Charge drivers by the mile, not the gallon, to rebuild roads

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The recently passed House budget bill contains a glaring internal inconsistency if not an outright contradiction.

Budget Committee members recognize that, “A transportation system that enables people and goods to move freely, efficiently and affordably is a national priority,” and “should be sustainable and financially sound.”

But the very same budget document concedes that, under current policies, there is no viable way to pay for future transportation infrastructure needs — even at flat cost projections.
As a result, it appears that increased infrastructure spending is incredibly challenging, even though it remains a stated top priority for President Trump, congressional Democrats and a significant portion of both Senate and House Republicans.

We are thus left with only one viable solution: to enact policies to ensure that infrastructure needs are paid for by those who use it the most, rather than by continuing to leave the burden on general taxpayers to subsidize the Highway Trust Fund (HTF).

The HTF was created 60 years ago to pay for the national Interstate Highway System. It is largely funded by the current gas tax of 18.4 cents per gallon of gasoline and 24.4 cents per gallon for diesel, which was last increased in 1993.

As cars have become more fuel efficient, the gas tax has failed to keep pace with rebuilding and maintaining our highways, roads and bridges, let alone the bike paths, nature trails and streetcars it is also tasked with helping to fund.

The gas tax today is not realistically connected to the amount that regular or commercial users drive. As a result, since 2008, lawmakers have transferred $143 billion in general funds to the HTF to cover the shortfall. The Congressional Budget Office (CBO) estimates that the fund will be depleted by 2021.

This presents a substantial and irreconcilable problem. Lawmakers want to cap spending on improving our nation's roads infrastructure at the level of revenues that the HTF generates. Meeting our nation's future road infrastructure costs without raiding taxpayers' wallets will require the federal government to prioritize spending by eliminating wasteful and non-essential projects — the bike paths, nature trails and streetcars — that have very little demand.
It will also require those who use infrastructure more to pay their fair share. Simply put, the people who benefit from infrastructure improvements should pay for those projects.
This could entail some mix of a gas tax increase indexed for inflation — principally for heavy trucks that fail to pay for the damage they inflict — or a fee to supplement or replace the gas tax that is calculated by the distance traveled by cars or a fee that accounts for the weight of a vehicle.

Conservatives in Congress historically balk at any notion of a tax "increase." However, solutions like a Vehicle Miles Traveled Tax (VMT) would actually right-size infrastructure spending and end, among other things, the corporate welfare currently extended to commercial infrastructure users.

As Randal O'Toole of the Cato Institute articulates, revenues generated through more direct user fees such as a VMT are fair and equitable, provide valuable feedback to infrastructure providers and users, inform consumers which infrastructure best meets their demands and helps create dedicated funding.

There has been progress toward future adoption of a VMT, which would charge drivers by the mile, not by a gallon of gas. The U.S. Department of Transportation (DOT) recently awarded $15 million collectively to six states to explore how best to implement such a plan.
A VMT system is also a much fairer method of collecting highway taxes. Today, someone who can afford a new Tesla pays almost nothing toward road repairs, while a family still driving an older, less fuel-efficient car or SUV pays far more than they should in gas taxes.

Stakeholders in this discussion continue to debate solutions to this conundrum. Some trucking entities, to their credit, have signaled openness to paying more in their gas consumption tax or more on tolls on new roads.

While such efforts are valuable and much needed, to establish long term solvency of the HTF, we must change the dynamic to ensure that infrastructure users pay for that use. The concept of user fees goes back centuries, and today's situation begs for that concept to be adopted.
We need to begin now to fully explore newer and more equitable solutions on how to pay for our nation's infrastructure needs. This must be a national, bipartisan effort initiated by Congress. We simply cannot afford to wait any longer to improve our decaying infrastructure.