



MILEAGE - BASED
USER FEE ALLIANCE

\$95 Million in FAST Act for User Fee Testing

President Obama signed the [Fixing America's Surface Transportation Act \(FAST Act\)](#) into law last Friday which authorizes for the first time a federal program to study alternative sources of revenue to the gas tax for funding surface transportation. The five-year \$305 billion bill contains a total of \$95 million in funds to be provided to states to demonstrate user-fee structured revenue systems to help maintain the solvency of the Highway Trust Fund.

The logo for the FAST Act, with 'FAST' in red and 'ACT' in blue, both in a bold, sans-serif font.

Under [Section 6020 of the bill called "Surface Transportation System Funding Alternatives,"](#) this program will allow the United States Department of Transportation to grant individual states or groups of states the funding to "test the design, acceptance, and implementation of 2 or more future user-based alternative revenue mechanisms." Objectives will include conducting outreach programs to the public to increase awareness of the necessity of alternative revenue sources, assuring that the resulting program will have personal privacy protections, and studying the use of private vendors to collect the fees.

Many states have begun testing their own mileage-based user fee systems, including Oregon and California. This program will allow federal money to be used for up to fifty percent of the cost of new pilots. In fiscal year 2016, \$15 million will be available for grants and then \$20 million will be available for each of the remaining four years of the bill's authorization.

The FAST Act is the first time since 2005 that Congress has been able to pass a long term transportation bill that provides funding certainty for transportation and infrastructure projects. The Highway Trust Fund relies on the gas tax - set at 18.4 cents per gallon and unchanged since 1993 - and has struggled to remain solvent due to the increased fuel efficiency of the nation's automobile fleet and has relied on transfers from the General Fund to make up for funding gaps. With the passage of the FAST Act, the federal government will take its first steps in looking for a sustainable funding source that maintains the user-fee structure of the gas tax.
