



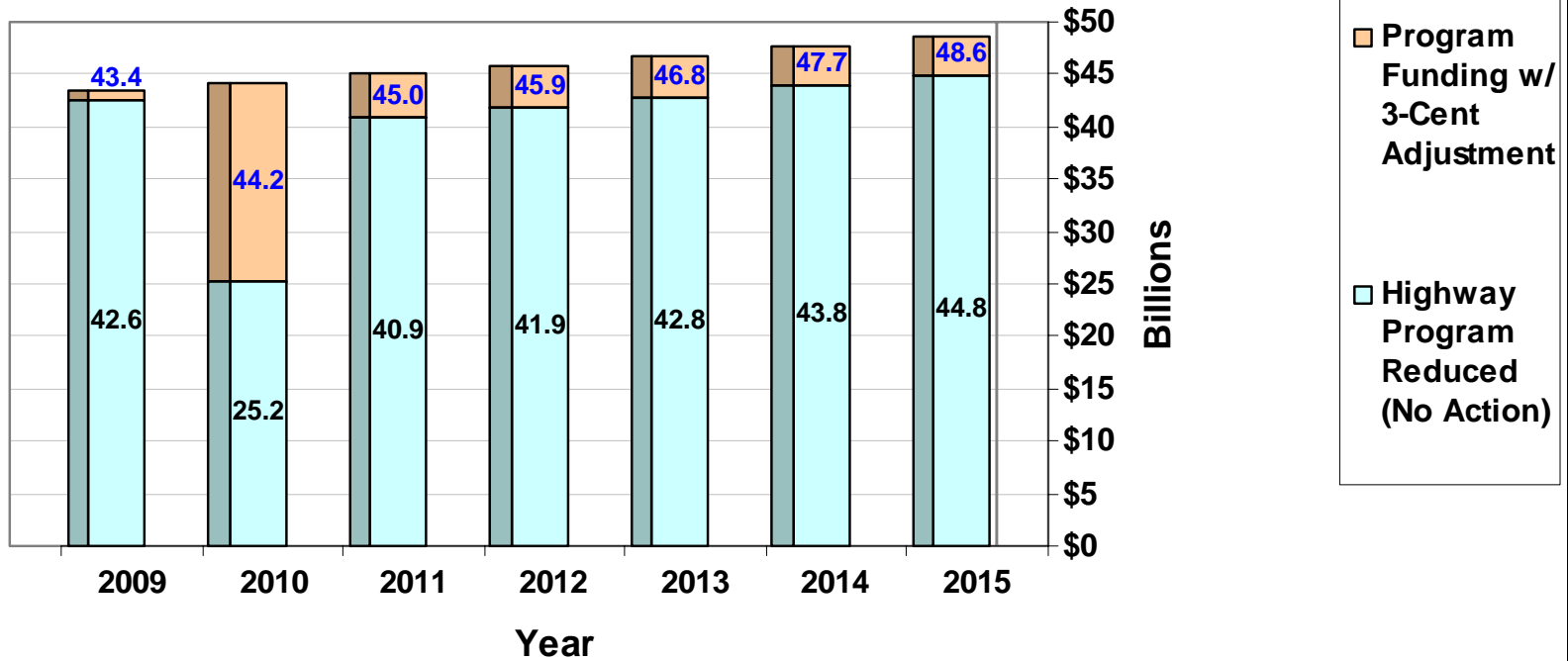
# Improving the Performance of the Surface Transportation System: Revenue Options



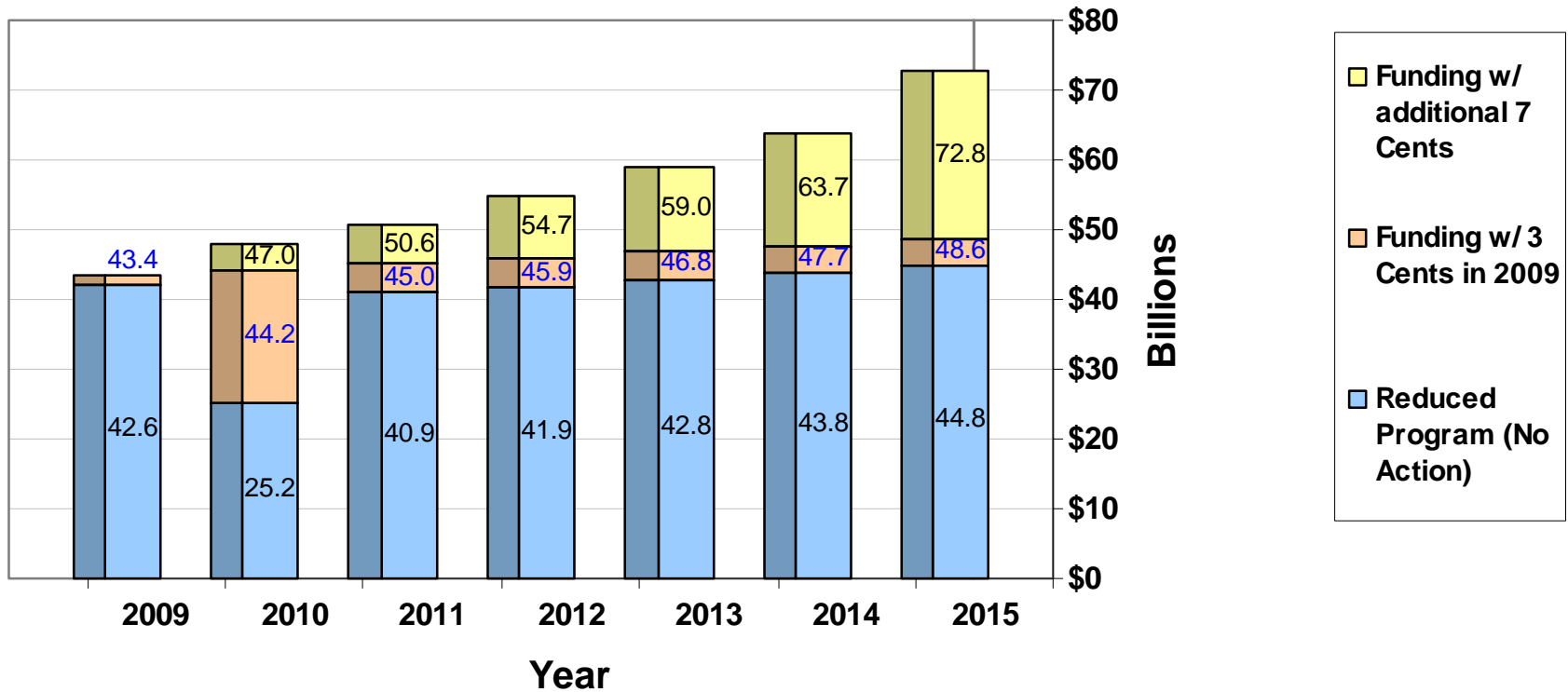
John Horsley,  
Executive Director  
American Association of State Highway  
And Transportation Officials

National Commission Hearing  
March 19, 2007

# Federal Highway Program Possible with 3-Cent Fuels Tax Adjustment or Equivalent



# Federal Highway Program Possible: with 3-Cent Fuels Tax Adj. in 2009 with additional 7-Cent Adj. or equivalent through 2015



# All Levels of Government Must Continue to Fund Their Share

## National Capital Investment in Highways (billions)

	2010	2015	Funding Increase Needed	New Toll Revenue	Net Required
Federal	\$43	\$73	\$30		\$30
State/ Local	\$52	\$87	\$35	\$8	\$27
<b>Total</b>	<b>\$95</b>	<b>\$160</b>	<b>\$65</b>	<b>\$8</b>	<b>\$57</b>

# Highway Trust Fund Options to Increase Revenues

Highway Program Level  
Made Possible by 2021

- **10 Cent Rate Increase** **\$75 billion**
- **10 Cent Rate Increase, Indexed to CPI** **\$82 billion**
- **Five Percent Sales Tax on Gas  
(if fuel prices increase 4% annually)** **\$85 billion**
- **14.2 Percent Sales Tax on Gas  
in lieu of 28.4 Cent Gas Tax  
(if fuel prices increase 4% annually)** **\$95 billion**

# Federal Revenue Options Outside the Highway Trust Fund

6 Year Revenue 2010-2015

■ Investment Tax Credits for Railroads	\$ 7 billion
■ Five percent Customs Fees or \$30 Container Fee	\$12 billion
■ Federal Tax Credit Bonds (50 percent for Freight Projects)	\$25 billion
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Subtotal for Freight Projects of National Significance	\$44 billion
■ Federal Tax Credit Bonds (50% for Passenger Projects)	
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Subtotal for Highway, Passenger Rail and Transit Projects	\$25 billion