



Unlocking Federal Formula Funding for Trade Corridors

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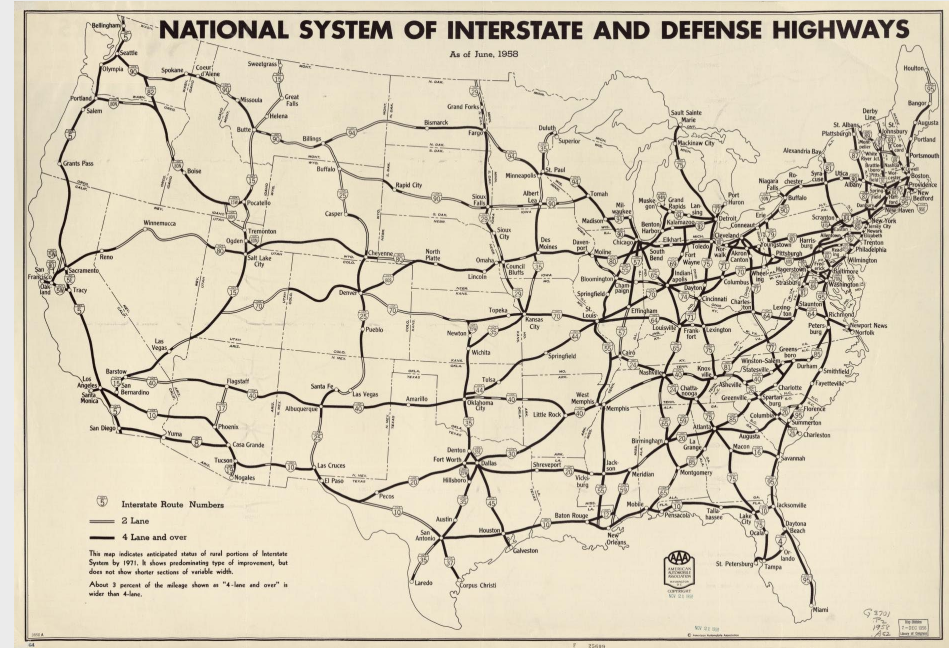


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Creation of the Highway Trust Fund

Interstate Highway System

- In 1956, Congress passed the **Federal-Aid Highway Act**, creating federal funds for interstate highway construction.
- The **Highway Revenue Act of 1956** established a budgetary mechanism known as the **Highway Trust Fund (HTF)**
 - Federal Fuel Taxes
 - Other Federal taxes on truck users
 - Interest on invested balances



Interstate Highway Map, 1958 (Sources: AAA; Library of Congress)

Federal bills impacting the HTF since 1956

- The Federal-aid Highway Act of 1959
- The Surface Transportation Assistance Act (STAA) of 1982
- Deficient Reduction Act of 1984 Omnibus Budget
- Reconciliation Act of 1990 (OBRA 90)
- Omnibus Budget Reconciliation Act of 1993 (OBRA 93)

Federal bills redirecting Federal fuel taxes

- The Taxpayer Relief Act of 1997
- The Surface Transportation Extension Act of 2004, Part V
- The American Jobs Creation Act of 2004 (AJCA 04)
- Omnibus Budget Reconciliation Act of 1993 (OBRA 93)

Truck-related Federal taxes

1. A tax on the sale of certain new heavy-duty trucks
2. A fee assessed annually on heavy vehicles the operate on public highways
3. A tax on certain heavy truck tires

Other Sources of Non-tax Revenues

1. **Penalties and fines** on violations of motor carrier safety requirements
2. **Interest** on invested balances

Transfers to maintain solvency

Beginning in **FY 2008** and in each year since, HTF outlays have exceed the revenues received

Congress has passed a number of laws that have transferred amounts from other sources to the HTF

Attribution to the States and the question of Equity

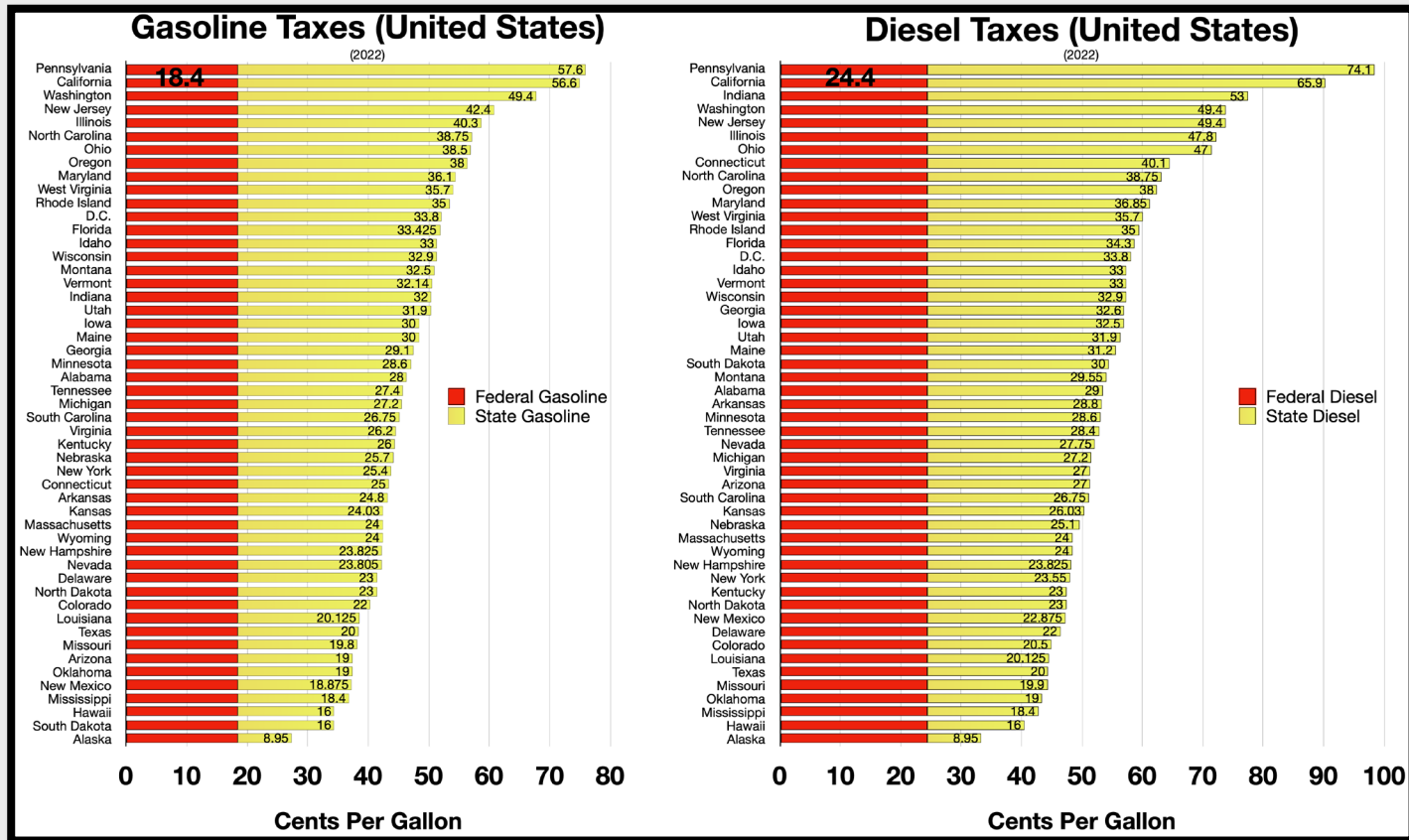
Longstanding debate on how to balance the Nations need for a strong connected highway system with the desire of an equitable return

“Donor” vs “Donee” States

STAA, ISTEA, TEA-21, and SAFETEA-LU authorized separate equity programs

MAP, FAST, IIJA increased total apportionments

State Gasoline and Diesel Taxes



Highway Funding Levels in Past Reauthorization Bills

- ISTEA (1991) \$124 billion / 6 years
- TEA-21 (1998) \$175 billion / 6 years
- SAFETEA-LU (2005) \$193 billion / 6 years
- MAP-21 (2012) \$ 81 billion / 2 years
- FAST ACT (2015) \$305 billion / 5 years
- IIJA (2021) \$350 billion / 5 years

How are we going to fund a future interstate program?

- The answer is in the past
- Raise the Federal fuel tax
- Index the Federal fuel tax
- Minimize or eliminate diversions

Thank You!

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