

Executive Summary

Introduction

In 2023, The Eastern Transportation Coalition (the Coalition) launched its fifth phase of Surface Transportation System Funding Alternatives funded activities. Building on previous phases, the work has continued to explore sustainable funding alternatives to the current declining fuel tax model and rebuild the link between use and payment.

Our transportation network is an essential part of daily life, supporting everything from commuting to work and school to running errands, attending appointments, and receiving deliveries. However, as vehicles become more fuel-efficient and electric vehicles gain traction, traditional fuel tax revenues are no longer sufficient to maintain critical transportation infrastructure.

A mileage-based user fee (MBUF) offers a promising funding alternative by charging drivers based on miles traveled rather than fuel consumed. This approach more accurately reflects roadway usage across all vehicle types.

From 2023 to 2025, the Coalition's fifth phase of MBUF exploration expanded both its geographic and topical reach. This phase focused on real-world implementation across multiple states by overcoming barriers identified in previous phases, providing experiential learning opportunities, and equipping states with communication frameworks and data to inform future policy decisions.

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Through coordinated multi-state efforts by the Coalition, Phase 5 demonstrated how pilots, data-driven tools, and targeted outreach can effectively address many of the perceived implementation challenges as we determine further the feasibility of MBUF as a sustainable funding approach.

*-- Russell McMurry, The Coalition
Executive Board Chair, Georgia Department of Transportation*

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Overcoming Barriers to MBUF: Exploring Multistate Solutions

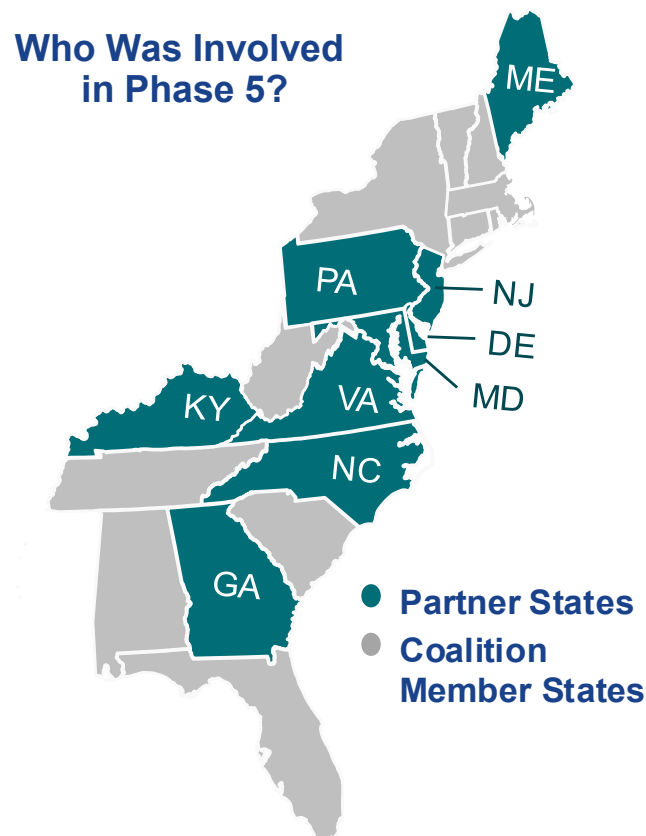
During previous phases exploring how to rebuild the link between use and payment, the Coalition identified four common barriers to implementing MBUF as a sustainable transportation funding solution:

- Gaps in Public Understanding
- Privacy Concerns
- Fairness Myths
- Administration Costs

The Coalition collaborated with nine states throughout Phase 5 to conduct a range of activities to explore how to overcome the common barriers to implementation, which are further described throughout this report:

- **Pilot Programs:** Stakeholder and public pilots tested MBUF as a concept and generated participant feedback.
- **Analytical Approaches:** Revenue sound bites, visualization tools, and household impact analyses were developed as data-driven techniques to help states quantify funding gaps and evaluate policy options.
- **Surveys and Focus Groups:** Public opinion research assessed awareness, concerns, and support about MBUF.
- **Educational Campaigns:** Outreach efforts like North Carolina's AdvaNCe Transportation Together campaign and Virginia's digital message campaign for its Mileage Choice Program promoted public awareness, understanding, and program enrollment.

Who Was Involved in Phase 5?



Key Takeaways

1

Funding the Future Starts with Education

Findings from public opinion research continue to show there is a significant gap in public understanding of how transportation is funded and the problem with today's fuel tax model. When the public learns more, they want to be involved to find a solution. More focused education is needed across states. *Findings show the following:*

- **Customized Outreach Is Critical:** One size does not fit all. Tailored, multitiered campaigns, such as North Carolina's AdvaNCE Transportation Together and Virginia's digital message campaign, have helped to maximize communication effectiveness and provided insights for other states and programs.
- **Pilots Prove Feasibility and Reduce Concerns:** MBUF pilots throughout the Coalition region have demonstrated successful implementation, built increased levels of trust, and reduced participant concerns. Demonstrations like simulated pilots offered further opportunities for education and to determine MBUF support by presenting similar outcomes with cost and time savings as compared with traditional pilots.

2

State Policymakers Need State-Specific Data to Take Action

Each state is unique when it comes to addressing transportation funding, making it essential to use state-specific data to tailor messaging to effectively convey the problem and potential solution.

Findings show the following:

- **Data-Driven Tools Empower States to Plan and Communicate:** Data-driven resources like visualization tools and revenue sound bites empower states to make informed policy decisions by providing accurate forecasts and user-friendly insights. These highly visual approaches are especially effective because they allow users to quickly grasp complex information, understand the impacts of policy decisions, and pinpoint where problems lie. Equipping policymakers with data tailored to their state's needs and funding realities helps them better understand and communicate challenges and identify effective solutions.
- **Data Continues to Show Rural Drivers Would Benefit:** Household impact analyses continue to show rural drivers would on average pay less under MBUF. Findings also reinforce that for a given household, the type of vehicle driven predicts how much is contributed toward transportation funding.

3

Partnerships Strengthen Progress: MBUF Barriers Can Be Overcome Through Collaboration and Knowledge Sharing

The Coalition continues to actively identify and tackle barriers to MBUF implementation that were identified in previous phases of work. Barriers can be overcome through a collaborative, multitiered, data-driven approach, including knowledge sharing across states. *Findings show the following:*

- **Collaboration** with Departments of Motor Vehicles (DMVs), tolling authorities, and business groups like chambers of commerce enriched pilot design, outreach outcomes, and identification of realistic, implementable solutions.
- **Knowledge Sharing Drives Advancement:** Events like peer exchanges and Steering Committee meetings increased cross-state collaboration. Newsletters and presentations across the country brought lessons learned about MBUF to various industry stakeholders.