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New Report: Mileage-Based User Fee Pilot Program Addresses Concerns about Privacy, Rural Drivers, and Trucks

As states across the country debate about how to fund transportation in the future, the Eastern Transportation Coalition's most recent work takes on the biggest concerns related to a mileage-based user fee (MBUF) approach: privacy, rural drivers, and the trucking industry.

In a statement **Dr. Patricia Hendren, Executive Director of The Eastern Transportation Coalition**, said: "This pilot program advances the feasibility of an MBUF program as a viable, scalable model for funding our nation's highway infrastructure by addressing concerns around privacy and impact on all users, from rural to urban settings, and cars and trucks. The Coalition will continue working with our partners in the State Departments of Transportation (DOTs) to communicate with the public about the advantages of replacing the traditional fuel tax model with mileage-based user fees."

The Coalition's 2020-2021 MBUF study included a combination of demonstration pilots and analyses:

- First-Ever National truck pilot including 221 vehicles traveling 11 million miles across 48 states and Washington DC
- Passenger vehicle pilot with nearly 400 participants conducted in partnership with Delaware, New Jersey, North Carolina and Pennsylvania
- Geographic equity analysis exploring impacts of MBUF on different households in each partner state
- Public opinion surveys, pilot participant surveys, focus groups, examination of tolling and congestion mitigation synergies

This work continued to prove that privacy concerns can be alleviated through data protection measures and clear communication with users. During the 2020-2021 passenger vehicle pilot, participants ranking privacy as a high concern dropped from 52% to 7%.

It also demonstrated that rural drivers could benefit from a shift to an MBUF system, refuting a common misconception that the MBUF model would harm rural drivers because they tend to drive more than their urban counterparts. In fact, a shift to MBUF is estimated to change household expenses, regardless of geography, by about \$1.50 a month.

"Delaware continues to support the commitment of The Eastern Transportation Coalition to explore alternatives for funding our transportation infrastructure," said Nicole Majeski, Secretary of the Delaware Department of Transportation. "The Coalition's work on this issue is providing valuable data that will inform our decision making as we look to the future."

"Pennsylvania DOT is focused on ensuring a safe, efficient and effective transportation network and is proud to lead this exploration with the Coalition to better understand how MBUF may affect all Pennsylvania drivers. This work is an important step towards building a more sustainable transportation system for the future," said Yassmin Gramian, Secretary of Transportation for the Pennsylvania Department of Transportation.

“North Carolina recognizes the need to explore alternative transportation funding approaches that incorporate new technology and innovation. Working together with the Eastern Transportation Coalition we can build a bridge to the infrastructure of tomorrow,” said Eric Boyette, Secretary of North Carolina Department of Transportation.

“A modern and efficient transportation infrastructure is critical to a strong regional economy,” said Diane Gutierrez-Scaccetti, Commissioner of the New Jersey Department of Transportation. “The exploration of viable alternatives for funding highway infrastructure will ensure that we can effectively manage the transportation systems of the future.”

The National Truck Pilot, the nation’s first, builds on the Coalition’s previous work by exploring how MBUF can account for the complexities of the trucking industry. This time around, the pilot demonstrated that a tiered rate approach based on a fuel economy doesn’t work as it can result in drastically different charges for vehicles with similar MPGs, is difficult to explain, and creates winners and losers.

The latest 2020-2021 National Truck Pilot and Passenger Vehicle Pilots confirmed that MBUF can be a viable alternative to the fuel tax. A report on the pilot issued today had the following key findings:

1. Understanding the Complexity of the User Matters: A long-term replacement system must allow for the complexities of different users, especially the trucking industry.
2. Real-World Pilots Reduce Privacy Concerns: The percentage of passenger vehicle participants who were concerned about privacy dropped from 52% to 7%.
3. Leveraging Technology Creates Solutions: The technology needed for MBUF already exists and is in use by insurance companies and the trucking industry.
4. A Tiered Rate Based on Fuel Economy Doesn’t Work: Tiered rates based on fuel economy can be regressive and difficult to explain to participants.
5. Customized Outreach Needed to Move MBUF Forward: Strategic engagement with different stakeholders can address misconceptions and concerns and build support for MBUF by raising awareness.

The full report of the Coalition’s findings can be found [here](#).

Working with state partners, the Coalition will continue to operate pilot programs that explore the viability of MBUF and answer questions about how such a system could be implemented on a large, national scale.

ABOUT THE EASTERN TRANSPORTATION COALITION

The Eastern Transportation Coalition (TETC) is a partnership of 17 states and D.C. focused on advancing the future of transportation by bringing public agencies together to develop innovative and implementable ideas, exchange best practices, test emerging technologies, and leverage data and tools to address operational, intermodal, and funding challenges. For more information on the Coalition’s work on mileage-based user fees, visit www.tetcoalitionmbuf.org.

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