



## Financing the Commonwealth's Transportation Needs While Ensuring the Future of Trucking in Massachusetts

As the Massachusetts legislature continues to discuss meeting the Commonwealth's transportation needs for the immediate and distant future, any decision must consider the impact on such actions on the trucking industry. According to a 2018 study by Northeastern University's Dukakis Center for Urban and Regional Policy, "trucks are a large part of the commonwealth's economy and also drive its growth. The overall trucking industry (including private and for-hire trucking) represent about one in 12 jobs or about 300,000 jobs in Massachusetts in 2017." In addition, the trucking jobs in Massachusetts – whether diesel engine mechanic, machinist or driver – earn significantly more than the national average for such positions elsewhere. In short, the economic health of the trucking industry reflects the ability of the Commonwealth's residents and businesses to succeed.

The Trucking Association of Massachusetts (TAM) offers this brief primer on the impact of certain transportation revenue measures to help inform key policymakers. TAM urges policymakers to avoid measures that single out the trucking industry or disproportionately place the burden of raising revenue on the trucking industry.

### TAM supports

- *Fuel Tax Increases.* The most equitable method of raising revenue, a gas and diesel tax increase ensures all users pay their fair share. Fuel taxes are the most efficient form of transportation revenue.
- *Surcharges on Transportation Network Companies (TNCs).* The rise of TNCs has led to greater congestion and less efficiency on the roadways. A surcharge on TNC trips will address this increased, inefficient usage.
- *Transportation Climate Initiative.* This initiative, which operates just like a fuel tax, may be able to provide additional transportation funding. Any adoption of this initiative should ensure a substantial amount of funding is put towards improving the Commonwealth's transportation system.

### TAM opposes

- *Tolls.* Tolling has very high collection costs relative to other highway user fees. Further, as the vast majority of roads can't support tolls, a small minority of motorists can be saddled with the subsidization of a state's surface transportation system. Finally, tolling can increase congestion on smaller roads as people seek to avoid toll roads.
- *Congestion Pricing.* This form of revenue generation simply drives up the cost of goods as certain key industries will not accept deliveries during off-peak times. Further, a congestion tax penalizes lower income workers, who cannot afford the commuter rail or do not have flexible work schedules necessary to avoid "peak" pricing schemes.
- *Vehicle Miles Travelled (VMT).* Under the fuel tax mechanism, low-mileage vehicles that emit relatively more greenhouse gases are taxed more heavily. Under a VMT fee, inefficient gas or diesel vehicles and low-or zero-emission vehicles are taxed alike. Furthermore, rural drivers, who pay less in fuel tax per mile compared with urban drivers due to less congestion, will pay the same rate per mile under a VMT fee, even though the relative costs they impose on the system are lower. VMT fees also disproportionately impact working families who cannot afford to live close to where they work.

