



METROPOLITAN  
TRANSPORTATION  
COMMISSION

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## *Memorandum*

TO: Commission

DATE: March 18, 2015

FR: Legislation Committee

W. I.: 1131

RE: Committee Recommendations

The Legislation Committee met on March 13, 2015 and referred the following four items to the Commission:

- **AB 464 (Mullin): Local Option Sales Tax Cap.** AB 464 would raise the cap for local option sales taxes from 2 percent to 3 percent, giving local jurisdictions more options to seek voter approval for additional sales taxes to support transportation. Additionally, passage of AB 464 would allow voters to approve additional local taxes for a maximum combined rate of 10.5 percent.

**Committee Recommendation: Support AB 464 (Mullin).**

- **AB 157 (Levine): Richmond-San Rafael Bridge Improvements.** AB 157 is an urgency statute related to the Interstate 580 Access Improvement Project at the Richmond-San Rafael Bridge consisting of converting the shoulder in the eastbound direction to a new peak traffic lane and converting the shoulder in the westbound direction to a barrier separated bicycle-pedestrian path.

**Committee Recommendation: Support and seek amendment on AB 157 (Levine).**

- **H.R.680 (Blumenauer): Update, Promote, and Develop America's Transportation Essentials (UPDATE) Act of 2015.** H.R. 680 would restore solvency to the Highway Trust Fund by raising the federal excise tax on gasoline and diesel fuels. The tax increase would generate approximately \$170 billion over ten years.

**Committee Recommendation: Support H.R.680 (Blumenauer).**

- **H.R. 990 (King): Transportation Fringe Benefit: Transit/Parking Parity.** H.R. 990 (King) would restore equality in the federal transportation fringe benefit program by ending the financial advantage provided to those who drive to work as compared to those who take transit or vanpool. The resolution would standardize the amount for these three modes at \$235/month and increase the monthly bicycle benefit from \$20 per month to \$35 per month. All amounts would be adjusted annually for inflation beginning in 2017.

**Committee Recommendation: Support H.R. 990 (King).**



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**Agenda Item 5a**

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***Memorandum***

TO: Legislation Committee

DATE: March 6, 2015

FR: Executive Director

W. I. 1131

RE: H.R.680 (Blumenauer): Update, Promote, and Develop America's Transportation Essentials (UPDATE) Act of 2015

**Background**

H.R. 680 would restore solvency to the Highway Trust Fund by raising the federal excise tax on gasoline and diesel fuels. The bill — a reintroduction of H.R. 3636 (Blumenauer), which MTC supported last year — 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 beginning in 2016, a 4-cent increase occurring in 2017 and a 3-cent increase in 2018, with annual cost of living adjustments thereafter until 2025. The measure also increases the federal excise tax on diesel fuel from 24.4 cents per gallon to 42.8 cents per gallon by 2018, with annual cost of living adjustments thereafter until 2025. The tax increase would generate approximately \$170 billion over ten years.

**Recommendation: Support**

**Discussion**

Raising the federal gas tax to increase federal transportation funding and ensure long-term solvency for the Highway Trust Fund has been a key component of MTC's federal advocacy program for many years. With gasoline prices at historic lows this year, legislators from both parties have championed a gas tax increase, creating a unique opportunity in 2015.

The federal fuel excise taxes have not been adjusted since 1993 and have lost almost 40% of their purchasing power since then. In addition, there is a nominal \$13 billion mismatch between dedicated user fee revenue (principally fuel excise taxes) and authorized funding levels.

As you are well aware, the impact of federal underinvestment in our transportation infrastructure has been severe. 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+". Meanwhile, 42% of America's major urban highways are congested, resulting in an estimated \$101 billion in wasted 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. For all of these reasons, we recommend a support position on H.R. 680.

**Known Positions**

**Support**

American Automobile Association

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

Legislation Committee

H.R. 680 (Blumenauer): Update, Promote, and Develop America's Transportation Essentials (UPDATE) Act of 2015-Page 2

American Public Transit Association  
American Road and Transportation Builders Association  
American Trucking Association  
Laborers' International Union of North America  
Transportation for America  
U.S. Chamber of Commerce

**Oppose**

See attached

  
\_\_\_\_\_  
Steve Heninger

SH: RL

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## Over 50 Organizations to Congress: Reject Efforts to Raise the Federal Gas Tax

January 28, 2015

Dear Members of the 114<sup>th</sup> Congress:

On behalf of our organizations and the millions of Americans we represent across all 50 states, I write to express our strong opposition to legislation that includes an increase to the federal gas tax.

Not only is increasing the gas tax an ineffective way to address the nation's transportation infrastructure needs, it would further increase the burden of government on families and business – and would disproportionately hurt lower income Americans already hurt by trying times in our economy.

A higher gas tax means higher prices not just on gas, but on goods and services throughout the economy. These increased costs would inevitably be passed down to consumers, resulting in a regressive tax hike on middle- and lower-income Americans.

Millions of people struggling through stagnant wages and increased cost of living have been given some relief with falling gas prices. These lower prices amount to nearly \$100 extra per month for an average family, which is expected to lead to an additional \$100 billion of economic growth. Congress should embrace these lower prices, not confiscate the savings, increase costs, and weaken growth potential.

Moreover, a gas tax increase would exacerbate existing problems with the current transportation infrastructure funding formula. Despite billions in Highway Trust Fund (HTF) shortfalls, Washington continues to spend federal dollars on projects that have nothing to do with roads like bike paths and transit as well as completely unrelated projects like museums and squirrel sanctuaries. Over one-third of HTF spending today is for non-highway purposes.

In addition, Davis-Bacon wage rules and other burdensome regulations needlessly add time and cost to transportation infrastructure projects.



AMERICANS FOR  
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ENERGY ALLIANCE



**TPN**  
TEA PARTY NATION





As with so many other issues in Washington, transportation infrastructure has a spending problem, not a revenue problem. Rather than asking Americans for even more of their hard-earned paycheck to fund reckless Washington spending, Congress should seek an alternate solution that properly prioritizes federal transportation infrastructure needs, reduces costly and time-consuming bureaucratic hurdles, and further empowers state and local governments in conjunction with the private sector. In doing so, Congress can create a system that is efficient and responsive, and ensures that the United States has the best and safest transportation network in the world.

Sincerely,

Brent Wm. Gardner, Vice President of Government Affairs  
Americans for Prosperity

Marc Short, President  
Freedom Partners

Grover Norquist, President  
Americans for Tax Reform

James L. Martin, Chairman  
60 Plus Association

Phil Kerpen, President  
American Commitment

Eileen Bruskewitz, Executive Director  
American Dream Coalition

Sean Noble, President  
American Encore

Thomas J. Pyle, President  
American Energy Alliance

Dee Stewart, President  
Americans for a Balanced Budget

Coley Jackson, President  
Americans for Competitive Enterprise



Peter J. Thomas, Chairman  
Americans for Constitutional Liberty



Rick Manning, President  
Americans for Limited Government



John Tate, President  
Campaign For Liberty



Kristin Fecteau,  
Campaign to Free America



Andrew Quinlan, President  
Center for Freedom and Prosperity



Jeffrey Mazzella, President  
Center for Individual Freedom



Kim Crockett, Chief Operating Officer, EVP and General Counsel  
Center of the American Experiment



Marita Noon, Executive Director  
Citizen's Alliance for Responsible Energy (CARE)



Francis X. De Luca, President  
Civitas Institute



David McIntosh, President  
Club for Growth

Tom Brinkman Jr., Chairman  
Coalition Opposed to Additional Spending and Taxes (COAST)

Marc Scribner, Fellow, Center for Technology and Innovation  
Competitive Enterprise Institute

Penny Nance, CEO  
Concerned Women for America Legislative Action Committee

Chris Prandoni, Interim Executive Director  
Cost of Government Center

Marita Noon, Executive Director  
Energy Makes America Great Inc.



L. Brent Bozell III, Chairman  
ForAmerica



Annette Meeks, CEO  
Freedom Foundation of Minnesota

Matt Kibbe, President and CEO  
FreedomWorks

George Landrith, President  
Frontiers of Freedom



Evan Feinberg, President  
GenOpp



Kelly McCutchen, President  
Georgia Public Policy Foundation



Keli'i Akina, Ph.D., President  
Grassroot Institute of Hawaii

Kristina Rasmussen, Executive Vice President  
Illinois Policy Action



The Honorable Alfred S. Regnery, Chairman  
Law Enforcement Legal Defense Fund

Seton Motley, President  
Less Government



Brett Healy, President  
MacIver Institute



Harry C. Alford, President/CEO  
National Black Chamber of Commerce

Lloyd M. Bentsen IV, Senior Research Fellow  
National Center for Policy Analysis



Lew Uhler, President  
National Tax Limitation Committee



Matt Meyer, President  
Opportunity Ohio



Gov. Gary Johnson, Honorary Chairman  
Our America Initiative



Lance Brown, Executive Director  
Partnership for Affordable Clean Energy (PACE)



Lori Sanders, Outreach Director & Senior Fellow  
R Street Institute



Mike Stenhouse, CEO  
Rhode Island Center for Freedom and Prosperity



Paul J. Gessing, President  
Rio Grande Foundation



William Whipple III, President  
Secure America's Future Economy



Derek Monson, Director of Policy  
Sutherland Institute



David Williams, President  
Taxpayers Protection Alliance



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Daniel Garza, Executive Director  
The LIBRE Initiative

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Wayne County Taxpayers Association

