

# National Surface Transportation Policy and Revenue Study Commission

## January 2008

### Background

Congress created The National Surface Transportation Policy and Revenue Study Commission in SAFETEA-LU in 2005. The Commission is comprised of 12 members, representing federal, state and local governments; metropolitan planning organizations; transportation-related industries; and public interest organizations. The U.S. Secretary of Transportation, Mary Peters, chairs the Commission. Three members were appointed by the President, and two each by the Speaker, the House minority leader, the Senate majority leader, and the Senate minority leader.

On Tuesday, January 15, the Commission released its final report. Secretary Peters and two other commissioners dissented from the final report, which was approved 9-3.

### Major Findings and Recommendations

#### **Existing conditions:**

- Congestion cost the American economy \$78 billion in 2005, measured in terms of wasted fuel (26 gallons per traveler per year) and lost productivity (38 hours of additional travel time per traveler per year).
- Highway travel remains dangerous: in 2006, over 42,000 people were killed and 2.6 million people were injured in highway traffic accidents.
- The U.S. needs to invest at least \$225-340 billion annually for the next 50 years to upgrade the existing transportation infrastructure to a good state of repair and to respond to growing metropolitan populations and increased demand.
- Due to higher authorized spending levels and declining revenues, the Highway Trust Fund will have a \$3-4 billion negative balance in 2009.

#### **Recommendations:**

- ❑ Replace the 108 existing surface transportation programs with 10 new outcome-based programs: (1) repair & maintenance, (2) gateways & goods movement, (3) metropolitan mobility, (4) rural connectivity, (5) intercity passenger rail, (6) highway safety, (7) environmental stewardship, (8) energy security / alternative fuel development, (9) federal lands access, and (10) research & development.
- ❑ Increase the federal gas tax by 25-40 cents over 5 years (5-8 cents per year), and then index the gas tax to inflation.
- ❑ After 2025, transition the gas tax to a vehicle-miles-traveled fee.
- ❑ Impose additional user fees on freight goods and passenger rail tickets.
- ❑ Remove current barriers to tolling and congestion pricing on existing roads.
- ❑ Encourage public-private partnerships to facilitate new project construction.
- ❑ Establish a permanent BRAC-like Surface Transportation Commission to develop performance-based standards in the new federal program areas and to make periodic recommendations to increase the federal gas tax.