February 9, 2022

Hon. Charles Schumer  
Majority Leader  
United States Senate  
Washington, D.C. 20510

Hon. Mitch McConnell  
Republican Leader  
United States Senate  
Washington, D.C. 20510

Dear Senators:

Temporarily cutting or repealing the federal motor fuel user fees that support the nation’s transportation network has been a recurring dialogue for more than 20 years. Moreover, the correlation of these maneuvers to their desired outcome—immediate price relief at the gas pump—is uncertain at best.

Legislation introduced today to temporarily suspend the $18.3-cent-per-gallon federal gasoline user fee and alter the carefully-negotiated revenue structure that will pay for the bipartisan Infrastructure Investment and Jobs Act (IIJA) three months after enactment is shortsighted and misguided. We urge you to oppose this measure.

According to a 2020 study (enclosed) from the Transportation Investment Advocacy Center (TIAC), 29 states made changes to their motor fuel user fee rates—both increases and decreases—from 2013 to 2018. A total of 113 adjustments were made, ranging from one-time increases approved by state legislatures to automatic changes for variable rates based on formulas written into law. Of the 113 changes, the rate increased 75 times and decreased 38 times.

Notably, the report found that on average, one-third of an increase—or decrease—was passed through to consumers in the retail price on the day that change takes effect, with no significant impact after that time. The results confirm previous research that suggest user fees are just one component of a complex pricing scheme that includes consideration of the price of crude oil and other factors.

Furthermore, the Feb. 8 U.S. Energy Information Administration “Short-Term Energy Outlook” projects a 57 cent-per-gallon decline in gasoline prices over the next year. When put in real terms, this will reduce gasoline prices close to the historic lows reached during the heart of the COVID-19 pandemic in 2020.

It must also be emphasized such a proposal would establish a precedent that the federal gas tax should be suspended during times of economic distress or when fuel prices are deemed too high. Such a practice would surround the largest single source of revenue for federal highway and public transportation investment with disruptive uncertainty.

We urge the Senate to resist this proposal which could open the door to unravelling the largest infrastructure package in American history and instead focus on delivering the first year of promised investments by completing the FY 2022 appropriations process.

Sincerely,

David C. Bauer  
President & CEO

Cc: All U.S. Senators