



THE EASTERN
TRANSPORTATION
COALITION

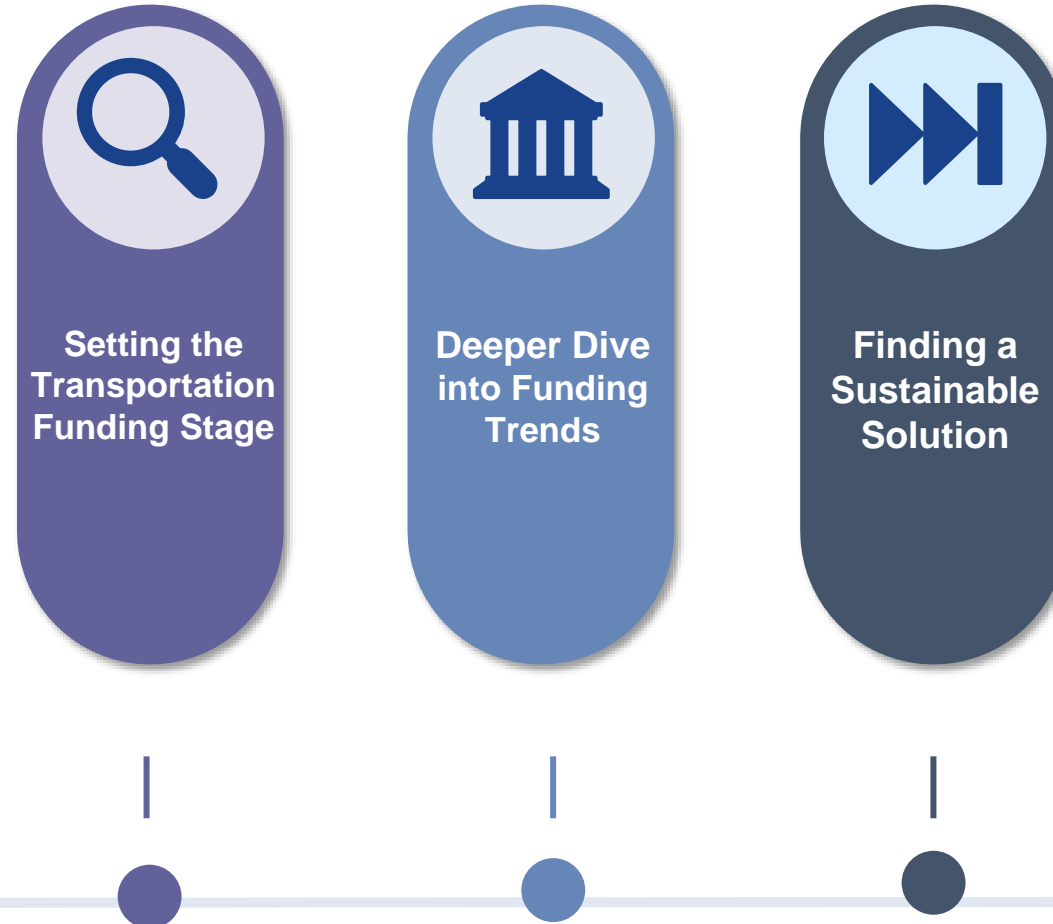


A Field Guide to Sustainable Funding

Vermont House and Senate Transportation Committee

February 28, 2024

Agenda





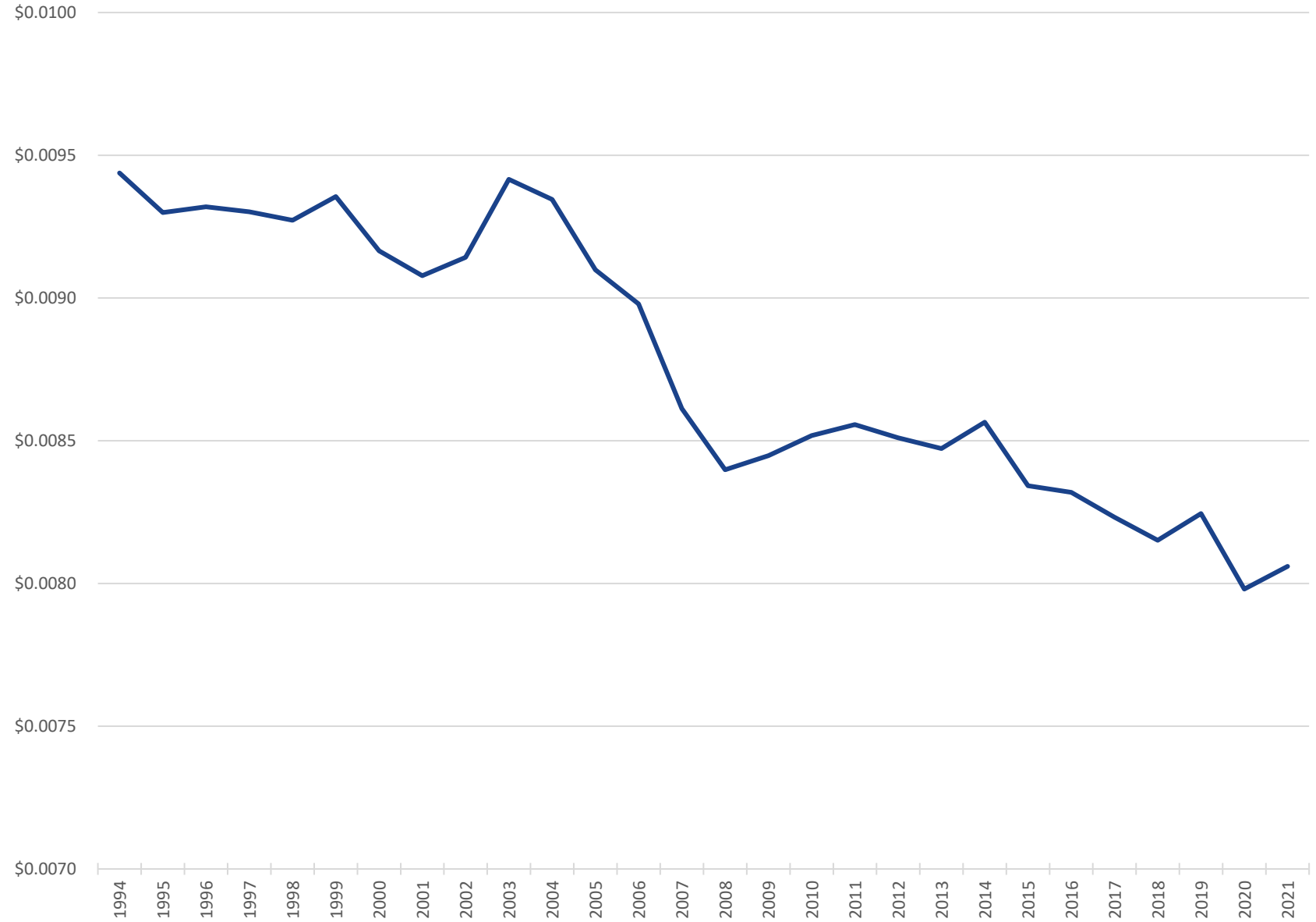
Setting the Transportation Funding Stage

**We need
our roads.**



Drivers are paying less fuel tax per mile driven.

Federal Fuel Tax Revenues per Mile Driven





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

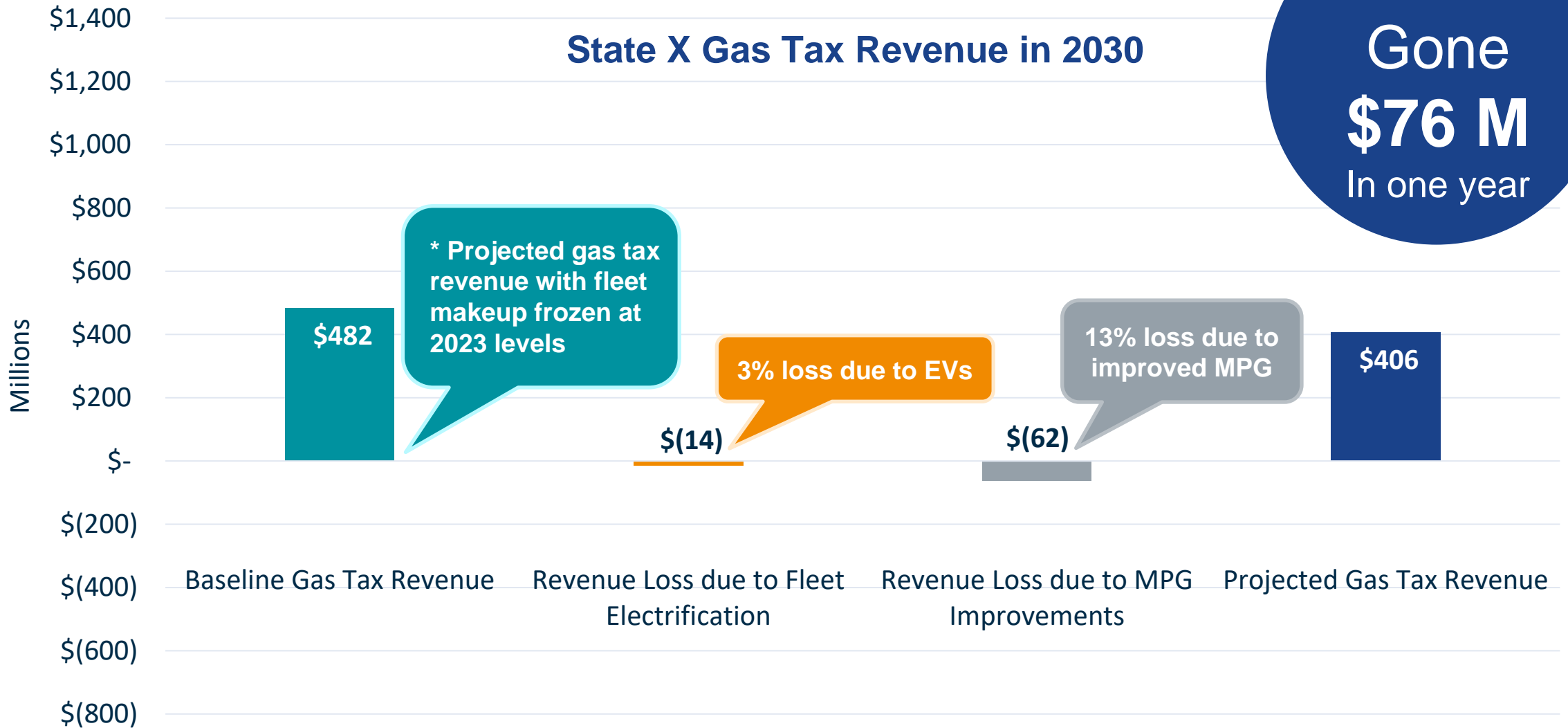


EVs are here...

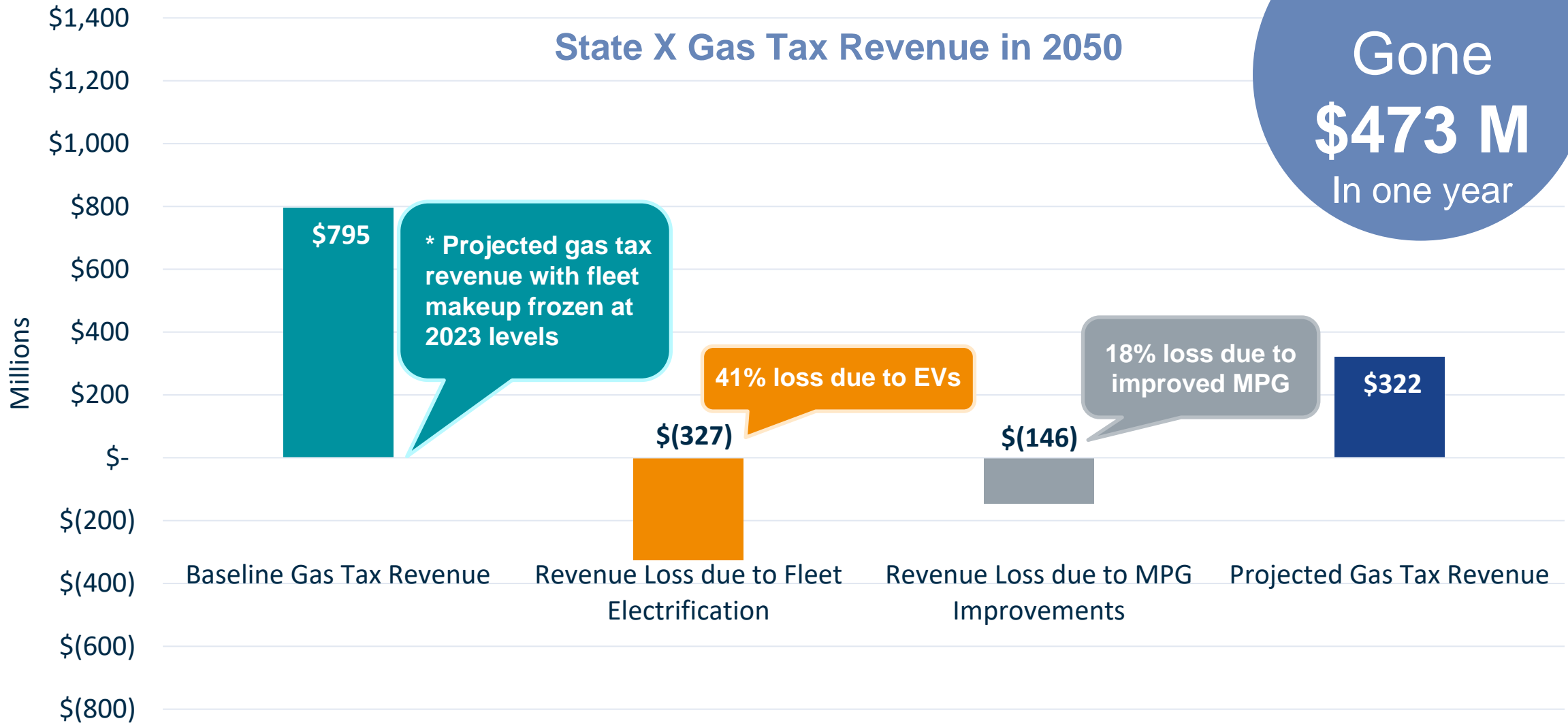
F-150 Lighting

So what? Gas tax revenues will decline

**16%
Gone
\$76 M
In one year**



So what? Gas tax revenues will decline



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





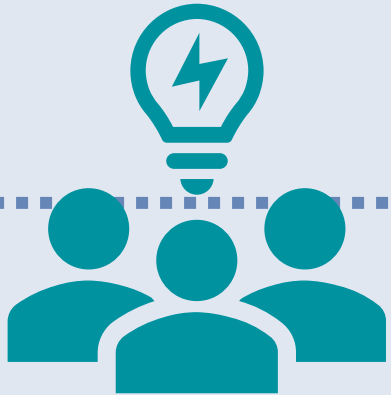
Deeper Dive into State Transportation Funding Trends



How could MBUF become a Sustainable Solution?

Overcome these barriers.

Gap in Public Understanding



Privacy



Equity



Cost






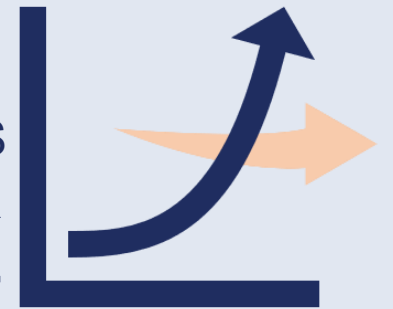
There is a gap in public understanding.

In North Carolina...



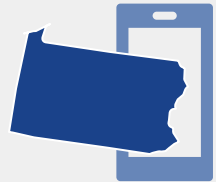
 **71%**
OF NORTH CAROLINIANS RATE
STATE HIGHWAY QUALITY AS
GOOD OR EXCELLENT

69% BELIEVE FUNDING IS
INCREASING OR
STAYING THE SAME



84% DON'T KNOW
HOW MUCH
FUEL TAX THEY PAY 

Share the value of transportation.



Social Media in Pennsylvania

WE'RE JOINING THE FUTURE OF ROAD FUNDING.

THE EASTERN TRANSPORTATION COALITION

RURAL PA DRIVERS
test drive mileage-based use

THE EASTERN TRANSPORTATION COALITION

BRINGING TRUCKERS TO THE TABLE.

THE EASTERN TRANSPORTATION COALITION

MODERN VEHICLES NEED MODERN ROAD FUNDING.

THE EASTERN TRANSPORTATION COALITION

Save Money

Hybrid and electric owners...

...now you can pay your use fees as yo

Innovation

You're driving the next generation of vehicle...

...now plug into the future of highway fees.

Climate Future

The health of our earth is important to you...

...now help contribute the health our roads.

Pay Your Fair Share/Pro-Infrastructure

Your high-efficiency vehicle hates potholes.

Help us fix them on **YOUR** terms.



Message Testing in Virginia

Save Money

Hybrid and electric owners...

...now you can pay your use fees as yo

Innovation

You're driving the next generation of vehicle...

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Pay Your Fair Share/Pro-Infrastructure

Your high-efficiency vehicle hates potholes.

Help us fix them on **YOUR** terms.



Use tools to educate the public.



MBUF Calculator + Video in Pennsylvania



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?

Do you drive a diesel vehicle?
 Yes No

Vehicle:
Enter your vehicle's average MPG
I don't know my vehicle's average MPG
I don't know my vehicle's average MPG
What is the average MPG of your vehicle? Find your vehicle's MPG [here](#).

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

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 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.

Share projections.



Cumulative 2023-2050 Gas Revenue Projections



Projected Gas Tax Revenue

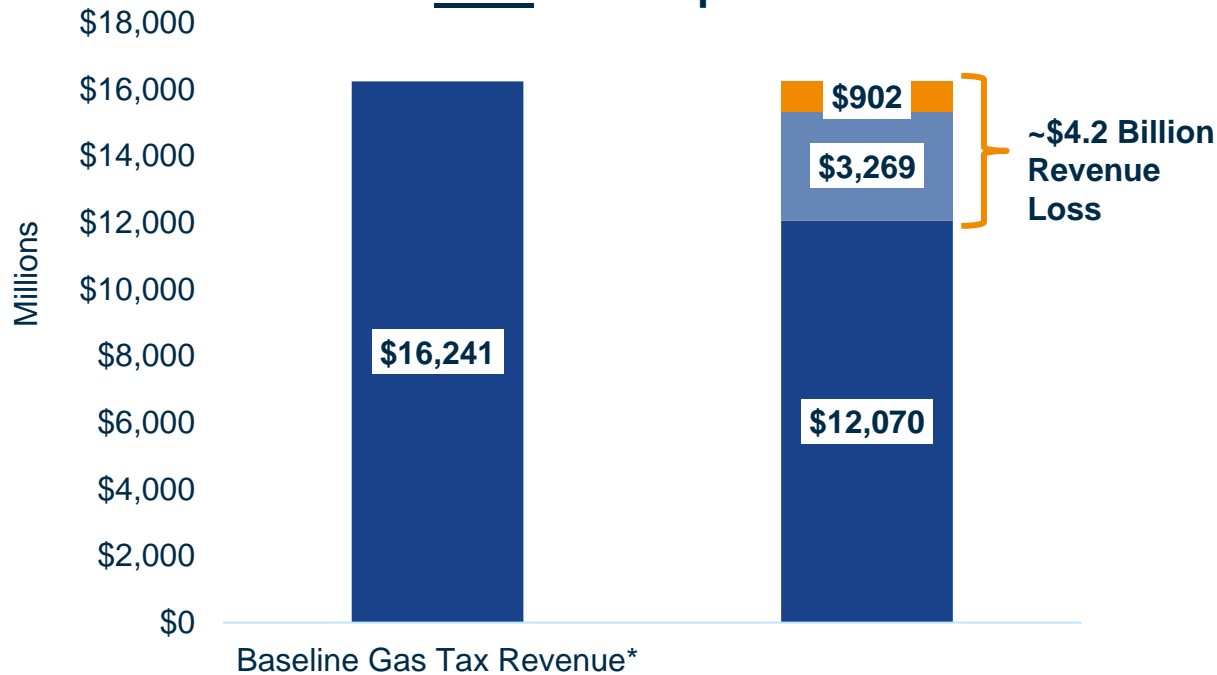


Revenue Loss: EVs

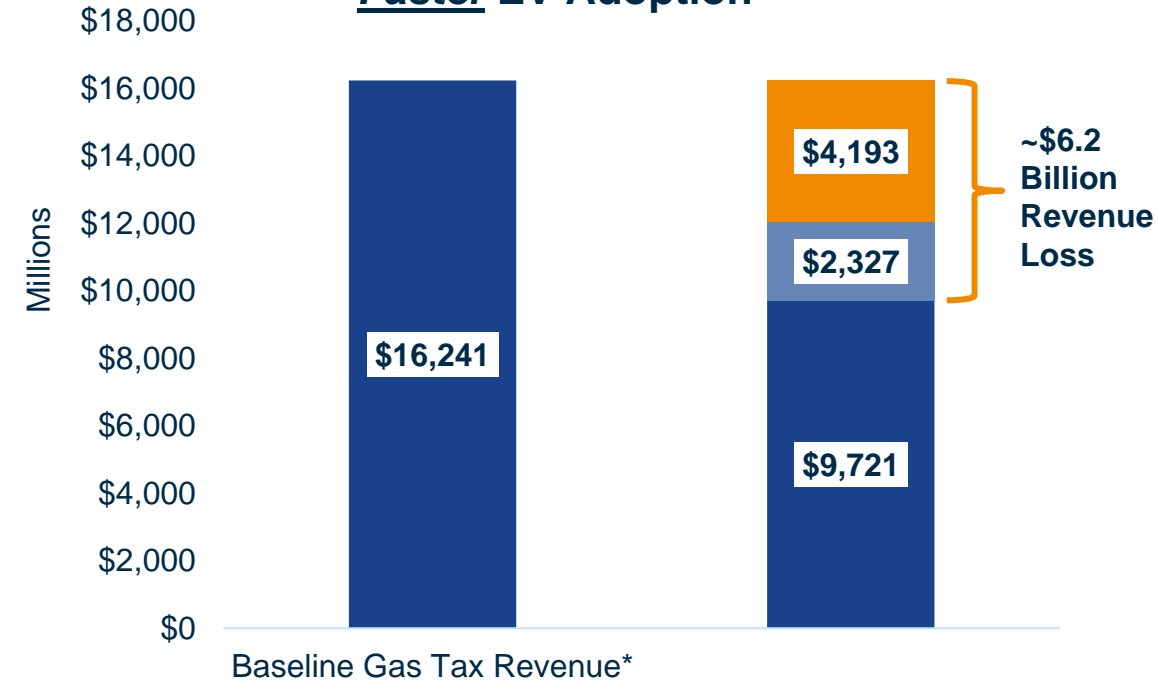


Revenue Loss: MPG Improvements

Slow EV Adoption



Faster EV Adoption



* Projected gas tax revenue with fleet makeup frozen at 2023 levels

Reestablish the link between use and payment.



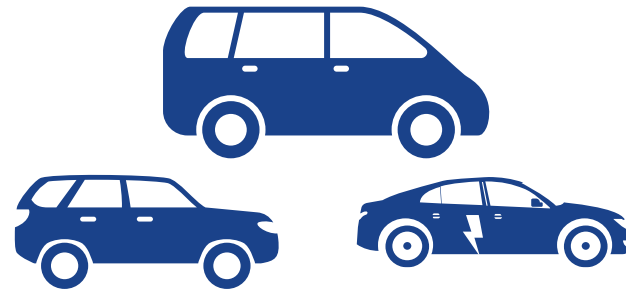
1919

Fuel tax established as a use tax



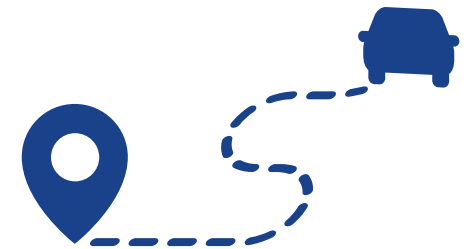
Current

Fuel tax not linked to road use



Future

Miles used = miles paid

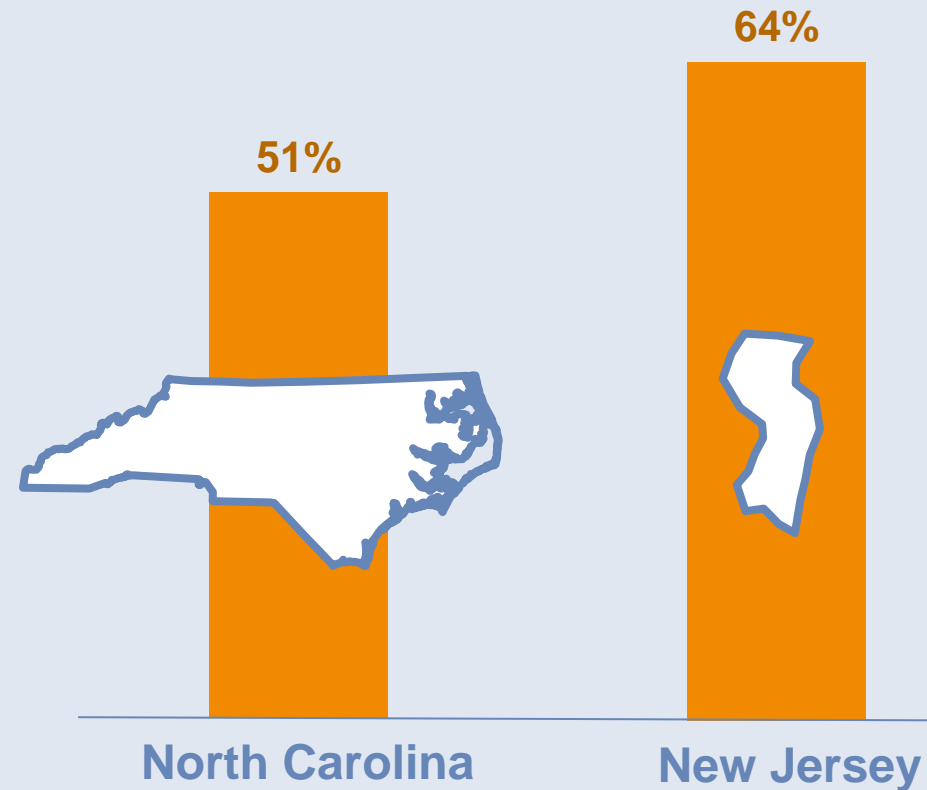


Many people share privacy concerns.



“I DON’T WANT
THE GOVERNMENT
TO TRACK ME”

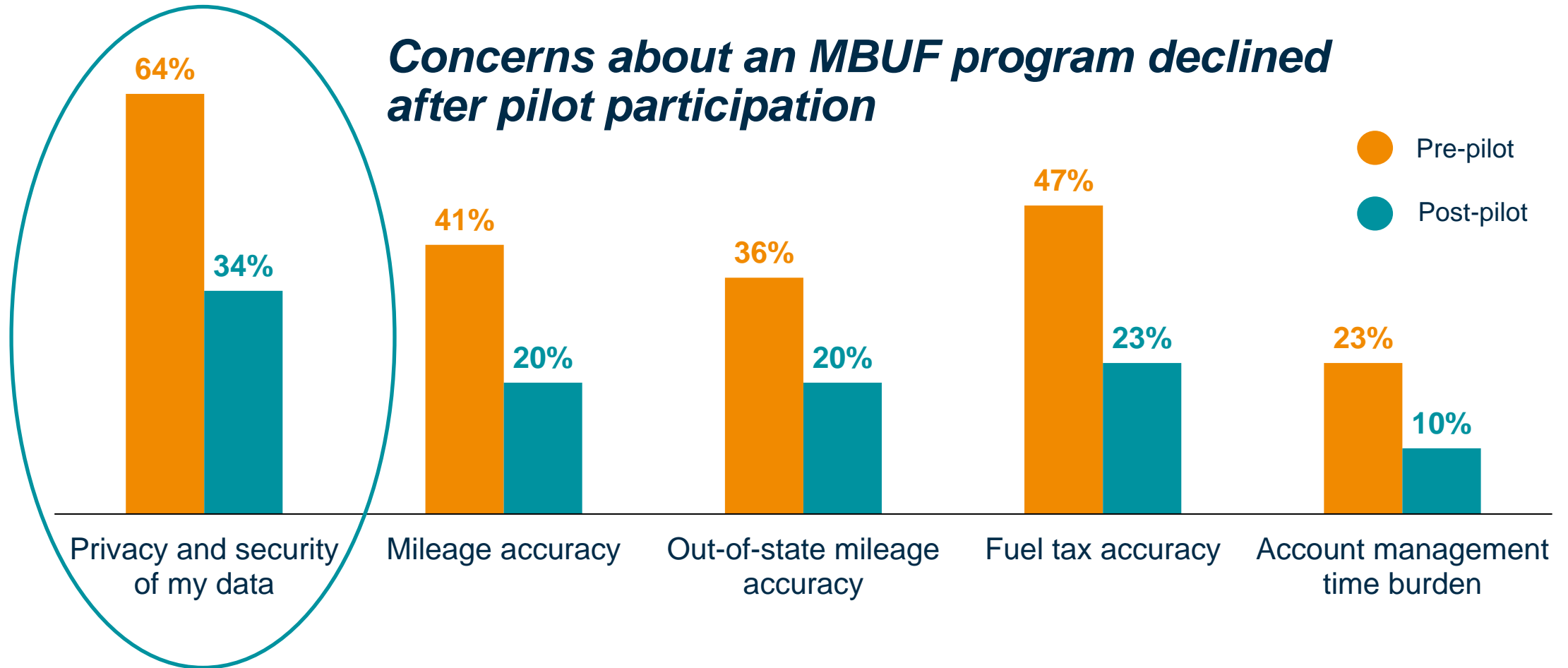
Pre-pilot Privacy Concerns In North Carolina and New Jersey



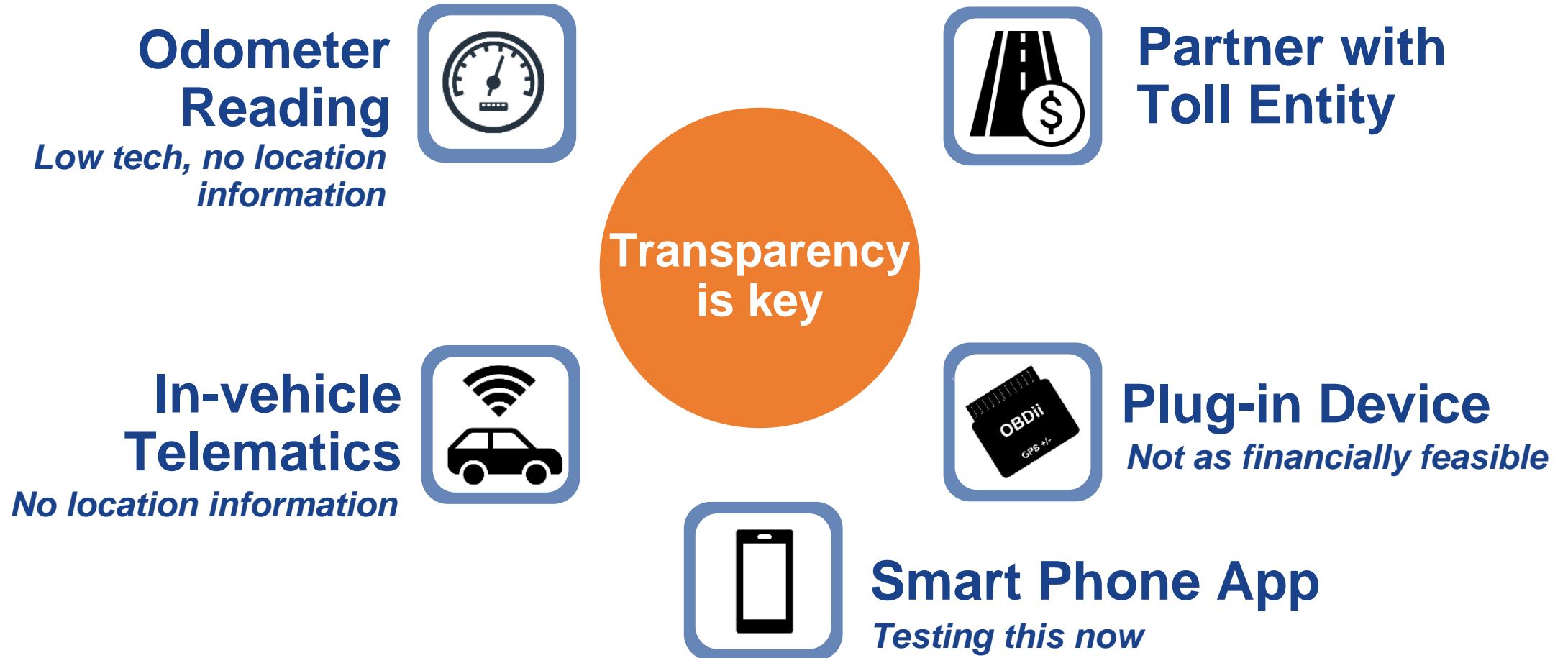


Offer opportunities for experiential learning.

Concerns about an MBUF program declined after pilot participation



Provide choices.



Use participant agreements.



Mileage-Based User Fee Pilot

Policies and Participation Agreement

To ensure the voices of citizens residing in Delaware and Pennsylvania - along with other states along the I-95 corridor - are part of the critical national discussion of how to establish a sustainable and equitable transportation funding approach, the I-95 Corridor Coalition applied for and received funding through the USDOT "Surface Transportation System Funding Alternatives" (STSFA) program to operate a Mileage-Based Usage Fee (MBUF) Pilot beginning on July 1, 2019. The purpose of the MBUF Pilot is to explore the feasibility of replacing the fuel tax with a MBUF approach in a multi-state environment through a pilot system focusing on Delaware and Pennsylvania residents, along with other regional stakeholders. We are particularly interested in receiving feedback on the technologies used in the pilot and the other driver amenities provided, reactions to receiving a monthly MBUF statement for road usage, any concerns with privacy and data security, and the fairness of the MBUF system. All MBUF charges and as tax credits shown on the monthly statement will be simulated and no actual monies will be received from (or paid to) a participant as part of the MBUF Pilot.

MBUF Pilot Data Collection and Use

To set up and properly manage your MBUF account during the 6-month Pilot the account manager will collect the following information:

- Your full name and address, including zip code
- Your email address and phone number
- Year, make and model of vehicles you own or lease
- Fuel type of the vehicles you own or lease (gasoline, diesel, electric or combination (hybrid/plug-in hybrid))
- The Vehicle Identification Number (VIN) for the vehicle(s) you will enroll in the Pilot
- The state you reside in

The account manager is responsible for setting up your MBUF account and processing your mileage reports, delivering mileage reporting devices to persons who choose to test those devices, and providing customer services.

Occasionally I-95 Corridor Coalition or your account manager may use your personal information to contact you or send important notices about your account, changes in the MBUF Pilot, surveys, or changes to these policies.

Location-Based Services are Entirely Optional

Participants are not required to participate in the MBUF Pilot. If you do not want location services, you simply select a mileage reporting option that does not require location services during the pilot registration. It is important to note that if you choose the location-based option, a portion of your total miles will be allocated to neighboring states based on some value-added amenities offered by the account manager will not be provided to those states. No detailed location information (e.g., routes taken) is provided to the account manager, or any third party by the account manager.

Collection and Use of Non-Personal Information

The account manager will also produce non-personal data reports that do not reveal the identity, activities or contact details of any specific person. The collected information will be securely stored and only accessible to researchers. Below are examples of non-personal information and how it might be used:

- Analysis of mileage by persons living in a certain area, to gain a better understanding of how MBUF might impact drivers differently, depending upon where they live.
- Participants have in setting up their MBUF mileage accounts, so that these

Transparency

Limited Personal Data

Option to Decline GPS

Data Protections

- Account manager could not sell data to 3rd-party entities
- Data destroyed 30 days after pilot

Participant Agreement

Protect user privacy in legislation.



Assess privacy protection laws to determine if existing laws are sufficient



Require any MBUF data collected only be used for program operational purposes

In Virginia...



Legislation directed DMV-led working group for PII protection



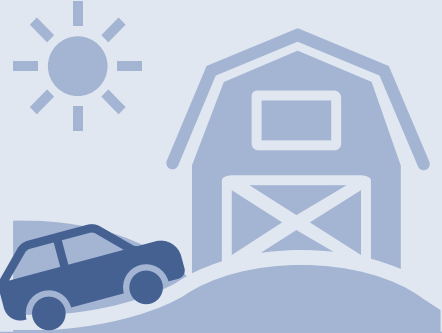
Existing provisions covered DMV data



Additional provisions for the *Code of Virginia* took effect on July 1, 2022 (*data only released for program operation purposes*)



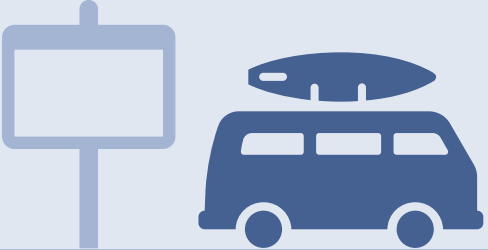
Equity concerns vary.



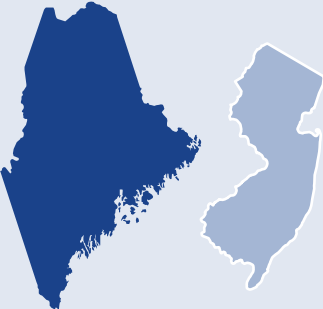
Unfair to Rural Drivers



Hassle to Report and Pay



Out-of-State Drivers May End Up Not Paying*



Increased Costs



Unfair to people who buy fuel-efficient vehicles

Highlight today's inequity.



A Tale of Two Cars in Vermont

2009 Toyota Camry



25 MPG

\$149 Annual State Fuel Tax Paid

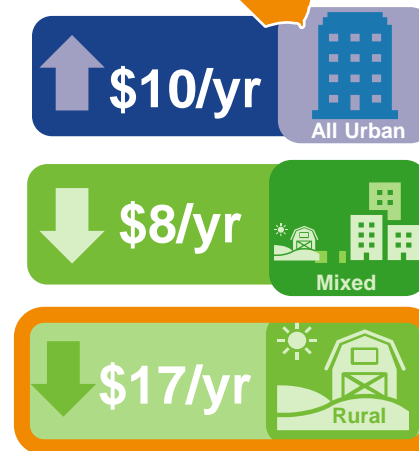
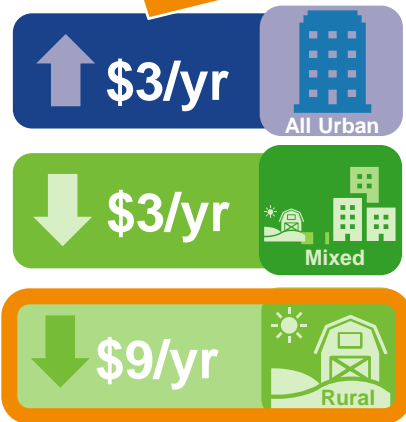
2019 Toyota Camry (Hybrid)



52 MPG

\$71 Annual State Fuel Tax Paid

Use data to address myths about rural drivers



Use data to address myths about EV adoption.



Myth:

EV fees deter EV adoption



Fact:

Even in states with EV flat fees, EV sales continue to rise.

Average EV Growth Rates from 2018 – 2021



EV Annual Fee Ranges

NO FEES

\$50-\$74.99

\$75-\$149.99

\$150-\$225

EV Adoption Growth

367%

337%

337%

331%

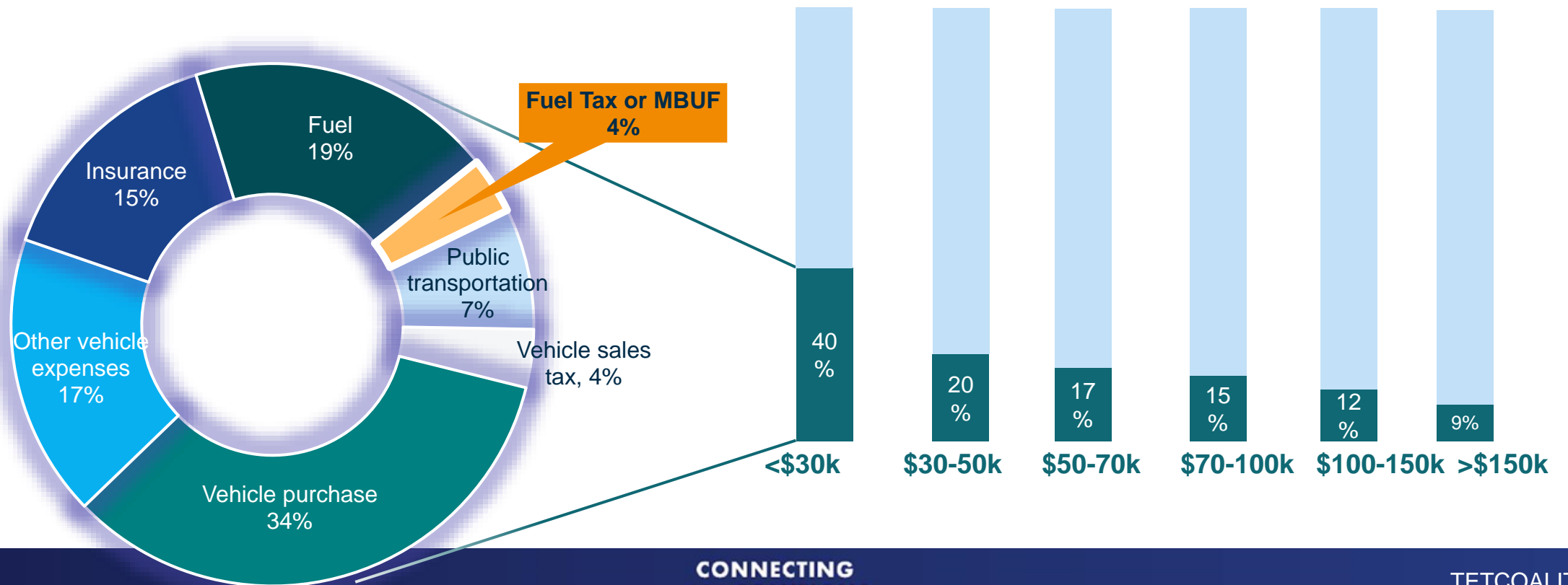
Highlight today's issues with fuel taxes.



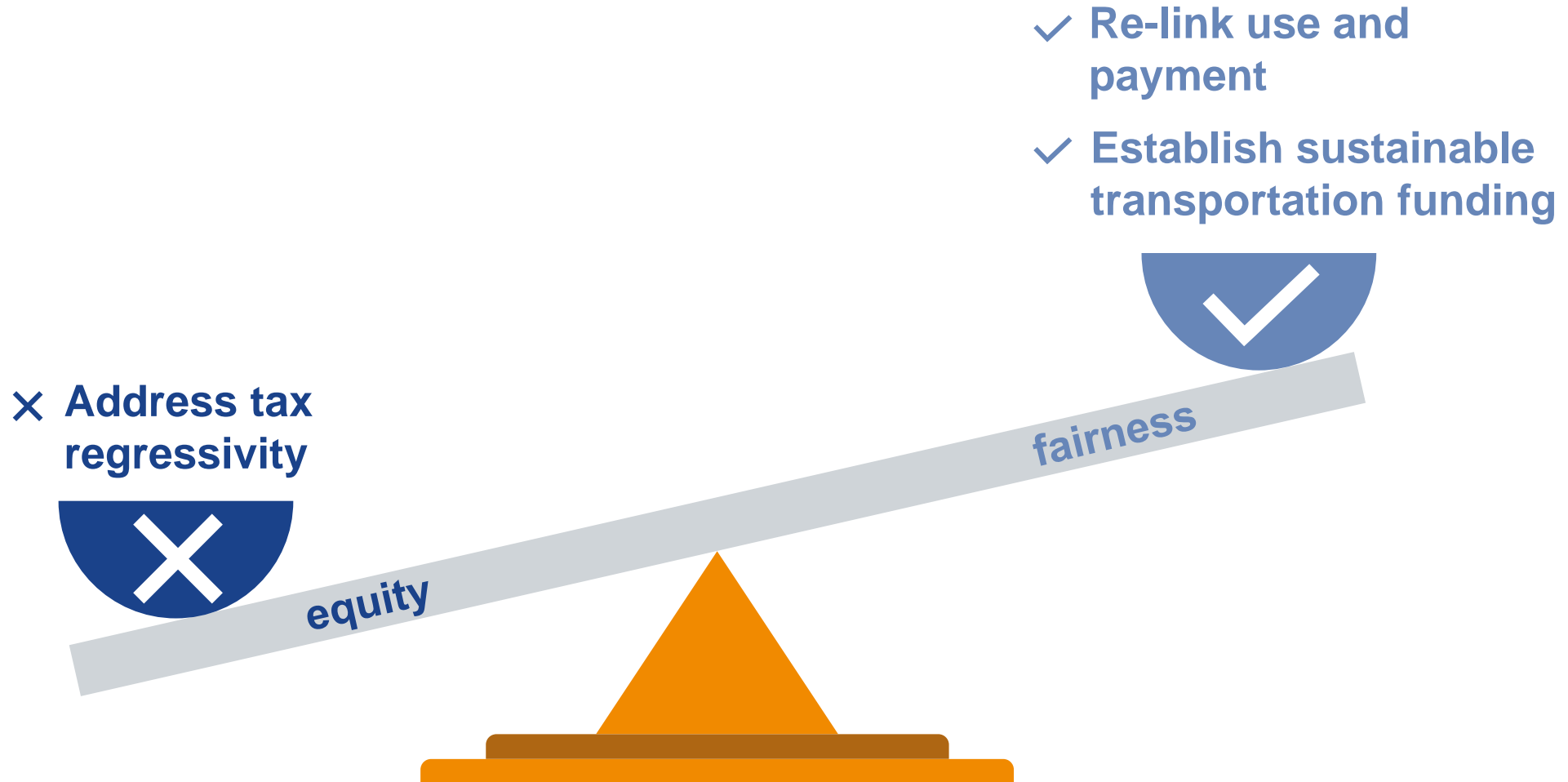
1 Not connected to use

2 Unsustainable revenue

3 Regressive



Recognize MBUF will not solve all equity issues.





MBUF is more expensive.



Fuel tax was established as a use tax



Had over 100 years to make efficient



Current points of collection are very small



Collected at the rack

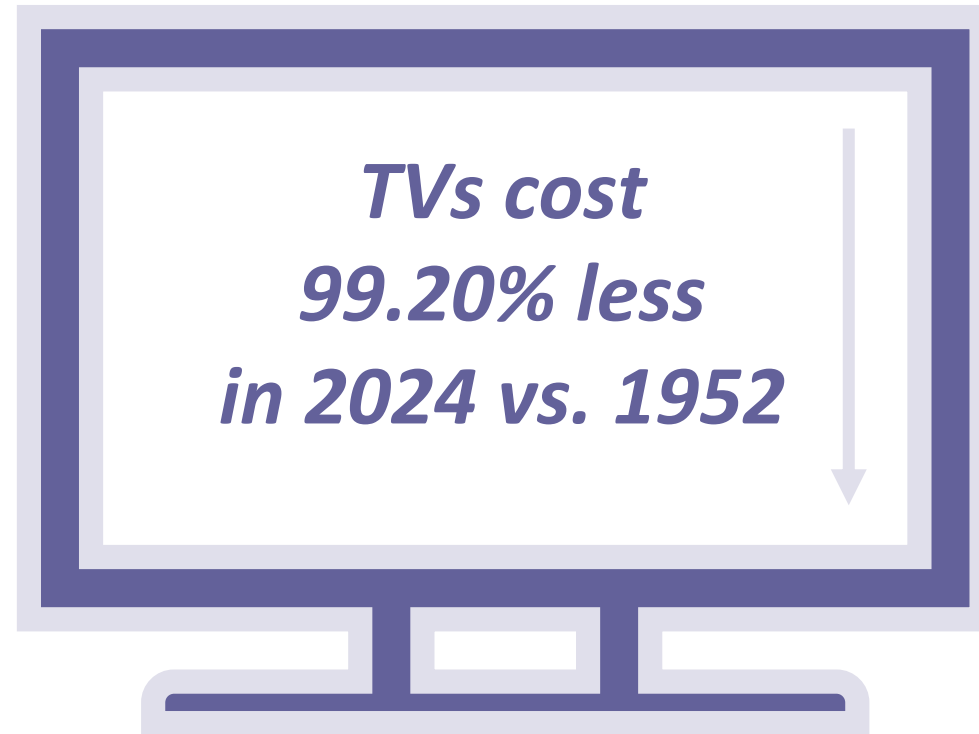


Cheap to collect (1-2%)

Leverage technology.



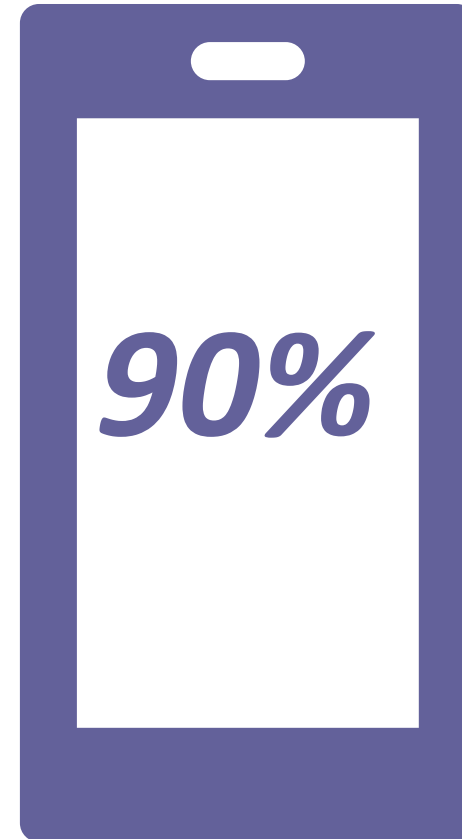
***Overtime
technology gets
cheaper***



Leverage existing programs and agencies.



Administer through existing programs, departments, and agencies to drive down costs

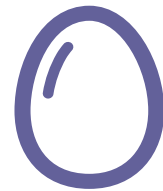


of people in the US own a smartphone

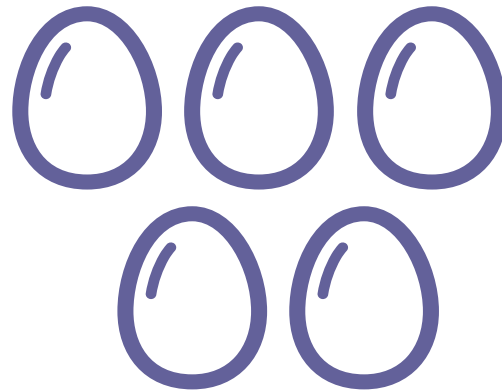
Increase the volume of participants.



More participants means less cost, like bulk pricing

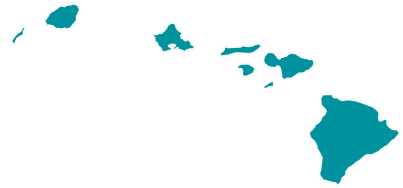


1 dozen eggs = \$4.00 at a regular grocery store



5 dozen eggs = \$14.00 at Costco

Share examples of success.



Hawaii



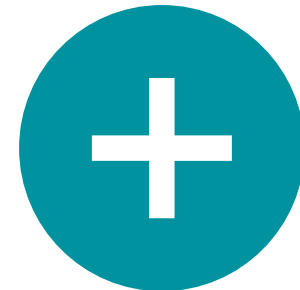
Leverages an existing program: safety inspections



Uses low-tech odometer readings



Mandatory implementation increases numbers





**Transportation is
worth paying for.**



— THE EASTERN
TRANSPORTATION
COALITION

Thank you!

<https://tetcoalitionMBUF.org>

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