

THE EASTERN
TRANSPORTATION
COALITION

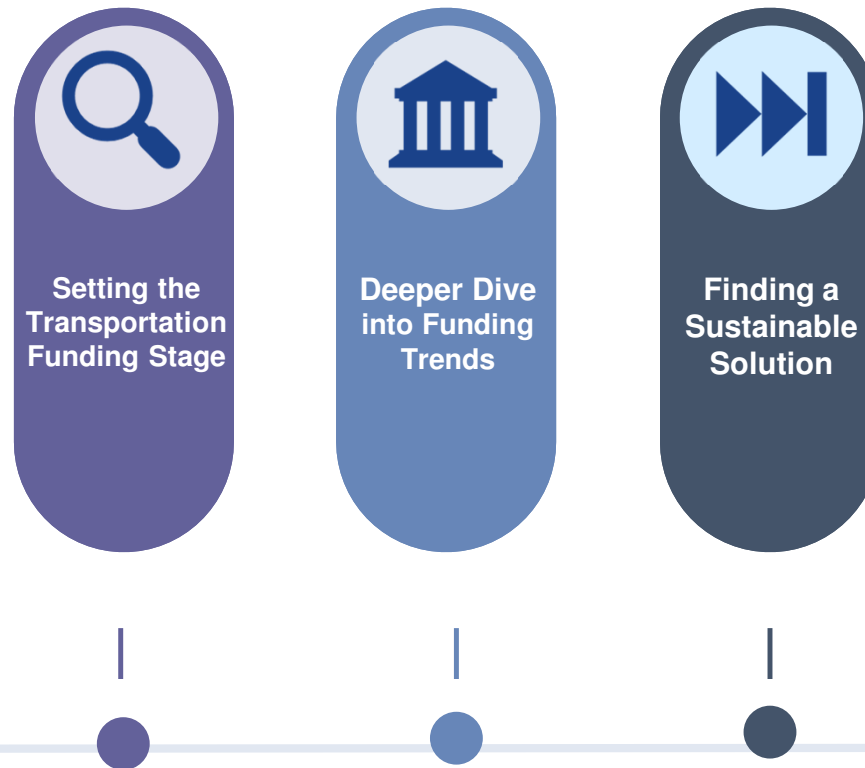


A Field Guide to Sustainable Funding

Vermont House and Senate Transportation Committee

February 28, 2024

Agenda





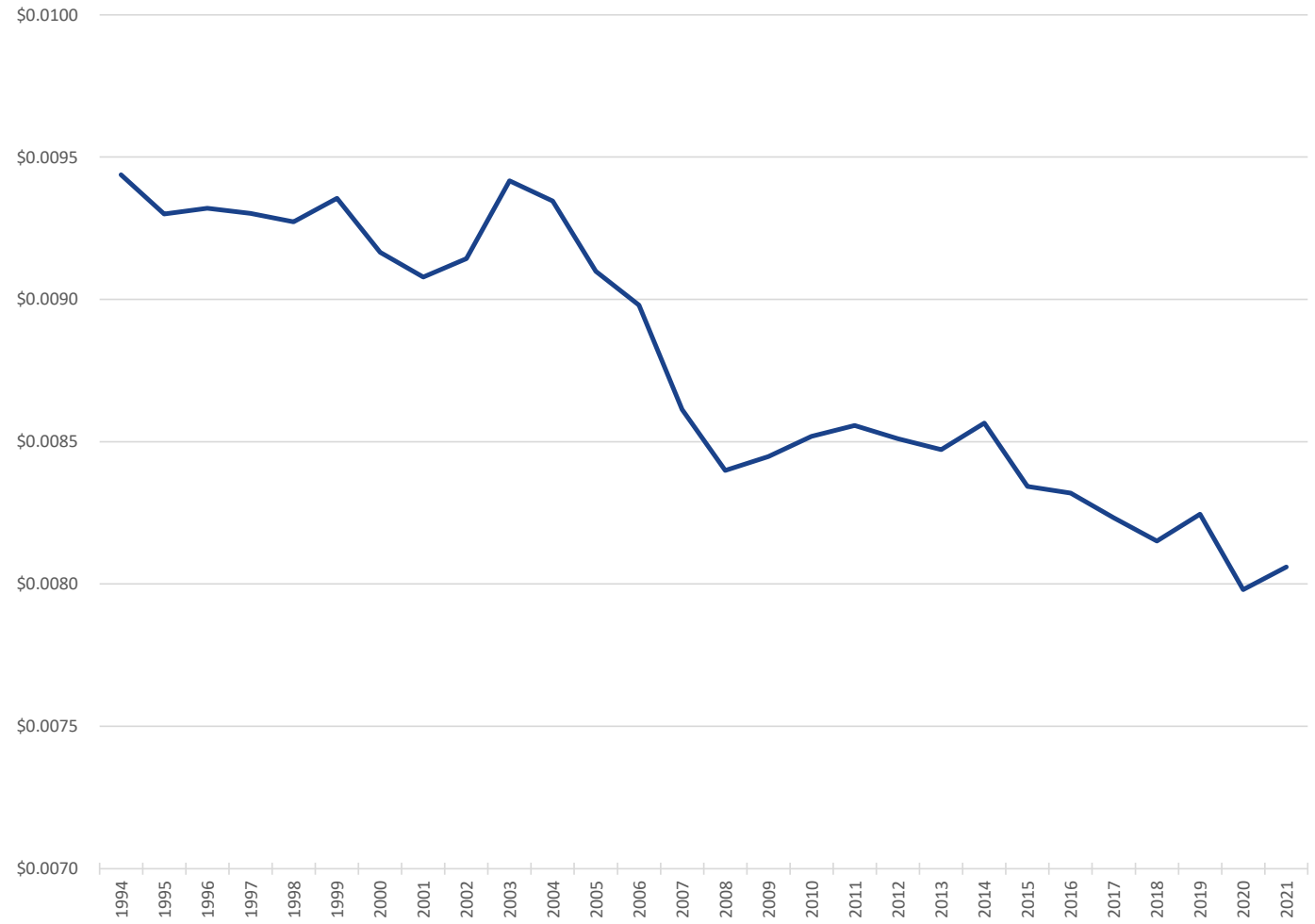
Setting the Transportation Funding Stage

**We need
our roads.**



Drivers are paying less fuel tax per mile driven.

Federal Fuel Tax Revenues per Mile Driven



Slide 5

- TH0** can we add 2022 or 2023 data to this chart? 2021 is feeling pretty old...
Trish Hendren, 2024-02-26T16:02:13.469
- DJ0 0** the source data from BTS (part of FHWA) has not been updated, so I really don't feel comfortable providing another data point. I expect the 2022 data to be published around 3/21 of this year, but that's too late for this presentation. I think it's more important for Trish to have rigorously defensible numbers than current numbers.
Dorfman, Matthew J., 2024-02-26T18:43:36.453
- WVE0 1** Trish - the most recent source data from the Bureau of Transportation Statistics is only provided through 2021. To ensure a consistent number, we need to get their update. Based on previous years, 2022 numbers should be available by the end of March.
Wornom, Victoria E., 2024-02-26T22:06:45.674



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

Slide 6

TH0

can you add a slide here to convey that drivers have no idea how much they are paying in fuel tax. I don't want to use data on this one (I know ... shocking). This is just an example

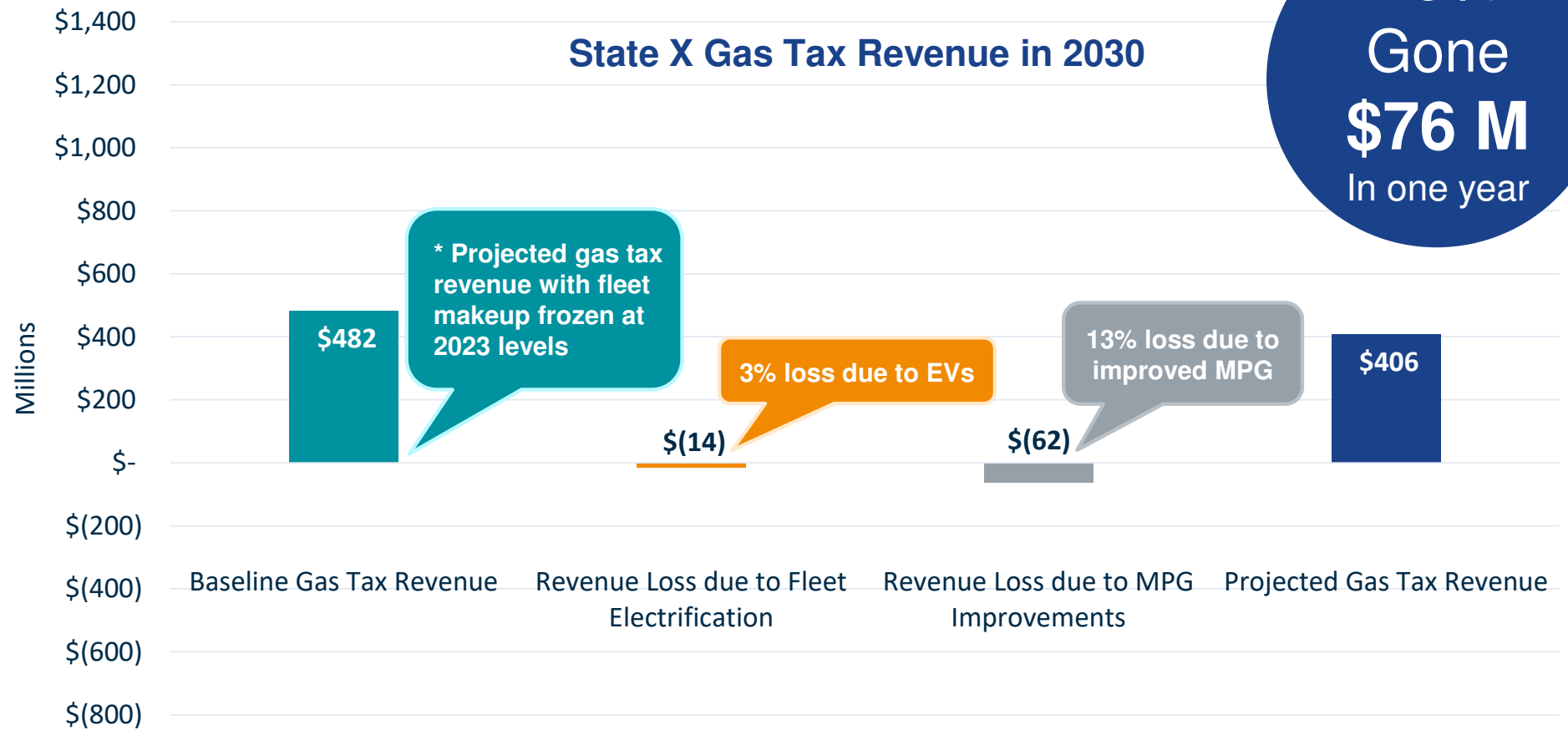
Trish Hendren, 2024-02-26T16:00:50.121



EVs are here...

F-150 Lighting

So what? Gas tax revenues will decline

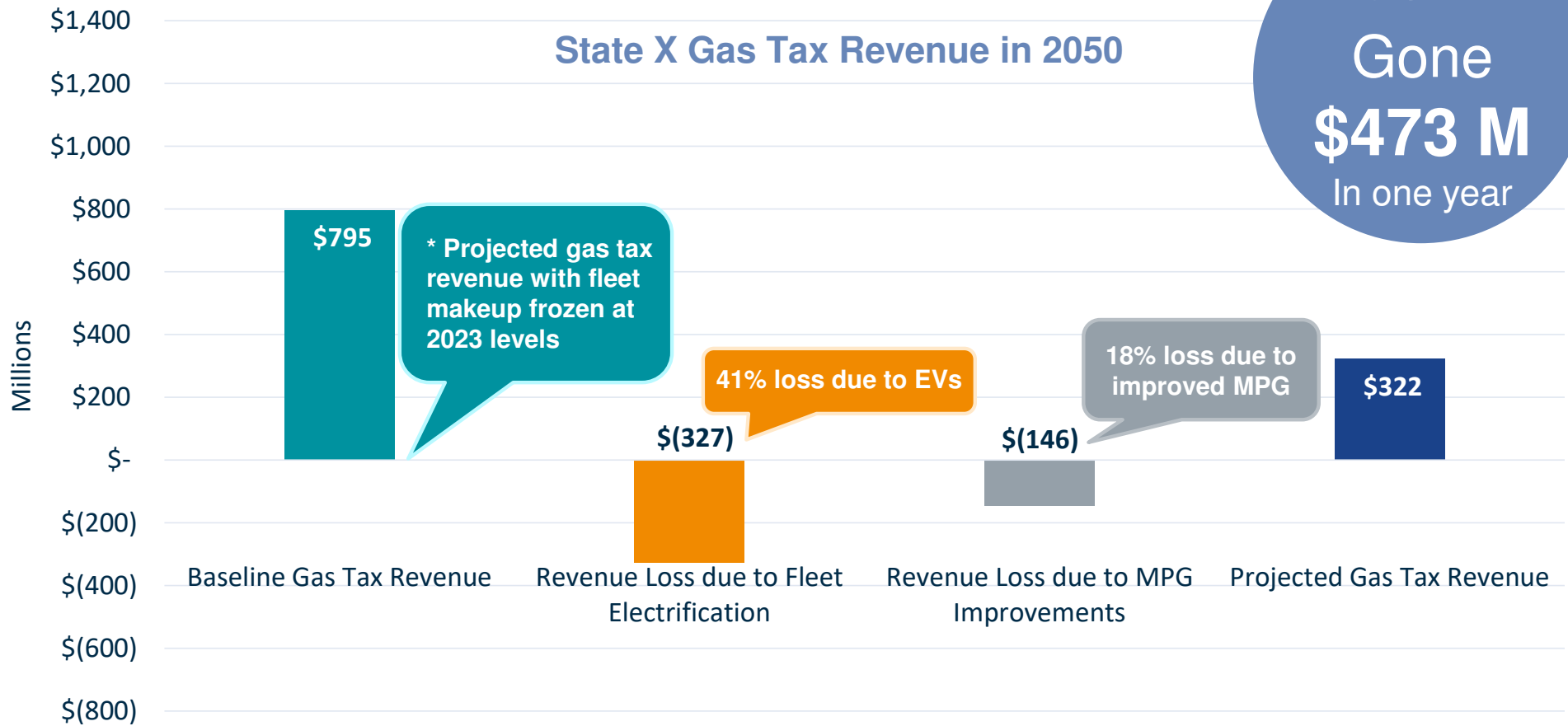


**16%
Gone
\$76 M
In one year**

Slide 8

- TH0** Let's make this graph show the impact for ONE year (2030)
Trish Hendren, 2024-02-26T15:21:52.541
- WVE0 0** [@Alvarado-Vazquez, Roberto C.] Could you please update data?
Wornom, Victoria E., 2024-02-26T16:22:00.731
- TH1** Create a secon graph that shows one year of decline (2050)
Trish Hendren, 2024-02-26T15:22:25.960
- WVE1 0** [@Alvarado-Vazquez, Roberto C.] Could you please update data?
Wornom, Victoria E., 2024-02-26T16:22:10.304
- TH2** tried to add the key takeaway in the bubble but it looks pretty ugly... can you do some magic on it?
Trish Hendren, 2024-02-27T14:01:19.062

So what? Gas tax revenues will decline



Slide 9

TH0 same comment as the earlier slide
Trish Hendren, 2024-02-27T14:11:17.654

TH1 And can this have a different color scheme to distinguish it from the previous slide?
Trish Hendren, 2024-02-27T14:25:16.918

**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.

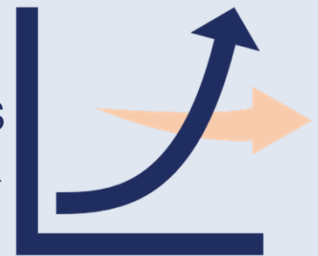
In North Carolina...



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



Slide 14

TH0 Is there a way to visually make the four "barrier" intro slides look different than the "solution" slides? Maybe a different underline (vs. the orange color)... different header font... as you can tell I am not a designer!

Trish Hendren, 2024-02-27T14:12:17.376

WVE0 0 Updated to different color background and different color underline

Wornom, Victoria E., 2024-02-27T15:19:36.683

Share the value of transportation.



Social Media in Pennsylvania

Our work with the Eastern Transportation Coalition shows that – when compared to a traditional toll approach – rural drivers may save under a mileage-based or road user fee approach. Why? They tend to drive less fuel-efficient vehicles. See this and other key findings: <https://bit.ly/MBUF-FindingsReports> #MBUF #TransportationFunding #PennDOTPathways #FundingFriday

WE'RE JOINING THE FUTURE OF ROAD FUNDING.

THE EASTERN TRANSPORTATION COALITION

RURAL PA DRIVE
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

PennDOT (@pennidot)
If gas, as it started more than 100 years ago. Back then, fuel use was an effective way to figure out how much a driver used the road. But with today's cars going farther on less gas (and saving money), that approach no longer works for our roads. We're working with a coalition of 17 Eastern states to figure a better way. [Learn more](#)



Message Testing in Virginia

Save Money

Hybrid and electric owners...
...now you can pay your use fees as you

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 of our roads.

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
Know my vehicle's average MPG
Find my vehicle's average MPG
Enter 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.
0 cents per mile 100 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

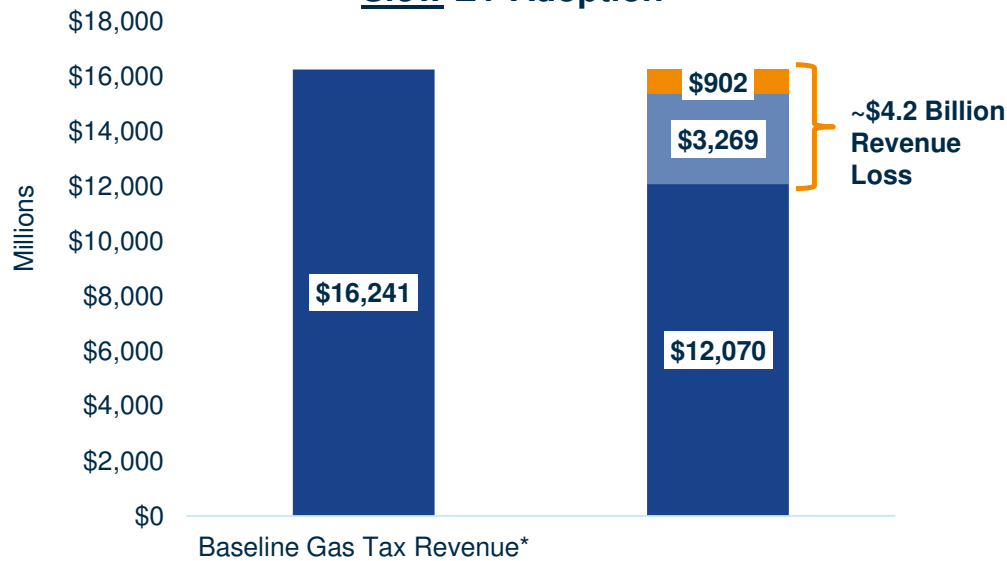


Revenue Loss: EVs



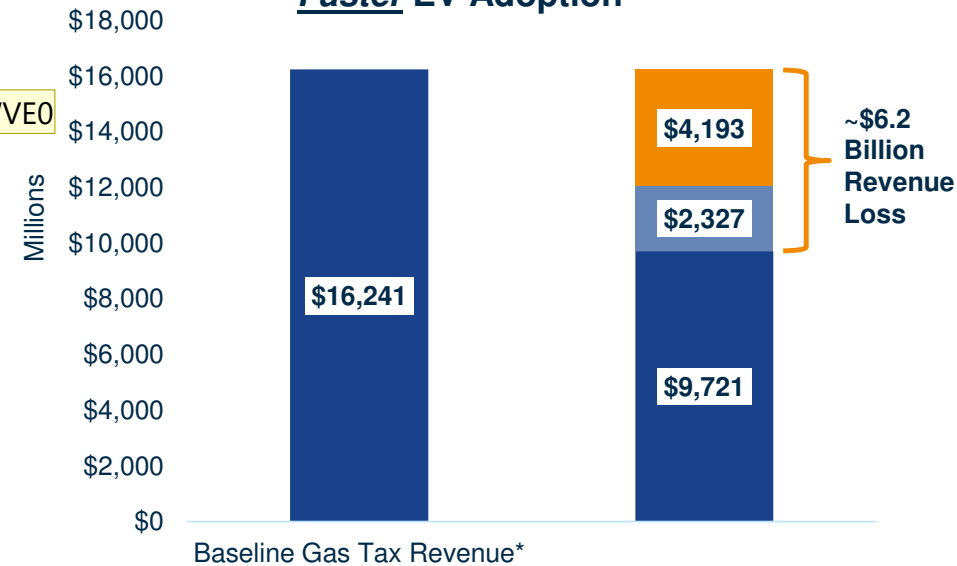
Revenue Loss: MPG Improvements

Slow EV Adoption



WVE0

Faster EV Adoption



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

Slide 17

WVEO Confirmed - includes revenues from 2023-2050, NOT only 2030 and 2050. So, under a slow EV adoption mystery state (KY!), will lose ~\$4.2Billion.... and under a faster EV adoption they will lose ~\$6.2billion?

Wornom, Victoria E., 2024-02-27T15:01:40.621

Reestablish the link between use and payment.



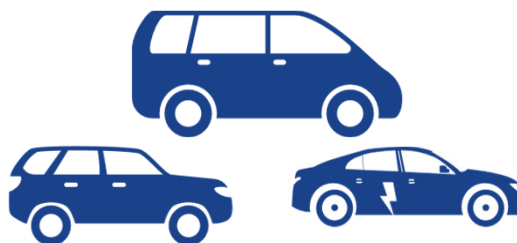
1919

Fuel tax
established
as a use tax



Current

Fuel tax not
linked to
road use



Future

Miles used
= miles paid

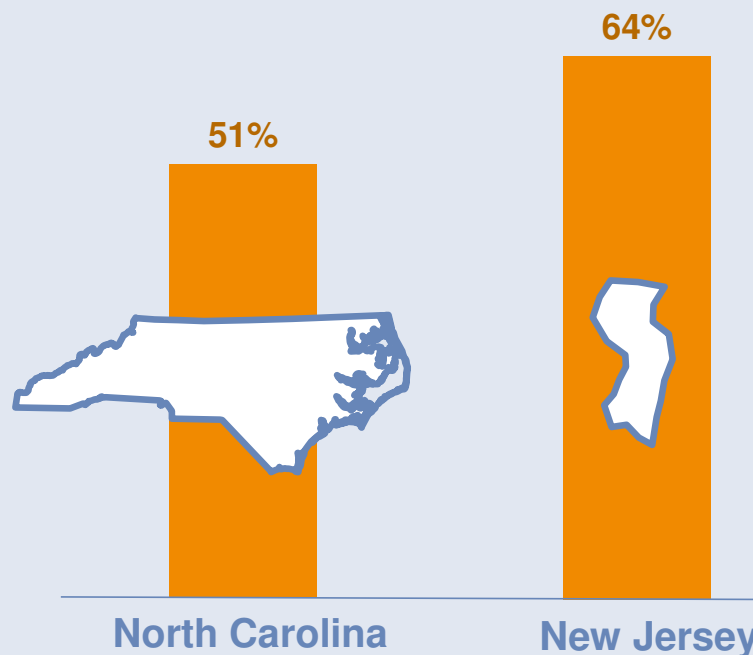


Many people share privacy concerns.



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

Pre-pilot Privacy Concerns In North Carolina and New Jersey



Slide 19

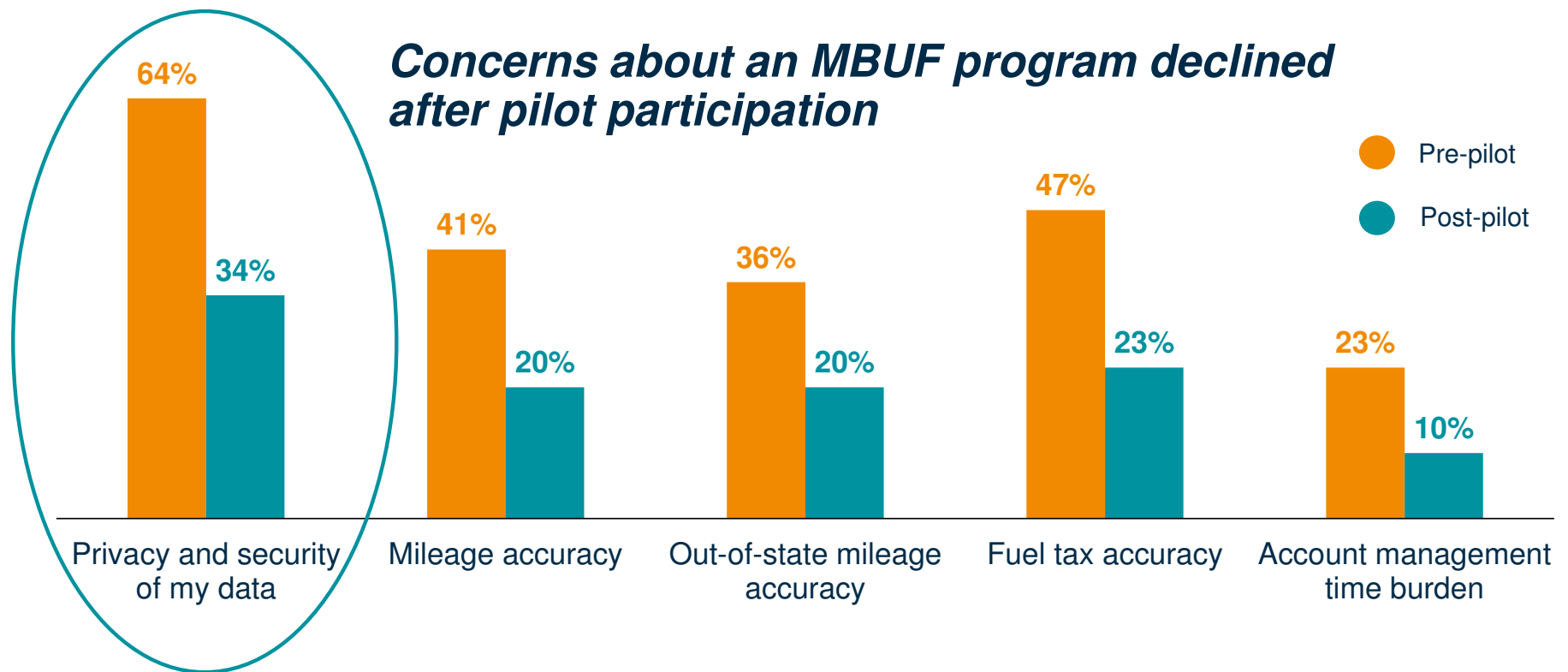
TH0

same comments as slide 14

Trish Hendren, 2024-02-27T14:16:09.851



Offer opportunities for experiential learning.



Slide 20

TH0 can you circle the privacy decline... or emphasize it more in the slide. and change the upper icon to be privacy

Trish Hendren, 2024-02-26T16:01:50.412

TH1 change icon in the upper right

Trish Hendren, 2024-02-27T14:17:34.806

Provide choices.



Odometer Reading

Low tech, no location information

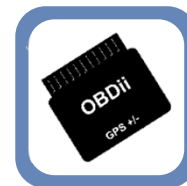


Partner with Toll Entity

Transparency is key

In-vehicle Telematics

No location information



Plug-in Device

Not as financially feasible



Smart Phone App

Testing this now

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 a 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" (STSA) 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

You are not required to participate in the MBUF Pilot. If you do not want location reporting, you simply select a mileage reporting option that does not require location data 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, or any third party by the account manager.

Collection and Use of 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 that might impact drivers differently, depending upon where they live.
- Analysis of how the pilot might impact drivers differently 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...

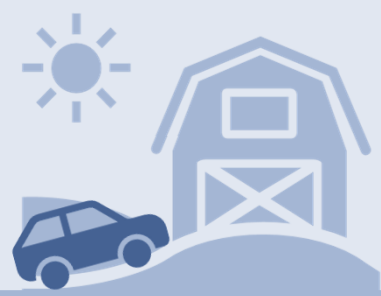
- ✓ Legislation directed DMV-led working group for PII protection
- ✓ Existing provisions covered DMV data
- ✓ Additional provisions for the *Code of Virginia* took effect on July 1, 2022 (*data only released for program operation purposes*)

Slide 23

TH0 new slide = say that legislation to protect the privacy of MBUF may be needed... and may help reassure residents..... at the very least a state needs to assess its privacy protection to determine if what is "on the books" is enough. Use the VA example as they had to pass legislation. Scott talked about this during his presentation at the 2022 peer exchange (should be a slide in there... if not let me know and we can dig elsewhere)

Trish Hendren, 2024-02-26T16:04:57.980

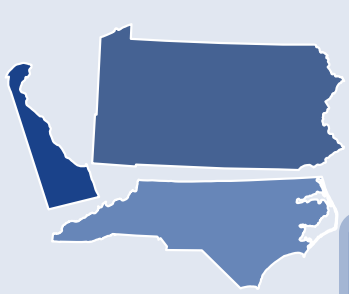
Equity concerns vary.



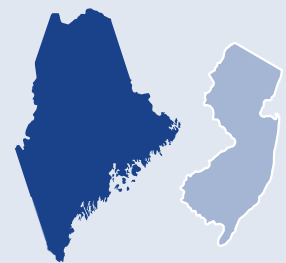
Unfair to Rural Drivers



Hassle to Report and Pay



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



Increased Costs



Unfair to people who buy fuel-efficient vehicles

Slide 24

TH0 same comment as the other barrier slides
Trish Hendren, 2024-02-27T14:18:18.916

Highlight today's inequity.



WVE0

A Tale of Two Cars in Vermont

2009 Toyota Camry



25 MPG

\$149 Annual State Fuel Tax Paid

2019 Toyota Camry (Hybrid)



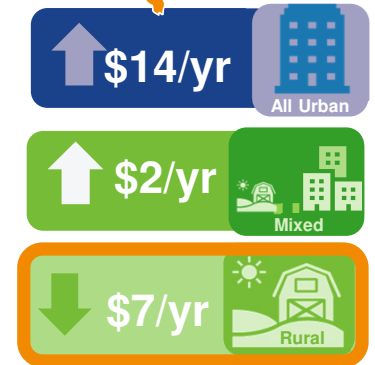
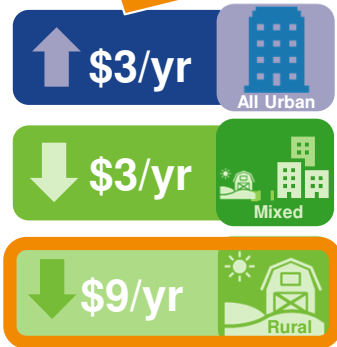
52 MPG

\$71 Annual State Fuel Tax Paid

Slide 25

- WVEO** Update numbers for VT
Wornom, Victoria E., 2024-02-15T21:48:25.022
- WVEO 0** [@Dorfman, Matthew J.]
Wornom, Victoria E., 2024-02-19T15:51:50.318
- DJO 1** Updated numbers only
Dorfman, Matthew J., 2024-02-19T19:15:58.821

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%

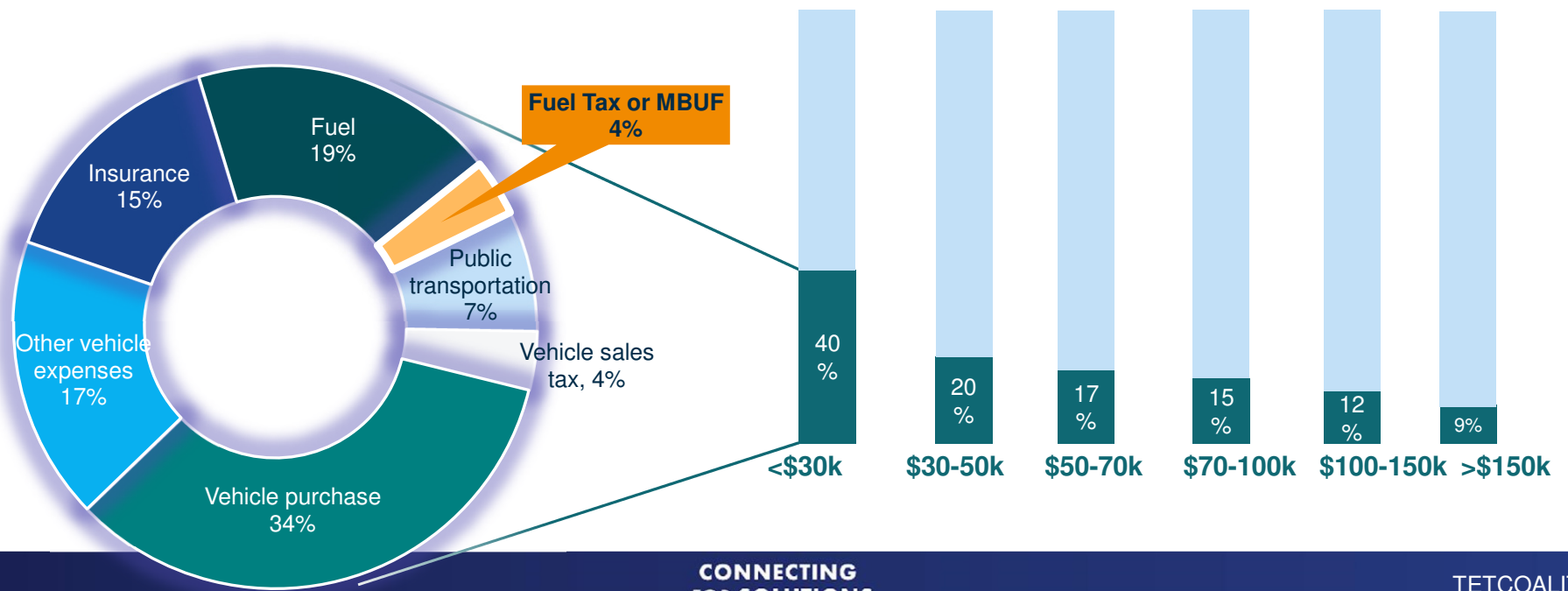
Highlight today's issues with fuel taxes.



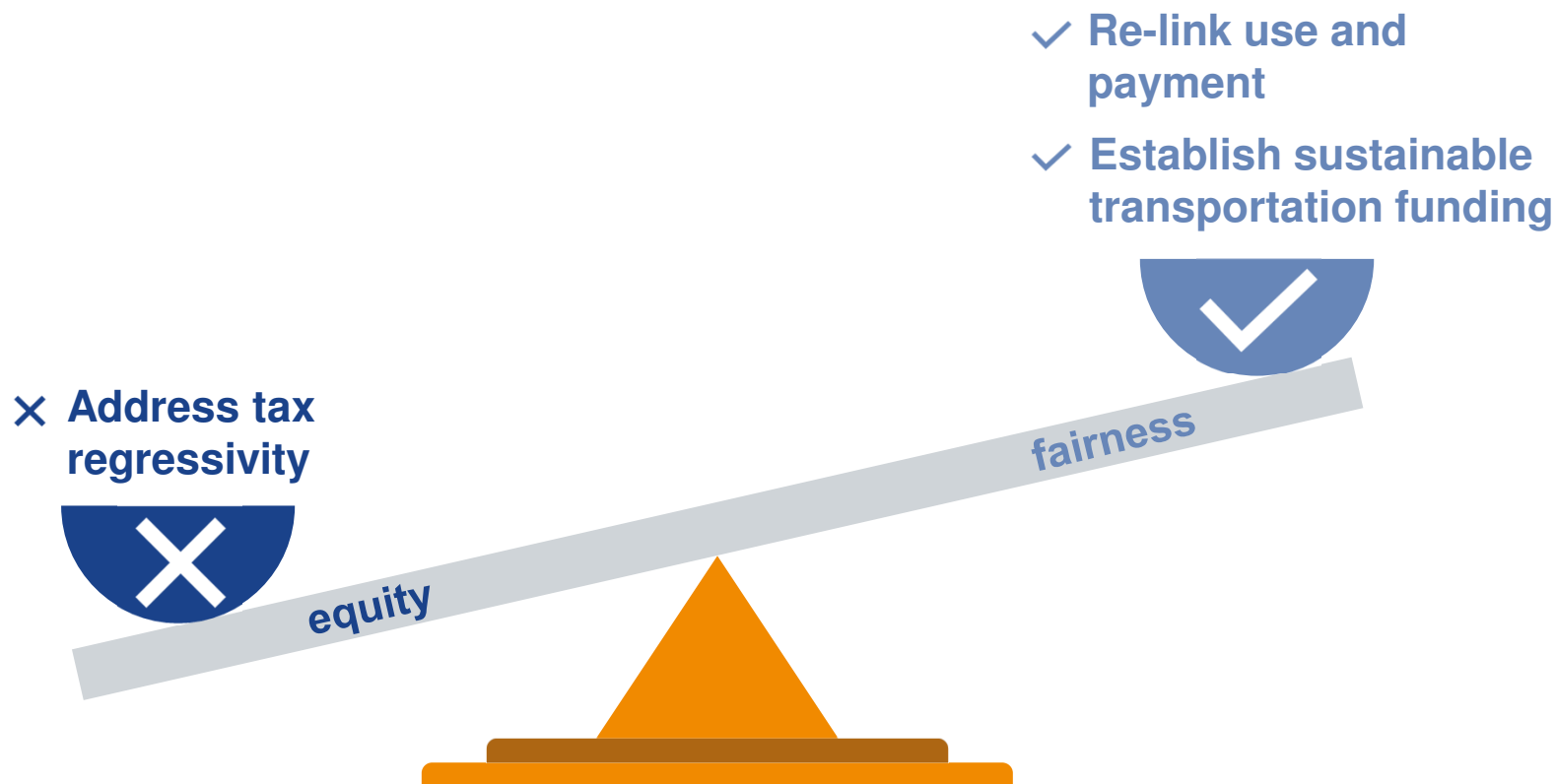
1 Not connected to use

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

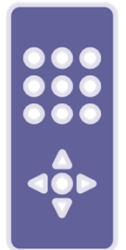
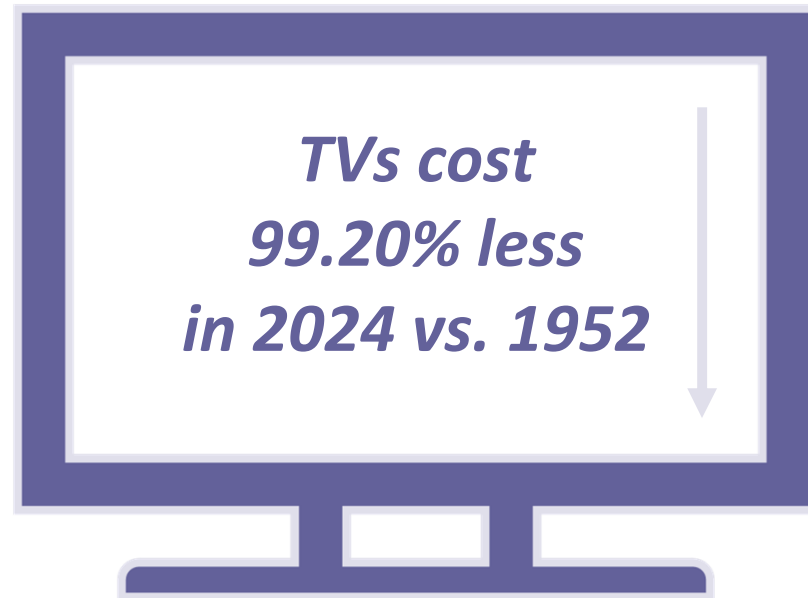


- ✓ Had over 100 years to make efficient
- ✓ Current points of collection are very small
- ✓ Collected at the rack
- ✓ Cheap to collect (1-2%)

Leverage technology.



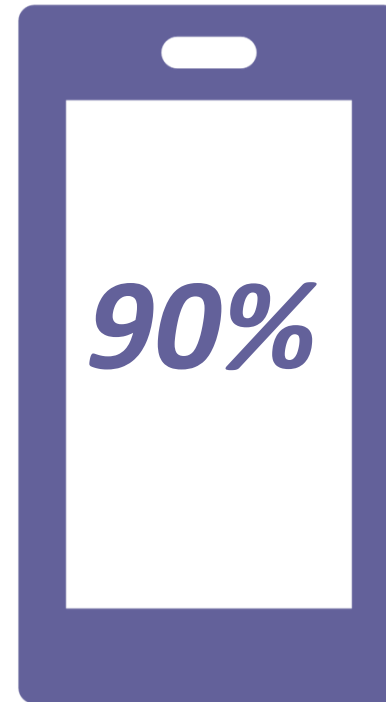
***Overtime
technology gets
cheaper***



Leverage existing programs and agencies.



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



of people in the US own a smartphone

Slide 32

TH0 instead of using the PA specific example, can you put a cell phone image and a stat with the % of US population that own a cell phone?

Trish Hendren, 2024-02-26T16:05:11.775

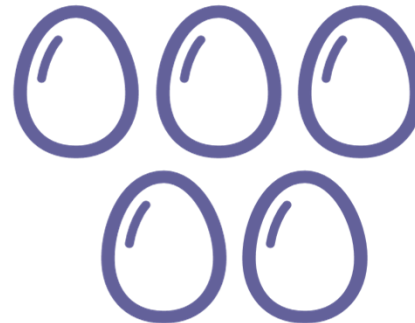
Increase the volume of participants.



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.**

Slide 35

TH0

new slide.... want to end with a "bang" and have a slide... maybe with pictures of folks using transportation in a range of ways and the caption, "Transportation is worth paying for."

Trish Hendren, 2024-02-26T16:06:38.293



— THE EASTERN
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COALITION

Thank you!

<https://tetcoalitionMBUF.org>

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[linkedin.com/company/tetc](https://www.linkedin.com/company/tetc)