



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Agenda Item 5b

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Memorandum

TO: Legislation Committee

DATE: January 3, 2014

FR: Deputy Executive Director, Policy

W. I. 1131

RE: H.R. 3636 (Blumenauer): Update, Promote, and Develop America's Transportation Essentials (UPDATE) Act of 2013

Background

H.R. 3636 is a bold piece of legislation that offers a clear response to the fiscal insolvency facing the federal Highway Trust Fund. Specifically, H.R. 3636 would increase the federal excise tax on gasoline from 18.4 cents per gallon to 33.4 cents per gallon, with an 8-cent increase occurring in 2014, a 4-cent increase occurring in 2015 and a 3-cent increase in 2016, with annual cost of living adjustments thereafter until 2025. The measure also increases the federal excise tax on diesel fuel by 15 cents per gallon, following a similar graduated schedule with an 8-cent increase in 2014, a 4-cent increase in 2015 and a 3-cent increase in 2016, with annual cost of living adjustments thereafter until 2025. The tax increase would generate approximately \$170 billion over ten years.

Recommendation: Support

Discussion

Though its political prospects are formidable, the case for increasing the federal excise taxes on fuel is simple. For starters, these taxes have not been increased since 1993 and have lost almost 40% of their purchasing power since then. The American Society of Civil Engineers (ASCE) 2013 Report Card gave roads and transit in America a "D" grade, while bridges and rail managed a "C+". The impact of underinvestment in our transportation infrastructure has been severe. The ASCE Report Card noted that 42% of America's major urban highways are congested, wasting an estimated \$101 billion in time and fuel annually. Beyond congestion impacts, underinvestment in basic system maintenance harms our economy as poor roadway conditions cause unnecessary accidents, greater wear and tear on vehicles, and unreliable public transit service. With the Highway Trust Fund facing a \$10 billion mismatch between revenue generated and authorized funding levels, 2014 is the time for Congress to act. For these reasons we recommend a support position on H.R. 3636.

Known Positions

Support (*Based on statements of support at a press conference announcing the bill's introduction*)

American Automobile Association (AAA)

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

American Public Transportation Association (APTA)

American Trucking Associations (ATA)

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American Public Transportation Association (APTA)
American Trucking Associations (ATA)
Association of Equipment Manufacturers (AEM)
Amalgamated Transit Union (ATU)
Getting America to Work Coalition
American Council of Engineering Companies (ACEC)
Laborers' International Union of North America (LIUNA)
Transportation for America
United Parcel Service (UPS)
U.S. Chamber of Commerce

Oppose

The Tire Industry Association (TIA)



Ann Flemer

AF: RL

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