Today’s Discussion

- A Quick Reintroduction
- Our Work
- Passenger Vehicles
- Commercial Trucks
- On the Horizon
A Quick Reintroduction
Who is the Eastern Transportation Coalition?

17 States + D.C. > 190 agencies

- 40% of the U.S. population
- 38% of the nation's jobs
- 35% of U.S. vehicle miles traveled
- 21% of the U.S. road miles

Connecting for Solutions

28 major seaports

3rd largest economy in the world

21% of the U.S. population

Who is the Eastern Transportation Coalition?
Our Work
Phase 1: Starting the Conversation (2018)

- 155 participants
- 13 states
- 459,448 miles

20% out of state

Partner states
Participant states
A timeline of our work:

**Phase 1**
- Launched 1st passenger vehicle pilot on East Coast (transportation stakeholders)

**Phase 2**
- Conducted nation’s 1st multi-state commercial truck pilot
- Expanded passenger vehicle pilots to include general public

**Phase 3**
- Began specialized passenger vehicle pilots in 5 states
- Launched 1st nationwide commercial trucking pilot

**Phase 4**
- Launch expanded passenger vehicle and truck pilots

**Phase 5**
- Launch 5th phase of STSFA-funded work

**Analysis and tech memos on M8UF and out-of-state mileage, tolled, equity, privacy, and administrative costs**
- Creation of Motor Carrier Working Group
- Analysis of impact of M8UF on urban and rural households
- Linkages with DMV trans/fees
- In-vehicle telematics (or new technology)
- Equity analysis (socioeconomic, fuel efficiency)
Phase 2: Adding the Public’s Voice (2019)

- 67% of participants would support an MBUF after participating in the pilot.
- 3,129,096 miles traveled by participants, with 13% out of state.
- 889 participants.
- 42 states including Canada.
- Participation spanned 6 months.

Partner states are highlighted in orange.
Phase 3: Expanding the Exploration (2020-2021)

- States traveled by participants: 27
- Partner states: 6
- Vehicles: 383
- Miles: 1,446,131
- 10% out of state
- 80% CHOSE MRO WITH LOCATION
Though people value transportation, they don’t realize there’s a funding problem.

People have privacy concerns about MBUF—until they experience it firsthand.

Rural drivers may fare better in an MBUF system than they do now.

“Pay for what you use” resonates – but it’s complicated.
Though people value transportation, they don’t realize there’s a funding problem.

Quality of State Highways by State

“Excellent” or “Good”: 61% - 79%

Perception that Transportation Funding is Increasing or Staying the Same

- Delaware 2020: 76%
- North Carolina 2020: 69%
- New Jersey 2020: 70%
- Pennsylvania 2020: 68%
As a result of the 2020 pilot, North Carolina participants gained a greater understanding of how much they pay in fuel taxes, how many miles they drive, and how transportation is funded.

- **Strongly agree**
  - I am more aware of the amount I pay in state and federal taxes: 57%
  - I am more aware of how many miles I drive and where I drive: 50%
  - I have a better understanding of how transportation is funded in my state: 44%

- **Somewhat agree**
  - I am more aware of the amount I pay in state and federal taxes: 20%
  - I am more aware of how many miles I drive and where I drive: 19%
  - I have a better understanding of how transportation is funded in my state: 20%
People have privacy concerns about MBUF—until they experience it firsthand.

*Pennsylvania Pre- and Post-Pilot Surveys*
Why did privacy concerns drop

- Transparency
- Limited Personal Data
- Option to Decline GPS
- Data Protections

Participant Agreement
“Even if you were tracking with GPS, my phone and other apps do that as well. I use E-Z Pass on toll roads and that tracks me.”

—New Jersey Focus Group

“I use GPS quite a bit…I already have GPS in my car.”

—New Jersey Focus Group

“As far as privacy goes, I have a cell phone. It’s nothing different.”

—New Jersey Focus Group

New Jersey Focus Group Feedback

• Need to address the “tracking” issue
• The drop in privacy concerns cannot be translated to the general public
Rural drivers may fare better in an MBUF system than they do now.
“Pay for what you use” resonates – but it’s complicated.

86% MBUF more fair or Similar fairness (after pilot)

“Unfair to people who buy fuel-efficient vehicles”

Pre-pilot

Post-pilot

More fair: 62%
About the same: 24%
Less fair: 6%
Not sure: 8%

“Not sure” down

*2020-2021 Pre- and Post-Pilot Surveys
Is MBUF fair to EV owners?

1/3 of Oregon’s voluntary participants are EV drivers

Plug In America supports the eventual development of a road usage charge program.

AAA Study: Drivers buy EVs primarily because of environmental impact.
EVs and MBUF

Virginia Legislation
Electric and fuel-efficient vehicles are becoming more common.
Virginia Legislation:
Fuel tax revenues projected to decline

- VA passed a flat fee for EVs in 2013
- Legislation repealed in 2014

Source: KPMG Analysis
Virginia Legislation: Fuel tax revenues projected to decline

- ~31% reduction in gas tax collections due to increased fuel efficiency

Source: KPMG Analysis
A Tale of Two Cars:

2009 Toyota Camry

- 25 MPG
- $75.17 Fuel Tax Paid

2019 Toyota Camry (Hybrid)

- 52 MPG
- $36.14 Fuel Tax Paid

Source: U.S. News and World Report
Virginia Legislation: The Solution

2020 Legislation: Combination of flat fee and MBUF

- Includes EVs and Highly Fuel-Efficient Vehicles (25 mpg or higher)
- Provides an MBUF option for people subject to the HUF who don’t drive a lot

Source: KPMG Analysis
Commercial Trucks
A transportation funding approach must address all road users.
Fee Complexity and Trucking:

Future transportation funding needs to take into account the full picture of fees imposed on the trucking industry.
Phase 2 (2018-2019): Multistate Truck Pilot

- 1,430,000 miles
- 55 vehicles
- 27 states + Canada
- 6 months

States traveled by participants
Phase 3 (2020-2021): National Truck Pilot

- 11,000,000 miles
- 221 vehicles
- 48 states
- 6 months

Our Participants

- Private + For Hire
- Haul Away/Tow Away
- Flatbed
- Auto Haulers
- Dump Trucks
- LTL

Technology Partner

Technology Partner
The Eastern Transportation Coalition Motor Carrier Working Group

Regulators

Trucking Companies

Trucking Manufacturers

Trucking Associations

Freight Shippers
Key Findings From the Truck Pilot:

01 Bringing the trucking industry’s voice to the table is essential.

02 Trucks cannot simply be treated as big cars in an MBUF system.

03 Existing regulations provide guidance for MBUF implementation.

04 One rate for all trucks doesn’t work.

05 There is a need for further education and outreach.
Industry Feedback

“The Eastern Transportation Coalition is methodical and systematic about what can work – and what likely can’t – and we will continue to support this comprehensive, data-driven approach going forward.”

Bill Sullivan | Executive Vice President for Advocacy | American Trucking Associations

“We are grateful the Coalition’s latest report accurately reflects many of these concerns, which are often overlooked or ignored by other organizations exploring MBUF.”

Todd Spencer | President & CEO | OOIDA

“TCA is pleased to see that the Eastern Transportation Coalition’s new study has produced much-needed multistate data on the viability of a mileage-based user fee (MBUF) for the trucking industry.”

John Lyboldt | President | Truckload Carriers Association
Connecticut Legislation

- HB 6688: Highway Use Fee for Motor Carriers in Connecticut
- Implementation Challenges
  - Definition of “eligible motor vehicle”
  - Definition of “weight”
  - Application and reporting
  - Enforcement and compliance

AN ACT CONCERNING A HIGHWAY USE FEE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1. Section 1. (NEW) (Effective from passage and applicable to calendar months commencing on or after January 1, 2023) (a) As used in this section:

2. (1) “Carrier” means any person that operates or causes to be operated on any highway in this state any eligible motor vehicle. “Carrier” does not include the state, any political subdivision of the state, the United States or the federal government;

3. (2) “Commissioner” means the Commissioner of Revenue Services;

4. (3) “Department” means the Department of Revenue Services;

5. (4) “Eligible motor vehicle” means a motor vehicle, as defined in section 14-1 of the general statutes, that (A) has a gross weight of twenty-six thousand pounds or more, and (B) carries a classification between
On the Horizon
In 2016, an Eastern Seaboard voice was needed.
2021: A Very Different MBUF Landscape

- **Conducted/Conducting MBUF Pilot**
  - WA
  - OR
  - CA
  - NV
  - ID
  - MT
  - ND
  - NE
  - WY
  - CO
  - AZ
  - NM
  - TX
  - OK
  - OK
  - AK

- **Legislation for Voluntary MBUF Program**
  - HI

- **MBUF Studies through RUC West Membership**
  - MT
  - UT
  - AZ
  - NM
  - CO
  - TX
  - ND
  - MN

- **MBUF Studies through Eastern Transportation Coalition**
  - NY
  - NJ
  - PA
  - DE
  - MD
  - DC
  - VA
  - NC
  - SC
  - GA
  - AL
  - TN
  - FL

- **Conducted/Conducting MBUF Pilot through Eastern Transportation Coalition**
  - OK
  - AL
  - GA
  - SC
  - NC
  - FL
  - WI
  - OH
  - MI
  - IN
  - IL
  - IA
  - MO
  - AR
  - MS
  - LA
  - RI
  - VT
  - NY
  - CT
  - MA
  - RI
  - DE
  - MD
  - DC
  - VA
  - NC
  - SC
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- **Connect for Solutions**
  - TETCOALITION.ORG

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Which path(s) will work?

- Oregon Approach: Volunteer (with limits on cars with poor fuel efficiency)
- Hawaii Annual Safety Inspection
- Partner with Insurance Companies
- New Zealand Approach: All diesel vehicles and trucks (regardless of fuel type)
- Virginia and Utah Approach: Opt-in MBUF instead of EV registration fees
- Mandate in new vehicles (via in-vehicle telematics)
- Multi-State Clearinghouse to collect and redistribute funds to appropriate state
- California Approach: Pay MBUF at pump/charging station (in testing)
- Congestion Management Approach

SUSTAINABLE TRANSPORTATION FUNDING

YOU ARE HERE
Discussion

www.tetcoalitionMBUF.org