

October 15, 2024



We're Building A
Better America!

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Hon. Jason Smith
Chairman
Ways and Means Committee
House of Representatives
1100 Longworth House Office Building
Washington, DC 20515

Chairman Smith,

A safe, well-functioning, and resilient national transportation system is the foundation of a strong economy, national defense, and quality of life benefits such as access to employment, education, recreation, and health services. Because of these tangible outcomes, Congress and multiple administrations have wisely chosen to continue increasing investments in surface transportation programs, most recently with the Infrastructure Investment and Jobs Act (IIJA). The levels of investment to states and localities are enabling the transportation construction industry to deliver multi-modal infrastructure improvements nationwide.

For the last decade, user fees alone have failed to cover federal surface transportation investment outlays. As such, the Highway Trust Fund (HTF) has faced seven separate revenue shortfalls since 2008, requiring the transfer of over \$270 billion from the federal General Fund (GF) of the U.S. Treasury to the HTF.

With the current surface transportation law expiring in 2026, absent additional user fee revenues, the Congressional Budget Office estimates the HTF will require another \$139 billion in GF transfers to support surface transportation investments traditionally maintained by the HTF. Further, if the next Congress and the administration continue to supplement HTF investments at levels consistent with the IIJA, for highway, mass transit, safety and multi-modal transportation grants, the total additional revenue necessary beyond what is projected from existing user fees would climb to approximately \$245 billion, adjusted for inflation.

As your committee debates revenue measures in the 119th Congress, the 34 national associations and labor unions of the Transportation Construction Coalition (TCC) call on the committee to address the HTF shortfall in 2025, as part of any package dealing with the expiring tax provisions from 2017's Tax Cuts and Jobs Act, to ensure timely implementation of a new surface transportation authorization law in 2026. The revenue raised from these user fees could also help offset the cost of other tax priorities and reduce the need to supplement the HTF with additional GF revenue. The TCC believes any potential user fee solution for the HTF revenue shortfall coming in 2027 should reflect these core principles: derived

For More Information:
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fairly from system use, dedicated to highway and public transportation improvements, and sufficient to support robust growth for a safe, well-functioning, and resilient surface transportation system.

A number of user-based revenues solutions to ensure sustainable, certain, and long-term funding into the HTF have been proposed by the National Surface Transportation Infrastructure Finance Commission, National Surface Transportation Policy and Revenue Study Commission, and other entities, including: raising existing motor vehicle fuel user fees, implementing electric and other alternative fuel vehicle user fees, instituting a national registration fee for all vehicles, creating a national vehicle miles traveled fee on automobiles and/or freight vehicles.

We look forward to working with the next administration and Congress on day one to solve the HTF revenue shortfall issue, using any and all legislative measures, including a potential tax reform law, as possible vehicles for enactment. Doing so in 2025, rather than waiting for IIJA reauthorization in 2026, will both allow authorizing committees ample time to do their work for a timely reauthorization and potentially add revenue options to the looming mix of tax decisions your committee faces next year.

Sincerely,

Transportation Construction Coalition

Cc:

Ways and Means Ranking Member Neal

Senate Finance Committee Chairman Wyden

Senate Finance Committee Ranking Member Crapo