



National VMT Pilot Update

August 13, 2023

Federal System Funding Alternative Advisory Board

- **Participants?** Transportation stakeholders
- **Aim?** Develop recommendations for a national pilot
- **Timing?** Overdue
 - Formed within 90 days
 - Report recommendations for pilot program implementation within 1 year

National User Fee Pilot Program

- **Purpose?** Test acceptance, implementation and financial sustainability of a fee; address need for additional revenue; provide recommendations for adoption of national Fee.
 - Includes commercial & private passenger vehicles
- **Participants?** Volunteer, all 50 states, Puerto Rico & D.C. DOT to establish program, coordinate with Treasury
- **Timing?** Overdue
- **Federal Dept. Roles?**
 - DOT to establish program, and create 2 different collection options.
 - Treasury to select a per-mile fee amount, responsible for collection and deposit of fees into Highway Trust Fund

Senate EPW and House T&I have asked DOT for an update no later than Aug. 24, 2023. [Read letter here.](#)

About

- “New” Surface Transportation System Funding Alternatives Program (STFSA)
- **Intention?** Test feasibility of RUC and other user-based alternative revenue mechanisms
- **Changes?** Increases federal cost-share of grant awards
 - 80% for those who didn’t receive funding previously
 - 70% for those who have received previous funding
 - Funds may be used for program implementation
 - Local governments and MPOs are now eligible recipients

Updates?

- DOT letter to OMB in June 2023 (following first P3 meeting)
 - Requested OMB grant emergency clearance for a new information collection request so FHWA could implement SIRC.
 - Letter signaled DOT’s intent for a multi-year NOFO for FY 2022 – 2024.
 - NOFO not yet published.
- FHWA Staff Lead: Carlos McCloud - carlos.mccloud@dot.gov

Surface Transportation Federalism Directive

Current Language

- 96 • An increase in federal highway transportation funding is needed in the short-term
97 to provide sufficient funding for the next authorization to meet the new vision and
98 until a new, more stable long-term funding mechanism for surface transportation
99 can be put in place. Any fees or taxes imposed on carbon-based fuels used by
100 vehicles should be recognized as a traditional source for transportation funding
101 and should remain dedicated to the Highway Trust Fund. Congress must migrate
102 the Highway Trust Fund from a gas tax to a new national funding stream. In order
103 to accomplish this, Congress must examine innovative ways that capture all
104 system users. Congress should encourage pilot programs in states for
105 experimentation with approaches, methods and mechanisms. Any system should
106 ensure the privacy of users.

Surface Transportation Federalism Directive

Staff Amendment - NRI Committee Business Meeting, Tuesday
August 15 – 9:30 AM, ICC Level 1, Rooms 140-142

- 107 • As the U.S. Department of Transportation (DOT) establishes the National Motor
108 Vehicle Per-Mile User Fee Pilot as required by Congress in the Infrastructure
109 Investment and Jobs Act, NCSL encourages the following:
- 110 ○ DOT should ensure that state legislators are represented on the Federal
111 System Funding Advisory Board. Since the early 2000s, state legislatures
112 have been at the forefront of discussions to explore possible replacements
113 for the motor fuel tax, often leading the call for studies and demonstration
114 projects.
- 115 • ○ The framework of the National User Fee Pilot Program should rely heavily
116 upon existing state expertise and in coordination with states who are
117 considering, and who have established alternative transportation funding
118 mechanisms.

QUESTIONS?

Kristen Hildreth
Senior Legislative Director,
Natural Resources &
Infrastructure
kristen.hildreth@ncsl.org
202.624.3597

