**Policy Details**

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| **The National Surface Transportation Policy and Revenue Study Commission Testifies Before Congress** |
| 01-18-2008 |
| Date:  January 18, 2008  To:  Policy Committee      Cc:  AMPO Membership           From: AMPO Staff   RE:  The National Surface Transportation Policy and Revenue Study Commission Testifies Before Congress   \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  The House Transportation and Infrastructure Committee heard testimony yesterday from The National Surface Transportation Policy and Revenue Study Commission on the need for a new beginning for America’s transportation funding system to meet concerns of the 21st Century.  Congress created The National Surface Transportation Policy and Revenue Study Commission in 2005 under Section 1909 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act—A Legacy for Users (SAFETEA-LU).  The Commission is comprised of 12 members including AMPO Board Secretary, Steve Heminger. The members of the commission represented federal, state and local governments; metropolitan planning organizations; transportation-related industries; and public interest organizations. Transportation Secretary Mary Peters, who chaired the commission, was one of only two invited witnesses who did not appear before the committee. Mary Cino, a former Bush administration deputy secretary of transportation, was the other commission member who did not appear at the hearing. Both Peters and Cino broke with the majority on the issue of the gas tax and were part of the 3 member minority that issued a separate opinion.  In his opening remarks House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) thanked the members of the commission stating,  “This report does precisely what the Commission was instructed to do: It lifts our vision above the horizon; challenges our thought processes with innovative ways of addressing established, vexing, complex problems that seem irreconcilable.”  In their extensive report, *Transportation for Tomorrow*, released earlier this week, the Commission recommended restructuring federal transportation resources to place an emphasis on public transportation, investment in metropolitan areas, upkeep of existing infrastructure, and intercity rail.  Although the commission proposed a series of new funding mechanisms for transportation initiatives, one item that surfaced repeatedly during the hearing is the panel's recommendation for a 25- to 40-cent increase in the federal gasoline tax, which would be implemented over the next 5-8 years. The commission envisioned the gas tax increase as only a short-term fix, recommending that lawmakers move as quickly as possible to a system that taxes consumers based on vehicle miles traveled.  Rep. John Mica (R-FL.), the ranking Republican on the committee, supported many of the broader ideas outlined in the report but dismissed the notion of an increase in the gasoline tax as a politically viable strategy.  Commissioner Jack Schenendorf spoke on behalf of the majority stating,  “ We believe that our recommendations, if enacted as a package, will give the American people the transportation system they need and deserve. We cannot just reform our way out of the transportation crisis; nor can we get the job done by sending lots more money coursing through a broken project delivery system. We need both reform AND increased investment”  Highlighted below are the Commission’s key recommendations:   * A new beginning for surface transportation programs. The recommended that the current federal surface transportation program should not be reauthorized. * Develop a new federal surface transportation program that is performance driven, outcome based, generally mode neutral, and refocused. * Consolidation of the current highway, transit, railroad, and safety funding into10 new federal programs.   + Rebuilding America: A National Asset Management Program   + Freight Transportation: A Program to Enhance U.S. Global Competitiveness   + Congestion Relief: A Program for Improved Metropolitan Mobility   + Saving Lives: A National Safe Mobility Program   + Connecting America: A National Access Program for Smaller Cities and Rural Areas   + Intercity Passenger Rail: A Program to Serve High-Growth Corridors by Rail   + Environmental Stewardship: Transportation Investment Program to Support a Healthy Environment   + Energy Security: A Program to Accelerate the Development of Environmentally-Friendly Replacement Fuels   + Federal Lands: A Program for Providing Public Access   + Research, Development, & Technology: A Coherent Transportation Research Program for the Nation. * The various modal administrations of the U.S. Department of Transportation should be reorganized into functional units that parallel the new federal programs. * Congress should establish a independent National Surface Transportation Commission to perform the following functions * The project delivery process should be reformed by retaining all current environmental safeguards, but significantly shortening the time it takes to complete reviews and obtain permits. * To address the current investment shortfall for all modes of surface transportation by providing the traditional federal share of 40% of the total transportation capital funding, the federal fuel tax should be raised by 25-40 cents per gallon. This rate increase should be indexed to the construction cost index and phased in over a period of years. * Other federal user-based fees also should help address the funding shortfall, such as container fees for freight projects and ticket taxes for passenger rail improvements. * The fuel tax should be considered a viable revenue source for surface transportation at least through 2025. Thereafter, an alternative revenue measure should be in place such as vehicle miles traveled (VMT) fee, provided that substantial privacy and collection cost issues can be addressed. * Peak-hour “congestion pricing” on the interstate highways in major metropolitan areas should be permitted. Revenues generated by this strategy are restricted to transportation purposes in the travel corridors where the fees were imposed. * Public-Private Partnerships should be encouraged as a means of attracting additional private investment to the surface transportation system. |