



January 16, 2009

The Honorable Maria Cantwell  
United States Senate  
717 Hart Senate Office Building  
Washington, DC 20510

Dear Congresswoman Cantwell:

Drastically fluctuating oil prices have affected almost every transportation mode and have made fuel taxes a less than reliable revenue source. Drivers are reducing fuel consumption by switching their principal vehicle, driving less or choosing more efficient vehicles. The combined impact of increased costs, declining revenue from the fuel tax, and growing awareness of the causes and impacts of climate change, compels a reassessment of how transportation infrastructure is publicly financed. As you begin work on developing reauthorization of the federal surface transportation act, we hope that you will consider encouraging states to develop alternative transportation funding approaches to supplement, and perhaps ultimately replace the gas tax.

Two recently completed studies demonstrated the feasibility of such an alternative transportation funding approach: a Vehicle Miles Traveled (VMT) based fee system.

### **Oregon State**

The Oregon State Department of Transportation recently concluded a pilot program exploring an electronically collected fee based upon miles driven. Each of the 285 vehicles participating in the pilot program was outfitted with a device that counted the number of miles driven within pre-defined zones, including a congestion pricing zone with a higher rate during peak driving periods. This data was generated by electronic receipt of GPS signals and read at the gas pump by specially equipped service stations and then transmitted to a central location for application of the mileage fee rates... At the pump, the state fuel tax was deducted from the purchase price per gallon, peak and off-peak pricing was applied, and the mileage fees were imposed. This test demonstrated the mileage fee raises substantial revenue in a way that is relatively simple to pay, collect and administer – without revenue erosion for fuel efficiency.

### **Washington State**

A Traffic Choices Study conducted by the Puget Sound Regional Council (PSRC) in Seattle, Washington during 2005-06 had a similar outcome to Oregon's pilot program. The PSRC Study placed GPS tolling meters in the vehicles of about 275 volunteers, electronically deducting road use charges from pre-paid driver accounts based on time of day, day of the week and type of road traveled. Driving patterns were observed before and after meter installation to determine the level of travel pattern alterations

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once the fees were imposed. Like the Oregon study, the PSRC Study showed that a mileage based fee directly impacts travel decisions and reduces the opportunity for congestion, while raising transportation revenue and minimizing infrastructure costs by utilizing GPS type technology.

A key conclusion that can be drawn from these two pivotal studies is that a Vehicle Miles Traveled fee structure appears to nicely compliment several priorities shared amongst the West Coast States – namely: reducing congestion, reducing greenhouse gas emissions, increasing the use of alternative transportation modes, and identifying a sustainable, long-term transportation funding source.

Although California, Oregon and Washington have only begun discussing the possibility of a regional approach to alternative revenue development and congestion management, we all could benefit from federal leadership in moving us forward into the next era of transportation. The I-5 corridor has been aptly designated as a “Corridor of the Future” by the U.S. Department of Transportation. We see this as an opportunity to live up to that designation by beginning a multi-state effort aimed at exploring and testing the possibilities of alternative approaches to our transportation system and funding structures.

We ask Congress to confirm the feasibility of a VMT-based fee system by mandating the federal government to fully explore a transition from the gas tax to a funding system tied more directly to road use and impact on the road system. To this end, Congress should set an aggressive timetable to complete development of a new VMT-based fee system with all due speed through well funded research and development efforts to identify the best option for system design and technology. We hope you will take this opportunity as you work toward the next authorization of the Federal Surface Transportation Act.

Sincerely,



John Chalker  
Chair, California Transportation Commission



Gail Achterman  
Chair, Oregon Transportation Commission



Dan O'Neal  
Chair, Washington State Transportation Commission