

April 14, 2021

The Honorable Tom Carper
Chairman of the Senate Committee on
Environment and Public Works
513 Hart Senate Office Building
Washington DC, 20510

The Honorable Shelley Moore Capito
Ranking Member of the Senate Committee
Environment and Public Works
172 Russell Senate House Office Building
Washington DC, 20510

Dear Chairman Carper and Ranking Member Capito,

On behalf of the National Stone, Sand & Gravel Association (NSSGA) and the aggregates industry we represent, we welcome today's hearing titled *Long-term Solvency of the Highway Trust Fund: Lessons Learned from the Surface Transportation System Funding Alternatives Program and Other User-based Revenue Solutions, and How Funding Uncertainty Affects the Highway Programs*. As you well know, the Highway Trust Fund (HTF) is dependent on outdated and insufficient user fees, and absent proactive solutions and new revenue models, the HTF will be financially insolvent in the very near future. NSSGA welcomes this critical dialogue on how we collect future revenues and fund our national infrastructure network for decades to come. NSSGA supports these efforts and hopes today's hearing will spur meaningful action.

NSSGA is the leading advocate and resource for the aggregates industry, who provide the critical raw materials found in virtually every surface transportation project; roads, highways, bridges, runways, pipelines and much more. Our membership represents more than 90 percent of the crushed stone and 70 percent of the sand and gravel produced annually in the United States. Our member companies work closely with State Departments of Transportation agencies regarding material procurement for their local public works projects and our products are one of the first items forecasted given its position at the top of the construction supply chain. Thus, financial certainty and maintaining a financially solvent HTF is key and must be tackled in tandem with whatever surface transportation reauthorization package this committee puts forward.

NSSGA is a vocal supporter of incorporating all revenue options to sustain the HTF and create financial certainty for a robust, multi-year surface transportation reauthorization. One of the most direct injections of funds would be raising and indexing the federal gas tax, a position NSSGA strongly supports, yet has not occurred since 1993. Raising the federal gas tax is the most efficient user fee and easiest to implement, as it requires virtually no additional infrastructure to raise. Given the rapid improvements on fuel efficiencies, gas tax receipts will only continue to decline and at a minimum, the federal gas tax should be indexed to increase in the coming years.

Though immediate gas tax increases will go a long way towards improving the HTF's revenue models, it cannot be the preferred revenue stream the next decade. Given the proliferation of electric vehicles and non-combustion engine drivetrains on our roadways, NSSGA supports incorporating these new technologies into the HTF. Capturing these emerging markets now will be key as demand will continue to rise, as roughly 1/4th of new vehicle sales will be electric by 2035 and 40% of all cars on the road will

be electric.¹ Beyond traditional revenue models, NSSGA also support efforts to study, create national pilots and ultimately revenue options like vehicle-miles-traveled (VMTs). VMTs appear to be a leading candidate to alleviate the dependency on gas tax receipts and is a model that can incorporate all engine drivetrains, as well as personal and commercial vehicles alike.

Lastly, NSSGA also supports utilizing public-private partnerships (P3s) where appropriate and leveraging bonding measures as other viable tools. Ultimately Congress must maintain flexibility and avoid a narrow on focus on one user fee over another, as the HTF will need to be evolve from its traditional model capture and incorporate the new technologies, driving habits and emerging vehicle markets we currently see on our roads and highways.

NSSGA appreciates the committee's work addressing the financial needs and dated revenue models of the Highway Trust Fund and identify user fees necessary to facilitate a transformative surface transportation reauthorization package. We offer our industry as a resource as ideas and dialogue on this critical policy continue to grow. Thank you for your time and we look forward to partnering with your offices as we work to improve our nation's infrastructure network.

Sincerely,



Michael W. Johnson
President and CEO
National Stone, Sand and Gravel Association

cc: Senate Environment & Public Works Committee Members

¹ <https://www.nytimes.com/interactive/2021/03/10/climate/electric-vehicle-fleet-turnover.html>