



Federal Priorities and Industry Interests: Narratives and Proposed Legislative Amendments

1. Tolling Interstate Highways and Federal-Aid Roadways

Eliminate provisions in existing law that limit the use of tolling on the interstate highway system and federal-aid roadways, by allowing tolling and road pricing for the purpose of reconstruction and enhancements. Support user-payment principles aimed at growing the resources available for transportation investment at the state and local level where it is deemed publicly and politically acceptable and aligned with local infrastructure and mobility objectives. Since approximately three-quarters of U.S. transportation funding comes from state and local levels, federal law needs to enable greater revenue generating flexibility at this level of government. This legislative initiative advances:

- **Essential infrastructure investment** to address the \$786 billion backlog in highway and bridge projects, of which more than 70 percent is needed for basic repairs.
- **Fairness** because tolls are paid for by those that use and benefit from the priced facilities but not charged for those that choose not to use them.
- **Value** to motorists as evident from more than 35 years of successful U.S. electronic toll collection, with high levels of customer satisfaction stemming from travel options offering convenience, travel reliability, quality facilities, and seamless operations.
- **Public acceptance** evident from surveys that show motorists prefer paying tolls for specific projects rather than facing general tax increases and support toll roads to improve driver options.
- **Private and secure collection methods** demonstrated by a longstanding track record of electronic tolling operations delivering the highest standards of data security and personal privacy protection.
- **Efficiency and cost-effectiveness** in revenue collection because of operational scale and service delivery with independent service providers and private partners.

Proposed Legislative Language

Eliminate provisions in existing law that limit the use of tolling on the interstate highway system and allow tolling of the federal-aid roadways for the purpose of reconstruction and enhancements.

SEC. __ INCREASED FLEXIBILITY.

- (a) IN GENERAL.—Section 129(a)(1) of title 23, United States Code, is amended—
- (1) in paragraphs (B) and (F) by striking “(other than a highway on the Interstate System)”
- (b) REMOVAL OF RESTRICTIONS.—Section 301 of title 23, United States Code, and the item relating to that section in the table of sections for chapter 3 of such title, are repealed.
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Make the tolling provisions of the Congestion Relief Program more attractive to eligible recipients by amending requirements on allowable ranges of minimum-to-maximum toll rates and provisions for free or discounted access by transit vehicles and HOVs.

SEC. __. CONGESTION RELIEF PROGRAM.

- (a) REQUIREMENTS.—Section 129 is amended in subsection (d)(6) by striking clauses (ii) and (iii) and redesignating clauses (iv), and (v) as clauses (ii) and (iii).

2. Resiliency Programs for Critical Infrastructure

Bolster resilience of critical transportation infrastructure assets and systems and organizational readiness for extreme events in the future. Continue the provisions of the PROTECT Program to address the resilience of critical infrastructure and increase funding levels to harden facilities against the risks of severe and extraordinary events. Provide ongoing resources to assist transportation infrastructure operators to undertake and update risk and vulnerability analyses to set priorities, make tradeoffs, and invest scarce

resources wisely. Ensure continued funding of state and local initiatives to establish system redundancies and effective evacuation routes, ensuring eligibility for owners and operators of tolled roadway facilities. Safeguard federal and public investments through project and design standards for infrastructure resiliency that advance project siting, designs, and materials that are capable of withstanding future conditions. Use selected grants and project awards as case study demonstrations of the project delivery and benefit-cost analyses of mitigation investments.

Proposed Legislative Language

Bolster resilience of critical transportation infrastructure assets and systems and organizational readiness for extreme events in the future.

SEC. __ PROMOTING RESILIENT OPERATIONS FOR TRANSFORMATIVE, EFFICIENT, AND COST-SAVING TRANSPORTATION (PROTECT) PROGRAM

(iii) PRIORITY. Section 176 (d) (4) (A) (iii) (I) of title 23, United States Code, is amended by inserting at the end of the current clause: “from a benefit-cost analysis submitted with each grant application that:”.

Section 176 (d) (4) (A) (iii) (I) (bb) of title 23, United States Code, is amended by striking the word “or” at the conclusion of the clause and inserting “and

(cc) the eligible entity making the grant application is agreeable to have the project used as a case study for demonstration of practices in project delivery or benefit-cost analyses of mitigation investments; or”.

3. Connected Vehicle Technology and V2X Deployment

Increase federal resources for accelerated deployment of connected vehicle and V2X deployments the Advanced Transportation Technologies and Innovative Mobility Deployment program. Continue funding for the Strengthening Mobility and Revolutionizing demonstration projects focused on advanced smart city or community technologies and systems that will improve transportation efficiency and safety. Connected vehicle technology and V2X communications offer road users improved information about risks in a variety of traffic situations, helping to prevent crashes and protect vulnerable individuals. V2X information may also optimize system performance, enhance reliability, improve mobility, and facilitate better goods movement. Increased federal resources are needed to address the many challenges that transportation operators confront in accelerating deployment. Increased federal funding levels will create new incentives for state and local operators to:

- accelerate V2X deployment project schedules, budgets, policies, and partnerships;
- address the expertise and frameworks needed by operators to manage the technical challenges of V2X deployment;
- secure adequate funding to update and replace legacy systems that slow the adoption of new technology;
- build organizational capacity and encourage private engagement and partnerships throughout the deployment process (i.e., planning, design, construction, operations, and maintenance); and
- provide funding to ensure a cohesive and interoperable ecosystem through development of standards, testing, certifications, and protections against telecommunication interference.

Proposed Legislative Language

Increase federal resources for accelerated deployment of connected vehicle and V2X deployments included in the Advanced Transportation Technologies and Innovative Mobility Deployment program.

SEC. __ RESEARCH AND TECHNOLOGY DEVELOPMENT AND DEPLOYMENT.

(a) IN GENERAL.—Section 503 (c) (4) (I) of title 23, United States Code, is amended in clause (i) by striking “\$60,000,000 for each of fiscal years 2022 through 2026” and inserting “\$250,000,000 for each of fiscal years 2027 through 2031”.

4. Transportation Infrastructure Finance and Innovation Act (TIFIA)

Ensure TIFIA's effectiveness to accelerate and facilitate project delivery by expanding program funding and preserving key program provisions.

- Raise the limit for secured loans that qualify for an expedited application process under the TIFIA streamlining provisions from \$100,000,000 to \$150,000,000.
- Preserve the provision for USDOT to allow TIFIA project sponsors to borrow up to the statutorily allowable 49% of eligible project costs without constraints.
- Continue to allow borrowers under the TIFIA program the opportunity to seek one-time amendments to reduce interest rates on outstanding TIFIA loans in an expedited manner.

Proposed Legislative Language

SEC. ___ STREAMLINED APPLICATION PROCESS.

(a) IN GENERAL.—Section 603(f)(2)(A) of title 23, United States Code is amended by striking “\$100,000,000” and inserting “\$150,000,000”.

5. Road Use Charging / Mileage-Based User Fees (MBUF)

Continue federal grant funding for state and local programs to prepare and implement alternatives to the motor fuels taxes as established in the Strategic Innovation for Revenue Collection (SIRC) program designed to explore road usage fee and other user-based alternative revenue mechanisms. Also continue federal funding for the National vehicle Per-mile User Fee Pilot program and to complete a national pilot of distance-based road charges to access alternatives to address the insolvency of the federal Highway Trust Fund.

- Increase funding for the SIRC program established in Section 13001 of the Infrastructure Investment and Jobs Act designed to advance state and local efforts to develop and implement equitable distance-based road charges as an alternative to existing fuel taxes. Amend the program to provide resources for two types of grants:
 - (1) A pilot grant program to encourage new states to explore and test mileage-based systems, funded at \$10 million annually for FY 2027-FY 2031 with a 20 percent local match requirement.
 - (2) A larger implementation grant program to incentivize states to implement a mileage-based user fee system or expand current State programs to a large-scale implementation, funded at \$90 million per year for FY 2027-FY 2031, with a 20 percent local match.

Both programs should address State and local objectives as well as the federal interest in:

- A. Recommendations regarding adoption and implementation of user-based alternative revenue mechanisms;
 - B. Quantifying and minimizing the administrative costs of any potential user-based alternative revenue mechanisms;
 - C. Advancing requirements-based solutions that are technology agnostic and certifiable, allowing for a robust ecosystem of service providers to serve program operators and customers, which supports scalability, technological change, and innovation.
 - D. Embracing the highest standards of data security and privacy;
 - E. Evaluating the ease and effectiveness of compliance and enforcement across implementation options for different users of the surface transportation system;
 - F. Conducting public outreach and engagement to increase public awareness of transportation funding practices and the merits of user-based alternatives to address fairness and sustainable revenue;
 - G. Evaluating the impacts of alternative revenue mechanisms on reliable long-term net revenue, transportation costs, freight movement, and other transportation revenue sources and regulations.
- Advance the work of the Federal System Funding Alternatives (FSFA) Advisory Board to undertake and advance a national pilot program of distance-based road charges as established in Section 13002 of the Infrastructure Investment and Jobs Act. This work is crucial to address federal challenges that have not

been well understood from the state-level programs and research completed to date. These include interstate travel issues centered on out-of-state mileage charges, financial reciprocity among jurisdictions, enforcement and compliance, administrative costs with scaled operations, standards for data exchange and ownership, and interoperability.

- Extend funding for the national pilot at the annual allocations provided under Section 13002 of \$10,000,000 per year for Fiscal Years 2027-2031.
- Revise the reporting requirements of the Federal System Funding Alternatives Advisory Board established in Section 13002 to include a report of findings and recommendations to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives, and the Transportation Secretary.

Proposed Legislative Language

SEC. ____ . STRATEGIC INNOVATION FOR REVENUE COLLECTION PROGRAM ENHANCEMENTS.

(a) IN GENERAL.— Section 13001(b) of the Infrastructure Investment and Jobs Act (Public Law 117–58) is amended--

(1) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary shall provide grants to eligible entities to carry out pilot projects under this section in two grant categories:

(A) Planning Grants to encourage States that have not received prior Federal funding under the Strategic Innovation for Revenue Collection Program to explore user-based alternative revenue mechanisms; and

(B) Implementation Grants to incentivize States to implement a mileage-based user fee system or expand existing State programs toward large-scale implementation.”

(2) in paragraph (3)—

(A) by striking subparagraph (A) and inserting the following:

“(A) To test the design, acceptance, and implementation of user-based alternative revenue mechanisms at the State, regional, and local levels, including among all types of roadway users in—

(i) urban, suburban, and rural areas; and

(ii) differing economic and demographic categories.”

(B) by striking subparagraph (D) and inserting the following:

“(D) To test a variety of solutions, based on business and functional requirements that are technology-agnostic, certifiable, and supportive of future scalability, technological change, and innovation.

(E) To include the use of independent and private third-party vendors to ensure a robust ecosystem of service providers offering cost-effective business solutions and flexible payment options for drivers.”

(C) by redesignating subparagraphs (E) through (K) as subparagraphs (F) through (L).

(D) by inserting “of transportation funding practices and the merits of user-based alternatives to address fairness and sustainable revenue” after “public awareness”, and by striking “regarding the need for user-based alternative revenue mechanisms” in subparagraph (G) (as so redesignated).

(E) by inserting “and effectiveness” after “evaluate the ease” in subparagraph (H) (as so redesignate).

(3) in paragraph (4)—

- (A) by striking “or” after subparagraph (B);
- (B) designating subparagraph (C) as subparagraph (E); and
- (C) inserting:
 - “(C) a political subdivision of a State or local government; or
 - (D) public authority with a transportation function,”

(4) in paragraph (7)—

- (A) by striking “that has not otherwise received a grant under this section; and” in subparagraph (A); and
- (B) by striking subparagraph (B).

(b) FUNDING.--Section 13001(e) of the Infrastructure Investment and Jobs Act (Public Law 117–58) is amended by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Of the funds made available to carry out section 503(b) of title 23, United States Code, for each of fiscal years 2027 through 2031:

- (A) \$15,000,000 shall be used for pilot projects under the Planning Grants established under subsection (b)(1)(A); and
- (B) \$90,000,000 shall be used for implementation projects under the Implementation Grants established under subsection (b)(1)(B).”

SEC. _____. MODIFICATIONS TO NATIONAL MOTOR VEHICLE PER-MILE USER FEE PILOT.

(a) IN GENERAL.—Section 13002 of the Infrastructure Investment and Jobs Act (Public Law 117–58) is amended as follows--

(1) in subsection (d)(1)--

- (A) by striking “automakers” and inserting “vehicles and automakers”.
- (B) in subparagraph (F) by striking “stations” and inserting “and motor vehicle inspection stations”.

(C) by redesignating subparagraph (G) as subparagraph (H), and inserting after subparagraph (F) the following:

“(G) Data from the States that received a grant under section 13001.”

(2) CONGRESSIONAL REPORTING.— In subsection (g)(3), by striking “the Secretary with” and inserting “to the Committee on Environment and Public Works of the Senate and the Committee on Transportation and Infrastructure of the House of Representatives, and the Secretary with” after the phrase “board shall provide”.

(3) CLARIFICATION.— In subsection (h)(1)—

- (A) by striking “national” and inserting “federal” before the phrase “motor vehicle per-mile user fees”; and
- (B) in subparagraph (B) by striking “State surface transportation system funding alternatives pilot program under section 6020 of the FAST Act (23 U.S.C. 503 note; Public Law 114–94) (as in effect on the day before the date of enactment of this Act)” and inserting “Strategic Innovation for Revenue Collection program (section 13001)” after the phrase “from the”.

(4) ADVISORY BOARD.— In subsection (n), by inserting “the Federal System Funding Advisory Board, established in subsection (g), shall submit to” after the phrase “duration of the pilot program,”; and by striking “shall submit” after “Secretary of the Treasury” and inserting “and”.

(5) AVAILABILITY OF FUNDS.— In subsection (o), by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—Of the funds made available to carry out section 503(b) of title 23, United States Code, for each of fiscal years 2027 through 2031, \$10,000,000 shall be used to carry out the pilot program under this section.”