Congress of the United States Washington, DC 20515

December 19, 2019

The Honorable Richard Neal Chair Committee on Ways and Means 1102 Longworth House Office Building Washington D.C. 20515 The Honorable Kevin Brady Ranking Member Committee on Ways and Means 1139 Longworth House Office Building Washington D.C. 20515

Dear Chairman Neal and Ranking Member Brady,

As the committee considers funding sources for the highway trust fund, we ask that you consider phasing out the 12 percent federal excise tax (FET) on heavy-duty trucks and replacing it with alternative sources of revenue while ensuring all users pay their fair share.

As you know, the FET on heavy-duty trucks was first implemented to help fund World War I. Because the FET is based on annual sales of heavy-duty trucks, the amount of revenue provided to the Highway Trust Fund (HTF) can vary annually. According to the American Truck Dealers, the FET on heavy-duty trucks is the most volatile source of funding to the HTF over the last 20 years. This inconsistency will continually make it harder to provide sustainable and predictable funding to the Highway Trust Fund.

The FET on heavy-duty trucks may also cause truck owners to delay upgrading to newer, more fuel-efficient trucks that have the latest emissions control technology. Additionally, new features such as automatic emergency braking and lane departure warning improve highway safety but add additional costs. The FET is therefore also a tax on the newest environmental and safety technologies.

For these reasons we urge the Committee to consider phasing out the FET and replacing it with a more stable funding mechanism that ensures all users pay their fair share and that the HTF maintains consistent revenue. Thank you for your consideration.

Sincerely,

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Chris Pappas Member of Congress

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Tom O'Halleran Member of Congress

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Salud Carbajal Member of Congress

Jared Golden

Member of Congress

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Collin C. Peterson Member of Congress

Ben McAdams Member of Congress

Henry Cuellar

Member of Congress

J. Luis Correa Member of Congress

Adam Smith Member of Congress

allie asere

Cindy Axne Member of Congress

Vicente Gonzalez Member of Congress

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Anthony Brindisi Member of Congress

TJ Cox Member of Congress

David Scott Member of Congress

Sanford D. Bishop, Jr. Member of Congress

Daniel W. Lipmski Member of Congress

Angie Craig Member of Congress

Filemon Vela Member of Congress

Marc A. Veasey Member of Congress

Josh Gottheimer

Memor of Congress

an Mi Fare fusto

Ann McLane Kuster Member of Congress

Joyce Peatty

Member of Congress