATA maintains support for the federal fuel tax because it:

- Offers minimal opportunity for evasion;
- Can be collected and enforced without imposing excessive administrative and recordkeeping burdens on highway members;
- Is based currently on readily verifiable measure of highway and vehicle use;
- Remains uniform in application among classes of highway users; and
- Does not create impediments to interstate commerce.

Windsor explained that highway funding schemes like tolling, vehicle miles traveled taxes or public-private partnerships do not stand up to the criteria for viable highway funding and provide a minimal return on the highway user’s investment.

A strong transportation system is the backbone of our nation. Trucking pays 33 percent of state and federal highway user fees, but logs just 14.4 percent of annual vehicle miles traveled on our highways. In addition to the federal fuel tax, trucks contribute to the system through a Heavy Vehicle Use Tax paid on all trucks above 55,000 pounds, a sales tax on all trucks and trailers, and an excise tax on tires.

Windsor also said that the climate and energy legislation recently passed in the House is likely to significantly increase the cost of fuel. This increase would impose significant costs on American consumers and jeopardize the ability of the trucking industry to fund both the highway infrastructure that is greatly needed and also absorb the added costs to fuel brought by climate and energy legislation. It is important to note that improving highway infrastructure will decrease fuel consumption and carbon output by both cars and trucks.

Click [here](#) to read the entire testimony from Barbara Windsor.