



April 1, 2020

The Honorable Chuck Grassley
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairmen Grassley and Neal and Ranking Members Wyden and Brady:

Despite the challenges and uncertainty caused by COVID-19 and its impact on the economy, American farmers and ranchers continue to provide our citizens with the safest, most efficient food supply in the world. This enormous task cannot be accomplished without the trucking companies and truck drivers who ensure crops, livestock and crucial food products reach the retailer and consumer safely and efficiently.

The integrity of our food supply chain relies on sound transportation infrastructure. Unfortunately, due primarily to lack of investment over several decades, America's infrastructure is in a dire state of rapid deterioration. Of particular concern is the surface transportation system which, according to the American Society of Civil Engineers (ASCE), faces a \$100 billion annual investment gap. ASCE reports that system deficiencies are causing GDP losses in excess of \$116 billion each year. These economic losses are expected to cost about one million jobs by 2025.

This situation is unsustainable. Further degradation of surface transportation efficiency threatens our nation's preeminent economic standing in the world and endangers the livelihood of farmers, ranchers and truck drivers employed in industries that depend on a well-maintained, reliable transportation system. It jeopardizes our food supply and the ability to move goods safely and efficiently to consumers. More than 70% of America's freight, worth \$10 trillion – including 80% of grain – is moved on the highway system.

Fortunately, a solution is at hand. The federal fuel tax, which has not been raised since 1993, must be adjusted to compensate for losses in buying power due to inflation and the real revenue reductions as a result of improved fuel efficiency. The current 18.4 cent gasoline tax has the same buying power today as a ten-cent gas tax in 1993, and new fuel efficiency standards could further reduce revenue to the Highway Trust Fund (HTF) by \$200 billion over the next two decades.

As Congress looks to “Phase Four” COVID-19 legislation that pivots from mitigation to recovery, infrastructure investment represents a significant strategic opportunity to generate powerful economic stimulus in the near-term while simultaneously laying a strong foundation for long-term growth. Investing in desperately needed highway projects across the country would put hundreds of thousands of Americans back to work helping revitalize the economy. Fully paid for up front, this policy would do so without adding a dime to a federal deficit that has exploded in recent weeks.

A confluence of factors protecting the consumer make this policy course more timely today than ever. Gas is selling at historically low prices. Compared to one year ago, Americans are paying about 60 cents per gallon less today for fuel. For every penny increase in the federal fuel user-fee, the average motorist would pay less than 10 cents per week. A slight increase to the fee, assessed at the wholesale terminal rack, is entirely offset by a small fraction of the federal rebate checks Americans received as a result of the Coronavirus Aid, Relief, and Economic Security Act. Moreover, well-maintained and responsibly funded surface transportation would save the average motorist an annual \$1,500 currently lost to wasted gas and time and vehicle damage caused by poor road conditions.

All Americans will benefit from a surface transportation system that ensures the continued safety and efficiency of our food supply. The federal fuel tax is the most fair, responsible and efficient user-fee based mechanism available to policymakers today. With virtually no administrative and overhead costs to administer, ninety-nine cents of every dollar collected is invested in transportation infrastructure, ensuring the smooth flow of goods. This sensible adjustment will generate enormous savings for the American people whom our farmers, ranchers and truckers proudly serve.

Sincerely,



Zippy Duvall
President
American Farm Bureau Federation



Chris Spear
President & CEO
American Trucking Associations

CC: Members of the Senate and House of Representatives