

# FHWA Update

FTA Motor Fuel Tax Annual Meeting  
Albuquerque, New Mexico  
October 9, 2006

Sherri Y. Alston  
Federal Highway Administration



Celebrating 50 Years Eisenhower  
Interstate System

1956 - 2006



## Legislation

### SAFETEA-LU

Safe, Accountable, Flexible,  
Efficient Transportation Equity  
Act: A Legacy for Users

[www.fhwa.dot.gov](http://www.fhwa.dot.gov)

## Highway Use Tax Evasion Program

- Sec. 1115
- \$127 million FY 2005 through 2009
  - IRS
  - \$2 M Intergovernmental Enforcement Efforts
- New Eligibilities
  - Foreign imports related projects
  - Native American/State related endeavors
- Accountability
  - Requires budget, project plan, MOUs, reporting

## Highway Use Tax Evasion Program Funding - IRS

- |                             |                           |
|-----------------------------|---------------------------|
| • IT Development            | • Compliance/Non-IT       |
| - \$5 m - FY 05             | - \$0 - FY 05             |
| - \$34.8 m - FY06           | - \$8 - FY06              |
| - \$42.3 m - FY 07          | - \$9 - FY 07             |
| - \$0 - FY 08               | - \$10 m - FY 08          |
| - \$0 - FY 09               | - \$10 m - FY 09          |
| <b>Total \$82.1 million</b> | <b>Total \$37 million</b> |

**Total IRS - \$119.1 million**

## Highway Use Tax Evasion Program Funding - FHWA

- Intergovernmental Enforcement Efforts
  - \$0 - FY 05
  - \$2 m - FY 06
  - \$2 m - FY 07
  - \$2 m - FY 08
  - \$2 m - FY 09
- Total \$8 million - split

## Highway Use Tax Evasion Program Funding - FHWA

### Intergovernmental Enforcement Efforts

- \$1 m grant funds available FY 06 - FY 09
  - Funded for no more than 2 years
  - Intergovernmental, return on investment
  - FY 06 - \$1.3 million to 8 projects
  - Criteria: Innovative, Performance Measures
  - FY 2007 - [www./Grants.gov](http://www.Grants.gov)

## Motor Fuel Tax Enforcement Advisory Commission

- Section 11141
- Membership - 22
  - Government - At least 1 from:
    - U.S. DOT OIG, FHWA
    - Homeland Security, Defense, Justice
    - FTA, State DOT
  - Industry
    - 2 each - refiners, terminal operators
    - 1 each - distributor, pipeline, retailer
    - 2 from highway construction
  - Congress - 2 each
    - Senate Finance Committee Staff
    - House Ways and Means Staff

## Motor Fuel Tax Enforcement Advisory Commission

- Functions
  - Review
    - Revenue collections, past and present
    - Progress of investigations
    - Legislative proposals, develop as needed
    - Fed/State cooperative efforts
    - Federal interagency cooperative efforts
  - Monitor
    - Progress of administrative regulation projects
  - Evaluate/Make Recommendations
    - Effectiveness of enforcement programs
    - Enforcement personnel allocations
    - Proposals for projects, legislation, funding

## Motor Fuel Tax Evasion Research

- Determining Rates of Evasion for Highway Use Taxes - Battelle
- Assessment of Methodologies used to Determine Rates of Evasion - L. Berger
- Determining Rates of Evasion at the State Level - NCHRP Project
- Outreach and Education Package

## Challenging Issues

- Supply and Demand
  - New sources
  - Alternative Fuels
- Legislation
  - Greenhouse gas emissions - CA
- Gas prices
- Natural Disasters
  - Impacts
  - Responses - waivers, etc.

## Conclusion

- STP funds
- Old compliance funds
- A thank you

**Linda, we will miss you**