

SIX THINGS TO KNOW ABOUT MILEAGE-BASED USER FEES

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Mileage-based user fees (MBUF) charge motorists based on miles driven and are seen as a possible alternative to the fuel tax system, which taxes motorists based on the amount of fuel they purchase. As cars become more fuel efficient and electric vehicles become more prevalent, the need for a new transportation funding approach is growing. Though neutral about whether MBUF presents the ultimate solution, the Eastern Transportation Coalition is committed to real-world research about how MBUF would work in a region with high volumes of cross-state travel, toll facilities, and truck movement. Our demonstration pilots, surveys, and analyses have led us to six key findings about MBUF.

1

Though people value transportation, they don't realize there's a funding problem. Drivers place a high value on good roads and are generally satisfied with their transportation system. However, many don't know how roads are funded or that governments face deteriorating infrastructure and declining transportation revenue.

2

Change is hard. A change to any new system may be challenging at first while drivers, DMVs, and DOTs adjust. With MBUF, drivers become more aware of the fees they pay. This contrasts with the current model, in which the fuel tax is rolled into the price customers pay at the pump. To accommodate drivers as customers, DMVs and DOTs will need to establish robust customer service centers and fund collection mechanisms.

3

People have privacy concerns about MBUF—until they experience it firsthand. For some, mileage reporting technology triggers concerns about data security and privacy. However, our research has shown that after people test drive MBUF technology, their concerns about security and privacy drop significantly.

4

Rural drivers may fare better in an MBUF system than they do now. In a fuel tax model, rural drivers often pay more because they tend to have less fuel efficient vehicles. Multiple studies have shown that under a revenue neutral MBUF system, drivers in most rural areas would pay less than they do currently.

5

Trucks cannot simply be treated as big cars in an MBUF system. Trucking companies are important users and funders of the transportation system. Compared to cars, trucks are more heavily regulated, drive more miles per vehicle, and vary widely in size and purpose. Any future funding approach should account for the unique characteristics of the trucking industry.

6

Pay for what you use resonates, but it's complicated. In general, people like a “pay for what you use” model, but they have misperceptions about MBUF's fairness to electric vehicle owners and its ability to assess miles driven from out-of-state drivers.

We need to change the way we pay for transportation.

Our work has shown that a “user pays” approach is feasible, but the public needs to be convinced a problem exists.

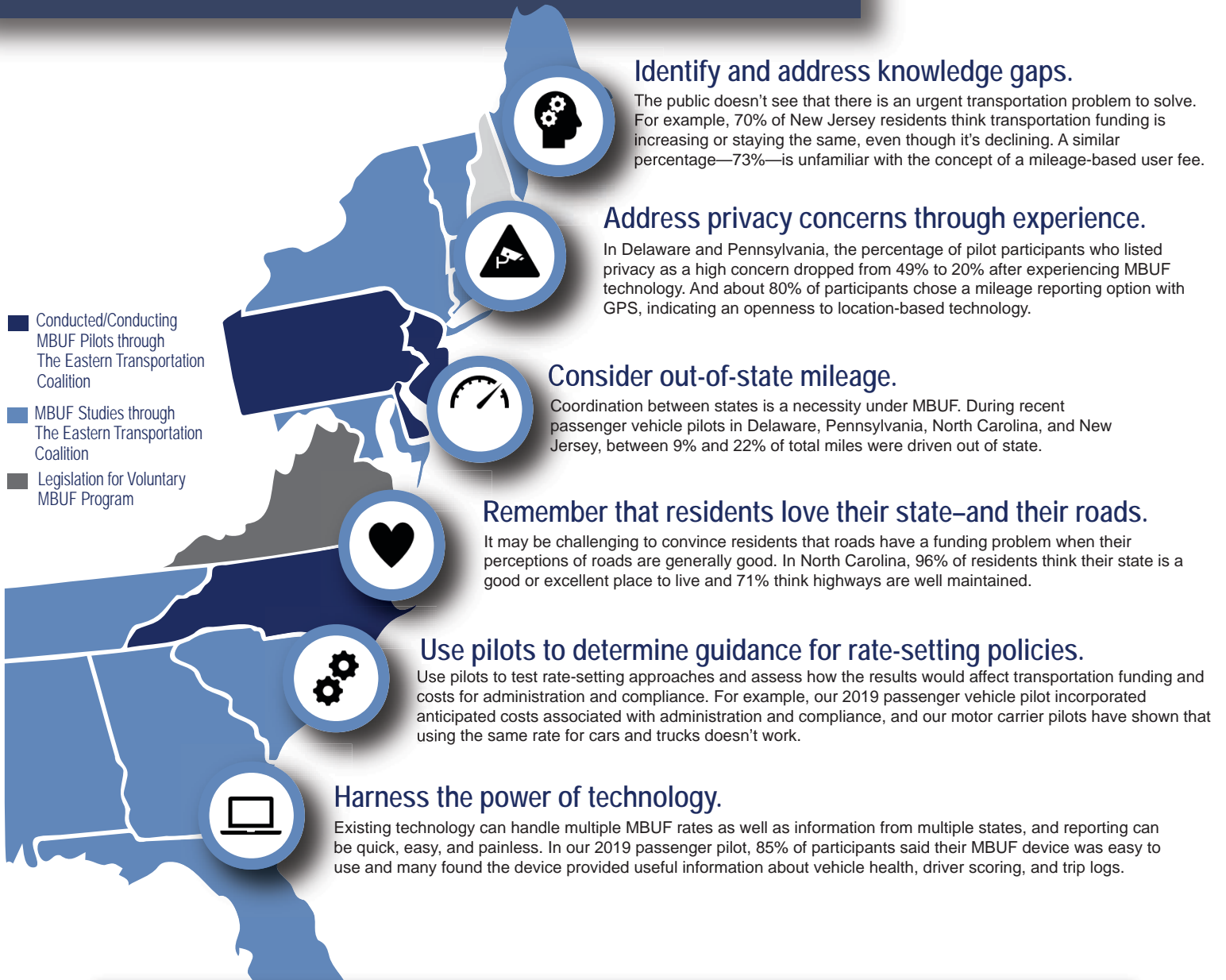
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KEY CONSIDERATIONS FOR MBUF IMPLEMENTATION

Since 2017, the Coalition has conducted passenger vehicle pilots, statewide surveys, and household analyses in several Eastern U.S. states. This is what we have learned about MBUF implementation.

<https://tetcoalitionmbuf.org/>



Our findings are based on real-world experiments and research.

