

# Highway Panel to Seek Higher Gas Tax

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January 12, 2008; Page A4

WASHINGTON -- A congressionally mandated commission will recommend broad upgrades to the nation's transportation infrastructure and a hefty increase in taxes, but divisions within the panel suggest it could take years to reach a consensus on the issue.

The National Surface Transportation Policy and Revenue Study Commission, a 12-member board of public and private leaders chaired by Transportation Secretary Mary Peters, will release the results of a two-year study in the coming week. The study looked at the country's roads, mass-transit systems, ports and rail lines.

Several commissioners said their main finding will echo warnings from businesses and state officials: The nation's transportation network needs a massive upgrade in the next two decades. Without it, congestion will soar and economic growth will suffer, the commission is expected to conclude.

How to pay for it is in dispute. Nine commissioners favor significantly boosting gasoline taxes, the biggest revenue source for highway and mass-transit funding, according to several people close to the situation. The taxes, 18.4 cents a gallon for unleaded gasoline and 24.4 cents a gallon for diesel, haven't been raised since 1993, though traffic volume has increased sharply and prices for asphalt and other construction materials have soared.

The nine will recommend raising gas taxes by as much as 40 cents a gallon over five years, in time for the next major highway-bill reauthorization in 2009. They will also call for a new levy on public-transportation tickets.

Three commissioners, including Ms. Peters and Maria Cino, a former deputy secretary of transportation now organizing the 2008 Republican National Convention, oppose raising gas taxes because it would result in higher pump prices for motorists. Instead, Ms. Peters plans to issue a separate report calling for a greater reliance on private-sector investment and tolls.

"Raising federal gas taxes won't improve traffic congestion...and sends more of Americans' hard-earned money to Washington to be squandered on earmarks and special-interest projects," said Brian Turmail, a spokesman for Ms. Peters.

Many states want the federal government to boost investment in transportation and raise fuel taxes. Private investment in the form of leasing and tolling roads can help in some situations, they say. But for now, states see the federal government and gas taxes as the best and quickest hope for fixing the system.

"We deferred so much on the system we created a gigantic hole," said Pete Rahn, director of the Missouri Department of Transportation. "Nickel-and-dime solutions aren't going to work for us anymore."

Leading business groups in Washington have also formed new infrastructure coalitions and increased their calls for higher fuel taxes in recent months. They say an expected "freight tsunami" in coming years will overwhelm the nation's infrastructure.

Despite their differences, all 12 of the commissioners agree that the federal-state funding system must include performance-based measures rather than simply channeling funds into various, uncoordinated projects. "What the system lacks is accountability," said Steve Heminger, a commissioner who is the executive director of Metropolitan Transportation Commission in San Francisco.

The commissioners will also recommend a new emphasis on safety and the environment, and call for trimming highway fatalities by 50% over the next 17 years.

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