

PEV Collaborative Transportation Funding Consensus Statement

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The transportation system has been chronically underfunded for many years, and the gap between funding from motor fuel taxes and needed repairs and construction continues to widen, creating a debate about long-term solutions. The California Plug-in Electric Vehicle Collaborative has developed this consensus statement to help inform the public dialogue.

Nationwide, funding for the transportation system is under stress because motor fuel taxes are not indexed to inflation and have not been increased in decades. This has forced billions of dollars in deferred system maintenance. Flattening demand for petroleum fuels exacerbates the problem. While all road users should contribute to the transportation system, singling out electricity for new taxation will do little to solve the nationwide transportation-funding shortfall and could undermine the adoption of clean vehicles that reduce emissions and dependence on oil.

As new national and state solutions are proposed, several facts and principles should be kept in mind.

1. Transportation system revenue losses due to vehicle electrification will remain negligible through this decade. If President Obama's goal of one million plug-in vehicles by 2015 were met entirely with pure battery electric vehicles, the resulting loss in revenue from motor fuel taxes would be less than one half of one percent of the total projected revenue shortfall for the federal highway trust fund.¹
2. Taxation that singles out electricity as a transportation fuel over other alternative fuels is inappropriate.
3. Unlike gasoline or diesel, electricity used as a transportation fuel is generally subject to local utility taxes that fund local services, such as fire departments and local road maintenance.
4. Resolution of the overarching transportation funding problem should treat all vehicles and fuels equitably and should continue to encourage reductions in petroleum consumption and pollution, and increases in energy efficiency.

¹ Projected federal shortfall in 2020 derived by assuming one million pure battery electric vehicles on the road by 2015, increasing to five million by 2020, and a \$12 billion annual federal Highway Trust Fund deficit per the study "Road to Recovery: Transforming America's Transportation," by B.Bradley, T.Ridge, and D.Walker (2011).