

Fueling Real-World Solutions: Expanding Passenger Pilots to New States and Technology

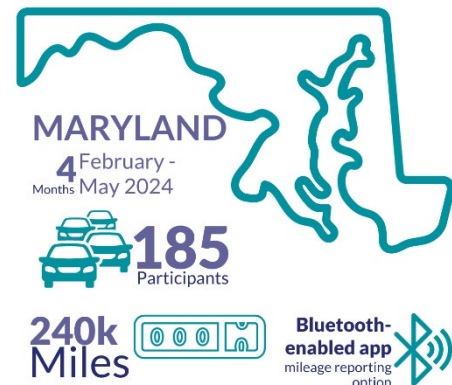
The Coalition is continuing to *drive* real-world testing of mileage-based user fees (MBUF) through passenger pilots as part of our fifth phase of the Surface Transportation System Funding Alternatives (STSFA) Grant Program. While these pilots continue to build on the lessons learned across the previous phases of work, they represent firsts for both Georgia and Maryland. These pilots will afford key stakeholders in each state, such as legislators and legislative staff and transportation-minded leaders; planning organizations; and businesses to experience an MBUF for the first time.

As in many states, privacy protection measures and choice for participants were at the forefront of communications across these pilots, highlighting the privacy protection measures in place, including mileage reporting options without GPS.

While both pilots offered traditional GPS and non-GPS measures, Maryland is also offering a new smartphone app. This option connects the mobile application with the vehicle's Bluetooth and then the mobile app consumes high frequency GPS logs to calculate the miles traveled.

During the pilot, participants received a monthly mock statement showing vehicle and account details, mileage data and MBUF, as well as a comparison between their MBUF and fuel tax. They provided formal feedback via pre- and post-pilot surveys.

We can't wait to share the results of these surveys this summer. In the meantime, explore the active Maryland pilot [site](#).



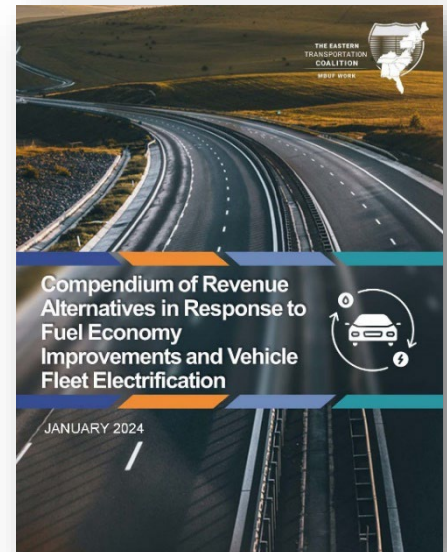
*The four-month pilot in Georgia was completed in February with total of **164 participants** and **more than 500,000 miles traveled, exceeding its 150-participant goal**. The Maryland pilot, which enrolled 185 participants, will conclude on May 31, 2024. So far, this pilot has generated about **240,000 miles traveled**.*

New Resource Alert:

Compendium of Revenue Alternatives in Response to Fuel Economy Improvements and Vehicle Fleet Electrification

States across the country are facing transportation funding challenges and several are adopting creative solutions to help fill the revenue gap. Not all states are the same, just as not all revenue alternatives are the same. The Coalition recognizes that MBUF is just one of many solutions being explored, and it should be examined by states in the context of other options.

In response to the Steering Committee's request, we recently assembled a resource guide that compiles various revenue mechanisms studied or adopted by states as alternatives to traditional fuel taxes to support transportation funding. The ["Compendium of Revenue Alternatives in Response to Fuel Economy Improvements and Vehicle Fleet Electrification"](#) builds a common level of understanding around various transportation funding mechanisms in the United States, including Mileage-based User Fees, Weight-Distance Fees, Electric/Hybrid Vehicle Fees, Kilowatt-Hour Fee, and other tax and fee mechanisms that can be dedicated to transportation. The Compendium describes the main concepts behind each mechanism and provides examples of where and how these strategies have been implemented. The final report reflects the Steering Committee's feedback.



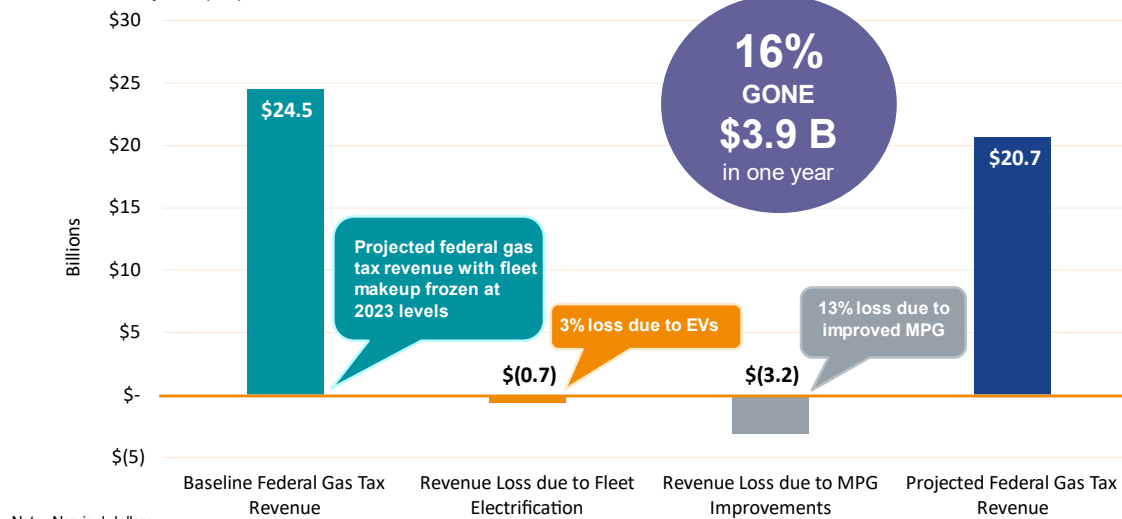
The Cost of Doing Nothing: Introducing Revenue Soundbites

For member states involved in the Phase 5 STSFA grant work, TETC has created a revenue forecast and communication tool that provides estimates of state gas tax revenues through 2050, presuming no modifications to the current state gas tax policy. The revenue analysis compares the possible losses in state gas tax revenue (unrealized revenue) because of the anticipated increase in fuel efficiency and electrification of vehicles using a variety of charts. The work basically consists of putting a figure on the "cost of doing nothing." The communication tool forecasts state gas tax revenues for up to three electric vehicle adoption rates from established industry sources or state regulatory requirements, where applicable.

The estimated nationwide federal gasoline tax revenue losses in 2030 and 2050, if the current motor fuel tax policies remain unchanged, are displayed in the figures below. The light-duty vehicle mix transition that the Energy Information Administration predicted in their 2023 Annual Energy Outlook was the basis for the development of these estimates. The primary cause of revenue losses in the near term is the increase in vehicle fuel efficiency. Over time, the increase in the number of electric vehicles in the fleet exacerbates revenue losses.

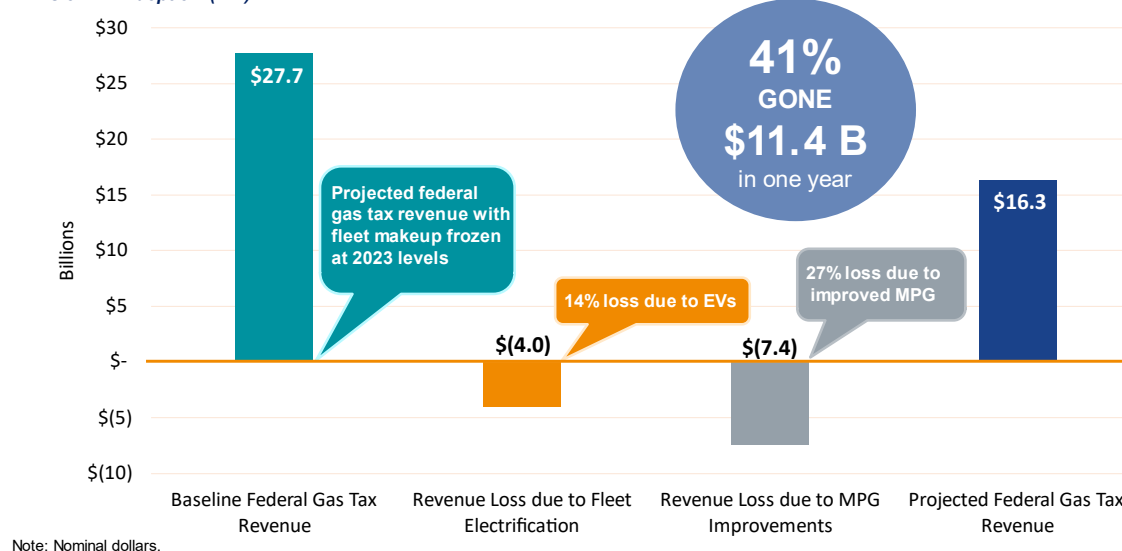
Projected Federal Gas Tax Revenue in 2030

Slow EV Adoption (EIA)



Projected Federal Gas Tax Revenue in 2050

Slow EV Adoption (EIA)



Outreach Activities: Sharing Key Insights Learned around the Country

At the Coalition, the heart of what we do is fueled by the value transportation brings to the communities and businesses of our 18 member states and DC—from improving equity and mobility to driving economic expansion, easier commutes, and saving time. Our efforts to explore the feasibility of MBUF as a replacement for the pay-at-the-pump tax are rooted in the knowledge that transportation at its core can be transformational to not only a community or business but to the individual as well, but only if we have a sustainable funding mechanism.

That's why we dedicate so much time bringing what we have learned about through presentations to state legislatures and agency heads; research and peer organizations; and associations and councils. In the past four months alone, we have shared the value of transportation, the problem with our current funding solution, how MBUF could be a viable funding solution including overcoming barriers to implementation, and the role of transportation in equity at 10 key presentations. If you would like us to present to your organization or conference, [contact us](#).



Advancing the Conversation (January – March 2024)

10

Opportunities to engage with a range of audiences in a discussion about MBUF



Target Audiences

**7** councils/ associations

**3** research/peer organizations

**2** state legislatures/ agency execs

Across

7 states

3 national organizations

Key Messages

 value of transportation

 understanding the funding problem

 MBUF as a sustainable solution

 overcoming barriers

January – March 2024 Presentations

January

- FHWA Peer Exchange
- TRB Equity Session
- VA DMV
- Kentuckians for Better Transportation

February

- Vermont House Committee
- MD MVA

March

- California Transportation Commission Road Charge Technical Advisory Committee
- TRB RUC Webinar
- Rhode Island State Planning Council
- Michigan County Road Association

Continuing our MBUF Work: SIRC Applications Due May 27, 2024

The Strategic Innovation for Revenue Collection (SIRC) Program Notice of Funding Opportunity was published by the U.S. Department of Transportation on March 27, 2024. The SIRC Program, enacted by the Infrastructure Investment and Jobs Act (IIJA), will provide federal grants to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms to help maintain the long-term solvency of the Highway Trust Fund. **The Coalition is putting together a grant application to compete for the \$30 million available for the FY 2022-2023 cycle.**

Upcoming Events: MBUF Steering Committee and Clearinghouse Workshop

On May 29th, the Coalition will be hosting an MBUF Clearinghouse Workshop with key stakeholders to identify a list of needs to provide guidance to establish of a multi-state MBUF clearinghouse for passenger vehicles (e.g., business rules, bank reconciliation, customer support) leveraging valuable lessons learned from other models like tolling, motor carriers, etc.

Following this workshop, the Coalition is conducting our 8th Steering Committee meeting on May 30th. Our Steering Committee members include key stakeholders (e.g., AAMVA, AAA, ARTBA, AASHTO, ATA, NGA, Plug-In America, United Way, US Chamber of Commerce, Grant Partner States) that bring diverse perspectives as we navigate our way through finding the future of transportation funding. At this meeting, we will provide an update on our current grant work and gather ideas for the next phase of MBUF work.



Alliance for Transportation Electrification



American Road & Transportation Builders Association



EAST



NATIONAL CONFERENCE OF STATE LEGISLATURES



NATIONAL GOVERNORS ASSOCIATION



U.S. Chamber of Commerce



U.S. Department of Transportation
Federal Highway Administration

