



# The Federal Role in Road Usage Charging

June 27, 2022

## Natural Resources and Infrastructure Standing Committee

The Natural Resources and Infrastructure Committee is one of eight NCSL Standing Committees that educates Congress and federal agencies about state concerns and serves as a forum for state legislators and legislative staff to learn about and share information regarding programs and initiatives in other states. In particular, this committee has jurisdiction over state and federal energy, environment, agriculture and transportation programs, legislation, regulations and policies. [Read more.](#)

The surface transportation system in the United States needs a new vision to guide it beyond the Interstate Highway era into the 21st century and the needs and challenges that lie ahead. NCSL believes that Congress must:

- Migrate the Highway Trust Fund (HTF) from a gas tax to a new national funding stream. A federal trust fund financed by user fees, should be retained as the primary method of funding federal-aid surface transportation programs. It must provide states a sustained, reliable source of transportation funding.
- Examine innovative ways that capture all system users and encourage pilot programs in states for experimentation with approaches, methods and mechanisms. Any system should ensure both the privacy of users and maximum flexibility for states in the use of funds they receive from the HTF.
- Approve the creation of a \$20 million program, with no more than \$2 million available for allocation to any one state, to support state-level pilot programs to explore transportation funding alternatives to fuel taxes.

## **SURFACE TRANSPORTATION SYSTEM FUNDING ALTERNATIVES PROGRAM**

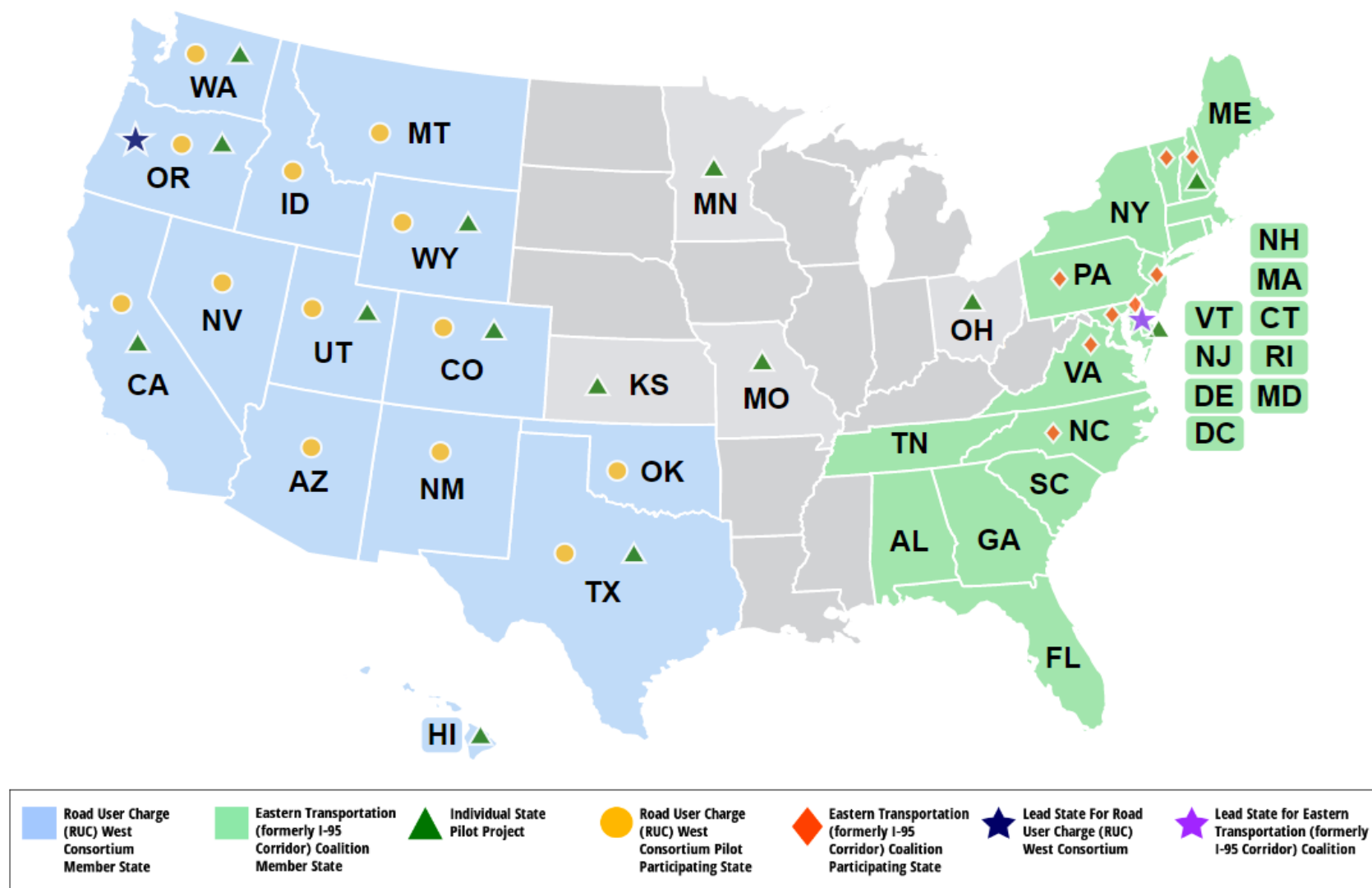
<b>Fiscal year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Authorization</b>	\$15 M	\$20 M	\$20 M	\$20 M	\$20 M

### **Program purpose**

The FAST Act established the Surface Transportation System Funding Alternatives Program to provide grants to States or groups of States to demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund. The objectives of the program are—

- to test the design, acceptance, and implementation of two or more future user-based alternative mechanisms;
- to improve the functionality of the user-based alternative revenue mechanisms;
- to conduct outreach to increase public awareness regarding the need for alternative funding sources for surface transportation programs and to provide information on possible approaches;
- to provide recommendations regarding adoption and implementation of user-based alternative revenue mechanisms; and
- to minimize the administrative cost of any potential user-based alternative revenue mechanisms.

# STSFA Pilot Project States



Source: FHWA

# Infrastructure Investment and Jobs Act

- Strategic Innovation for Revenue Collection (Section 13001)
  - Renames STSFA
  - \$15 million/year for five years
  - Continue testing the feasibility of a RUC and other user-based alternative revenue mechanism
  - Maintain the long-term solvency of the Highway Trust Fund
  - Expands eligible applicants to states, locals, and MPOs
  - Increased federal share to 80%
- National Motor Vehicle Per-Mile User Fee Pilot (Section 13002)
  - \$10 million/year for five years
  - Multiple methods to track miles travelled
  - Voluntary participation in all 50 states, DC, and PR
  - Commercial and Passenger motor vehicles
  - Variable rates based on type of vehicle and impact on system infrastructure, safety, congestion, and others
- Federal System Funding Alternative Advisory Board
  - Provide recommendations on structure, scope and method
  - Report to Congress annually on status and if objectives met

# QUESTIONS?

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