

FINDINGS FROM **THE NATION'S FIRST MULTI-STATE TRUCK MILEAGE-BASED USER FEE PILOT**

www.tetcoalitionmbuf.org



The Eastern Transportation Coalition Releases Final Report

- ▶ The Coalition is the **only** grantee in the nation to focus on the **unique challenges and opportunities** mileage-based user fees would pose for the **trucking industry**.

Four motor carrier fleets participated in the pilot, bringing **real data** to the policy discussion.

5 Major Findings

1. Bringing the trucking industry's voice to the table is essential.
2. Trucks cannot simply be treated as big cars in an MBUF system.
3. Existing regulations provide guidance for MBUF implementation.
4. One rate for all trucks doesn't work.
5. There is a need for further education and outreach.

The Eastern Transportation Coalition* (The Coalition) conducted the nation's first multi-state mileage-based user fee (MBUF) truck pilot, bringing the unique perspective and needs of the trucking industry to alternative transportation funding policies being discussed by federal and state policymakers. This pilot was conducted from October 1, 2018 to March 31, 2019 and included 55 class 8 tractor-trailers traveling more than 1.43 million miles across 27 states.

OVER 1.43 Million
MILES DRIVEN

TRAVEL IN
27
STATES

55

TRUCKS
PARTICIPATING



1. Bringing the trucking industry's voice to the table is essential.

To engage the trucking industry in this pilot, the Eastern Transportation Coalition formed a Motor Carrier Working Group (MCWG), a collection of trucking executives and association representatives, that proved to be essential to identifying and addressing MBUF challenges and posing new policy questions.

▶ TRUCKING ASSOCIATIONS

(representing a range of interests)

TRUCKING COMPANIES ◀

**MOTOR CARRIER
WORKING GROUP**

▶ PUBLIC SECTOR

TRUCK MANUFACTURERS ◀

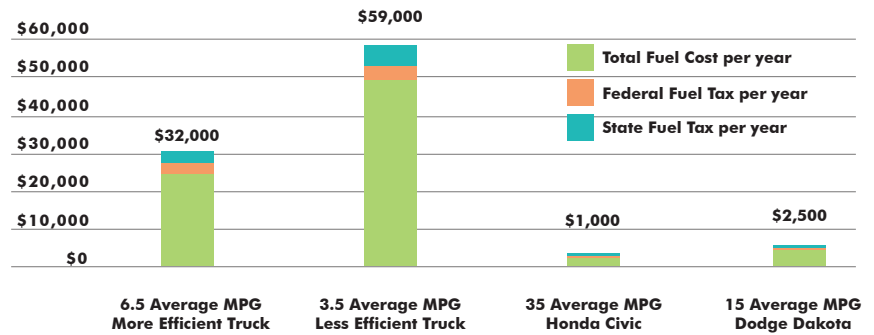
**Formerly I-95 Corridor Coalition*

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

Average annual truck mileage = 63,000 miles
Average annual car mileage = 13,500 miles

Trucks are heavy users and payers.

Individual trucks travel substantially more miles than individual passenger cars, have higher fuel costs, and contribute significantly more in fuel taxes. As demonstrated by the graph to the right, a 3-miles per gallon (MPG) increase in fuel efficiency results in \$25,000+ savings per truck per year. Fuel efficiency varies significantly between sectors of trucking.



3. Existing regulations provide guidance for MBUF implementation.

International Fuel Tax Agreement (IFTA) and International Registration Plan (IRP) were created because a state-by-state approach was burdensome for carriers — a lesson for MBUF.

The set up can provide a framework template for a national implementation of MBUF, and examples include fund reallocation between states, unified certification, and audit practices. Streamlining reporting has the potential to save costs on both the agency and industry sides.

KEY TAKEAWAYS FROM IFTA / IRP TO APPLY TO MBUF

- ✓ Register in one jurisdiction
- ✓ License/decals work in all jurisdictions
- ✓ Simplify tax filing process
- ✓ Reduce administrative costs

IFTA / IRP SHORTCOMINGS

- ✗ Tax redistribution not collection
- ✗ Fleet-based reporting
- ✗ Quarterly filing period

ELD SHORTCOMINGS

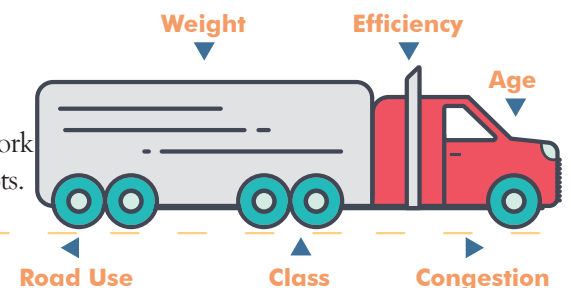
- ✗ Not all trucks are required to have an ELD
- ✗ No precise location information
- ✗ Federal law prohibits agencies from using ELD data for any purpose other than hours of service (HOS) compliance

Electronic Logging Devices (ELDs) alone cannot support MBUF.

ELDs are not the same as fleet management/telematic systems, which provide much more data to assist fleet management. ELD is focused on the driver's compliance with hours of service rules. Federal Motor Carrier Safety Administration (FMCSA) emphasized that "it does not require real-time tracking of commercial vehicles or the recording of precise location information," which is important for an MBUF system.

4. One rate for all trucks doesn't work.

The Coalition's multi-state truck pilot clearly showed that **one rate for all trucks doesn't work due to the vast differences in vehicle operations, types, ages, performance, and mileage travelled.** The initial rates for the truck pilot were calculated based on each state's diesel fuel tax and an assumed average truck fuel efficiency of 6 MPG. The result was fuel-inefficient fleets would be rewarded with rebates and fuel-efficient fleets would be penalized. To set rates in a fair and transparent manner, the MCWG suggested several key attributes including age of truck, vehicle class, weight, and fuel efficiency. The Coalition will work with industry stakeholders on how to explore MBUF rate setting in future truck pilots.



5. There is a need for further education and outreach.

Education about MBUF is a dialogue. Sharing the pilots results and highlighting key differences between trucks and passenger cars helps reduce misinformation about motor carriers and will help the industry craft an acceptable approach to MBUF that considers their interests. The future transportation funding solution cannot be solely on the shoulders of motor carriers, as this approach is inconsistent with the "user pays for what they use" principle. To advance the national MBUF discussion, the Coalition will continue to increase the complexity of MBUF pilots, including the launch in the fall of 2020 of the nation's largest trucking-focused MBUF pilot by recruiting 200 trucks for a 6-month pilot that will record mileage data across the nation.