

March 3, 2021

The Honorable Senator Ben Cardin  
Chairman  
Subcommittee on Transportation and  
Infrastructure  
United States Senate  
509 Hart Senate Office Building  
Washington DC, 20510

The Honorable Senator Kevin Cramer  
Ranking Member  
Subcommittee on Transportation and  
Infrastructure  
United States Senate  
400 Russell Senate Office Building  
Washington DC, 20510

The Honorable Peter DeFazio  
Chairman  
Committee on Transportation and  
Infrastructure  
U.S. House of Representatives  
2134 Rayburn House Office Building  
Washington, DC 20515

The Honorable Sam Graves  
Ranking Member  
Committee on Transportation and  
Infrastructure  
U.S. House of Representatives  
1135 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Cardin, Ranking Member Cramer, Chairman DeFazio, and Ranking Member Graves:

The 2005 SAFETEA-LU Act mandated the creation of the National Surface Transportation Infrastructure Financing Commission. Composed of 15 members, the Commission was charged to assess future federal highway and transit investment needs, evaluate the future of the federal Highway Trust Fund, and explore alternative funding mechanisms for surface transportation. In the Commission's final report, *Paying Our Way: A New Framework for Transportation Finance*, issued in February 2009, the Commission responded to our charge from Congress, and the top recommendation was to shift as quickly as reasonable to a national road user charging system (a vehicle miles traveled tax—VMT).

We, the undersigned Commission members, believe that the need for and ability to make this shift are even more compelling now. In 2009, electric vehicles (EVs) were just emerging. Some forecasts now estimate that by 2030, EVs will account for more than half of all passenger vehicles sold in America. GM has announced its plan to sell only EVs by 2035. However, it is important to note that the Commission believed that even if EVs were not in the picture, shifting to a VMT system would still generate considerable benefits for the nation's surface transportation system.

Equally important, the technology for enabling real-time road user pricing has improved and fallen significantly in price. The next generation of GPS satellites, GPSIII, is being rolled out and will increase GPS accuracy by three times over current systems. 5G systems are also being rolled out. Chips and modules for vehicles to operate VMT systems have fallen significantly in price. And most new cars are “smart vehicles” with onboard communication systems.

Therefore, we, the undersigned members of the Commission, believe that now is the time for Congress to take the next steps to transitioning the federal surface transportation funding system away from the fuel tax and toward a VMT. We recommend two steps for Congress to take.

First, we need a national passenger vehicle pilot program. But managing a complex trial is a challenge that should not be underestimated both in terms of time and funding needed to successfully execute. It would entail:

- Establishing a clear purpose and intent for the trial. What information or issues is the trial intended to address? Once this is known, public outreach can be anchored to a clear position and direction.
- Establishing an advisory body of national experts to guide the trial. This body should be convened by a supporting organization and charged with the detailed work required for advancing a trial, including research, design, development, and deployment.
- Educating the public on the “problem” is a critical, ongoing effort that must begin as early as possible, continue during a trial, and after the trial is complete. It is imperative that the public understand the limits of the fuel tax and why a VMT, or to use another term, a mileage-based user fee (MBUF), is being considered as an alternative. Likewise, the public should know that despite some claims, an MBUF can be, should be, and will be completely privacy protective, with no information about trips transferred to the government; only revenue.
- Setting forth national guidelines for states, while the national effort gets underway, would be very valuable for states that are implementing an MBUF system today. Such guidelines will help ensure a level of interoperability and consistency between states, absent a national program. The federal governing body could advise on these guidelines.
- Establishing national standards for data will enable interoperability between states and the federal government. It is imperative that data standards include data security standards to protect personal information. The federal governing body could advise on these guidelines.

Second, we believe that it is both possible and desirable for Congress to include in legislation a requirement for all heavy trucks to transition to a VMT system within a reasonable period of time. Congress should require that all heavy trucks move to a vehicle miles traveled tax system (VMT) and

that all other taxes paid by trucks be eliminated. We believe that moving to a universal truck VMT system makes sense for several reasons:

- There are only around 2 million long-haul truck trailers in the United States today, compared with 264 million passenger vehicles.
- Many trucks already come equipped with a GPS system, meaning that the cost of installing VMT onboard systems will be relatively modest, especially as a share of the total costs of the truck, which average over \$160,000 for a new truck.
- The benefits from a VMT system for trucks is higher than for cars, in part because the variation of costs imposed by trucks on the surface transportation system is much higher than it is for passenger vehicles. Such a system should and can be designed to avoid double taxation.

Thank you for your consideration of this issue. Should you or your staff seek additional information, we would be happy to provide it.

Sincerely,

National Surface Transportation Infrastructure Financing Commission Members:

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