

**Beyond the Gas Tax: Funding Future Transportation Needs  
Summary of NYSDOT Conference on October 7, 2008**

CDTC staff attended this forum at the State Fairgrounds in Syracuse. The stated purpose of the symposium was to “bring together federal and state governmental officials, academics, members of the construction industry and transportation experts from across the country to consider alternatives and supplements to the current gasoline tax as a revenue source in paying for future transportation projects.” From the press release:

*"This conference responds to the reality that the gas tax, the traditional source of revenue for transportation investments at both the state and federal level, may no longer be the way to meet our growing transportation needs," Commissioner Glynn said. "We want to examine very thoroughly the status of federal and state transportation funding and the issues and options for funding critical future infrastructure projects."*

Several speakers suggested that the best way to make a new fund acceptable to the public would be to define it as a user's fee rather than as a tax. One speaker implied that this would mean separate funding sources for transit and highways, although the federal gas tax, which was originally sold as a user's fee, provides funding for both highways and transit. Several speakers were of the opinion that given the current financial crisis, bonding is not an option that is feasible. Some speakers felt that bonding is not a prudent strategy for funding infrastructure preservation projects, although not all speakers agreed.

Several speakers mentioned the option of charging a mileage fee which could be collected as part of the vehicle registration process. Other speakers mentioned the attractiveness of congestion pricing and toll structures that increase tolls during peak periods. HOT lanes (High-Occupancy Toll lanes) were mentioned by a number of speakers as being successful and well accepted by the public. While congestion pricing and HOT lanes are meritorious, they are not considered to be appropriate for generating the magnitude of funding needed for highway infrastructure. (Although not mentioned at the conference, congestion pricing could be considered for providing transit funding.)

Certainly a recurring theme of the day was that finding fund sources will be extremely challenging in the current political and financial environment, but one of the more upbeat presentations came from Asha Weinstein Agrawal, Director, MTI National Transportation Finance Center. Her presentation was on “California's Experience with Financing Options Beyond the Gas Tax”. Based on a scientific survey of 1,500 California adults, Dr. Agrawal found that Californians would be more supportive of “green” taxes than traditional taxes. For example, increasing the vehicle registration fee from \$31 to \$62 was only supported by 40% of the respondents. But adjusting the fee with higher rates for more polluting vehicles and lower rates for less polluting vehicles increased the survey respondents support to 62%. Similar results were found for two other funding mechanisms, where the green version got significantly more support.