Driving Change:
Advice for the National VMT-Fee Pilot

NCSL Alternative Transportation User Fees Foundation Partnership – Indianapolis – August 13, 2023
National VMT-Fee Pilot

- IIJA authorizes $50 million for a "National Motor Vehicle Per-Mile User Fee Pilot"
- Test the design, acceptance, implementation, and financial sustainability
- Address the need for additional revenue
- Provide recommendations for adoption and implementation of fee
National VMT-Fee Pilot

- Advisory Board (formed within 90 days)
- Advisory Board reports recommendations for pilot implementation within 1 year
- SecDOT establish program, coordinate with Treasury
  - Provide at least 2 different collection options
  - Solicit volunteers from all 50 states + PR and DC
  - Ensure equitable geographic distribution
  - Include commercial and private passenger vehicles
- Treasury Secretary, in coordination with DOT
  - Selects a per-mile fee amount
  - Collects fees
  - Deposits fees into HTF
Eno Research Scope and Goals

- Examine context and existing VMT fee pilots and programs
- Garner best practices through research and interviews of key stakeholders
- Recommend national pilot goals and Implementation Plan

*This research looks to inform the pilot itself, not recommend the final implementation of a National VMT Fee*
PASSENGER CAR CENTS-PER-MILE EQUIVALENT, 1957-2021

Nominal Rate vs Purchasing Power (NIPA Producer Price Index)
General Fund transfers shown in the year the transferred funds are spent.
State and Regional Pilots in the U.S.
Recommendations
Preliminary Recommendations

- Federal System Funding Alternative Advisory Board
- National VMT Fee Pilot
  - Trucking
  - International Border Crossings
  - Private Vehicles
- Continued Exploration at the State Level
- Federal Interoperability Model
- Further Research
1. Federal System Funding Alternative Advisory Board

- Assemble the Federal Advisory Board as soon as possible
- Include a diverse range of voices and consider formats that would effectively leverage them
- Chose advisory board chair from within its membership
- In partnership with USDOT, develop pilot structure
- Recommend further research
2A. Commercial Vehicles

- Test various rate structures
- Use simple rate structures that do not increase reporting burden for the trucking industry
- State and regional coalitions should continue to pilot a VMT fee for commercial vehicles
2B. International Travel

Ultimately, international implementation should be piloted in a later phase

- States have already begun piloting remittance of miles driven abroad for U.S-registered drivers.
- Not much revenue loss from internationally-registered vehicles due to the nature of cross border travel.
2C. Private Passenger Vehicles

- Only test what absolutely needs to be tested at the federal level
- The pilot should be phased, both geographically and sequentially
- Test minimum data required, scalability, and administrative models
2C. Private Passenger Vehicles

▪ Don’t promote, or recommend against, more complex systems

▪ USDOT should consider using CAMs to manage data, payment, and technology needs, where applicable
3. Continued Exploration at the State/Regional Level

*SIRC* grant eligible entities should consider the following testing needs when applying:

- Trucking Rate Structures
- International Border Crossings
- Equity Impacts on un-banked individuals
- Telematics Access Strategies
Advisory Board should convene an Interoperability Working Group to consider elements of a federal VMT Fee Interoperability Model

- Data Standards
- Data Privacy
- Interoperability Obstacles
5. Further Research and Activity

After the conclusion of the pilot, advisory board should recommend further research needs

- Explore funding models besides a VMT fee
  - Annual Registration Fees
  - Kilowatt-hour fees
- Conduct targeted education campaign, focusing on the funding problem
The Full Report

▪ “Driving Change: Advice for the National VMT-Fee Pilot” can be accessed on our website, enotrans.org

▪ Upcoming Webinar: September 19

▪ Additional resources (ie a National Pilot explainer video) will be released over the next couple of months
Thank You!

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