



Overview

**Presentation for the House Select Committee on Strategic Transportation
Planning and Long-Term Funding Solutions**

Co-Chairs:

Nancy McFarlane, Former Mayor of Raleigh

Ward Nye, President and CEO of Martin Marietta

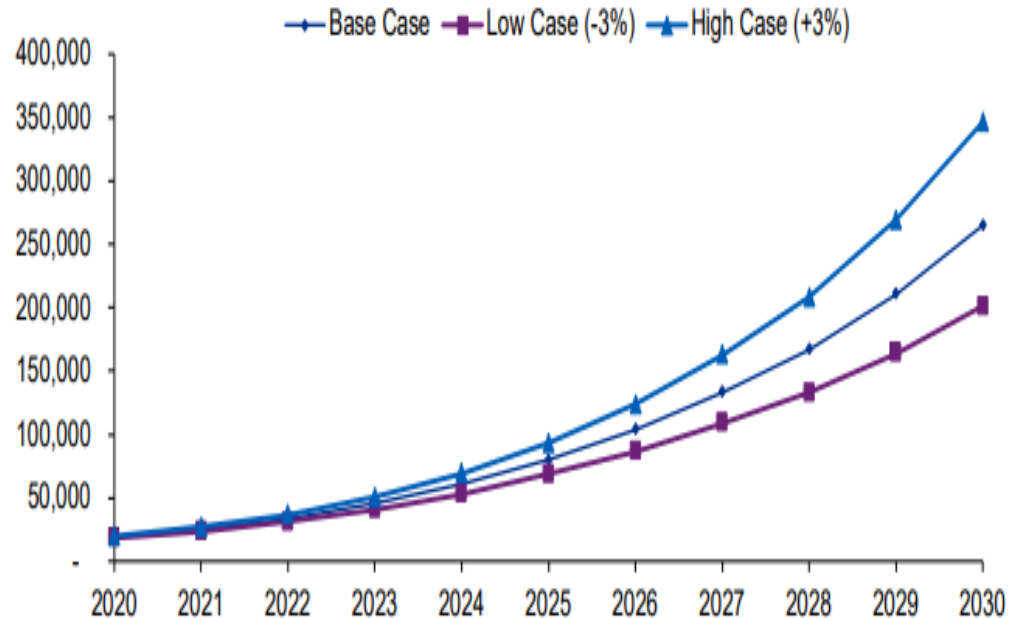
Agenda

- National Perspective
- NC FIRST Commission Established
- Commission Work and Findings
- Next Steps

State of Current Transportation Investment Tools

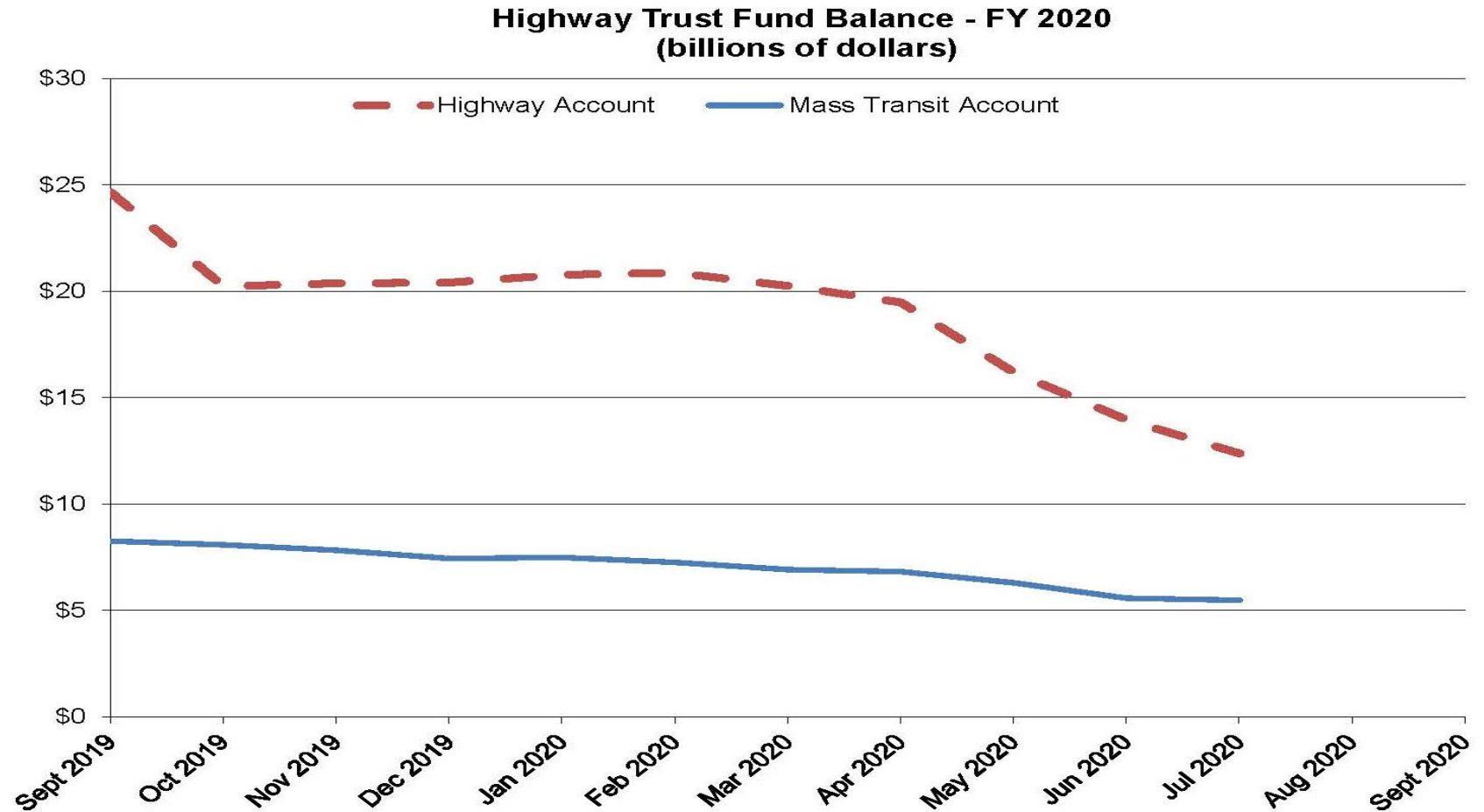
- Declining revenue from gas tax
 - Increased fuel efficiency
 - Increase in alternative fuel vehicles
- Disruption in the industry
- Impact of new technologies
- Shift in usage (ridesharing)

N.C. Electric Vehicle Forecast



Source(s): Data received from NCDOT; <https://www.afdc.energy.gov/evi-pro-ite>; KPMG Analysis

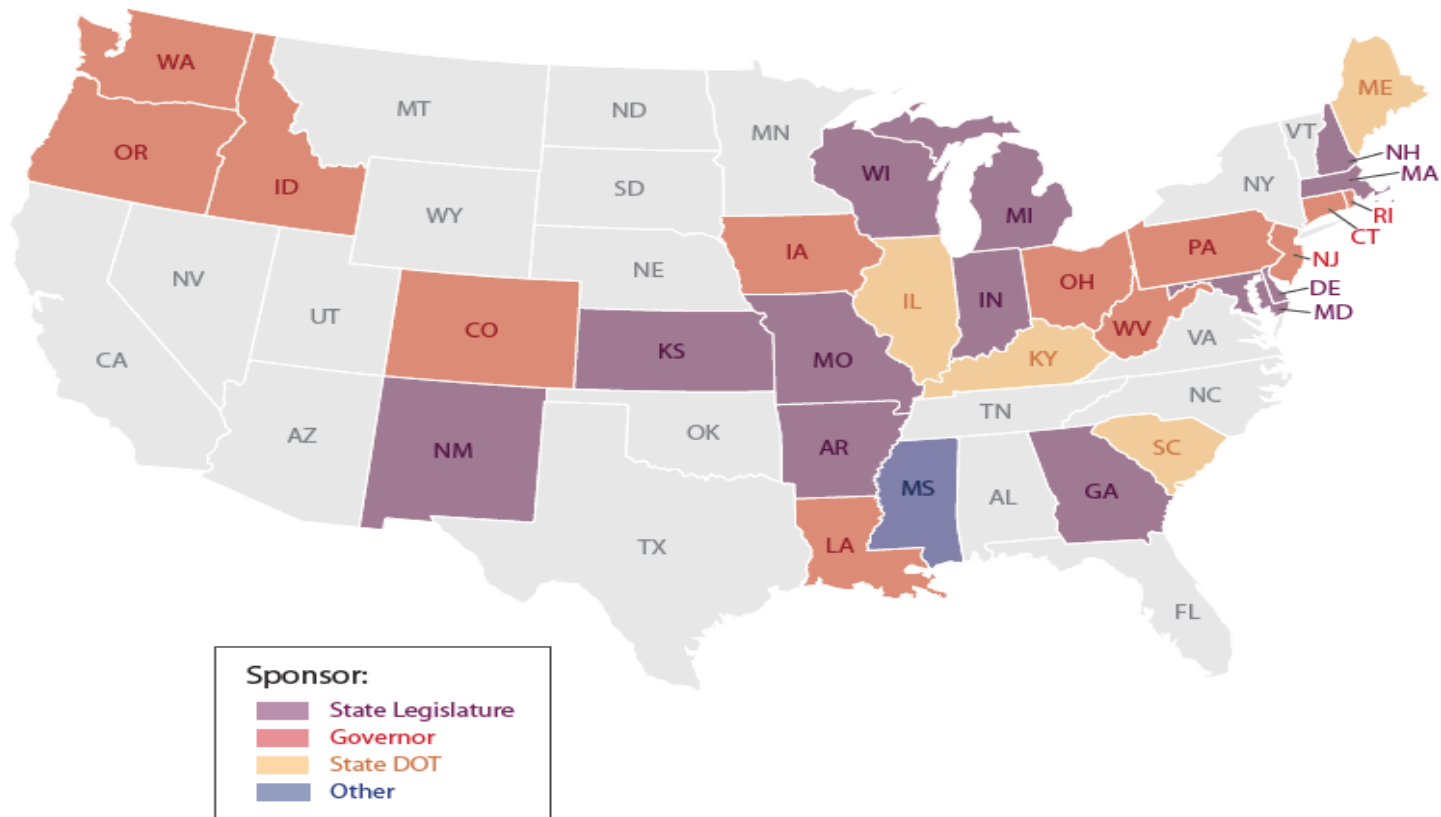
National Perspective: Future Federal Revenues at Risk



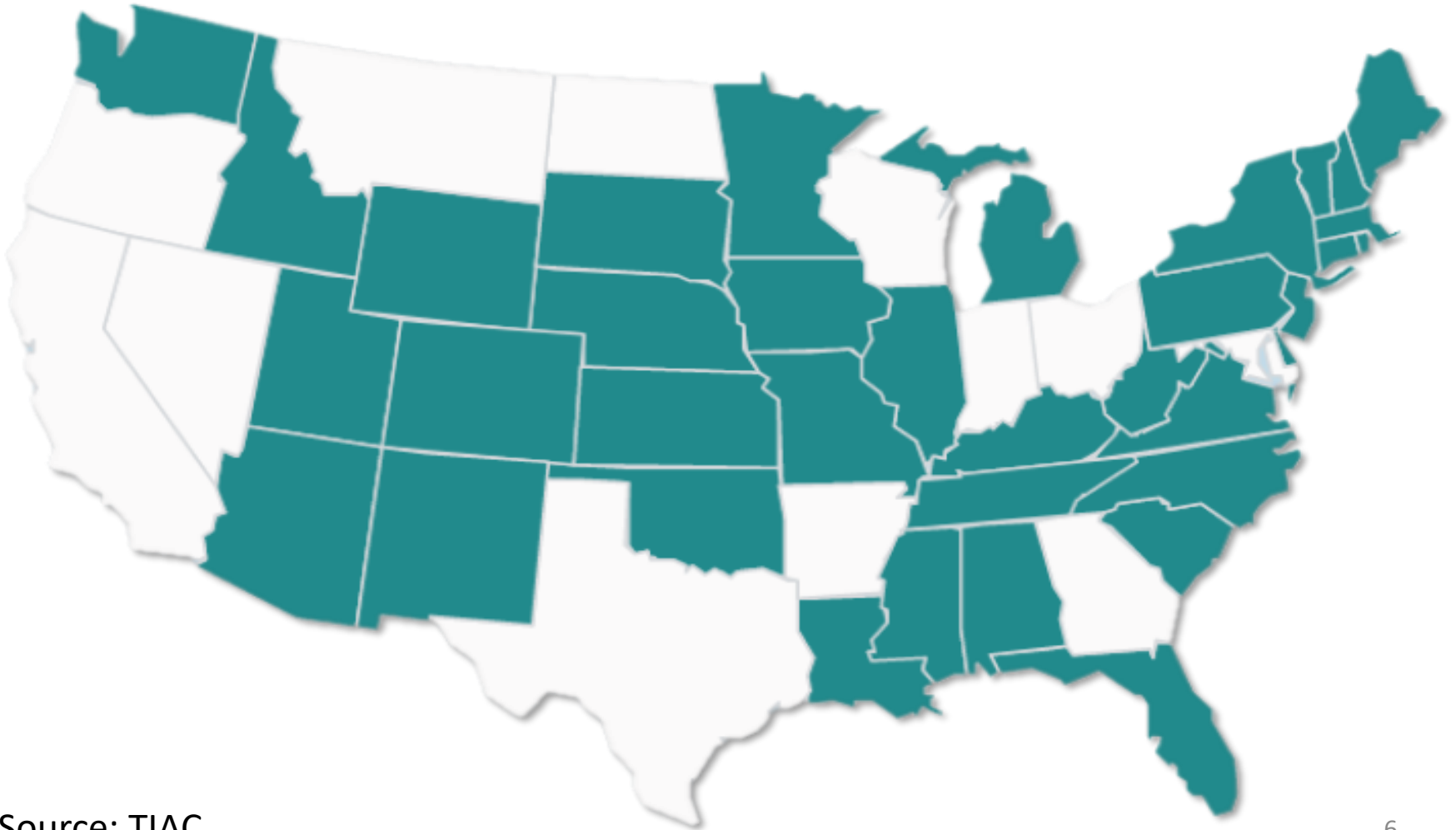
Source: FHWA

No One Has the Answer

State-Sponsored Commissions on Transportation Finance, Funding & Revenue (since 2003)



National Perspective: 2020 State Transportation Bills



National Perspective: Comparison Data

6th

highest number
of miles traveled

2nd

highest number
of road miles

75%

miles owned by
NCDOT

9th

most populated

2nd

most rural
fatalities

C

Infrastructure
Report Card

12th

in per capita
road spending

\$203

less spent per
capita

12th

most deficient
bridges

NC: Preparing for an Uncertain Future

Commission formed in April 2019

Mission

The NC FIRST Commission's mission is to utilize the research of national and international trends to advise the Secretary of Transportation of the potential components of a **sustainable long-range transportation investment strategy** that will provide the **critical and necessary resources** to build and maintain North Carolina's future transportation system to ensure the state's **economic vitality and competitiveness** in the future.

Commissioners

13 Members

Local Government	<ul style="list-style-type: none">• Julie Eiselt, Mayor Pro Tem, City of Charlotte• William Lapsley, P.E., County Commissioner, Henderson County• Brenda Lyerly, Mayor, Town of Banner Elk• <i>Nancy McFarlane, Former Mayor, City of Raleigh (Co-Chair)</i>
Business	<ul style="list-style-type: none">• Jesse Cureton, Executive VP & Chief Consumer Officer, Novant Health• Stephen De May, NC President, Duke Energy• <i>Ward Nye, President, CEO & Chairman of the Board, Martin Marietta (Co-Chair)</i>
Finance	<ul style="list-style-type: none">• Janet Cowell, CEO, Girls Who Invest• Sallie Shuping-Russell, Chairman, Carolina Research Ventures• Kim Saunders, President & CEO, Eads Group
Academic	<ul style="list-style-type: none">• Ronnie Chatterji, Ph.D., Duke University• Mike Walden, Ph.D., North Carolina State University
Rural	<ul style="list-style-type: none">• Patrick Woodie, President, N.C. Rural Center

2 Advisory Members

Advisory	<ul style="list-style-type: none">• Eric Boyette, NCDOT Secretary• Tony Lathrop, Lawyer, Moore & Van Allen, and NCDOT Board Member
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Principles

- Avoid near-term harm
- Develop durable revenue and finance options
- Diversify and broaden funding streams
- Support user pays principle
- Adhere to principles of fundamental fairness

Commission Work Thus Far

Research

- 7 Commission meetings
- 31 guest speakers/subject matter experts
- 12 research briefs
- Statewide Mileage-Based survey (April 2020)
- Statewide survey on Public Perceptions (July 2020)
- Mileage-Based User Fee Pilot (Aug.-Dec. 2020)
- Developed CRAFTS tool to develop investment scenarios

Sample of NC Survey Responses

Roads and infrastructure are a high priority.

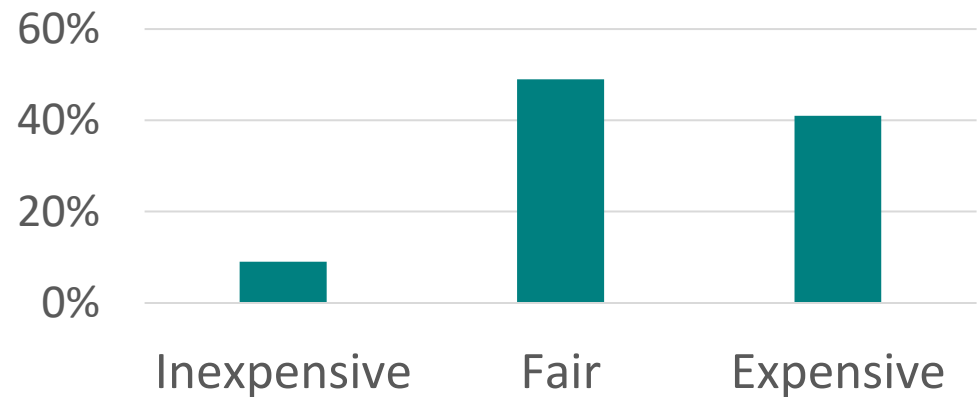
Western	
14%	Healthcare
13%	Roads/Infrastructure
10%	Education funding

Eastern	
13%	Roads/Infrastructure
11%	Education (general)
9%	Healthcare

Central	
13%	Education (general)
12%	Jobs/Economy
10%	Healthcare

People do not know how much gas tax is paid, but about half indicated \$400—far more than drivers pay now—is fair.

Perceived fairness of paying \$400 per year in gas tax



Commission Findings

The Highway Use Tax rate is lower than surrounding states and second lowest in the nation.

Alabama	Florida	Georgia	Kentucky	North Carolina	South Carolina	Tennessee	Virginia	West Virginia
2% plus local tax	6% plus local tax	6.6%	6% (no NOT)	3%	5% or maximum of \$500	7%	4.15% (no NOT)	6%
\$300	\$900	\$990	\$1,200	\$450	\$500	\$1,050	\$830	\$900

Assumes \$20,000 purchase price and \$5,000 net-of-trade exemption. Rates in effect as of July 1, 2020.

Commission Findings

General Fund transportation-related revenues increasing.

Existing Sales Tax Collections
Transportation Goods (Tires, Bicycles, Auto Parts)
Transportation Services (Auto Repair, Labor)
Vehicle Warranties
E-Commerce Shipping and Delivery Charges
Future Sales Tax Collections
Transportation Network Company Fees (Ride-Sharing)
Drones and Robot Deliveries
Micromobility Fees
Existing Alternative HUT Collections
Short-term vehicle rentals
Car Subscription Services
Car Sharing Service

Next Steps

- Interpret all data amassed
- Evaluate unique NC attributes
- Assess investment goal/trade-offs
 - Status quo
 - More investment
 - Less investment

Commission Recommendations

- Equitable across geographic and socio-economic differences
- Nonpartisan
- Data driven
- Realistic
- Adaptable for changing future

Qualify/Quantify Needs

- Assess the true needs vs. wants
 - Communities submitted over \$40B for prioritization that were NOT funded in the 10-year STIP
- Balance needs with what private sector can deliver
 - NC construction/engineering companies have proven they can deliver at a high level, but the industry requires stability to maintain
- Must adequately invest in the maintenance of existing infrastructure (STIP projects do not include maintenance)

Questions and Comments

Public comments can be submitted at:

www.ncdot.gov/ncfirst

Information requests:

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