

February 17, 2022

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Republican Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Republican Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, and Leaders Schumer, McCarthy, and McConnell:

Suspending the federal gasoline tax in the name of “economic relief” is misguided and could undermine the recently enacted and bipartisan Infrastructure Investment and Jobs Act (IIJA). The national associations and labor unions of the Transportation Construction Coalition (TCC) and the Americans for Transportation Mobility (ATM) coalition strongly oppose the S. 3609, the Gas Price Relief Act of 2022.

Federal highway and public transportation programs are funded primarily with taxes on gasoline and diesel fuel, founded on a “user pays” model, where those who use transportation systems pay for them. The TCC and ATM support these user fees, which have not increased since 1993.

The gasoline tax holiday proposed in S. 3609 suggests it would lower prices for consumers. However, the authors of the legislation are misguided in thinking federal fuel taxes have a discernible impact on prices at the pump. The federal gasoline tax has not been increased since 1993, when gasoline was around \$1.00 per gallon nationally. Meanwhile, prices have increased roughly 250 percent, which indicates other factors, like supply and demand, input costs, and geopolitics are drivers of price fluctuations--not federal fuel taxes. Therefore, a gas tax holiday would have little meaningful impact, would further erode the user-pays system, and make it harder to repair America’s aging infrastructure.

The IIJA provides resources to rebuild American infrastructure for the 21<sup>st</sup> century and provide the short and long-term economic benefits that will make a real difference for American families, rather than temporary political gimmicks. The IIJA will make important improvements to connect communities, prioritize resiliency, and facilitate economic growth and competitiveness. Disrupting the carefully negotiated revenue structure in the IIJA would jeopardize these benefits.

The TCC and ATM oppose this proposal to suspend the federal gasoline user fee and urge the House and Senate to reject this plan as well. We believe efforts would be better spent on delivering the first year of promised investments by completing the FY 2022 appropriations process.

Sincerely,