

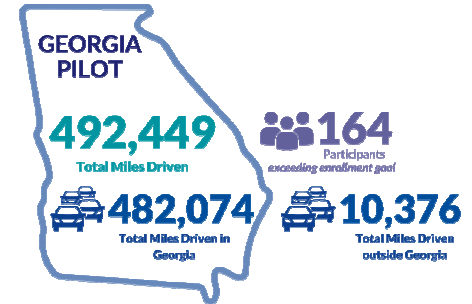


# Mileage-Based User Fee NEWSLETTER Fall 2024

## TETC Continuing to Drive Change

### Spotlight: Georgia Pilot Concludes with Positive Change

The Coalition partnered with the Georgia Department of Transportation (GDOT) to evaluate if an MBUF would be a good alternative to the traditional state fuel tax. Any successful alternative would need to ensure a sustainable transportation system well into the future, while preserving the “user pays” method to fund transportation. The pilot, which simulated an MBUF program, focused on recruiting key stakeholders, including employees from GDOT, legislators, legislative staff, transportation-minded leaders, planning organizations, and businesses.



*Total Miles Driven **outside** Georgia include all miles recorded by participants with plug-in devices with GPS.*

*Total Miles Driven **in** Georgia include all miles recorded by participants with telematics and plug-in devices without GPS even if driven outside of Georgia.*

We recruited 164 participants, exceeding the recruitment goal of 150. Of the 164 recruited, 156 participants completed the Pilot which ran from November 1, 2023, to February 29, 2024. Individuals who participated in the Pilot had multiple mileage-reporting options to choose from: Plug-in Device with GPS, Plug-in Device without GPS, and In-Vehicle Telematics without GPS.

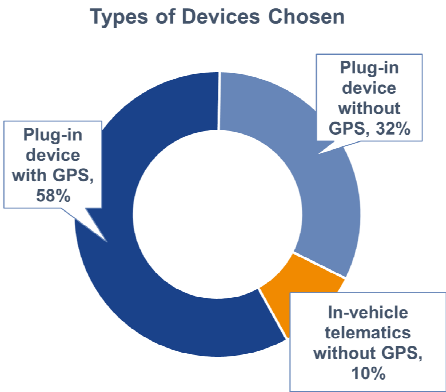
The pilot’s goals were to familiarize stakeholders and decision-makers with MBUF and allowed them to experience a sustainable alternative to the state fuel tax that preserves a “user pays” model. The pilot incorporated simulated MBUF monthly statements to model the real-world experience.

Pilot participants completed surveys at the beginning and at the end of the pilot to assess their perceptions and to identify ways the pilot experience affected those perceptions. Those surveys offered

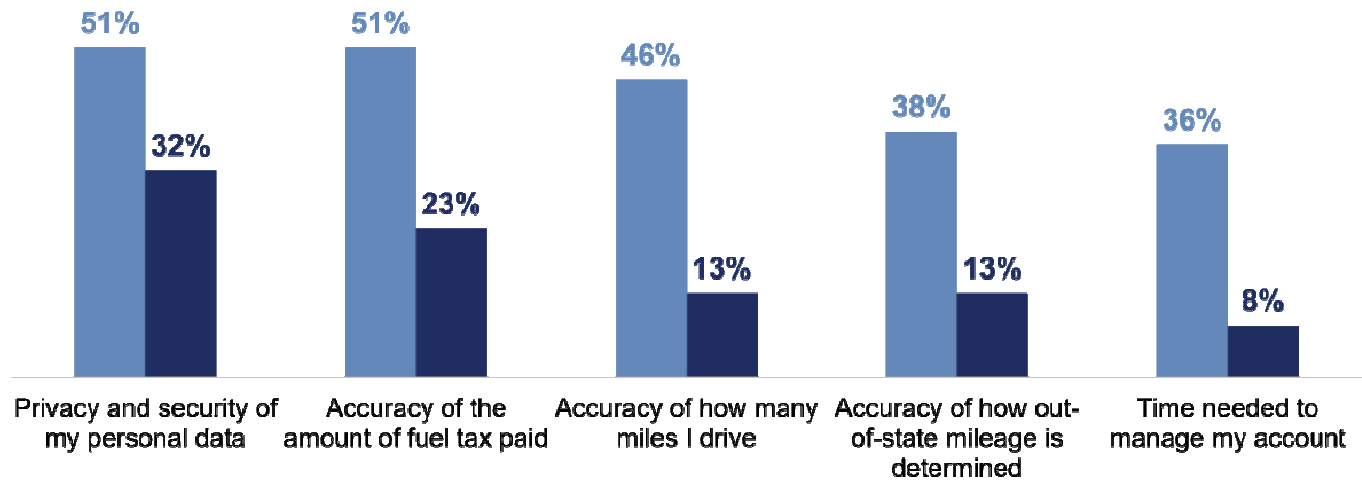
a way to gauge satisfaction with the mileage-reporting technology, simulated monthly billing statements, security of personal information, and pilot project overall.

Findings included:

- The most motivating reasons to join the pilot included sharing opinions with policymakers, understanding transportation funding, and learning how much is paid in fuel taxes.
- Approximately six in 10 participants chose a plug-in device with GPS to record their mileage, while another three in 10 chose the device without GPS.
- Most were satisfied with the mileage reporting option they chose, even more so after completion of the pilot.
- Initial concerns, especially about data privacy and security, and reporting accuracy, diminished by the end of the pilot.



Concern Ratings  
Pre-Pilot vs. Post-Pilot



Participants were highly satisfied with the pilot, especially the ease of enrolling (89% satisfaction), amount of time spent (85% satisfaction), clarity of information (84% satisfaction), and opportunities for providing feedback (83% satisfaction).

“I currently drive a very efficient hybrid vehicle so, as you know, every time I get my summary it shows that I would pay more if there were a mileage-based fee. I would gladly pay that to ensure that our infrastructure is well-maintained. I did not buy the car to save on gas tax, I bought it for sustainability, fuel economy and range. Our systems will not be able to be built and/or maintained if

we continue to rely on the gas tax. There are too many choices already and more in the pipeline.” -  
*GA MBUF Pilot Participant*

## Delaware Dashboard: Visualizing Revenue Success through Innovative Tools

The Delaware Department of Transportation (DelDOT) was among the Coalition’s first partners in exploring MBUF through STSFA grant work starting in 2018. Over the years, DelDOT has successfully conducted three passenger pilots and three truck pilots, multiple statewide surveys, pilot participant surveys, and focus groups as part of this exploration. Additionally, DelDOT conducted a geographic equity analysis and explored various MBUF technologies to estimate tolls. Throughout this time studying alternative funding options, DelDOT has returned to addressing the implementation challenges of MBUF.

During Phase 5 with the Coalition, we developed the Delaware Revenue Policy Visualization Tool which has allowed DelDOT leadership to explore various transportation policy choices and understand the revenue impacts. This tool explores 22 revenue options through a user-friendly interface. The outputs of the tool can help DelDOT see how effective the revenue option is at replacing current revenue sources and how the expected administrative costs compare to other revenue sources. It also helps us understand how changes in the transportation revenue structure affect equity by showing the impacts of each option or packages of options on the different counties.

Create A New Revenue Policy

Select a Policy option from the list below. Once you choose a new policy, you will be prompted to enter the applicable rates and timeline.

Fuel Tax Policies

GASOLINE TAX STEP INCREASE

DIESEL TAX STEP INCREASE

GASOLINE TAX INFLATION INDEXING

DIESEL TAX INFLATION INDEXING

PUBLIC CHARGING KILOWATT-HOUR (KWH) TAX

Vehicle Registration Fees

BASE LIGHT VEHICLE REGISTRATION FEE

VALUE TAX ON ALL LIGHT VEHICLES

HYBRID VEHICLE REGISTRATION FEE

AGE-BASED FEE FOR ALL LIGHT VEHICLES

PHEV REGISTRATION FEE

MPG-BASED FEE FOR ALL LIGHT VEHICLES

ELECTRIC VEHICLE (EV) REGISTRATION FEE

WEIGHT-BASED FEE FOR ALL LIGHT VEHICLES

BASE HEAVY VEHICLE REGISTRATION FEE

MISCELLANEOUS REGISTRATION REVENUE

Mileage-Based User Fees

MBUF FOR LIGHT VEHICLES

MBUF FOR HEAVY VEHICLES

Other Policies

DELIVERY FEE

VEHICLE TITLING DOCUMENT FEE

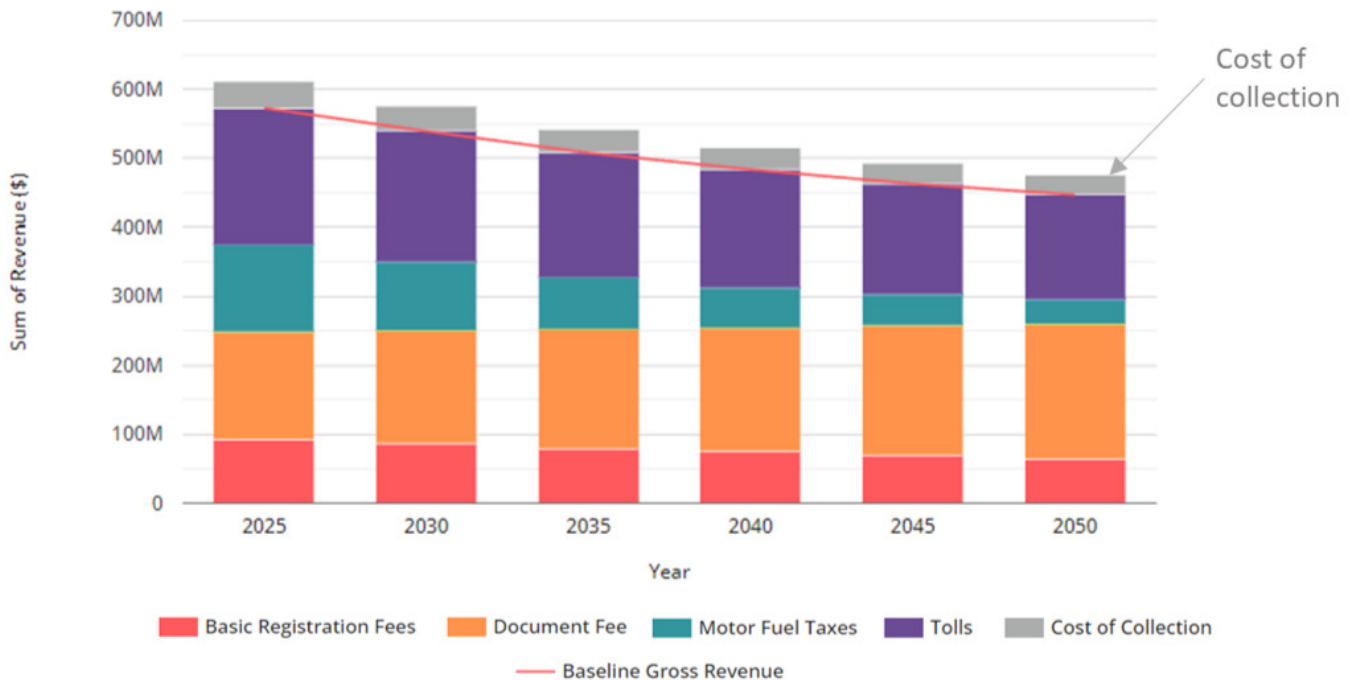
FOR HIRE TRANSPORTATION FEE

TOLL REVENUE

GENERAL FUND TRANSFER

CONTINUE

## Revenue for Existing Policies Only



### In the Driver's Seat:

#### May 2024 Steering Committee Highlights

TETC held the second Steering Committee under the Phase 5 STSFA Grant on May 30, 2024. The meeting convened 23 representatives from participating states—including department of transportation staff from Delaware, Pennsylvania, Maine, and North Carolina; department of motor vehicle staff from Delaware, Maryland, and Pennsylvania; and other key stakeholders from American Trucking Association (ATA), IBTTA, and AAMVA.

At the meeting, Coalition Executive Director Trish Hendren summarized the status of MBUF at the national and regional levels; highlighted the progress of Phase 5 MBUF activities; and facilitated an interactive session to determine the Phase 6 approach. Participants worked in small breakout groups to prioritize topics for Phase 6, including: designing low-cost MBUF collection options that are tied to other existing programs; testing enforcement and compliance in a pilot setting; and exploring setting rates based on transportation revenue needs.

TETC looks forward to continued collaboration and contributions from these key stakeholders as we move into Phase 6.



*Steering Committee Meeting on May 30, 2024*

## **Where the Rubber Meets the Road:** **Ideating for an MBUF Clearinghouse**

On May 29, 2024, TETC convened a diverse group of participants, including representatives from member states, tolling industry organizations, and AAMVA, for a Clearinghouse workshop. Given the region's extensive cross-border travel, one key aspect of implementing MBUF is establishing a clearinghouse to manage data and funding transfers between states. The goal of this workshop was to gather collective insights and leverage lessons learned from existing clearinghouses and other industries to help inform system decisions and factors that need to be considered for an MBUF clearinghouse. The workshop served to identify categories of clearinghouse requirements and specifications; opportunities and challenges for an MBUF clearinghouse; and necessary jurisdictional decisions and systems' communication needs.

The workshop underscored several critical areas requiring further research, particularly in data agreements, business rules, and compliance. Attendees emphasized the importance of clearly defining the roles and responsibilities of the governing body and the operating entity. Moreover, there was a keen interest among the attendees in examining strategies, processes, and technologies used by other industries, particularly the financial services and healthcare sectors, to explore which features could provide valuable lessons to inform a light-duty vehicle MBUF clearinghouse.

The Coalition is currently analyzing the collected information to guide research topics and strategic approaches for continued exploration of a clearinghouse concept in future phases. This collaborative effort marks a significant step towards developing a potential framework and guidelines for a clearinghouse system.

Stay tuned for more updates!



*Clearinghouse Workshop on May 29, 2024*

**Where Have We Been?**

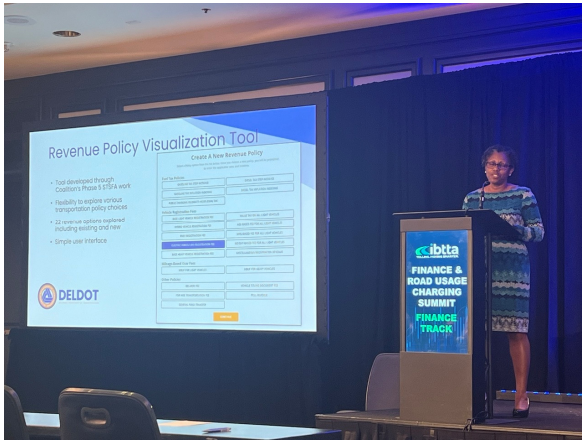
**Charging Ahead at the IBTTA Finance and Road Usage Charging Summit**

We look forward to the collaboration that happens each year at IBTTA’s Finance and Road Usage Charging Summit. This year was no exception. As advertised, this event is brimming with the who’s who of alternative funding solutions and promises “fresh insights into emerging technology trends, implementation challenges, Road Usage Charge program enrollment, vehicle telematics, institutional integration, and strategies for procurement and vendor engagement.”



*Trish Hendren presenting*

This year, the Coalition was pleased to see our staff, member states, and partners scattered throughout the agenda, sharing the findings from our collaborative efforts so others throughout the country can better understand the practical ways to overcome the barriers of implementing an MBUF.



*Shanté Hastings presenting*

- **How Procurement May Manage the Cost of Collection – Achieving Scale Economies:** Patricia Hendren, TETC and Scott Jacobs, Emovis
- **The Revenue Sound Bite Overcoming the First and Longest Hurdle to Implementing MBUF:** Amanda Spencer, P.E., Kentucky Transportation Cabinet and Patricia Hendren, TETC
- **Visualizing Revenue Success through Innovative Tools:** Shanté Hastings, Delaware Department of Transportation

If you are interested in presenting at an upcoming conference and would like our support in brainstorming a winning abstract, developing a dynamic presentation, or co-presenting key findings – [email us](#)! This is one of the many ways we support our members.



*Amanda Spencer and Trish Hendren participating in a panel discussion*

## What's Going on Across the Country?

### Coalition States Passed Legislation to Increase Fees and Taxes

Maryland lawmakers passed legislation to increase fees and taxes for state drivers beginning July 1, 2024 which include new vehicle registration fees and a new surcharge on electric and hybrid vehicles as part of the state's effort to help raise revenue to support the Transportation Trust Fund. Additionally, drivers are expected to see a decrease in the state's gas tax starting July 1, 2024 to account for annual inflation and increase in the consumer price index.



[Several new laws take effect Monday in Maryland](#)



[Hundreds of new laws go into effect on Monday](#)

New Jersey Governor Phil Murphy signed a tax increase on corporations to generate revenue to help fund the New Jersey Transit.



[NJ governor signs tax hike for transit in new budget](#)



[Surprise sales tax hike suggested by top NJ Democrat](#)

North Carolina Department of Transportation (NCDOT) has launched the [AdvaNCe Transportation Together website](#) to better inform the public about transportation funding and seek public input on funding options. NCDOT is partnering with The Coalition to explore sustainable, long-term funding options.

 [NCDOT seeking public input on funding options as motor fuels tax becomes unreliable](#)

 [NCDOT explores sustainable transportation funding options](#)

Pennsylvania Governor Josh Shapiro signed a bill that will require electric and hybrid vehicle owners to pay an annual tax starting in 2025 when registering their vehicles to help fund road maintenance.

 [Electric vehicle owners in Pa. will need to pay an extra fee starting in 2025](#)

 [Electric vehicle owners will have to pay \\$200 in annual taxes starting in 2025](#)

Vermont Governor Phil Scott approved a bill that will require owners of electric vehicles registered in the state to pay an annual user fee, and revenue collected from the fee will be directed to the state's transportation fund for expanding electric vehicle charging equipment.

 [New Vermont Fee Will Help Pay for EV Charging Infrastructure](#)

 [DMV to institute an EV user fee and changes to title law as mandated by the Vermont state legislature](#)

**Maryland Reporter Covers MBUF: An Interview with Trish**

As part of Maryland's efforts to explore new ways of collecting revenue, the state, in partnership with the Coalition, conducted a pilot program to test how MBUF would look. Approximately 150 drivers participated in the pilot program that ended on May 31, 2024. Mileage was reported through odometer readings, a plug-in device, vehicle reporting data, or a phone app. This pilot will be spotlighted in a future newsletter.

 [Ditching the gas tax and charging per mile; Maryland testing new way to fund transportation needs](#)

**Fall 2024 Events**

You will find TETC and partner agency staff talking about MBUF at the following events:

| Date                          | Events                                                                                    |
|-------------------------------|-------------------------------------------------------------------------------------------|
| September 24 - 25, 2024       | AAMVA Annual International Conference: Peer-to-Peer Discussions on Transportation Funding |
| October 29 - November 1, 2024 | AASHTO Annual Meeting                                                                     |
| November 13, 2024             | TETC MBUF Peer Exchange                                                                   |
| November 14, 2024             | TETC MBUF Steering Committee Meeting                                                      |
| November 19, 2024             | TETC Motor Carrier Working Group                                                          |
| November 20, 2024             | MBUFA Annual Conference                                                                   |

TETC MBUF Newsletter: October 2024 | Connecting for Solutions



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