

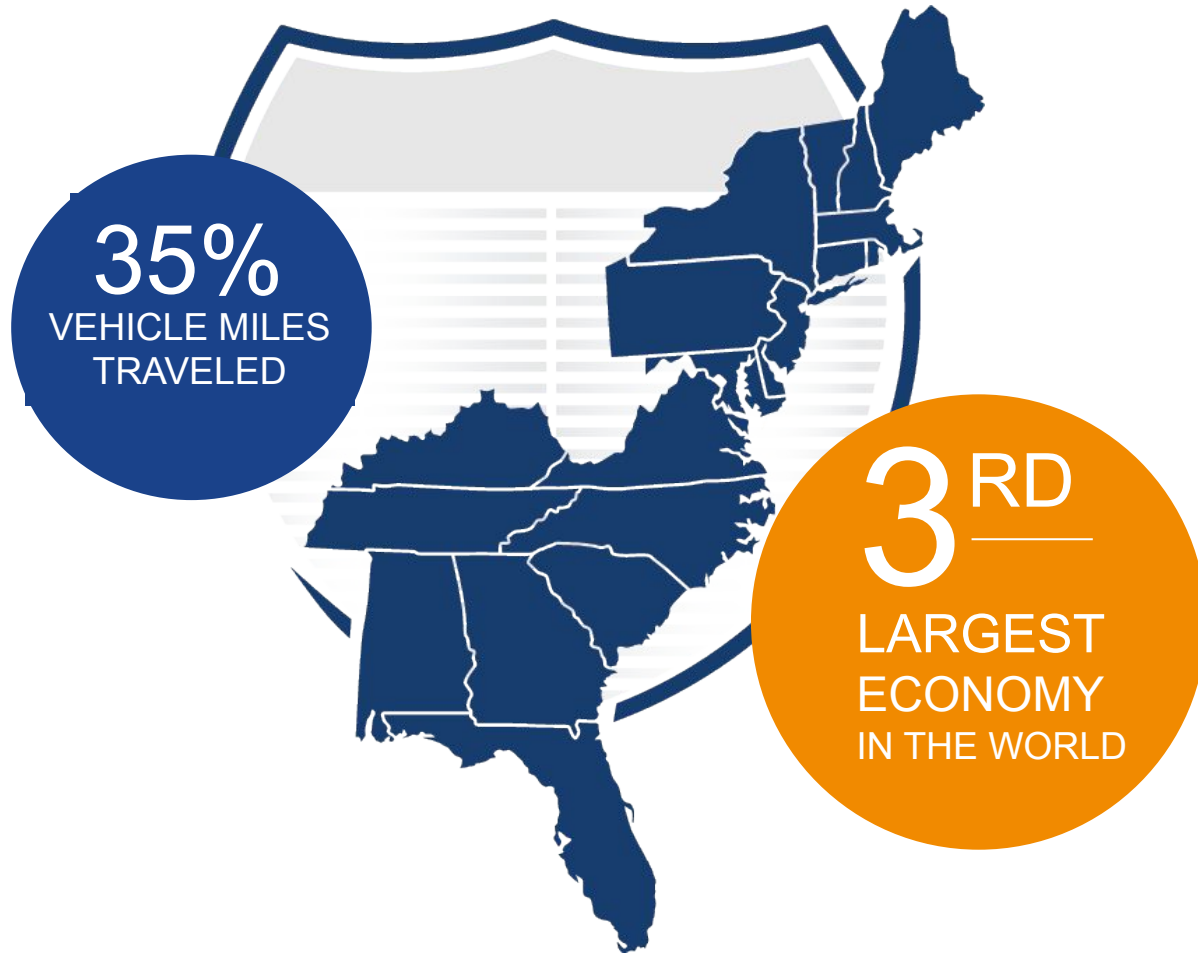


NCSL Alternative Transportation User Fees Foundation Partnership

June 4, 2023

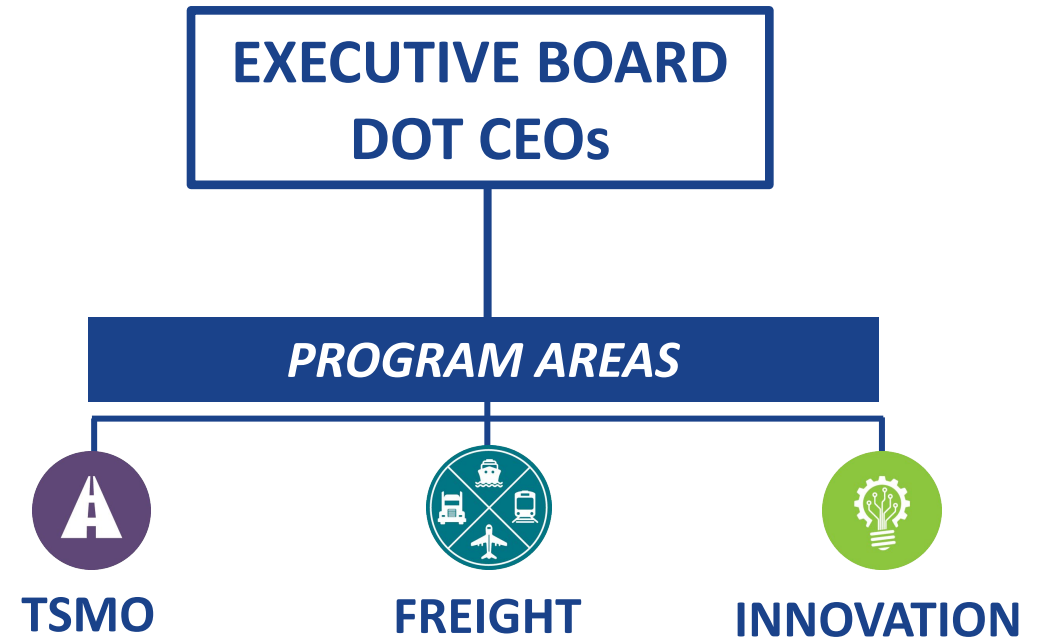
Who is the Coalition?

Collective impact organization working together to solve today's most pressing transportation challenges.



17 States + D.C.

and 200+ agencies



Coalition applied for STSFA grants to figure out.....

- **Out-of-State Mileage**
How will travel across boundaries be handled?
- **Tolling**
How can lessons learned from tolling be applied to MBUF?
- **Public Acceptance**
What is the best way to discuss and design an MBUF system?
- **Trucking**
How does a user fee fit into current requirements?

**MBUF = Mileage Based User Fee aka RUC by another name....*



Completed
4 of 6
awarded
grants

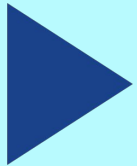


Recent MBUF Work and Insights Learned

Overview of 2022 MBUF Work



State-Specific Education and Outreach



Educational Video



Passenger Vehicle Pilots

- General Public (NC, NJ)
- In-vehicle Telematics (PA)
- Lowering Administrative costs (CT Ongoing)



Motor Carrier Work

- International truck pilot
- Clearinghouse test
- Fleet diversity
- Motor Carrier Working Group



Equity Analysis

- Geographic (ME)
- Socioeconomic (PA, NC, NJ)



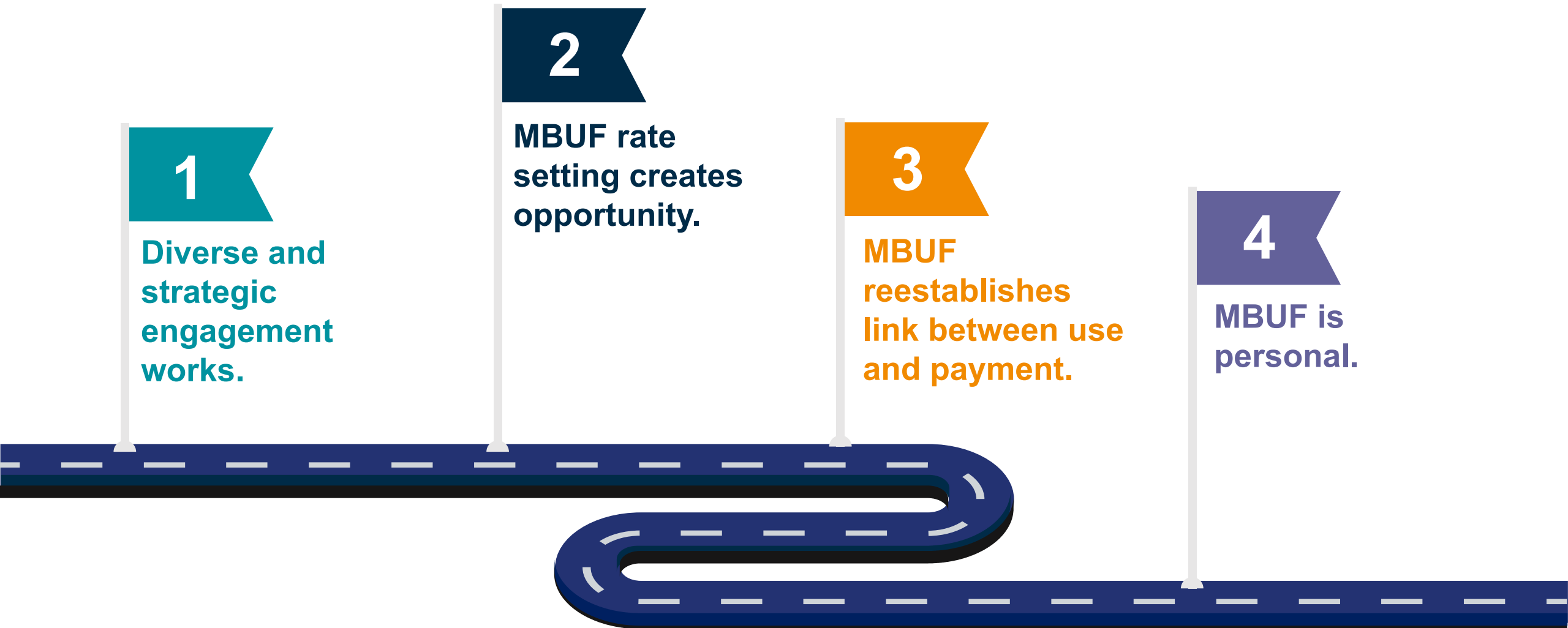
Rate Setting Approaches



Exchanges

- Practitioner to practitioner
- Steering Committee

2022 MBUF Key Insights (passenger vehicles)



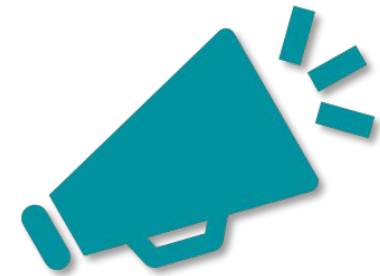
Diverse and strategic engagement works.



Partnering with
key organizations
and agencies



Presentations to
stakeholder and
industry meetings



Media
outreach



MBUF rate setting creates opportunity.

Funding Targets

1

Transitional

- Voluntary EV Program
- Hard to cover program cost

2

Revenue Neutral MFT Replacement

- Gasoline tax replaced by MBUF
- Yields current funding levels

3

Enhanced Funding

- Gasoline tax replaced by MBUF
- MBUF rates set to yield an additional funding

MBUF Rate Structures

Flat Rates Capped (Utah, Virginia)

- Single per mile rate for all participating vehicles
- Charges capped at fee amount

Flat Rates No Cap (Oregon)

- Single per mile rate for all participating vehicles
- Charges NOT capped at fee amount

Varied Rates

- Policy based (e.g. rural discount)

**It will not
address equity
issues.....**



Use and payment



Revenue



Regressivity



Income inequality



Simplify
enrollment.



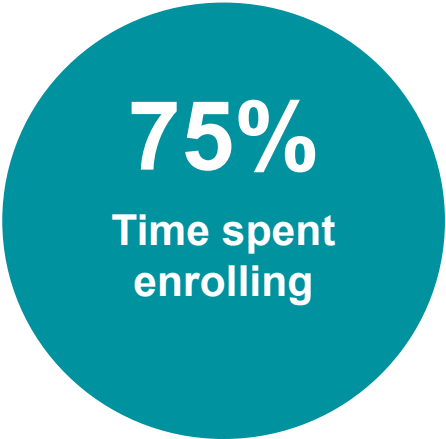
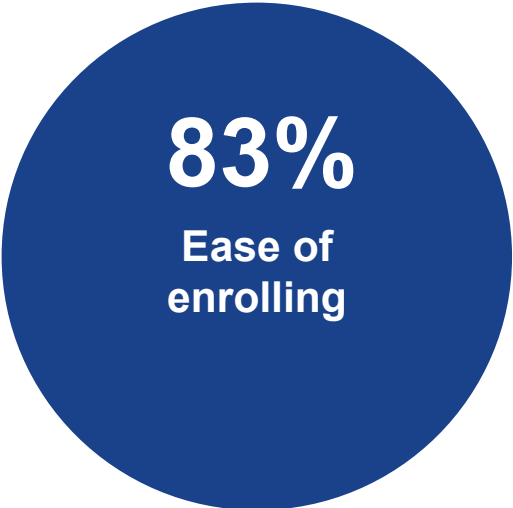
Real world
experience
lowers
concerns.



Let users see
how MBUF
would impact
them
personally.

Most NJ participants were **satisfied** with the pilot recruitment and **enrollment process**.

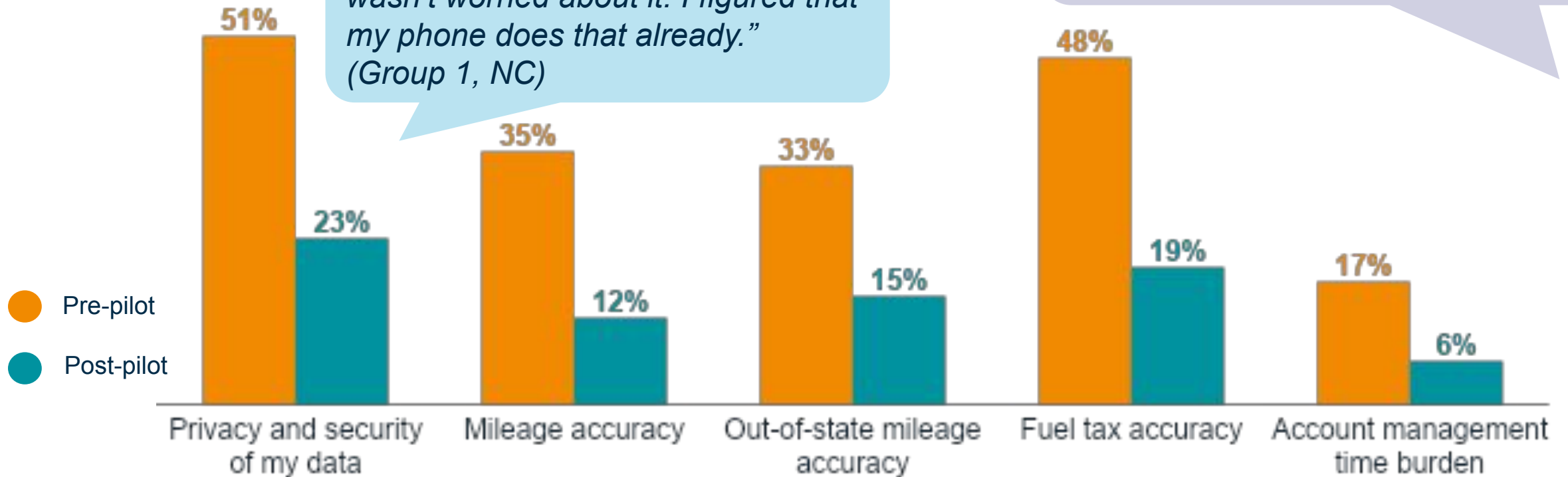
Satisfaction Percentages



Public Opinion Surveys strongest argument against MBUF in NJ:
“It will be a hassle to report and pay”

Concerns about an MBUF program **declined** after participating in the pilot.

Concern Rating of 4 or 5





MBUF Calculator in Pennsylvania

Customized for
the state

Accounts for different
vehicle types

Personalized
MBUF impacts

Able to
experiment with
MBUF rate

Pennsylvania Exploratory Mileage-Based User Fee Cost Calculator

Do you drive an electric vehicle?

☐ Yes ☒ No

Mileage:

How many miles do you drive per month?

Enter Miles

Do you drive a diesel vehicle?

☐ Yes ☒ No

Vehicle:

Enter your vehicle's average MPG

☒ I know my vehicle's average MPG

☐ Find my vehicle's average MPG

What is the average MPG of your vehicle? Find your vehicle's MPG [here](#).

Enter MPG

MBUF Rate:

Select your mileage rate to see how it affects the cost.

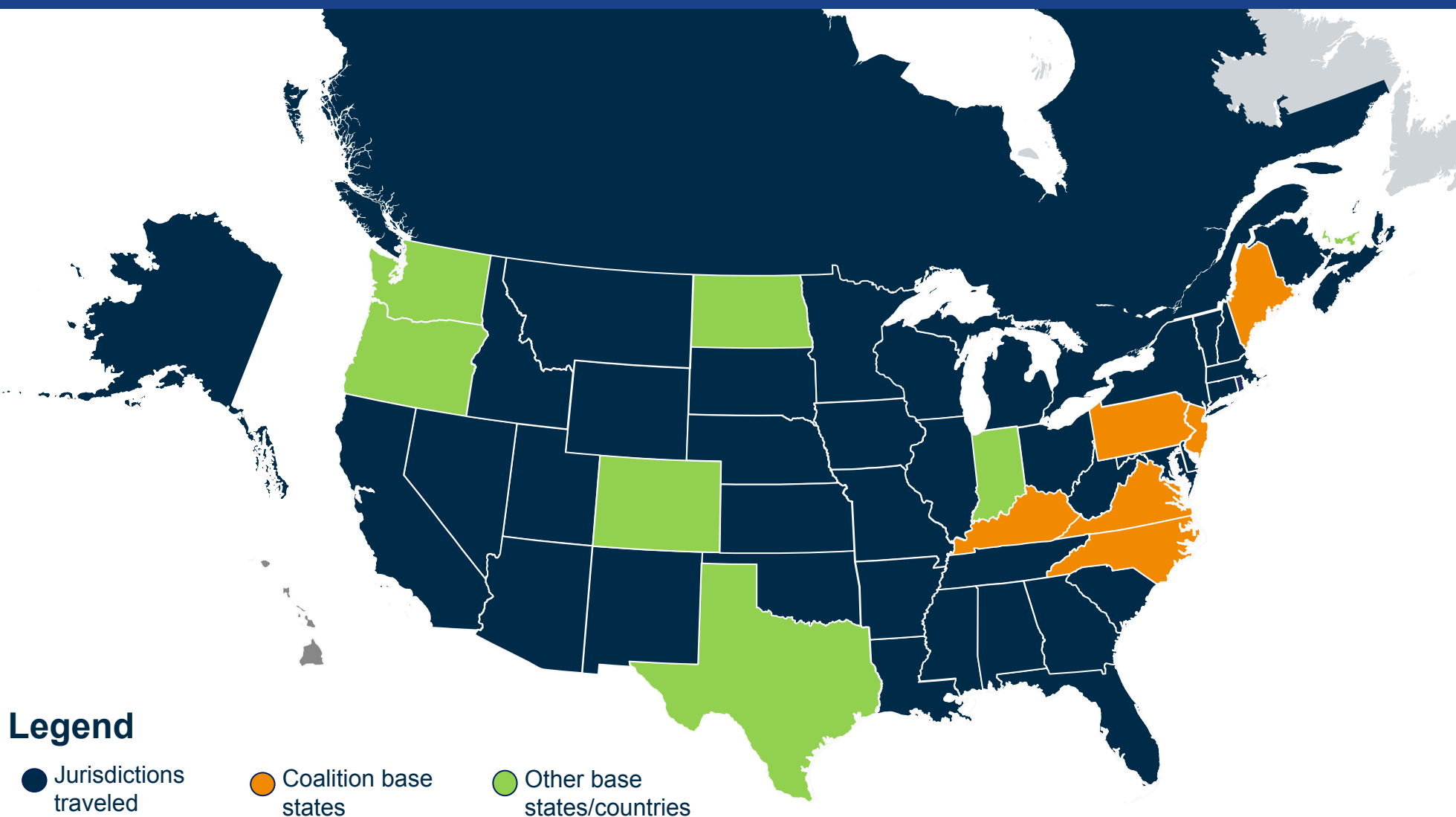
2.55 cents per mile

Calculate Now

Please enter your miles driven and your vehicle's MPG in order to see your results.

* This calculator provides an estimate for informational and exploratory purposes only. Actual results may vary based on current fuel costs and your out-of-state driving habits. Mileage driven inside and outside of Pennsylvania is estimated based on census data on out-of-state work trips. The calculation is based on fuel costs of \$4.608 cents/gallon for regular fuel and \$5.245 cents/gallon for diesel fuel.

2022 International Truck Pilot (June-November 2022)



8,037,104
miles

253
commercial motor vehicles

54
jurisdictions

2
countries

6
months

 Technology/
Research Partner



International Truck Pilot Key Findings

1

Uniform parameters make MBUF scalable.

2

MBUF can work for all commercial motor vehicles.

3

The Clearinghouse Framework supports MBUF.

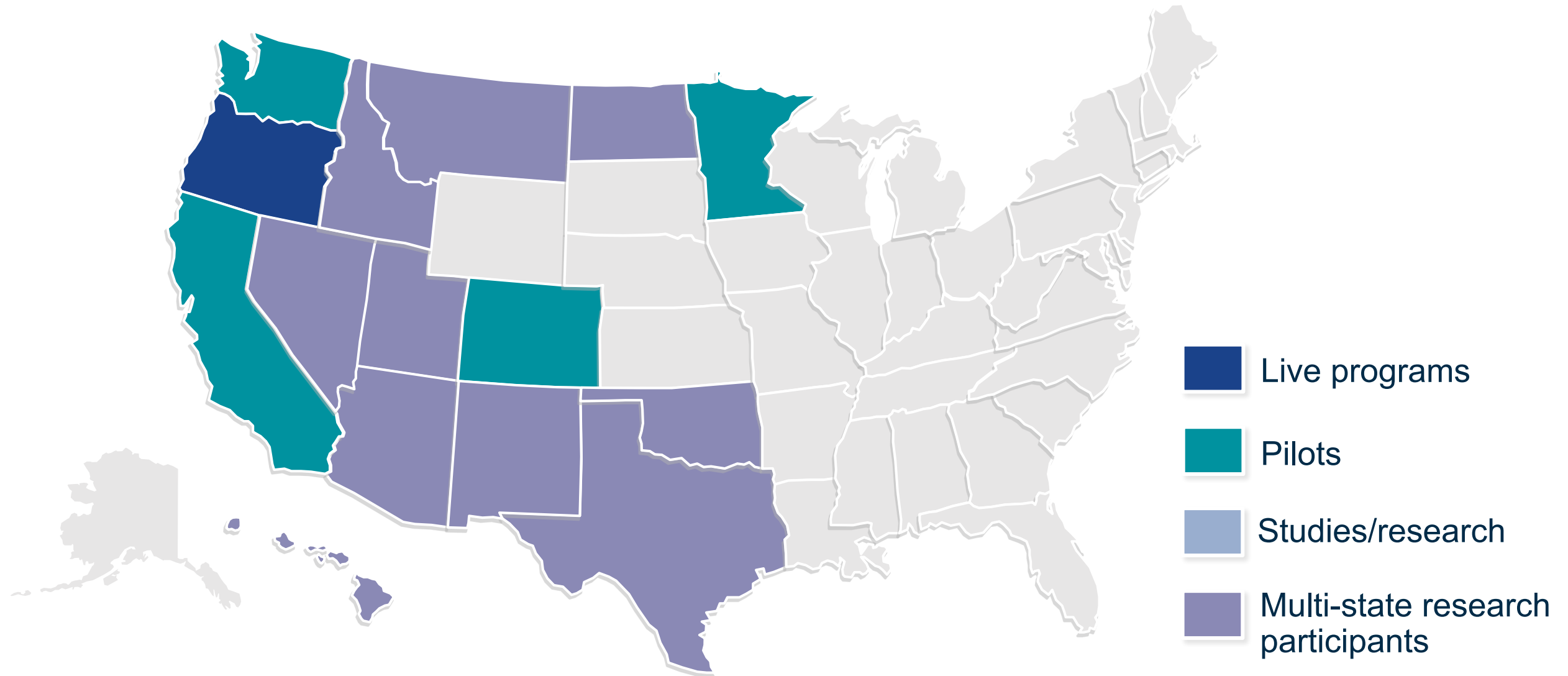
4

MBUF creates a clear link between use and payment.

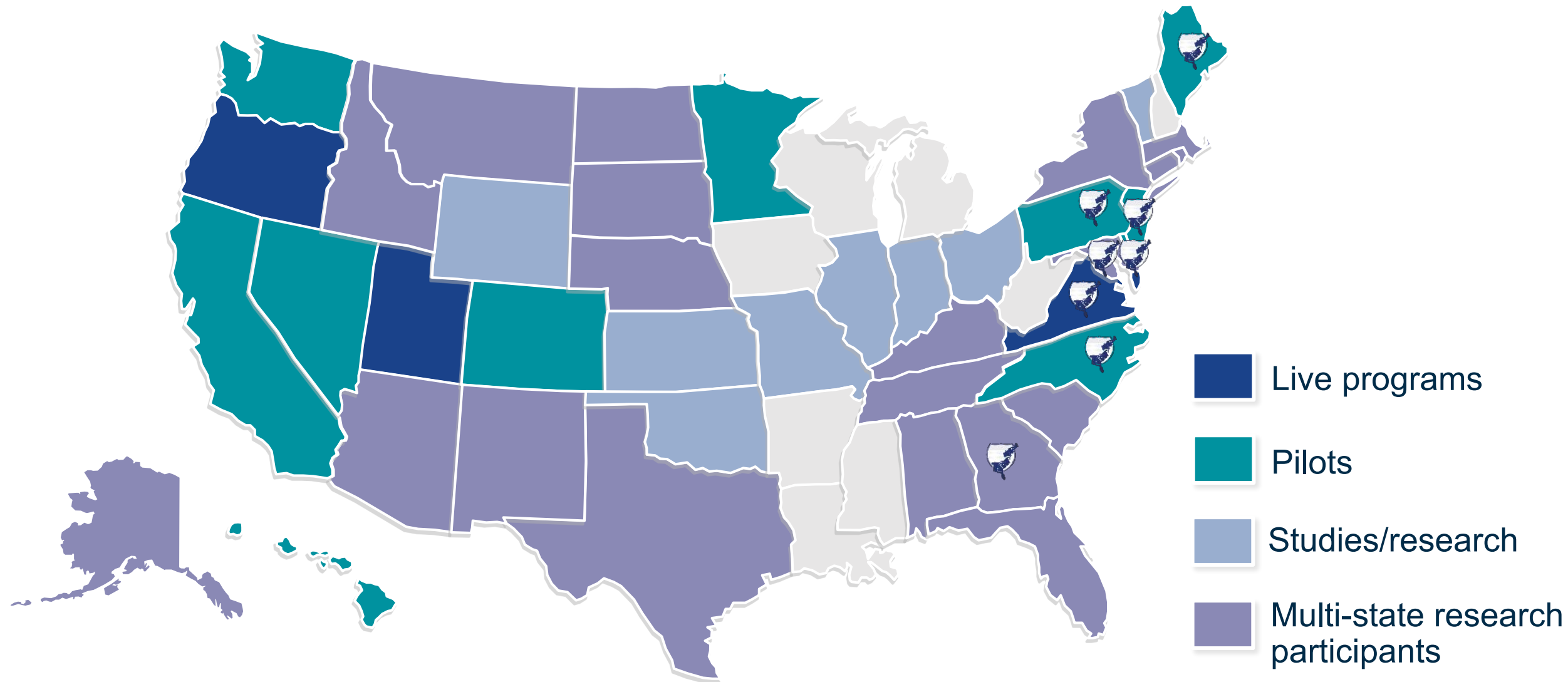


Momentum is Building

2016 MBUF Landscape



2023 MBUF Landscape



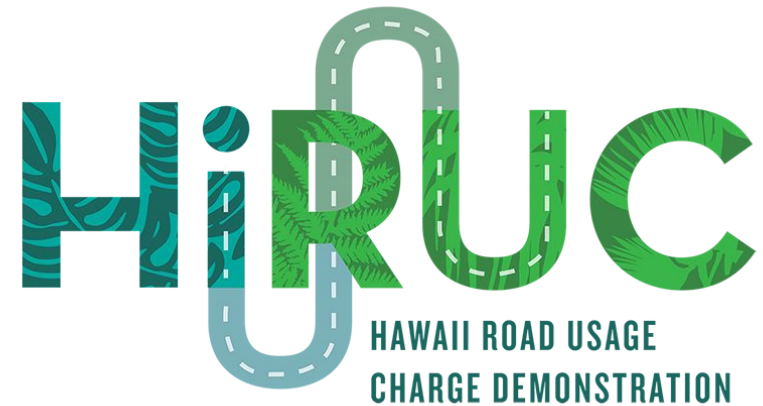
Voluntary MBUF programs are growing



OReGO

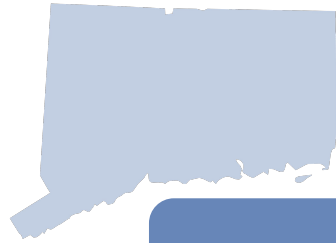


ROAD USAGE CHARGE



***Vermont bill passed by legislature, awaiting veto override or compromise with governor**

Heavy vehicle MBUF programs are starting



Connecticut



**For all Class 8 heavy
vehicles**



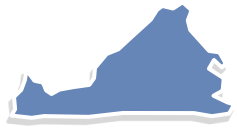
Indiana



**For Alternative Fuel
Vehicles / EVs**



Overview of VA's Operational Program



Mileage Based User Fee Origin

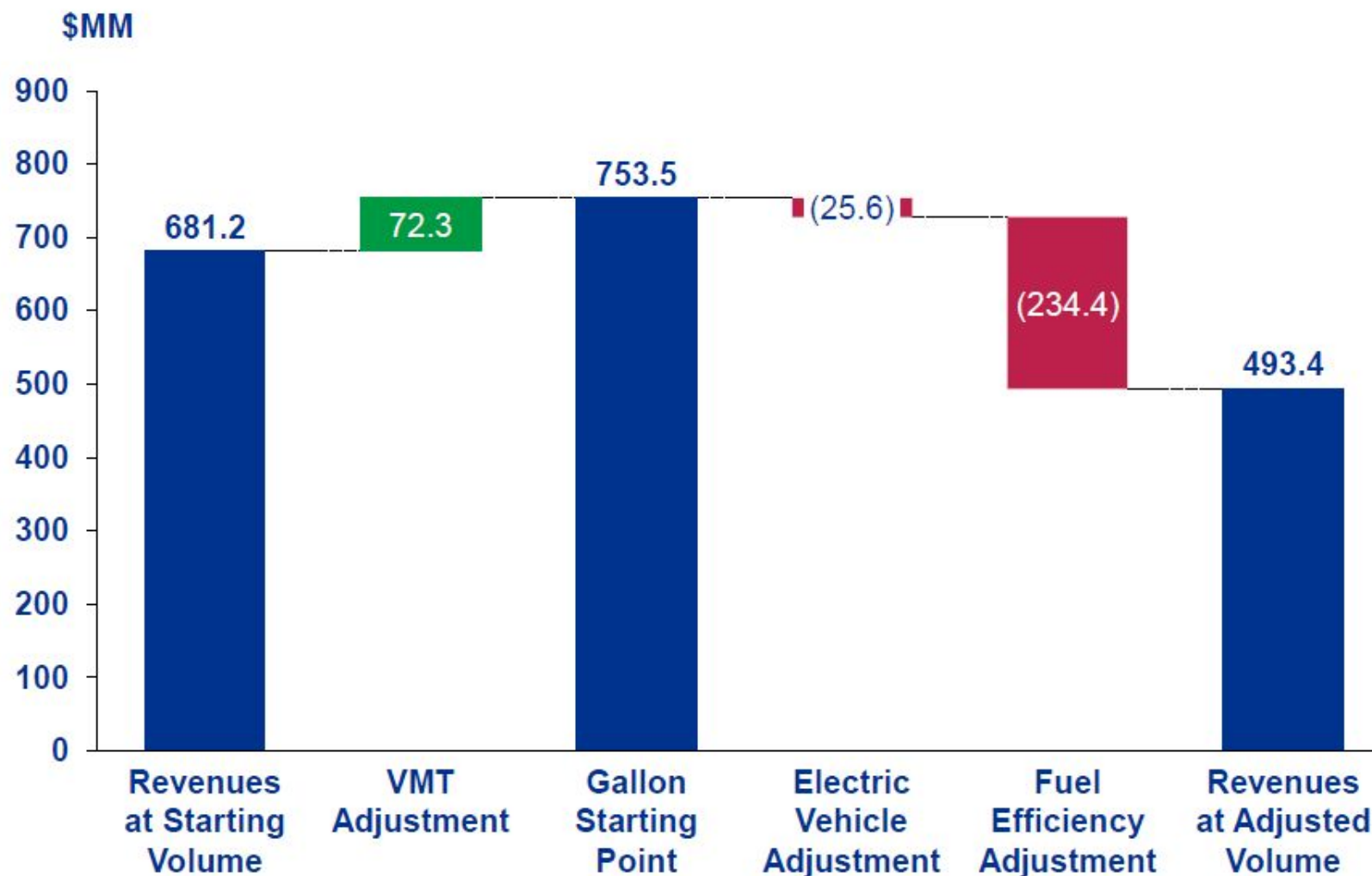
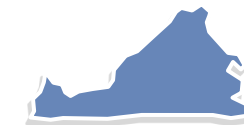
EV flat fee passed
and then repealed

Vehicle miles traveled
increased and motor fuel
tax revenue declined in
FY18 for the first time

2019 legislative
directive led to a
working group
study on effects of
fuel-efficient
vehicles on revenue



Virginia: Gas tax revenues projected to decline by 2030



~31%

reduction in gas
tax collections
due to
increased fuel
efficiency

Source: KPMG Analysis

TETCOALITION.ORG



Fairness and transparency resonate.

A Tale of Two Cars

2009 Toyota Camry



25 MPG

\$134 Annual State Fuel Tax Paid

2019 Toyota Camry (Hybrid)



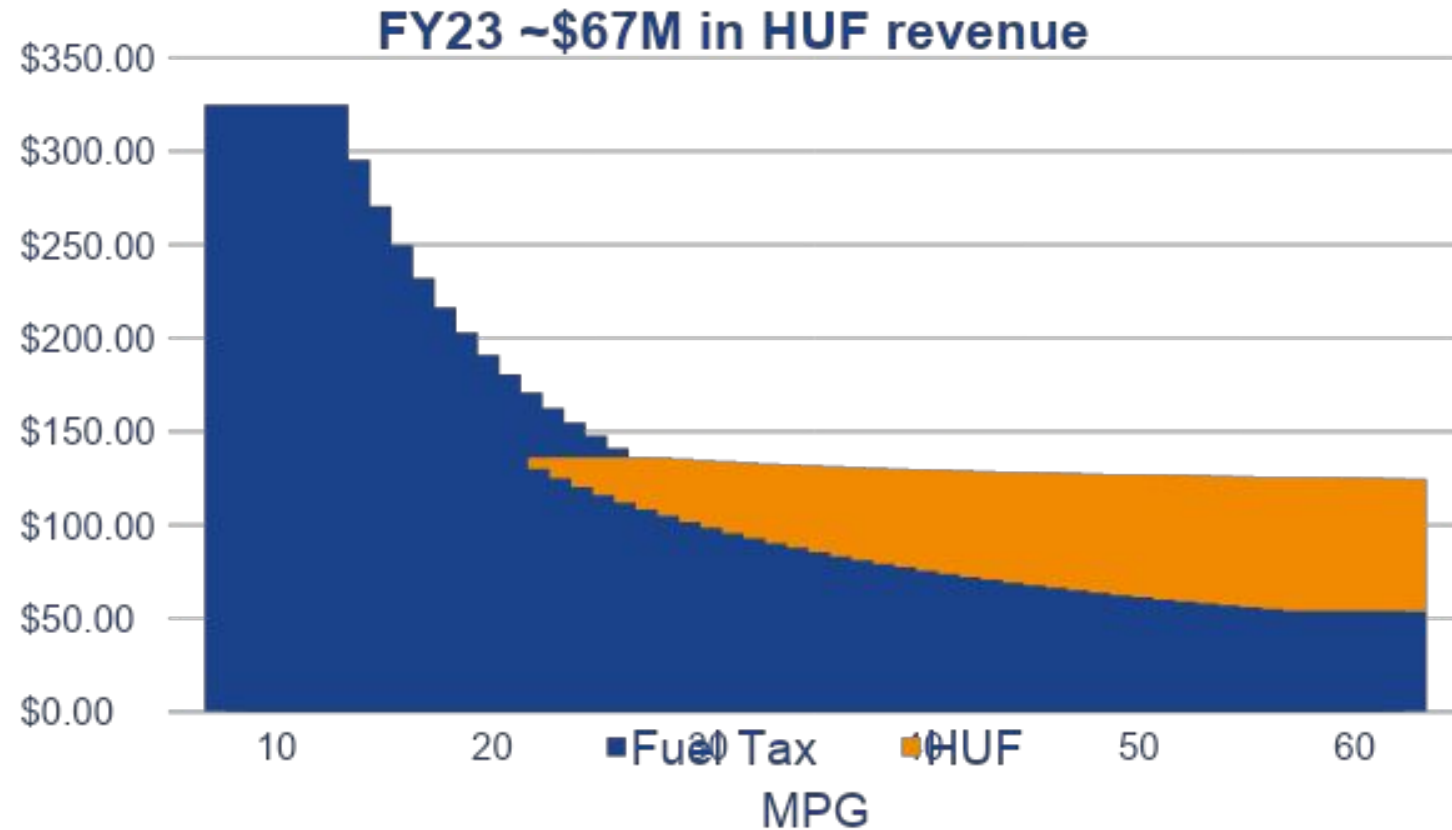
52 MPG

\$65 Annual State Fuel Tax Paid



Highway Use Fee: intended to stabilize revenues from highly fuel-efficient vehicles

- HB 1414 created a Highway Use Fee (HUF) and opt-in MBUF
- Vehicles 25 MPG+ assessed 85% of difference
- Collected at vehicle registration
- Tied to gas tax rate, which is indexed to inflation
- Code of VA limit use of data
- **FY23: fee ranged from \$6.06 (25 MPG) to \$116.49 (EV)**





July 1, 2022 Mileage Choice Launched

Now the largest MBUF program.

What:

- Voluntary MBUF program
- Option in lieu of Highway Use Fee (HUF)
- Capped at HUF

Who:

- Drivers of >25 MPG vehicles whose vehicle registration is up for renewal

So What:

- Links payment to miles driven



> 12,000 registered



On the Horizon

<https://www.youtube.com/watch?v=u2qlfg9My6U&t=3s>

Where do we go from here?

The Coalition

- Phase 5 work
- Phase 6 work

Continue to address:

- Lowering admin
- Privacy concerns
- Myth busting
- Out-of-state visitors
- Urban/rural, equity
- Interoperability

The States

- Finish STSFA pilots
- SIRC pilots
- Opt-in programs
- Mandatory programs (e.g., by 20XX)

The Nation

- Provide updates to Congress
- National (Federal) pilot



— THE EASTERN —
TRANSPORTATION
COALITION

Thank you!

<https://tetcoalitionMBUF.org>

Follow us on LinkedIn:
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