

KTFC Meeting

March 20, 2017

Bob Latham



APC Update

□ Transportation Funding – Market Impact

➤ MaP

- \$2.1 billion in additional funds available for programming over 10 years
- Mix of contract and maintenance force work

➤ PA State Police Financing

- \$802 from Motor License Fund to General Fund Capped in 2016
- Legislative Budget and Finance Committee Report Due March 31, 2017
- Governor presented \$25 fee - \$63 million in budget address
- Several other plans offered by legislators

➤ Federal “Infrastructure Plan”

- Trump – mix of public and private investment
- ARTBA “Bold Act”



The BOLD Act

A Federal Transportation Tax & Revenue Reform/Investment Package

Reductions

- Reduce gasoline and diesel taxes by 5 cents per gallon and index new rate annually to CPI (gasoline -27% and diesel -20%)
- Eliminate heavy truck/tractor/trailer sales, annual use and tire taxes
- Combined revenue reduction of \$15 to \$16 billion/year



The BOLD Act

A Federal Transportation Tax & Revenue Reform/Investment Package

Enhancements

- Initiate 6.25 percent Highway Transportation Service Tax (HTST); raises and average \$47B/year
 - First \$25B used to capitalize new National Infrastructure Bank to help finance large-scale port, inland waterway, airport, rail, pipeline, highway, bridge and public transit projects
 - Revenues then deposited in new HTF National Highway Freight Network (NHFN) Account and dedicated to NHFN investments
- Raise Oil Spill Liability Tax \$6.75 per barrel on transportation-use oil; raises an average \$10B/year
 - Dedicated to HTF
- Initiate one-time, 10 year gas tax equivalent charge at first sale of alternative fuel vehicles; raises \$2B/year
 - \$870 for electric-only; \$435 for electric/gasoline hybrid; \$740 for 85% ethanol-powered
 - Dedicated to HTF Mass Transit Account



The BOLD Act

A Federal Transportation Tax & Revenue Reform/Investment Package

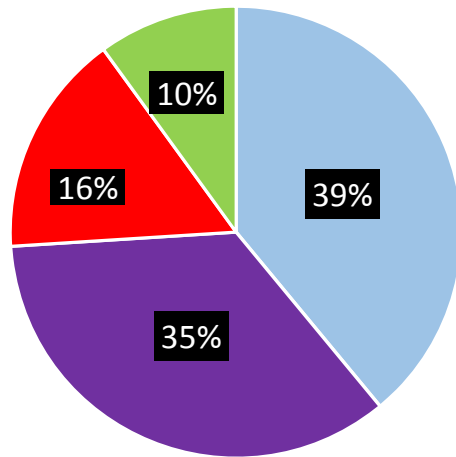
Results

- Eliminates HTF structural deficit permanently
- Returns program to 100% user-based funding streams
- Ties growth in primary user funding source to economic growth
- Re-establishes Constitutionally mandated federal role as program priority: Investment level would support all economically justifiable improvements on 48,000 mile Interstate Highway System (IHS) and upgrade additional 18,000 miles of Critical Urban and Rural Freight Corridors that connect IHS to major ports, inland waterways, airports, rail hubs – the National Freight Highway Network designated by Congress in the FAST Act
- Creates permanent revenue stream for Mass Transit Account that grows as adoption of alternative fueled vehicle use grows
- New HTF mix: 56% HTST, 19% gas tax, 13% per barrel, 10% diesel, 2% alternative fuel
- Investment in NHFN \$46B in FY 2021, small bump and inflationary increases in other programs
- Eliminates “donor-donee” state politics in program

The BOLD Act

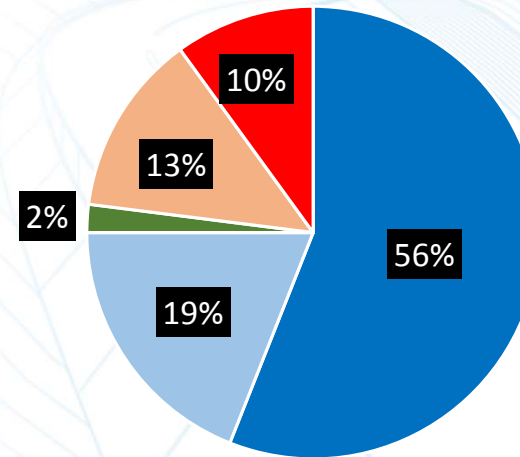
A Federal Transportation Tax & Revenue Reform/Investment Package

FAST Act



- Federal Gas Tax
- General Fund
- Federal Diesel Tax
- Other Truck Related Fees

BOLD Act



- Highway Transportation Services Tax
- Federal Gas Tax
- Alternative Fuel Use Parity Tax
- Per Barrel Oil Tax
- Federal Diesel Tax



Questions?



Thank You