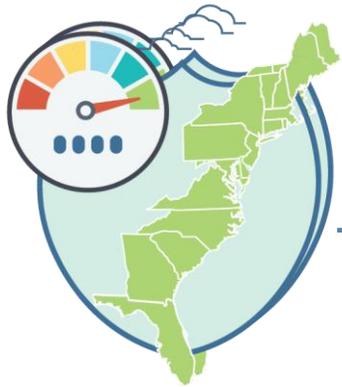


Is Mileage-Based User Fee the Transportation Funding of the Future?

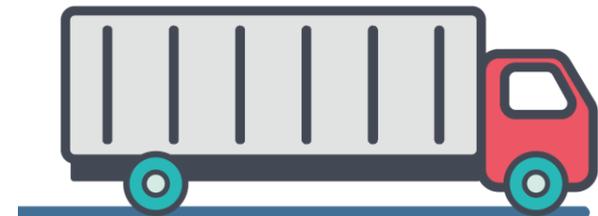
Patricia Hendren

Executive Director – I-95 Corridor Coalition



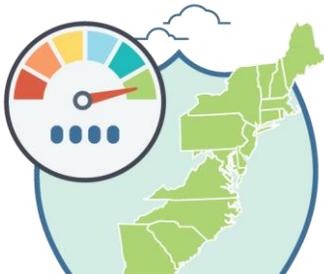
This morning....

1. The revenue problem
2. MBUF exploration
3. What have we learned
4. On the horizon





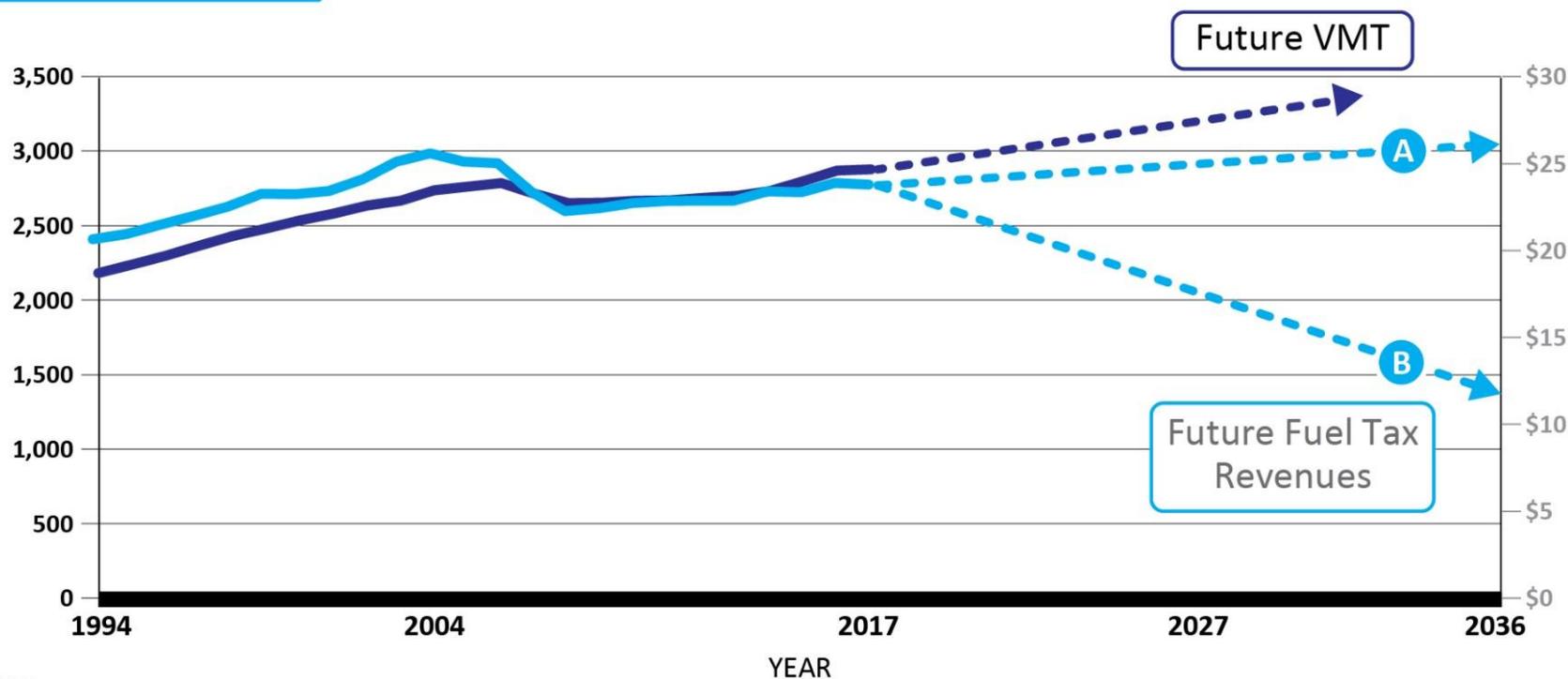
THE PROBLEM



Fuel Tax Revenues Are Declining

Light Duty VMT (billions)

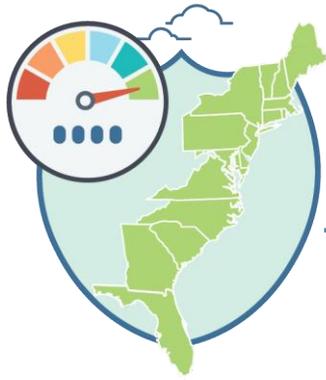
Light Duty Federal Fuel Tax Revenues (billions)



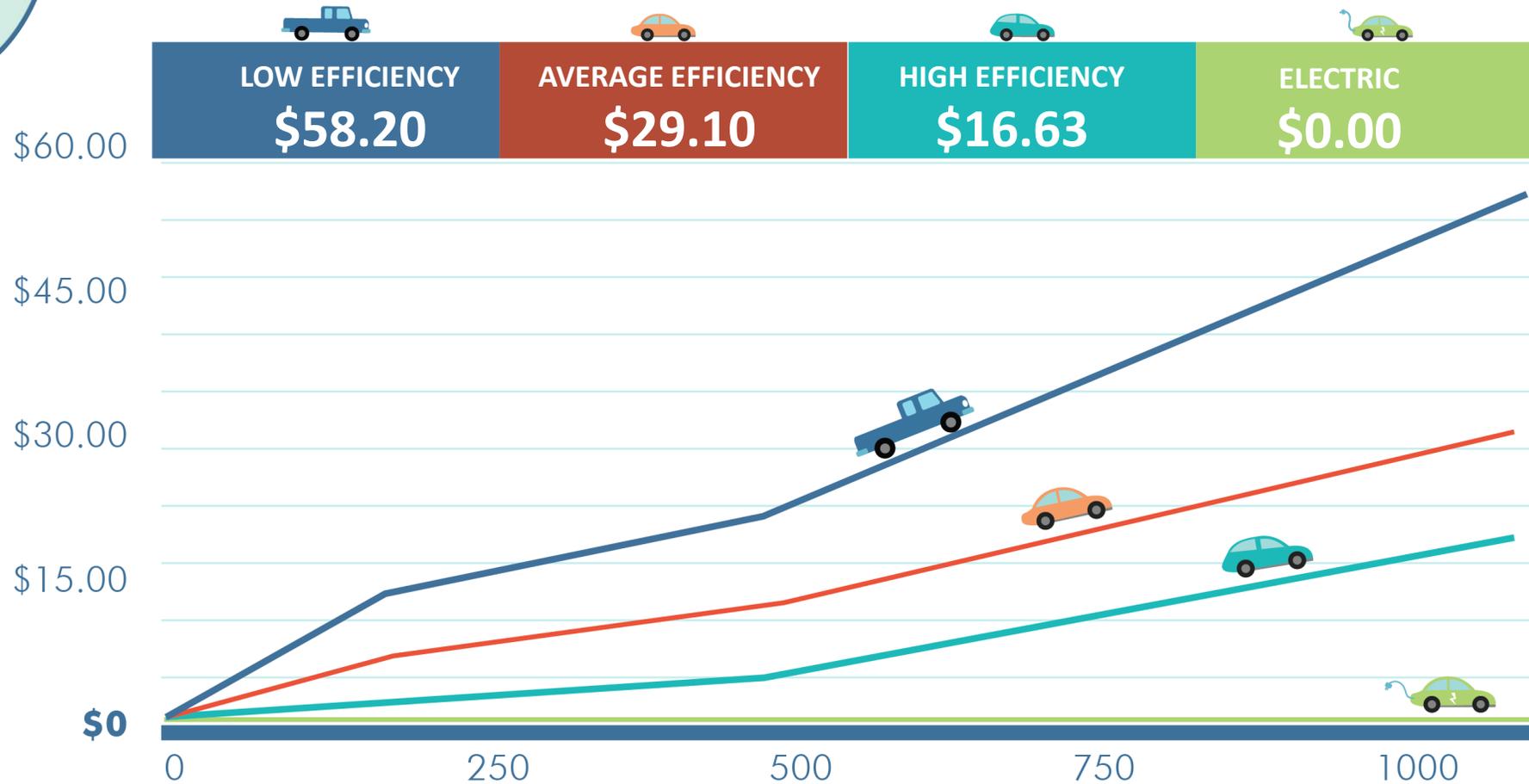
39%

Decrease in purchasing power of federal fuel tax since 1993

Notes:

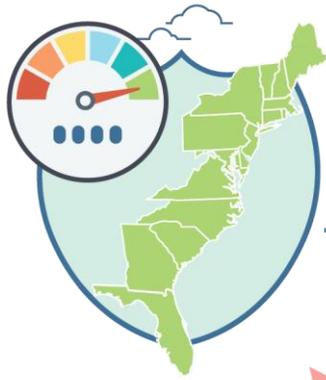


Transportation Fleet is Changing



〜(ツ)〜

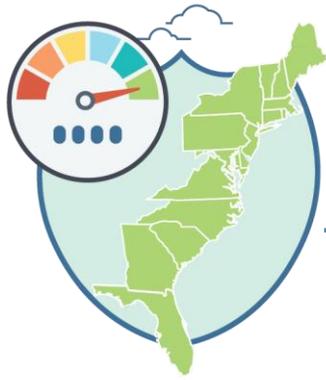
**Drivers have no idea
how much they are
paying in fuel tax.**



We need a new & more sustainable way to fund our transportation system.

WHAT IS AN MBUF?



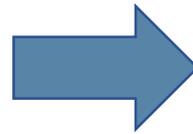


Mileage-Based User Fee (MBUF)

FROM THIS.....



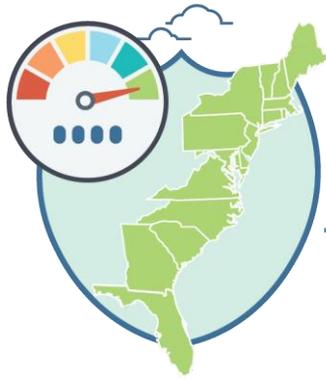
HOW MUCH GAS
YOU USE.



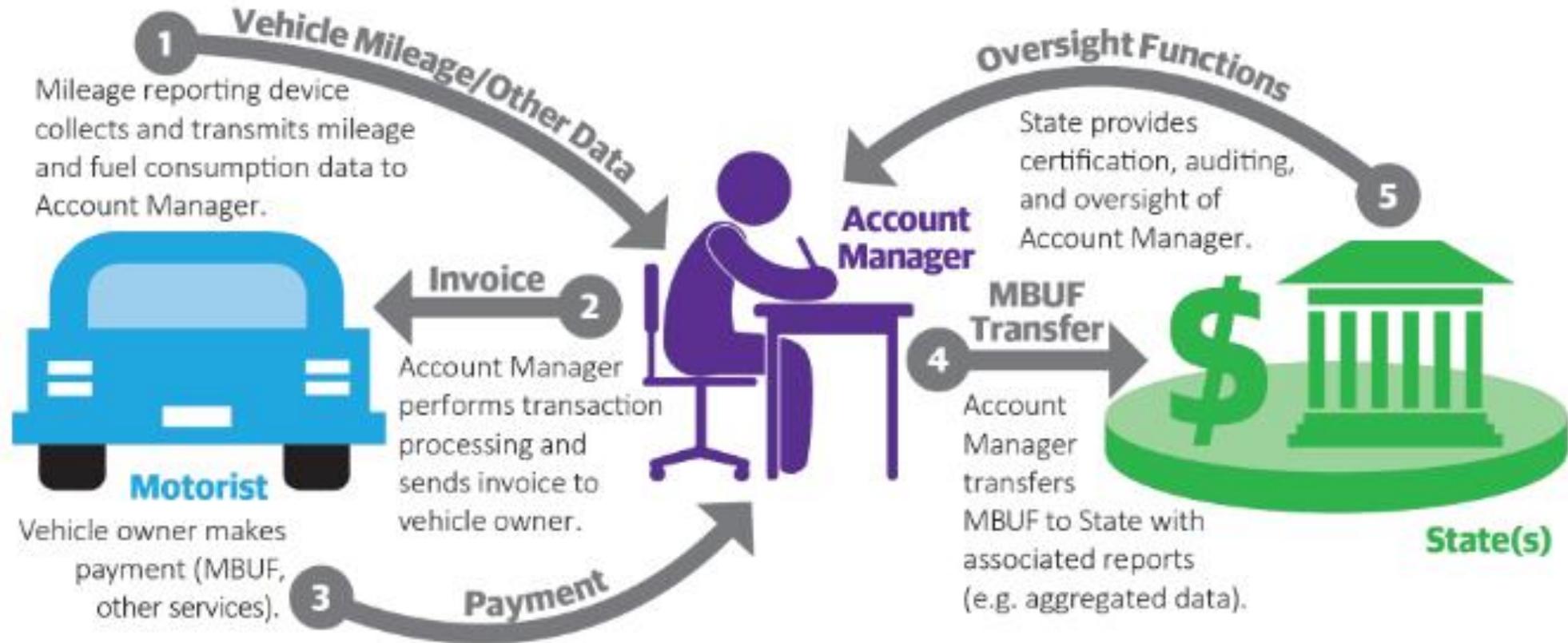
TO THIS.....

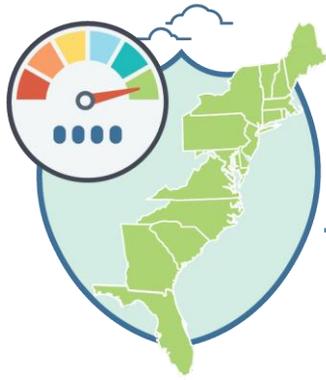


HOW MANY MILES
YOU DRIVE.

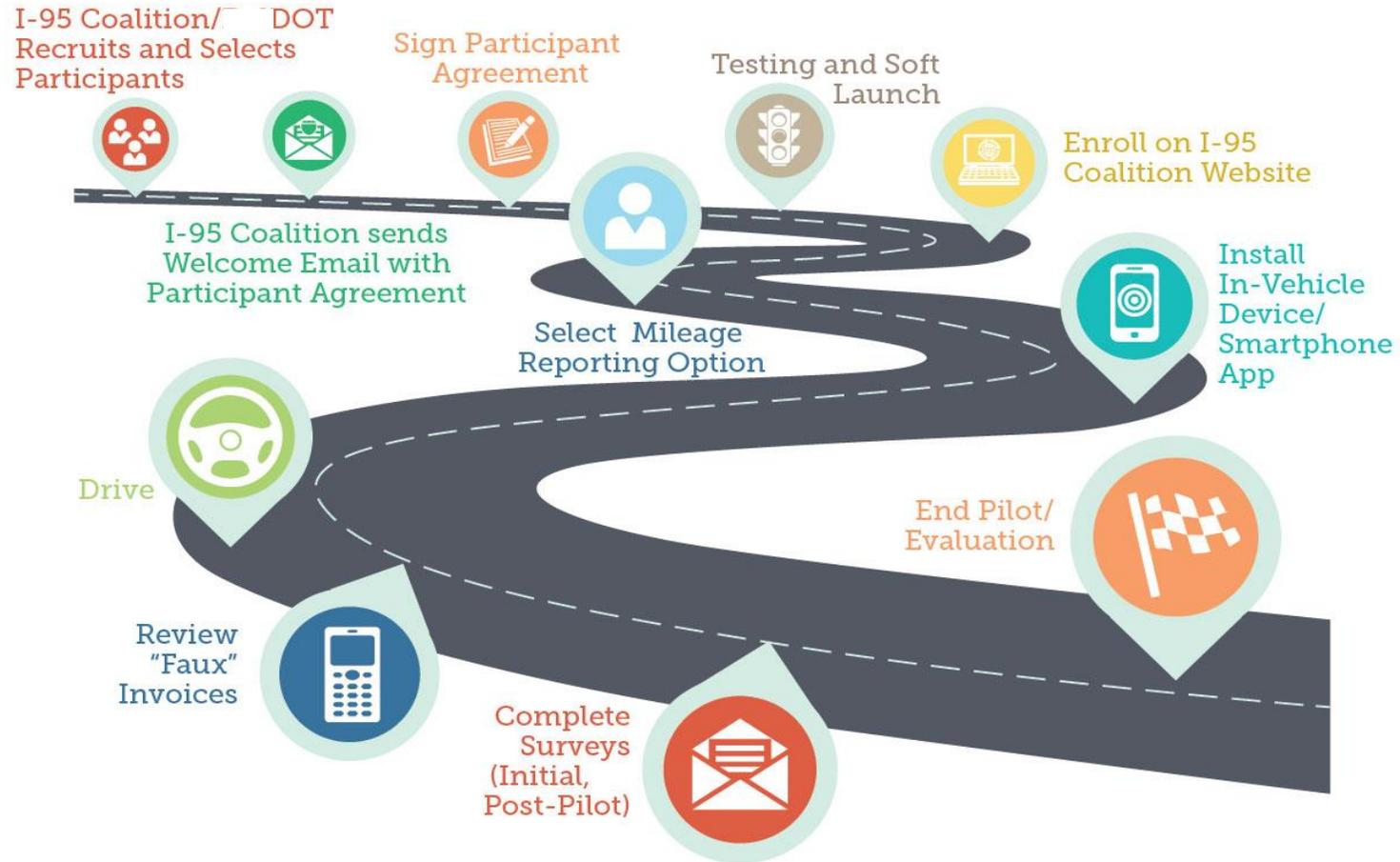


How MBUF Works





The MBUF Experience

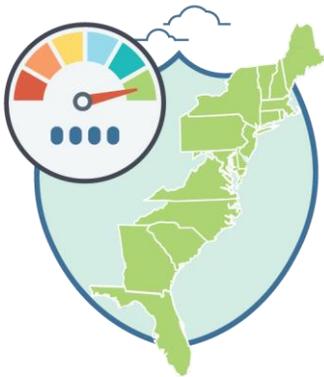


An MBUF system opens up the possibility for different policies to fit different people





WHY GET ENGAGED?



STSFA Grant Program

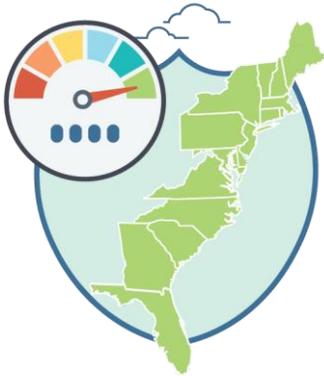
The Surface Transportation System Funding Alternatives (STSFA) program under Section 6020 of the Fixing America's Surface Transportation (FAST) Act

- **Authorized grants to States for demonstrating:**
 - ✓ User-based alternative revenue mechanisms
 - ✓ Utilization of a user-fee structure
 - ✓ A solution to maintain the future long-term solvency of the Federal Highway Trust Fund

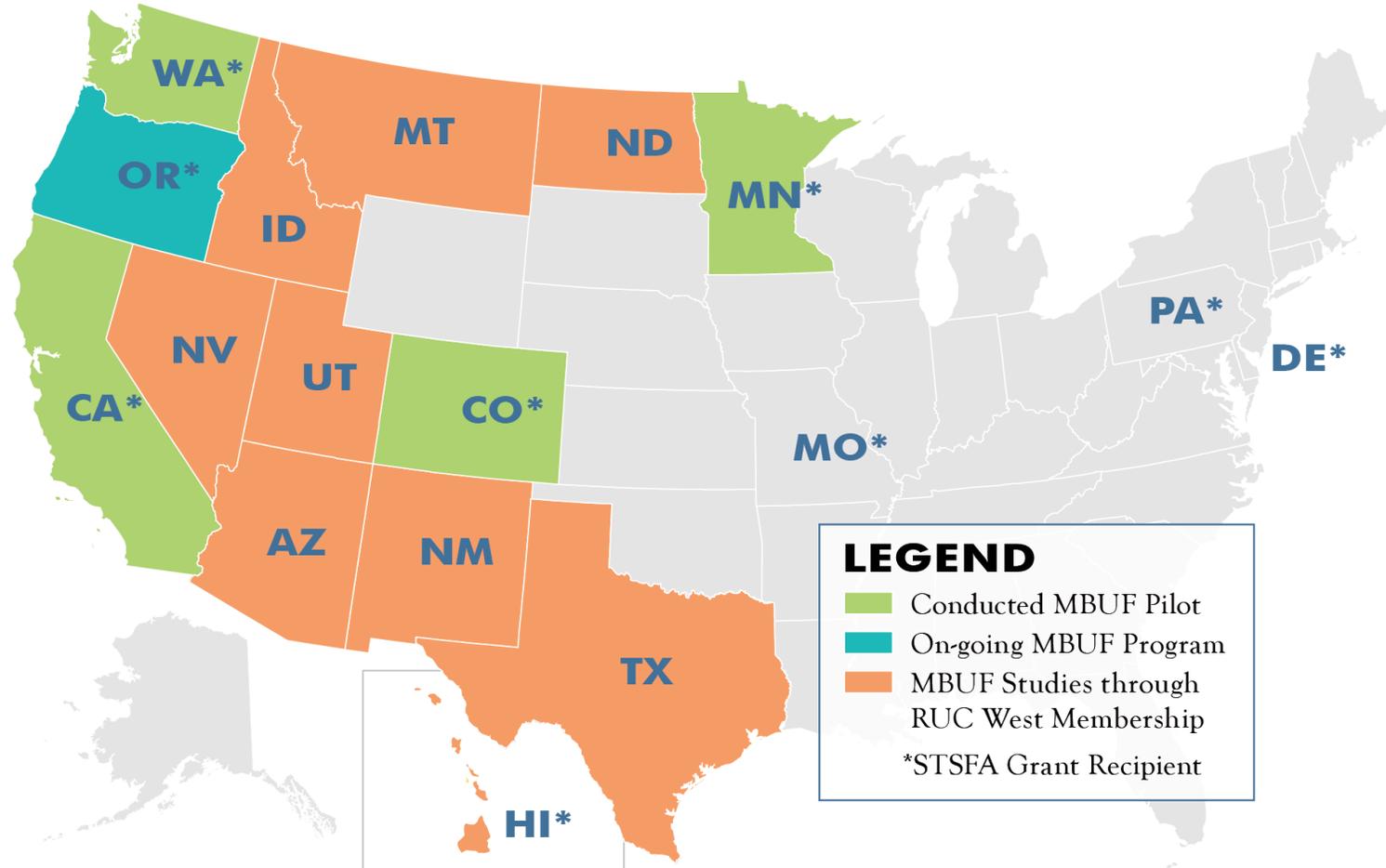
- **Provides \$95 million over 5 years**

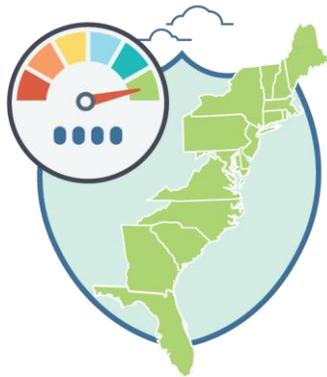
50-50

**Match
Required**



East Coast voice is needed





The unique challenges of Eastern States

- Out-of-state mileage happens every day
- Public acceptance of toll facilities
- History of interoperability
- Experience bringing stakeholders together
- Heartbeat of US economy



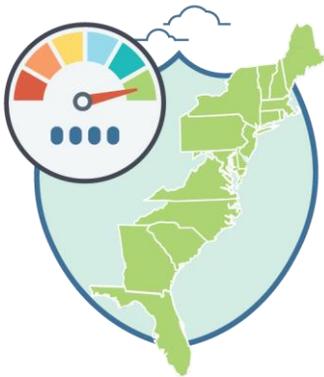


17 states + D.C.

In the Corridor

For over 25 years, the Coalition has brought together public agencies across state lines and modes to work together to address pressing challenges.

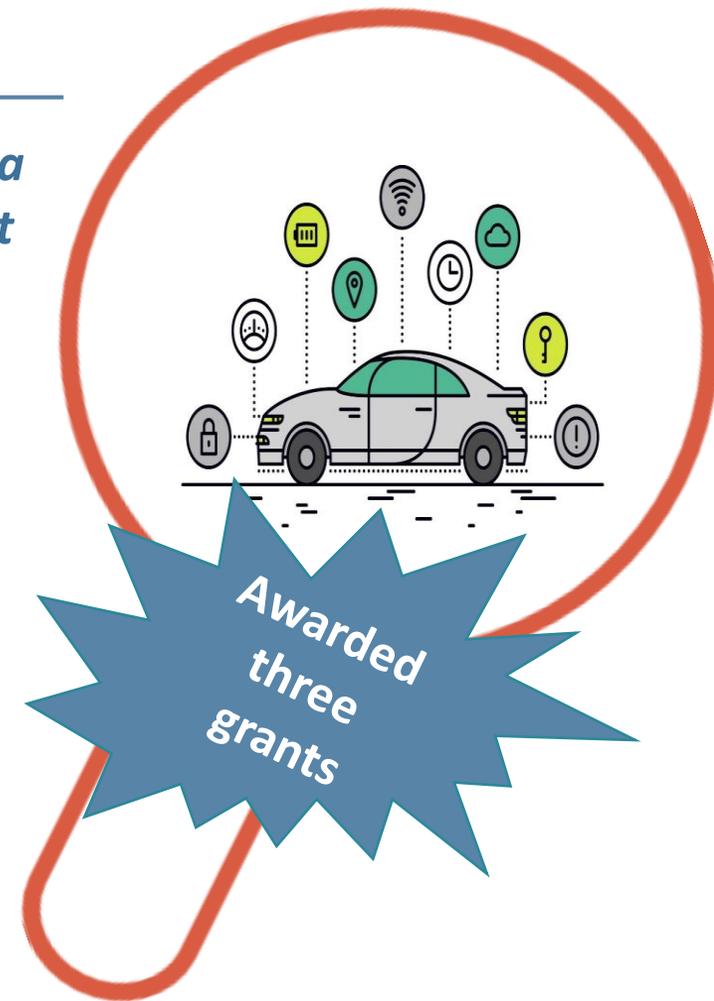
- **Connecting for Solutions** ●

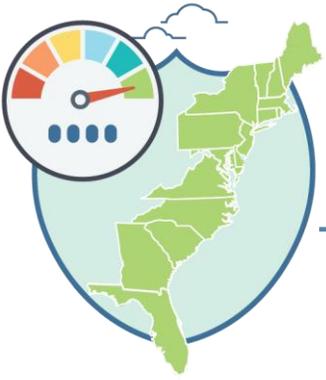


I-95 Coalition STSFA Grants

***Purpose:** Explore the feasibility of replacing the gas tax with a mileage-based user fee program in a multistate environment*

- **OUT-OF-STATE MILEAGE**
How will travel across boundaries be handled?
- **TOLLING**
What is the relationship between tolling and MBUF?
- **TRUCKING**
How does a user-fee fit into current requirements?
- **AMENITIES**
Will value-added amenities help with public acceptance?



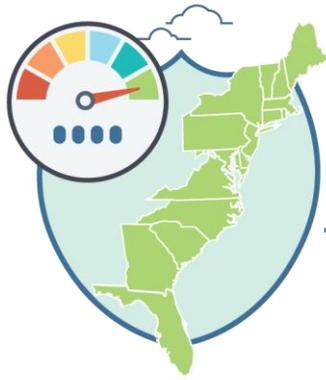


Is a Mileage-Based User Fee a Solution?

The I-95 Corridor Coalition members want to promote a better understanding of why investing in transportation is important, and why the current fuel tax does not provide a long-term and equitable solution in this regard. The Coalition, representing transportation agencies along the entire Eastern Seaboard, believes exploring the feasibility of a MBUF solution is important; for now, however, the Coalition is neutral if MBUF is the ultimate solution.



WHAT WE HAVE DONE



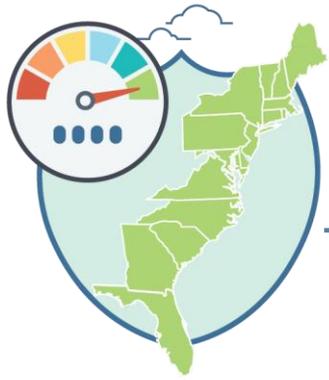
PHASE 1 PILOT: Started the Conversation



459,448
MILES DRIVEN



13
COALITION STATES WITH
RESIDENTS PARTICIPATING



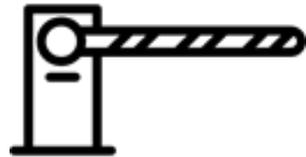
PHASE 1 PILOT: Highlights



> 20% out-of-state



65% learned (31% thought more)



Possible to use MBUF to estimate tolls



Privacy concern 57% down to 30%



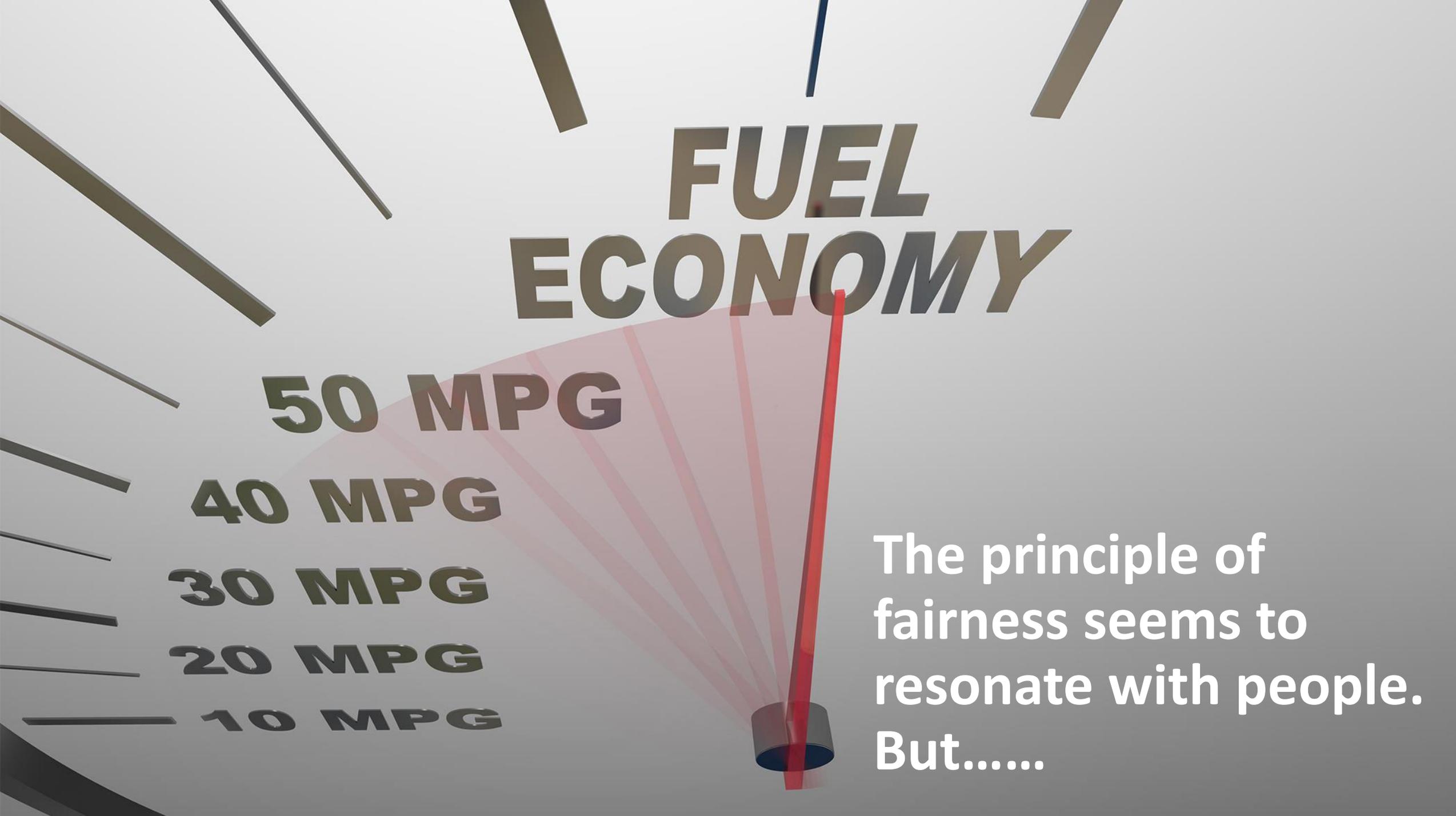
who liked MBUF up to 80%



PHASE TWO:

**BRING IN THE PUBLIC &
MOTOR CARRIERS**





FUEL ECONOMY

50 MPG

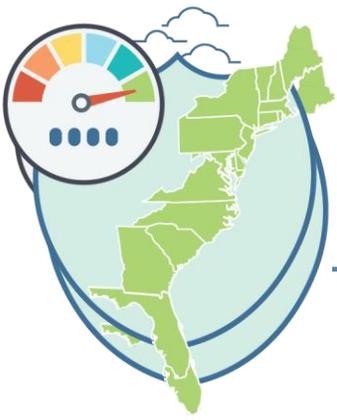
40 MPG

30 MPG

20 MPG

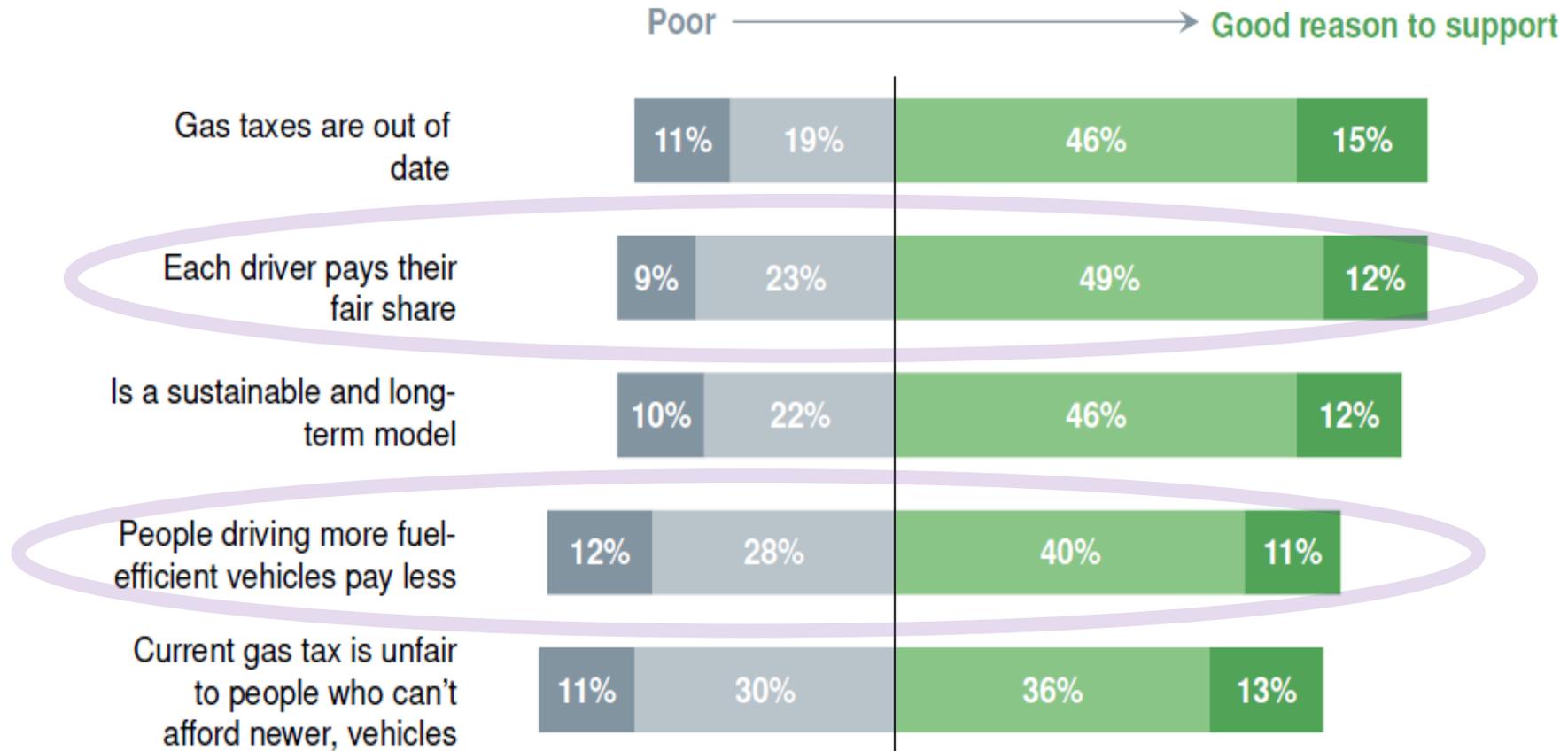
10 MPG

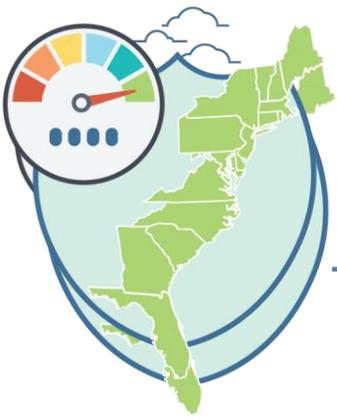
The principle of
fairness seems to
resonate with people.
But.....



Results from a Recent Statewide Survey (DE & PA)

Messages to Support MBUF

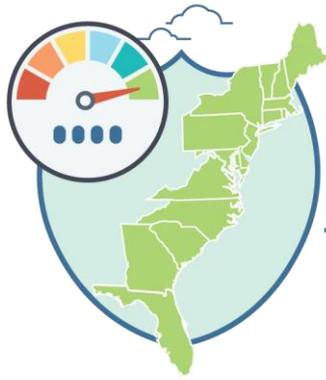




Results from a Recent Statewide Survey (DE & PA)

Messages to Oppose MBUF

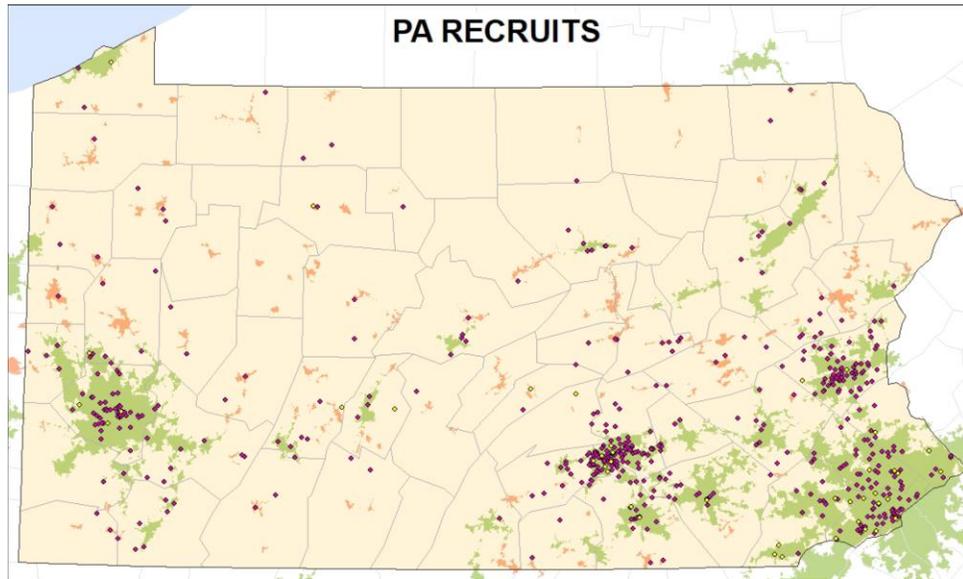




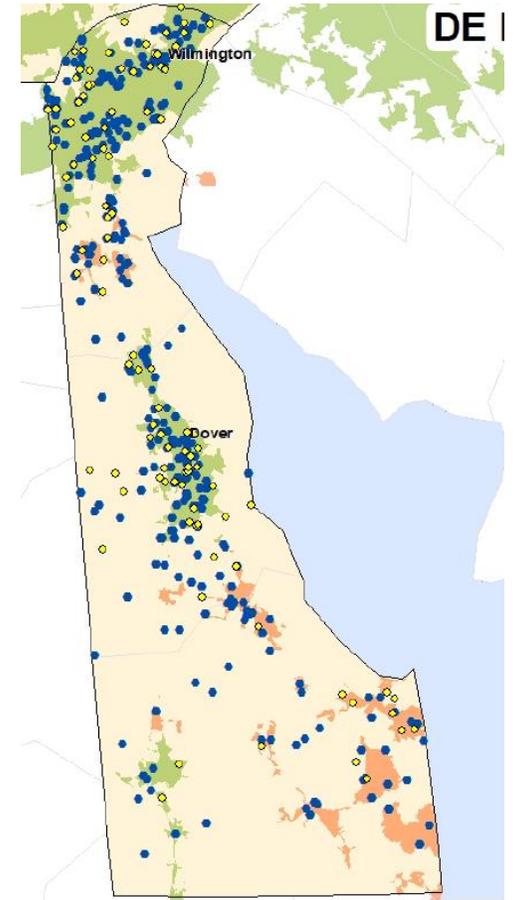
PHASE 2: GENERAL PUBLIC PILOT

July 2019 – October 2019

- Mainly DE & PA
- 880 participants
- 20% rural (reflective of state demographics)



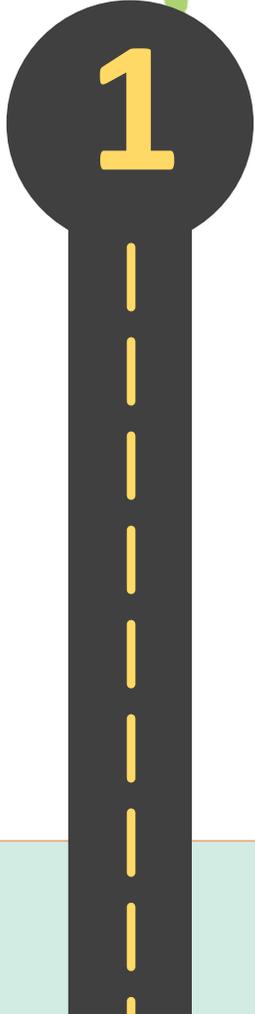
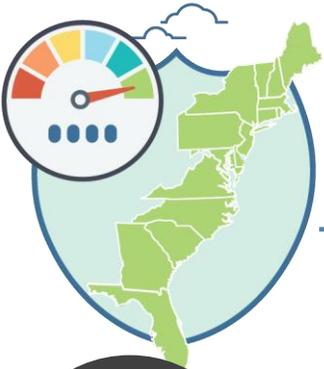
- 16 states
- 4 months
- OBD-II plug-in (with and without GPS)



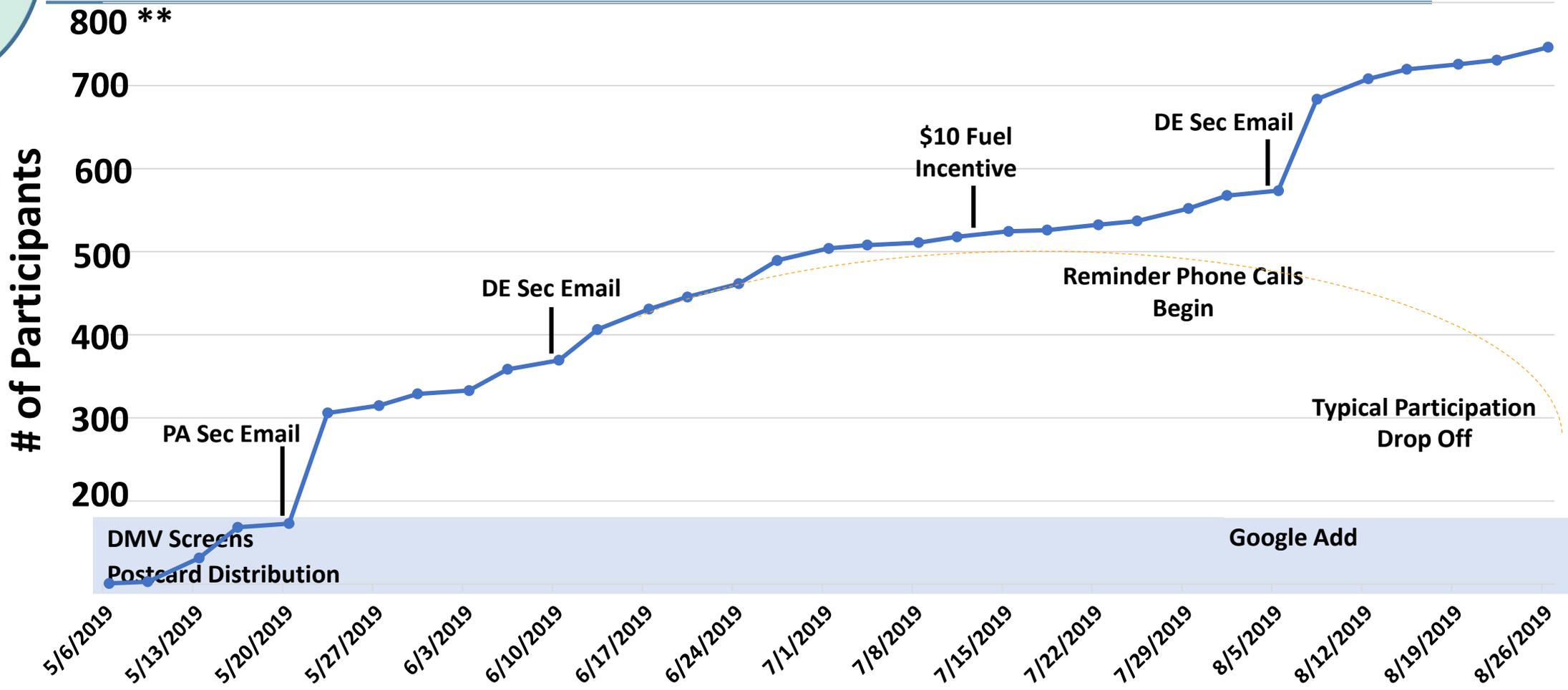


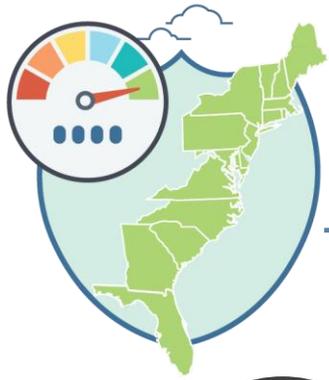
INITIAL FINDINGS: GENERAL PUBLIC





Pilot Participation is a Big “Ask”





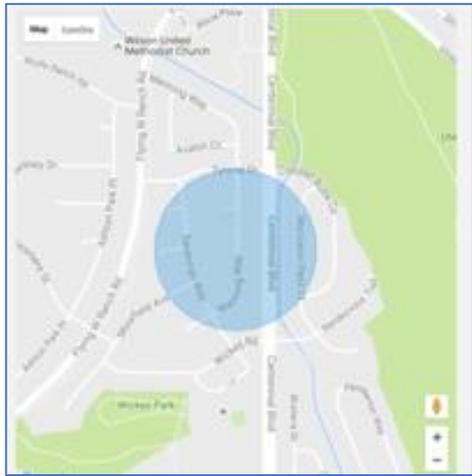
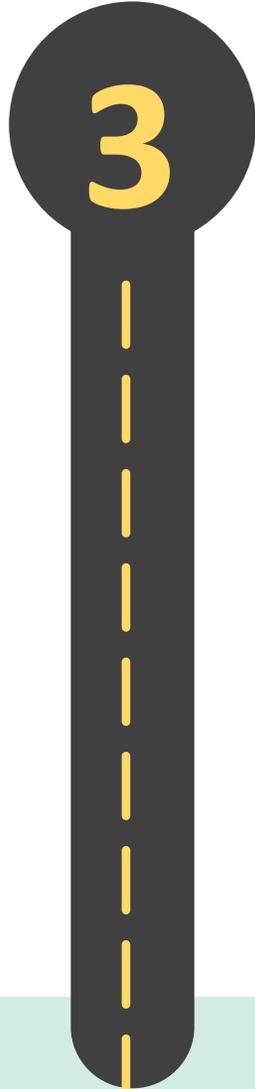
MBUF IS NOT UNDERSTOOD...

2

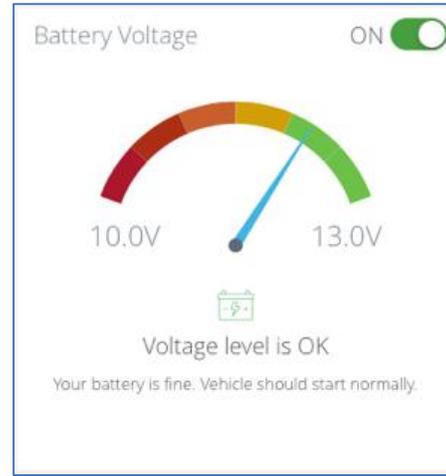
65
PERCENT

*~65% of participants
were not familiar with an
MBUF concept before
participating in the pilot*

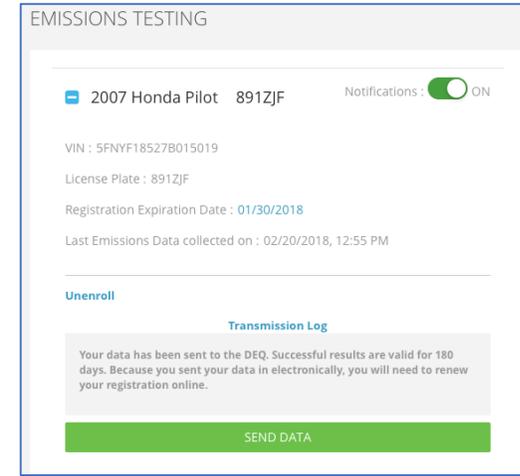
Value-added amenities: Spoonful of Sugar?



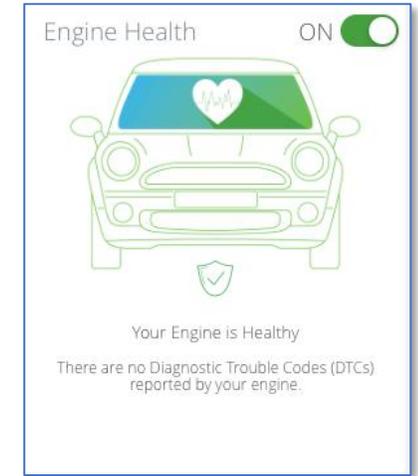
Geofencing



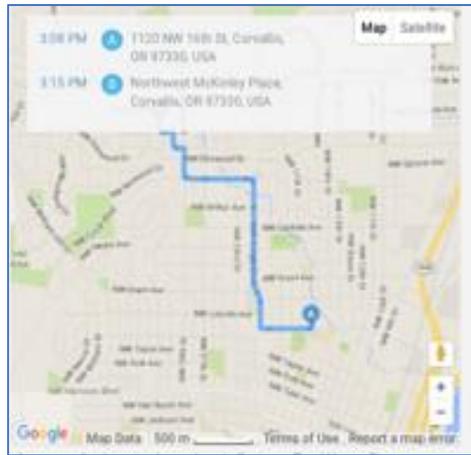
Battery Health



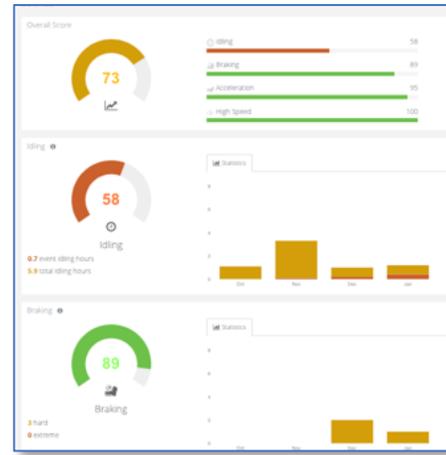
Remote Emissions



Engine Health



Trip Log



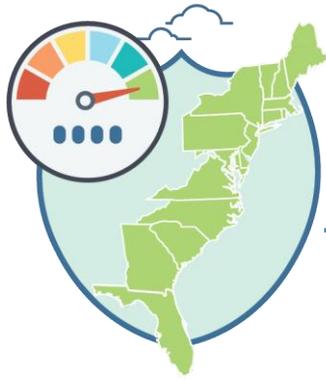
Driver Scores



Gamification



Find My Car

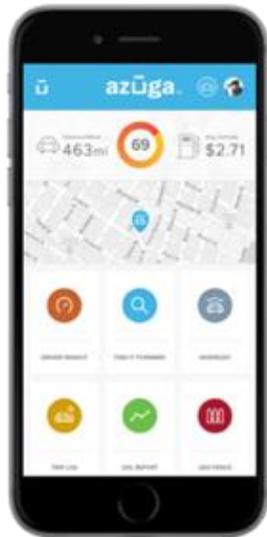


“What’s in it for me?”

“I have an older family member and I have been saying to her for the last year I had a concern with her not braking soon enough...I was able to use the report form the device to prove that there is an issue and she needs to be more aware.”

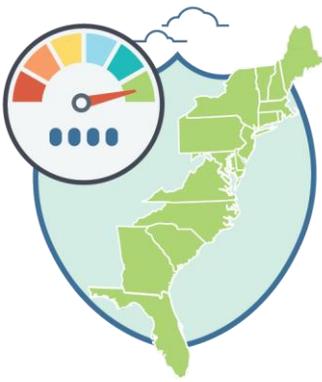
“Technology and drivers’ needs and wants are turning vehicles into a transportation ‘Fitbit’”

Source: I95CC Round II STSFA Proposal



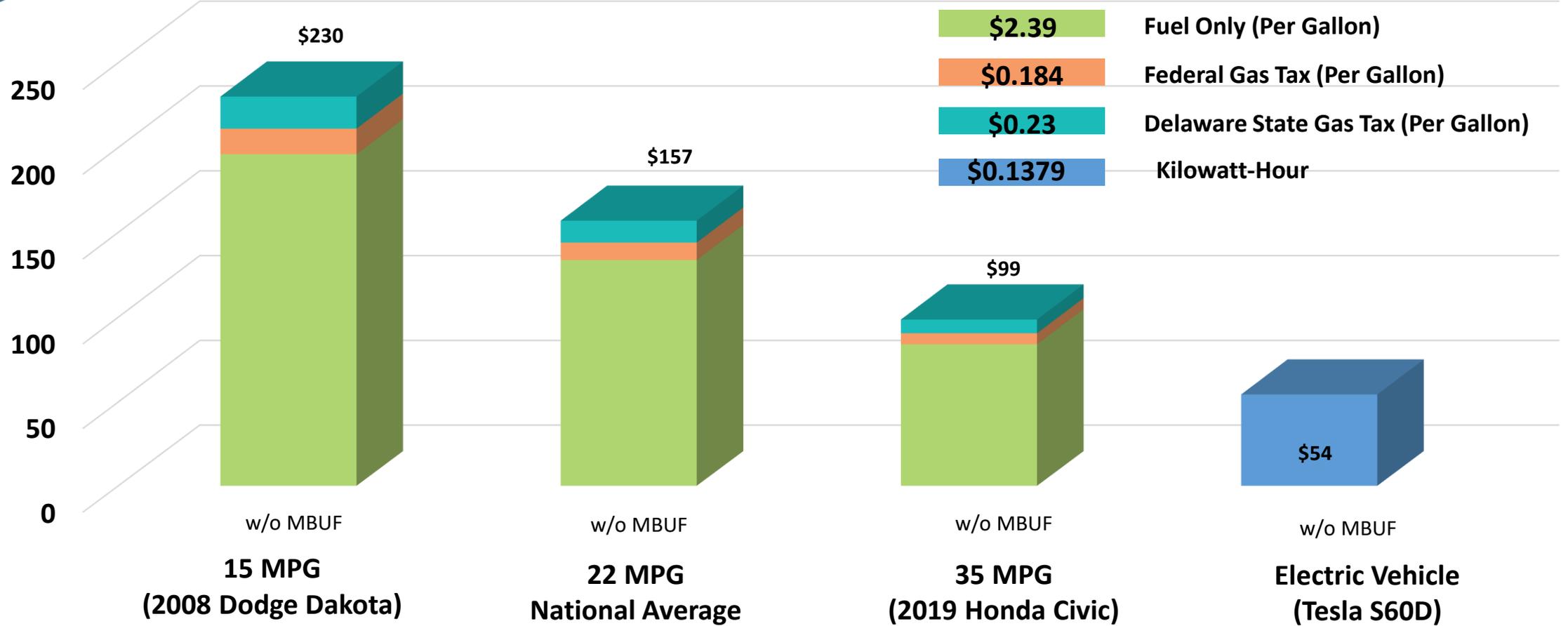
**Communicating how
transportation is funded and
the need for change is an
ongoing challenge**

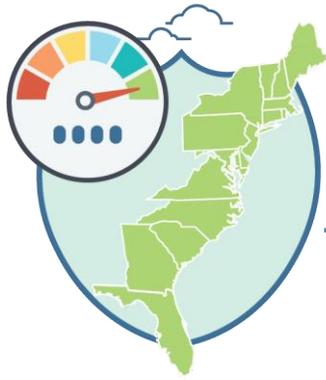




“Cost” is really about the fuel

*Assumes 1,230 miles per month / 14,802 miles per year.





Monthly Invoice = Learning Piece

- All participants receive a simulated monthly statement that shows:
 - Fuel cost
 - Federal and state fuel tax
 - Estimated MBUF

Vehicle Information

Vehicle	Vin	Home State
2004 SAAB 9-3		Maryland

Summary for the Month		
Billable Miles Driven During the Month	112.5	
Gallons of Fuel Used During the Month	6.45	
Transportation Costs, Fees and Taxes	Estimated Costs you currently pay	Estimated Costs with a MBUF
Fuel Costs (excluding state and federal taxes)	\$ 15.85	\$ 15.85
Mileage-Based User Fee (miles driven x per-mile rates for each state – refer to last page)	\$ 0.00	\$ 2.39
State Fuel Tax (estimated)	\$ 2.19	\$ 0.00
Federal Fuel Tax	\$ 1.19	\$ 1.19
Total Estimated Cost	\$ 19.23	\$ 19.43
Net Difference	\$ 0.20	

*Please note that all charges reflected on this statement are simulated. No amount of monetary value will be exchanged.

Fuel cost is based on the average mid-month fuel price in your home state times the number of gallons used for the month. Average statewide fuel prices are obtained from AAA (<https://gasprices.aaa.com/>).

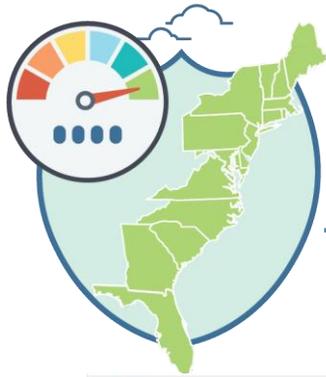
Quick Facts:

A MBUF (mileage-based user fee) is paid per mile driven and could replace the fuel tax.

If you are using a plug-in device with location capability, your mileage in each state is directly measured and reported.

If you are using a plug-in device without location capability, your mileage driven inside and outside your state of residence is estimated based on census data on out-of-state work trips.

The statement may also be downloaded at <https://i95mbuf.azuga.com>.



LOTS of Education Material Developed

DeIDOT
@DelawareDOT

Sign up to test drive new technology for your car!
#DeIDOT is partnering with the I-95 Corridor Coalition for a Mileage-Based User Fee Pilot. A MBUF system would replace the current gas tax. Volunteers who enroll in the pilot will get a \$10 Wawa gift card!
i95coalitionmbuf.org

10:00 AM · Jul 30, 2019 · eClincher

Home About Multi-State Truck Pilot Media How much could an MBUF cost?

The I-95 Corridor Coalition

The I-95 Corridor Coalition is bringing an East Coast voice to the national discussion on how to pay for roads in the future.

Project Overview

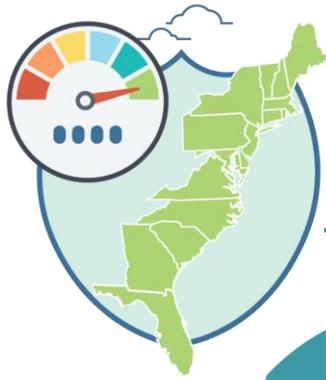
The Coalition's mileage-based user fee (MBUF) pilot includes many components. The first part of the pilot began in spring 2018. It was focused in Delaware and Pennsylvania, while also including regional...

Hey, EAST COAST!

Transportation is an important issue, but not a top-of-mind priority

Motor Carriers & MBOUF





Motor Carriers Must Be at the Table



Semi-trucks contribute

45%

of the Highway Trust
Fund through fuel and
other taxes



Semi-trucks make up

9%

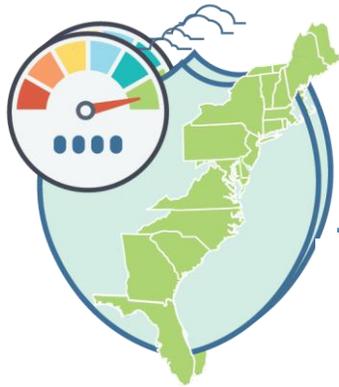
of traffic on the
nation's highway
system



Semi-trucks transported

70%

of total domestic
freight tonnage



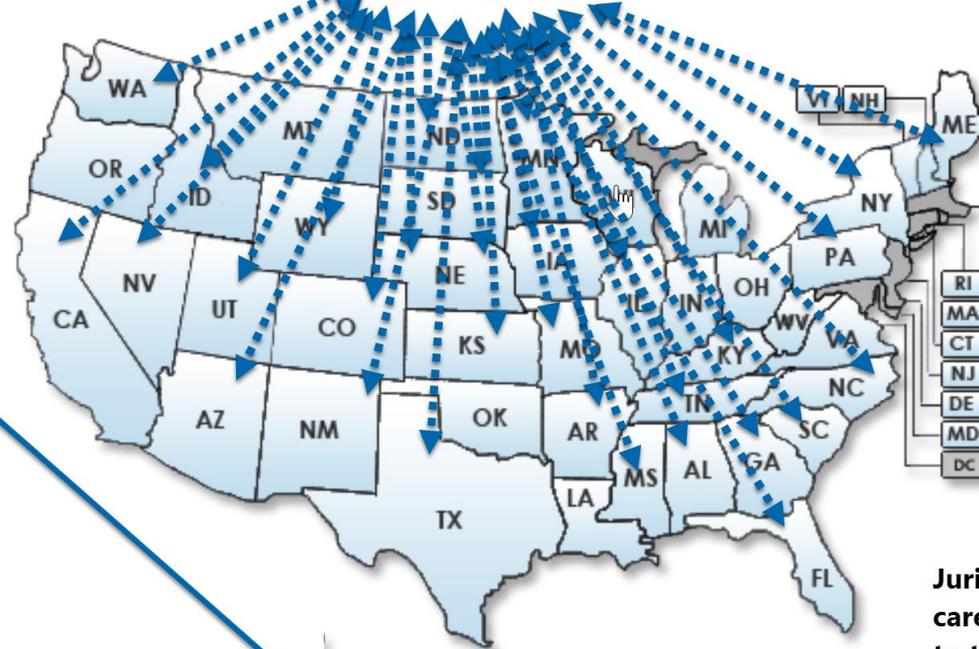
International Fuel Taxation Agreement (IFTA)



Motor carrier files return with base jurisdiction

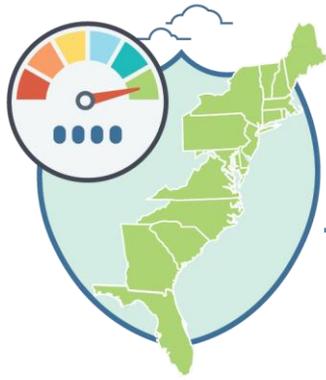


Clearinghouse



International Registration Plan (IRP)
Re-distributes state registration fees based on mileage driven in each state

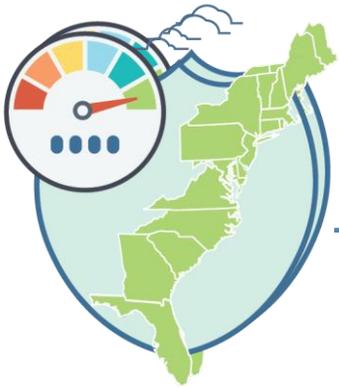
Jurisdictions are then taking care of distributing the taxes to the other jurisdictions through the IFTA clearinghouse.



PHASE 2: MULTI-STATE TRUCK PILOT

- October 1st, 2018 – March 31st, 2019
- EROAD is the technology partner
- Pilot purpose:
 - Gain a better understanding of motor carriers needs and viewpoints
 - Explore feasibility of existing regulations and technology as a framework for a MBUF approach





MULTI-STATE TRUCK PILOT

By the numbers....

- 55 vehicles
- Travel in 27 states
- 1,430,000 miles travelled

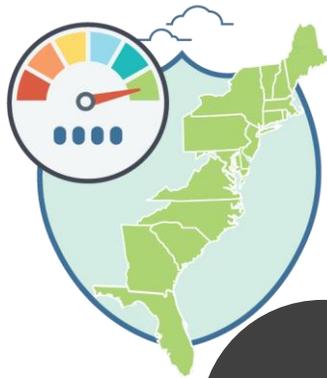


INTERNATIONAL REGISTRATION PLAN, INC.



INITIAL FINDINGS: MOTOR CARRIERS



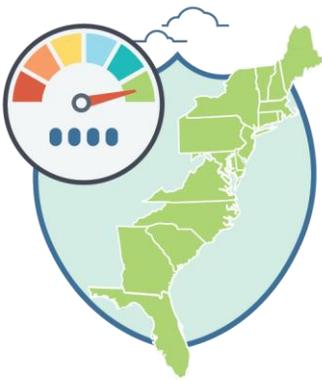


IFTA/IRP Workshop (February 2019)

1

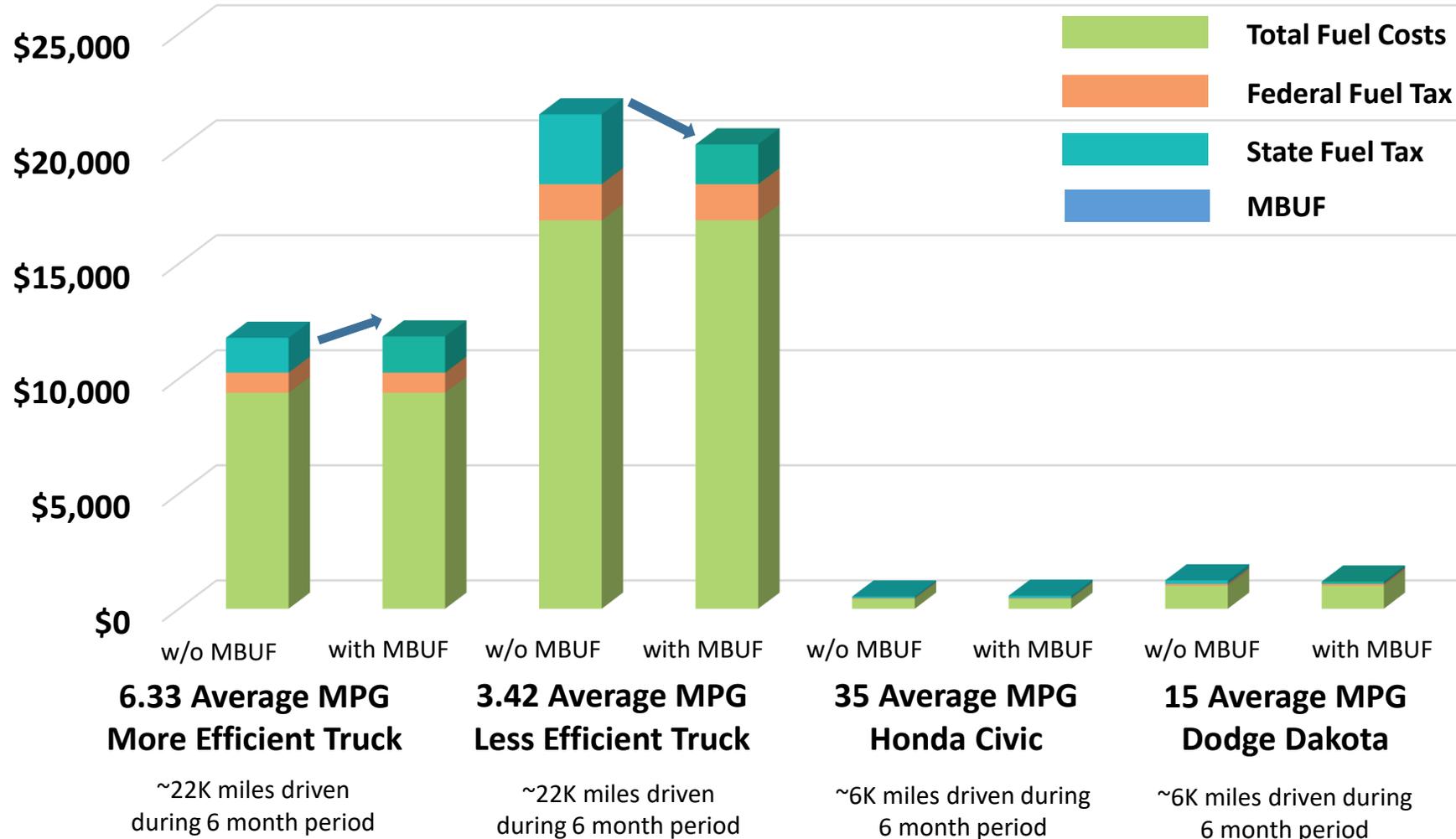
- YES! IFTA / IRP = template for national truck MBUF
- Don't go "back in time" to state specific filing periods, definitions, recordkeeping requirements and rules
- Clearinghouse concept implemented
- Submitted data must be fleet based vs. vehicle
- Adjustments will be necessary (e.g., quarterly reporting period too long)





Trucks are Not Big Cars

2



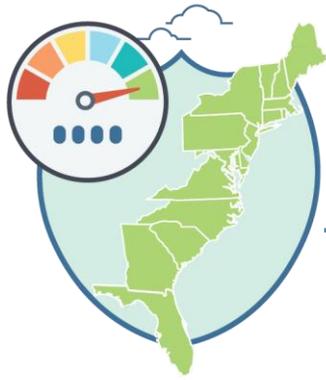
Motor Carrier Working Group

3



ON THE HORIZON





Phase 3 & 4: More Exploration



- Further test the tolling concept
- Explore privacy concerns and equity across urban and rural areas
- Begin to evaluate policy questions (e.g., variable rates)
- National Truck Pilot
- NEW Partners: Transurban (VA), New Jersey, North Carolina
- Education & Outreach
 - Surveys, Focus groups, interviews, video, briefing packets, website



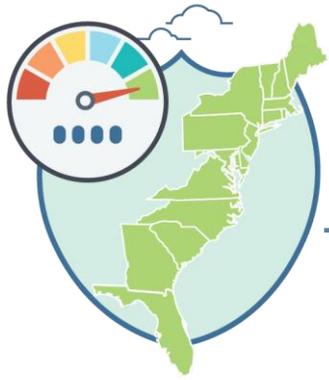


VS.





**We have administrative
hurdles to overcome**



1/5th of a penny for administrative cost?



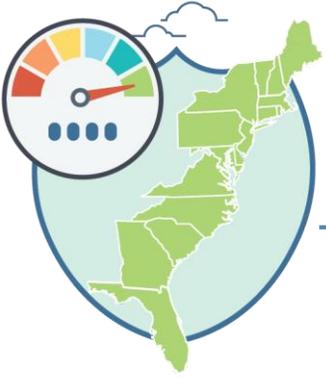
- Significantly more expensive than the current collection method (19%)
- But MBUF could be the needed sustainable transportation funding approach
- Need to pursue the answer...

**Citizens want to share their opinions and
better understand fuel taxes**



Pilots are the way to explore MBUF

- Hear directly from residents.
- Design pilot to address top concerns.
- Your participation can help the nation.
- A new way of funding is needed. Be a part of crafting the future.



Thank You!

www.I95CoalitionMBUF.org

