

Current Status

- FAST Act – Fixing America’s Surface Transportation
 - Five Year Bill
 - Flat Funding - \$42 Billion per year
 - \$113 Billion shortfall at end
- Gas tax is unsustainable
 - No will to increase since 1993 – Now worth 50% of purchasing power
 - \$140 Billion in bailouts from General Fund
- Total Investment in Infrastructure has dropped from just under 4% of GDP in 1970 to Less than 2% in 2012
 - Public Spending dropped from 2.5% to less than 1% of GDP

Infrastructure Investment Needed to Help Grow the Economy

- Both Presidential Candidates
- Non-Construction User Groups Demanding that Infrastructure Investment is Needed to Grow the Economy
- NAM – “Building to Win”
 - Highways and Bridges - \$90 Billion Annual Shortfall
 - Aviation - \$4.2 billion
 - Ports and Waterways - \$1.5 billion
 - Public Transit - \$34-56 billion

Coalitions to Address the Need

- Two Example Proposals
- ARTBA – “The BOLD ACT” Transportation Helps Everyone: Building Our Legacy and Destiny Act
 - High Powered Task Force
 - Co-Chaired and hosted by Caterpillar
 - Created by ARTBA Chairman David Zachary
- Focuses Mainly on National Highway Freight Network created in the FAST Act

BOLD Act Revenue Proposals

- Current funding 39% gas tax and 35% from general fund
- Reduce federal gas tax by 5 cents per gallon (-27%) and index to CPI
- Reduce federal diesel tax by 5 cents per gallon (-20%) index to CPI
- Eliminates federal excise tax on sale of new heavy truck, tractors and trailers
- Creates 6.25% federal “Highway Transportation Services Tax” on shipping goods in heavy trucks
 - Modelled after the federal Air Cargo Tax
 - First \$25 billion for National Infrastructure Bank
- Creates one-time federal tax on alternative fuel vehicles
- Raises Oil Spill Liability Tax to \$6.75/barrel for transit

- Generates \$84 billion in FY 2021
 - \$46 billion for heavy freight network
 - \$25 billion for non-heavy programs
 - \$13 billion for Mass Transit

“Virtual” Mileage Based User Fee

- Phase out gas tax
- Phase out FET on truck sales
- Fund Highway Trust Fund by having Congress develop an average cost per mile
- Phase in fee as gas tax phases out
- Congress sets rate and instructs IRS to adjust to inflation
- Twice annually, IRS calculates rate to charge fuel terminal operator based on previous year gas sales
- Mileage based fee passed on to consumer through price of gas
- Similar approach for diesel – 40% from trucks, 60% from light duty