

Discussion of the Creation of a Highway User Fee Exploratory Committee

Description

Staff of the Strategic Policy and Performance Management Office (SPPM), in conjunction with the Texas Transportation Institute (TTI) at Texas A&M University, will coordinate a committee to be charged with evaluating the long-term viability of vehicle mileage fees as a potential solution to replace the fuel tax in funding highways. The committee will identify and address the policy questions to be answered and to issue a final report with its recommendations by October 2010.

Background

Fuel taxes have been the primary source of revenue to finance the construction, operation and maintenance of federal and state highways for decades. With the increasing use of hybrid and fuel efficient vehicles, aging transportation infrastructure, rising construction costs, and inflation, the fuel tax revenues have declined and are quickly becoming inadequate to meet future highway needs.

Increases in vehicle travel have exacerbated not only congestion but also the wear and tear of roads, leading to calls for more construction of new roads and maintenance of existing ones. Like so many other states, this has led to a gap in Texas between highway spending needs and available revenues. In the absence of significant fuel tax increases in the near future, this gap is likely to get larger with the introduction of alternative fuel vehicles that pay little to no fuel taxes.

Problem/Condition

TxDOT, like DOTs in Oregon, Iowa, and Washington, recognizes the grim future that the fuel tax faces as well as the need to explore other options and technologies. Pursuant to its statutory authority to provide recommendations to the Texas Legislature pertaining to the operations of the department, TxDOT proposes that the Texas Transportation Commission convene a Highway User Fee Exploratory Committee charged to investigate the potential for a vehicle mileage-based user fee system to eventually replace the fuel tax.

The committee would explore and address the merits, obstacles, and public policy concerns to creating such a system in Texas. To further inform the discussion, the committee would be assisted by a Technology Panel familiar with the unique technology applications used by these systems. The committee will complete its review by delivering a final report in October 2010 presenting the results of its findings.

Other Comments

None.

Expected Action or Input from Commission

The commission may direct the executive director to proceed with the development of the Highway User Fee Exploratory Committee, including a list of potential members to be invited and appointed by the commission.