

March 13th, 2020

Dear House Finance Committee,

The Alaska Section of ASCE (American Society of Civil Engineers) supports Senate Bill 115 (SB 115), which would increase taxes on motor fuel and watercraft fuel and would additionally levy a special biennial registration fee for plug-in electric and hybrid vehicles. ASCE Policy Statement 382 recommends that adequate funding for planning, designing, operating, maintaining, and improving the nation's transportation system be provided by a comprehensive program with sustainable dedicated revenue sources, which includes capturing user fees through increases in state motor fuel tax and vehicle registration fees.

ASCE Alaska Section released the first Report Card on Alaska's Infrastructure in 2017. The report highlights various aspects of 9 different infrastructure categories including Roads, Bridges, Airports, Marine Highways, and Ports & Harbors. Highlighted aspects of these infrastructure categories include condition, maintenance & operation, future needs, and funding. A common theme in the report is that although our transportation infrastructure is generally in fair condition, additional funding is needed to adequately maintain, operate, and develop our transportation infrastructure.

Alaska's motor fuel tax, at 8% is currently the lowest in the nation. It is unchanged since its adoption in 1970. Since 1970 vehicles have seen major gains in fuel efficiency and drive a significant amount more miles per gallon than they did 50 years ago. The increase in fuel efficiency has also led to an increase in wear-and-tear on our roads per gallon filled and battery charged. The user fees levied as part of SB 115 would help bridge this gap and capture revenue needed to fund transportation infrastructure needs.

We understand that additional taxes collected from increases in motor fuel and special registration fees cannot be earmarked for a transportation trust fund. ASCE recommends that the legislature have adequate budgetary firewalls in place to prevent the diversion of revenues generated from SB 115 for non-transportation purposes.

We thank you for considering our support for SB 115 and look forward to the bill's progression through the legislature.

Sincerely,



David Gamez, P.E., M.ASCE
President - ASCE Alaska Section (2019-2020)