



# Modernizing America's Infrastructure

U.S. Chamber of Commerce



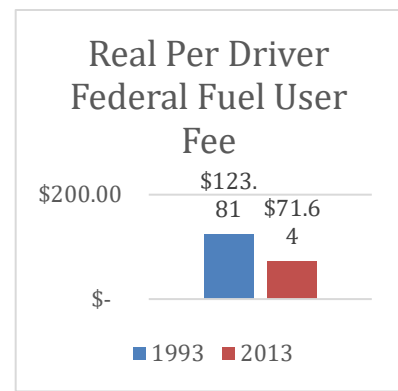
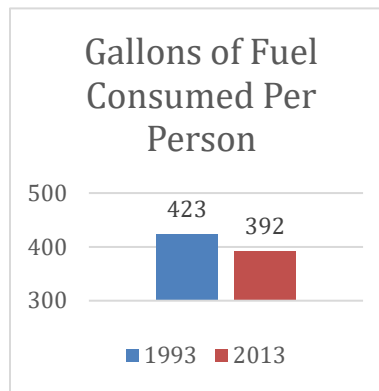
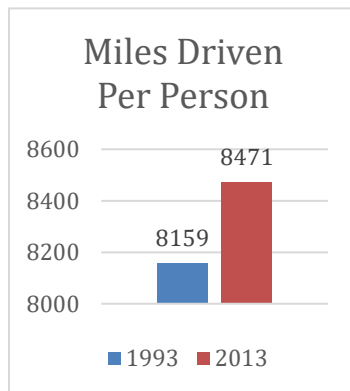
## **REBUILDING & MODERNIZING AMERICA'S ROADS, BRIDGES, & TRANSIT SYSTEMS**

### ***IT IS PAST TIME TO ADJUST THE FEDERAL MOTOR VEHICLE USER FEE***

To rebuild and expand our roads, bridges, and transit systems, it is time for a modest increase in the federal motor vehicle fuel user fee.

The user fee was last raised in 1993. Since then, inflation has eroded nearly 40% of the value of the user fee. In addition, vehicles are significantly more fuel-efficient than they were 25 years ago. As a result, motorists use less fuel to drive the same number of miles, and there is significantly less revenue to maintain the roads they drive on.

As the charts below indicate, relative to 1993, Americans are driving more, but using less gasoline. Add in the impact of inflation, and by 2013 drivers were contributing 42% less to support our federal road system even though they were driving 4% more miles.

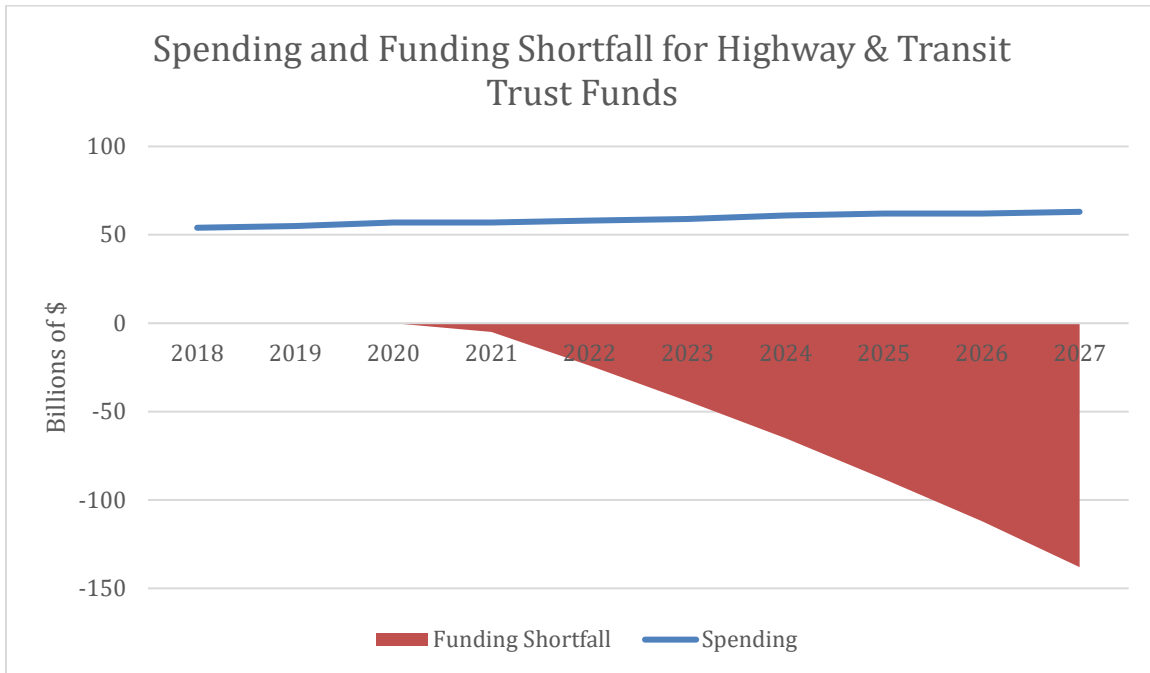


Because of Washington's failure to adjust the user fee, the highway and transit trust fund faces a shortfall of \$138 billion over the next decade. And that is just to continue today's insufficient levels of investment.



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U.S. Chamber of Commerce is calling for an increase of 5 cents a year in each of the next 5 years for a total of 25 cents. The proposal would include indexing the tax for inflation and for future increases in fuel economy, so there would be no need to revisit this issue in the foreseeable future.

The proposal would raise \$394 billion over the next 10 years, which would be invested in our highways, bridges, and transit systems in a fiscally responsible fashion. When combined with state, local, and private sector funds, this would go a long way towards modernizing the nation's once-great interstate system.

All this would cost the average American only about \$9 a month in additional gas taxes. This figure, however, is dwarfed by the cost of inaction. According to one recent study, drivers in urban and surrounding suburban areas incur \$516 in additional vehicle operating costs as a result of driving on roads in need of repair. Congestion is also stealing time from American families. The average commute time to work has increased by 35 minutes a week between 1990 and 2015.

Many say that it is politically impossible to raise the gas tax. This a fallacy.

Since 1993, 39 states have raised their own state motor fuel user fees. This includes red and blue states alike, including over the past several years: Indiana, Tennessee, South Carolina, Oregon, and New Jersey.