Who is the Coalition?

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

17 States + D.C. and 200+ agencies

EXECUTIVE BOARD DOT CEOs

PROGRAM AREAS

TSMO

FREIGHT

INNOVATION

35% VEHICLE MILES TRAVELED

3RD LARGEST ECONOMY IN THE WORLD

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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....*
Recent MBUF Work and Insights Learned
Overview of 2022 MBUF Work

State-Specific Education and Outreach

Educational Video

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

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

Rate Setting Approaches

Exchanges
- Practitioner to practitioner
- Steering Committee
2022 MBUF Key Insights (passenger vehicles)

1. Diverse and strategic engagement works.

2. MBUF rate setting creates opportunity.

3. MBUF reestablishes link between use and payment.

4. MBUF is personal.
1 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**

1. **Flat Rates Capped (Utah, Virginia)**
   - Single per mile rate for all participating vehicles
   - Charges capped at fee amount

2. **Flat Rates No Cap (Oregon)**
   - Single per mile rate for all participating vehicles
   - Charges NOT capped at fee amount

3. **Varied Rates**
   - Policy based (e.g. rural discount)
MBUF reestablishes link between use and payment.

It will not address equity issues......
MBUF is personal.

- 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**

- **83%** Ease of enrolling
- **83%** Understanding mileage reporting options
- **75%** Time spent enrolling
- **73%** Clarity of information
- **56%** Pilot questions answered
- **50%** Premium features

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.

“I would be more concerned about a speeding ticket or something showing up in the mail, because my data was being tracked.” (Group 2, NC)

“I felt okay about it tracking me. I wasn’t worried about it. I figured that my phone does that already.” (Group 1, NC)
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?
    - Drive Miles

- Do you drive a diesel vehicle?
  - Yes  No

- Vehicle:
  - Enter your vehicle’s average MPG
  - I know my vehicle’s average MPG
  - I want to find my vehicle’s average MPG

- What is the average MPG of your vehicle? (Enter your vehicle's MPG here)

- MBUF Rate:
  - Select your mileage rate to see how it affects the cost.
  - 15 cents per mile

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 actual vehicle driving habits. Mileage driven inside and outside of Pennsylvania is estimated based on census data on usual daily work trips. The calculation is based on fuel costs of $4.681 per gallon for regular fuel and $5.385 per gallon for diesel fuel.
2022 International Truck Pilot (June-November 2022)

Legend
- Jurisdictions traveled
- Coalition base states
- Other base states/countries

- 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
Voluntary MBUF programs are growing

*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

Source: KPMG Analysis

~31% reduction in gas tax collections due to increased fuel efficiency
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
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
Thank you!

https://tetcoalitionMBUF.org

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