

# KEEP OUR TRANSPORTATION SYSTEM MOVING

Our country's transportation system faces a financial crisis, with its main source of money, the Highway Trust Fund, barely staying solvent.

Read on to learn how our current funding system is designed and why it needs fixing.

## WHAT IS THE HIGHWAY TRUST FUND?

### IT'S PRETTY STRAIGHTFORWARD

The Highway Trust Fund is a supply of money that pays for the country's Interstate highways and other roads, bridges, and public transit systems – the heart of our surface transportation system.

By keeping our transportation infrastructure modern and efficient, the Highway Trust Fund helps improve national mobility and grow our economy.

### WHERE DOES THIS MONEY COME FROM?

*Drivers pay a federal gas tax that acts as a user fee, which helps pay for road upkeep.*

### WHO DECIDES WHERE THE MONEY GOES?

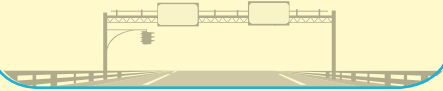
*While the tax is collected by the federal government, all gas tax payments are allocated to individual states that hold the power to decide how the money is spent.*



# WHAT DOES THE HIGHWAY TRUST FUND PAY FOR?

1

Interstate highway construction and maintenance



2

Safety improvements like stronger guardrails and better lighting

3

Building and maintaining bridges and roads



4

Safety research and program development

5

Public Transportation



6

Advanced technologies to reduce congestion



# The Highway Trust Fund is projected to go bankrupt by May 2015.

## A LITTLE HISTORY

### HOW DID WE ARRIVE AT TODAY'S CURRENT SITUATION?

TAX PER GALLON

\$ . 0 1

TAX PER GALLON

\$ . 0 3

1 9 3 2

The federal government imposes a one-cent excise tax per gallon of gasoline to help reduce the deficit.

1 9 5 6

The Federal-Aid Highway Act is implemented to fund construction of the Interstate System and permit long-term spending. This law creates the Highway Trust Fund and the fuel tax is set at three cents.



TAX PER GALLON

\$ . 04

TAX PER GALLON

\$ . 09

TAX PER GALLON

\$ . 14

TAX PER GALLON

\$ . 18

1959

The federal government increases the tax by one-cent per gallon. (four cents)

1982

The tax is increased by five cents per gallon. (nine cents)

1990

The tax is increased by five cents per gallon. (14 cents)

1993

The tax is increased by 4.4 cents per gallon. (18.4 cents)

## OUR CURRENT PROBLEM

# SO WHAT'S BEEN HAPPENING SINCE 1993?

Costs have continued increasing and Congress has done nothing

## THE GAS TAX HAS LOST ALMOST 40 PERCENT OF ITS PURCHASING POWER

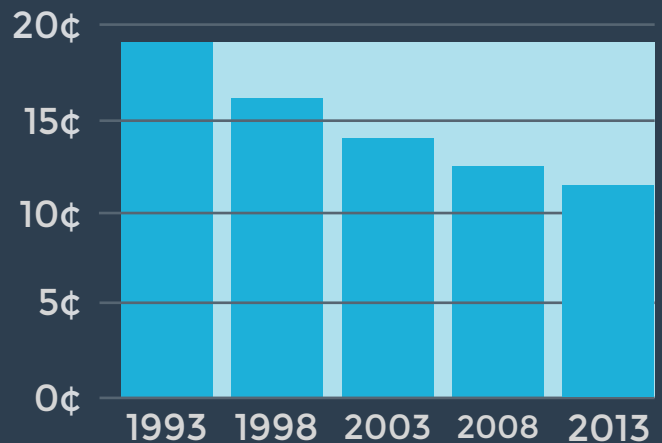
*Still set at 18.4 cents per gallon of gasoline, the fuel tax has a drastically lower purchasing power than it did in 1993.*

## WHAT ARE THE IMPLICATIONS?

*Since 2008, the federal government has regularly scrambled to provide the Highway Trust Fund with enough money to get by in the short-term without coming up with a long-term solution to fix a perpetually draining fund.*

### PURCHASING POWER OF GAS TAX (1993 dollars)

Cents per gallon



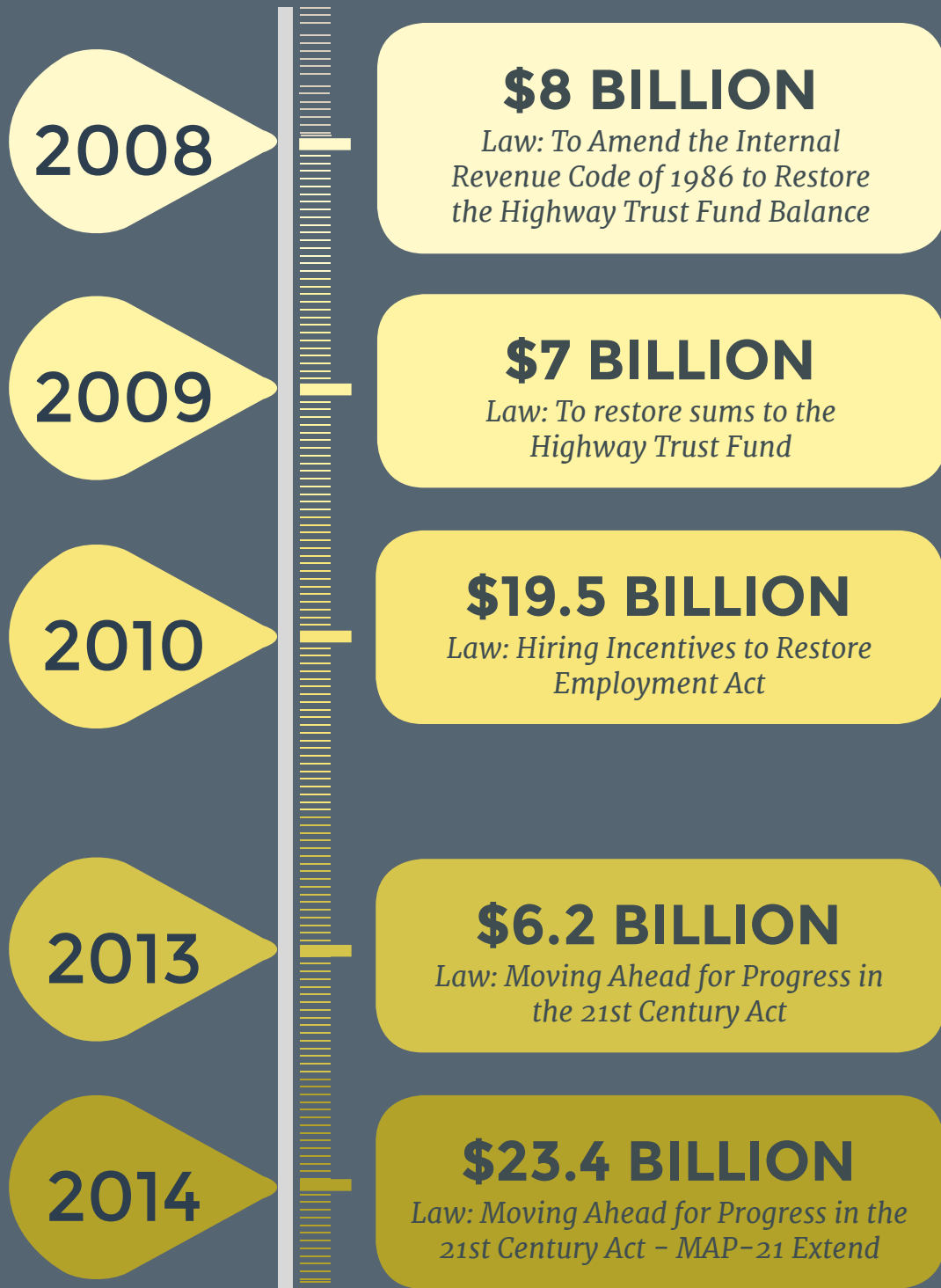
■ Federal gas tax

■ Federal gas tax adjusted for inflation

IF CONGRESS HASN'T ACTED TO KEEP THE HIGHWAY TRUST FUND SOLVENT IN THE LONG-TERM, THEN HOW HAVE TAXPAYERS FUNDED NEEDED TRANSPORTATION MAINTENANCE AND IMPROVEMENT?

# THE SHORT-TERM SOLUTION: BORROWING GOVERNMENT MONEY

TIMELINE: A TOTAL OF \$64.1 BILLION OF BORROWED MONEY



The latest short-term funding expires in May 2015

HOW DID WE GET HERE?

# WHY HAS THE HIGHWAY TRUST FUND ERODED?

①

Congress didn't  
peg the fuel tax  
to inflation

②

Vehicles are  
more fuel-  
efficient

③

Increasing  
need for road  
repair

④

Rising  
construction  
costs

⑤

Reduction in  
annual miles  
driven

⑥

An aging  
system

(Sources: Department of Transportation, FHWA, FTA)



## HOW CAN THIS SYSTEM BE FIXED?

One way is by raising the fuel tax

### WHY IS THIS THE BEST IMMEDIATE OPTION?

- ① It has served Americans well as a user fee for decades.
- ② It is simple to collect and can be done immediately with no additional collection costs.
- ③ **It is fair:** Those who use the roads pay for better and safer roads.



# HOW WILL FIXING THE FUND BENEFIT YOU?

Increasing the federal gas tax produces real-world benefits for the average motorist.

## SAVE ON VEHICLE REPAIRS

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# \$324

*The average driver currently spends \$324 per year in vehicle repairs and operating costs due to poor road conditions.*

per year in vehicle repairs

## CUT THE COSTS OF CONGESTION

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# 5.5 + 2.9

*In 2011, Americans wasted a total of 5.5 billion hours and 2.9 billion gallons of gas stuck in traffic. Those numbers are projected to rise to 8.4 billion hours and 4.5 billion gallons in 2020.*

billion hours

billion gallons of gas

## PROTECT THE ECONOMY

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# 877,000

*877,000 jobs are at risk if Congress doesn't act now to fill the Highway Trust Fund.*

jobs at risk

### Resources

The Federal Excise Tax on Gasoline and the Highway Trust Fund: A Short History  
Department of Transportation, FHWA, FTA  
Texas A&M Transportation Institute  
Federal Highway Administration



U.S. CHAMBER OF COMMERCE

