



**THE EASTERN
TRANSPORTATION
COALITION**

CONNECTING FOR SOLUTIONS



Mileage-Based User Fee Exploration

**PRESENTED TO THE HOUSE SELECT COMMITTEE ON STRATEGIC
TRANSPORTATION PLANNING AND LONG-TERM FUNDING SOLUTIONS**



Today



TRANSPORTATION VALUES SHARED ACROSS THE STATE



WHY LOOK AT MILEAGE-BASED USER FEE (MBUF)?



WHAT WOULD MBUF MEAN FOR ME?



ENGAGING THE TRUCKING INDUSTRY



EXPLORING MBUF WITH NORTH CAROLINIANS



The Coalition's Mission:

CONDUCT REAL-
WORLD **RESEARCH**
AND BRING
INFORMATION TO
DECISIONMAKERS



TRANSPORTATION VALUES SHARED ACROSS **NORTH CAROLINA**

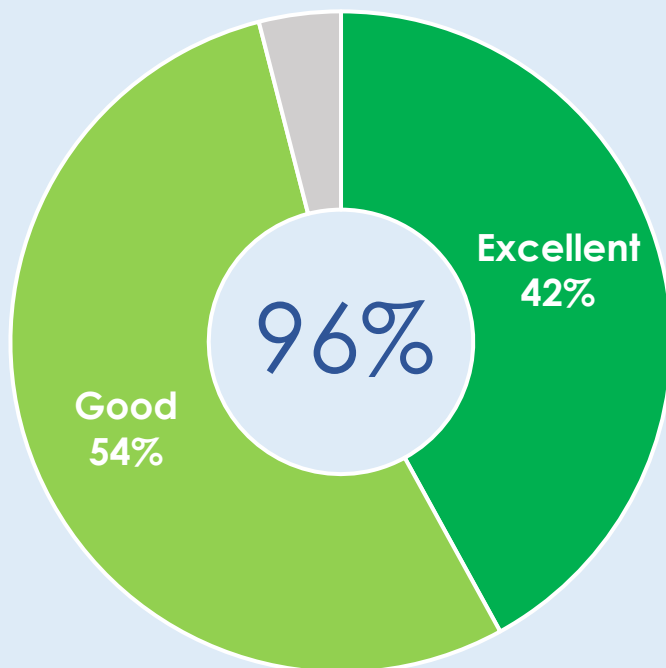


**North Carolinians
connect transportation
to quality of life.**

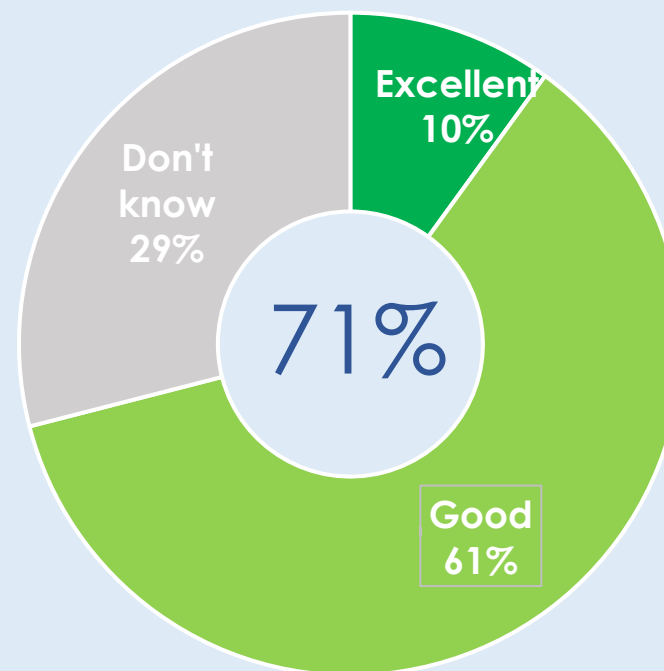


Most residents believe North Carolina is an excellent or good place to live and that highways are well-maintained.

Perceptions of North Carolina



Quality of NC State Highways





Transportation is a top-tier issue that North Carolina residents want their leaders to address.

12% Education (general)

11% Jobs, economy

▶ 10% Roads, infrastructure

10% Healthcare

6% Politics / politicians

6% Corona virus / COVID-19

5% Education funding

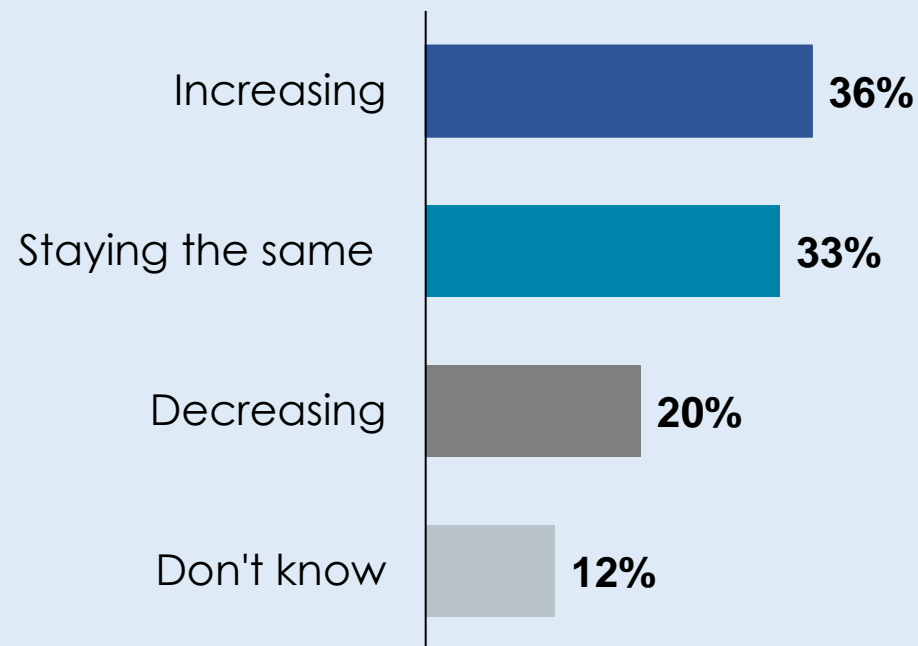
5% Taxes



North Carolina residents believe transportation funding is either increasing or staying the same.

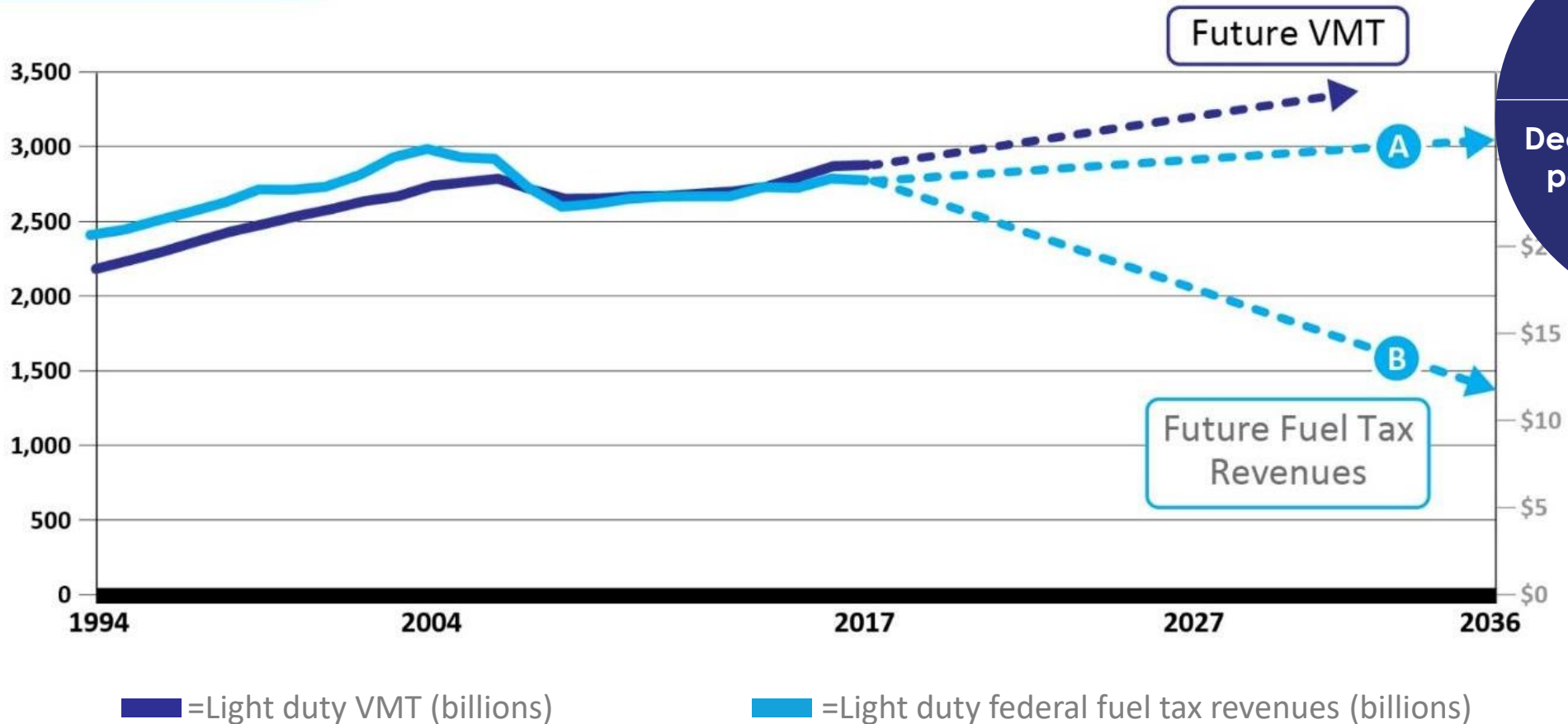


Perceptions of Transportation Funding





But how will we pay for transportation?



39%

Decrease in purchasing power of federal fuel tax since 1993



How will a changing fleet affect funding?

NCDOT Electric Vehicle Planning:
2018: 6,000 2025: 80,000

**We need a new
& sustainable
way to fund our
transportation
system.**





THE COALITION IS EXAMINING
MBUF TO BRING YOU
USEFUL INFORMATION.



What are mileage-based user fees (MBUF)?

From this.....



How much fuel
you use

To this.....

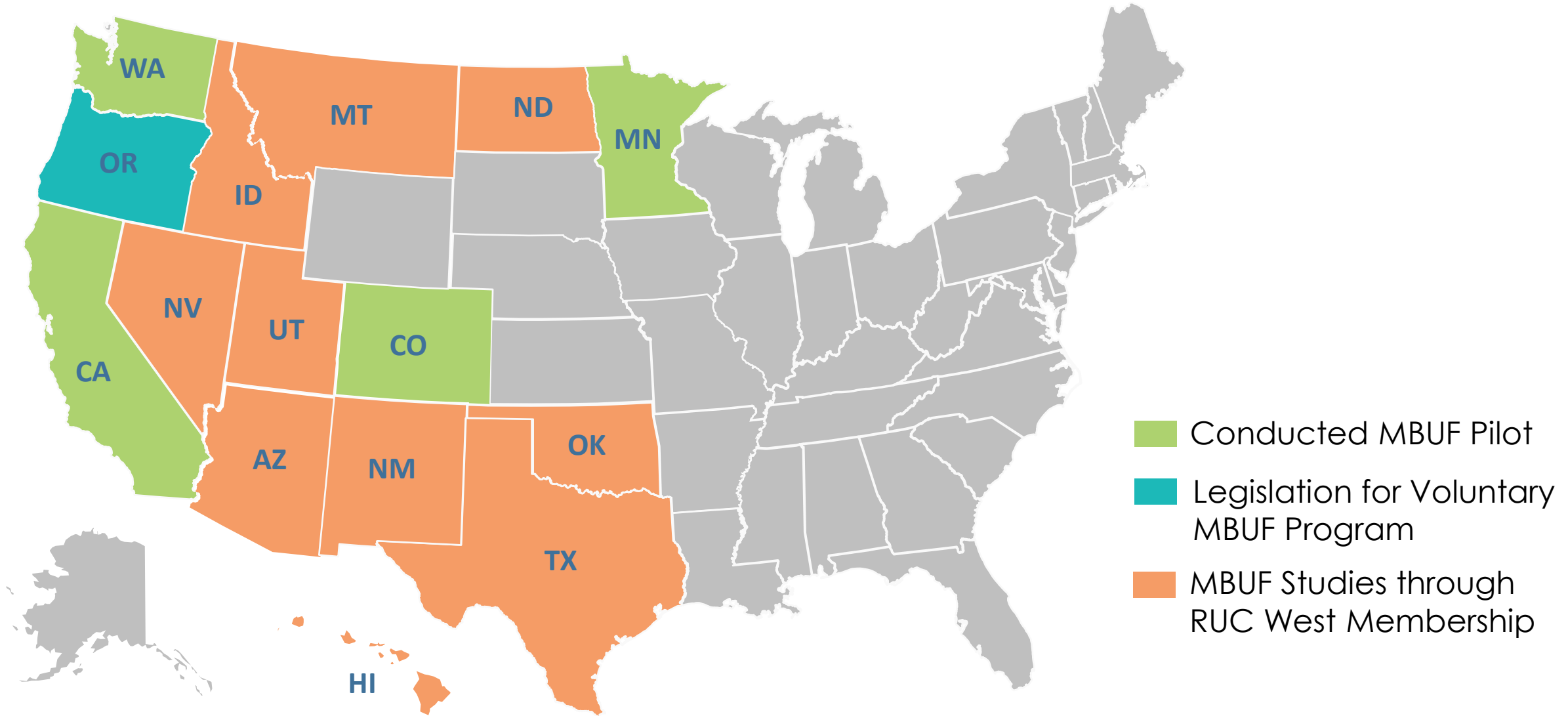


How many miles
you drive

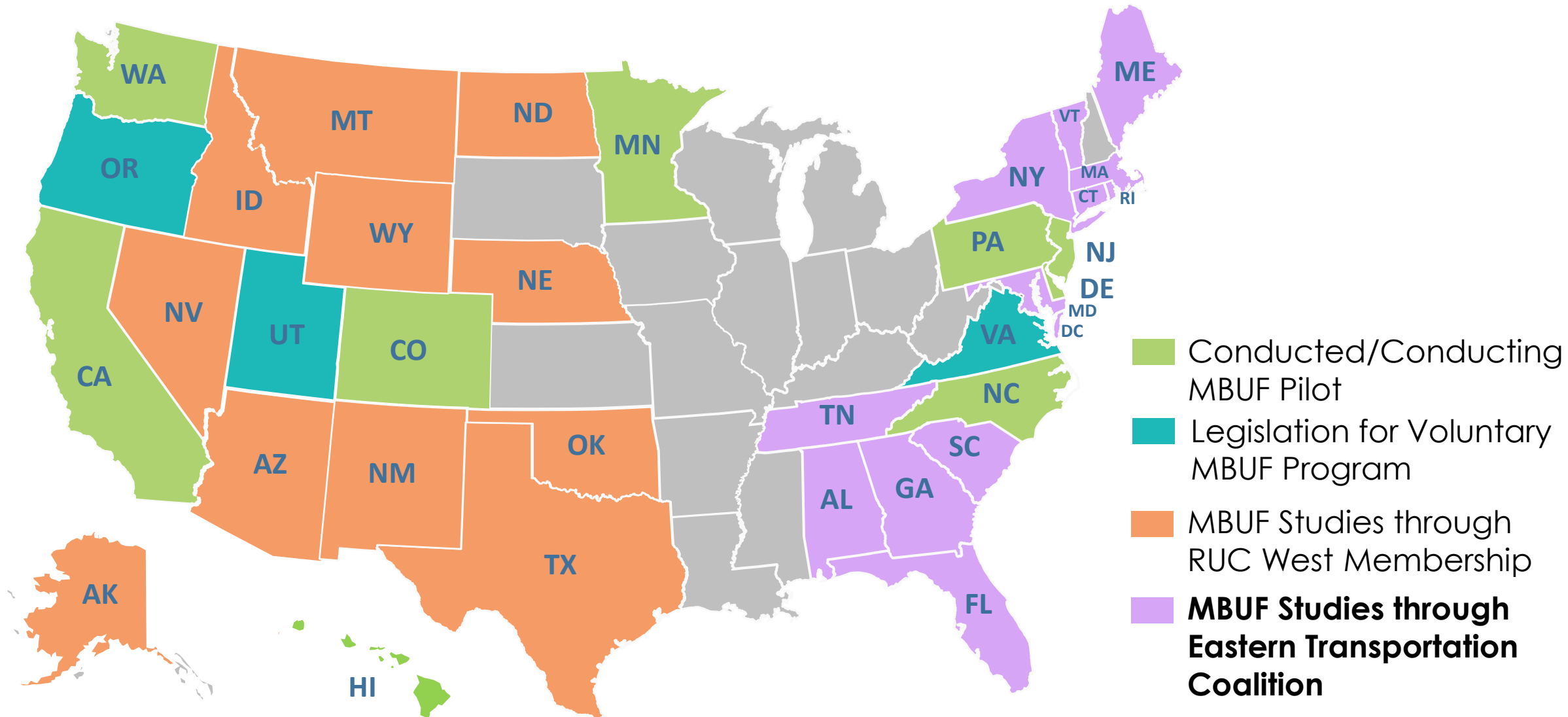




2016: States Exploring MBUF



2020: A Very Different MBUF Landscape





Surface Transportation System Funding Alternatives (STSFA) grants are funding MBUF research.

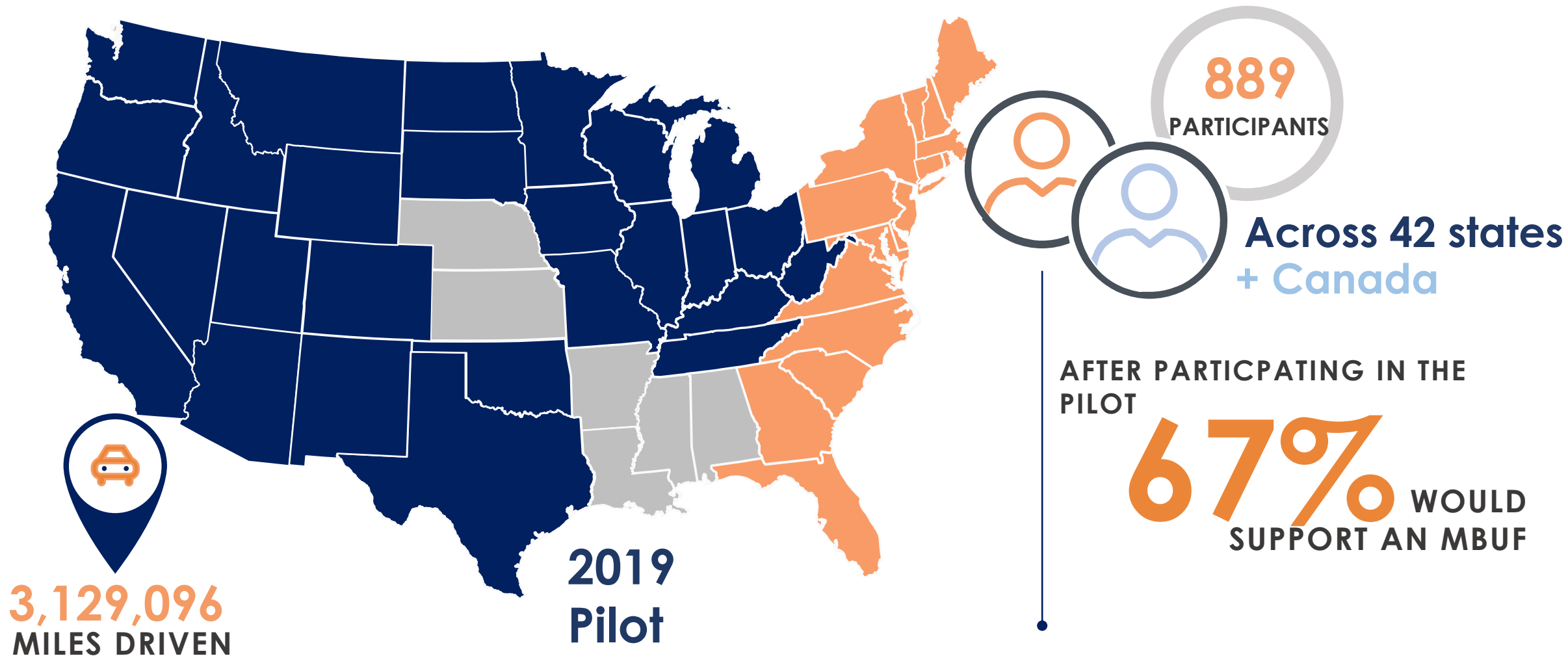
Topics explored in FOUR grants awarded to the Coalition:

- **Out-of-State Mileage**
How will travel across boundaries be handled?
- **Tolling**
What is the relationship between tolling and MBUF?
- **Amenities**
Will value-added amenities help with public acceptance?
- **Trucking**
How does a user fee fit into current requirements?





Real-world pilots increase understanding of MBUF.



Pilots provide key insights



13% to 20% of mileage out-of-state



~65% learned how much they paid at the pump
(31% thought it was more)



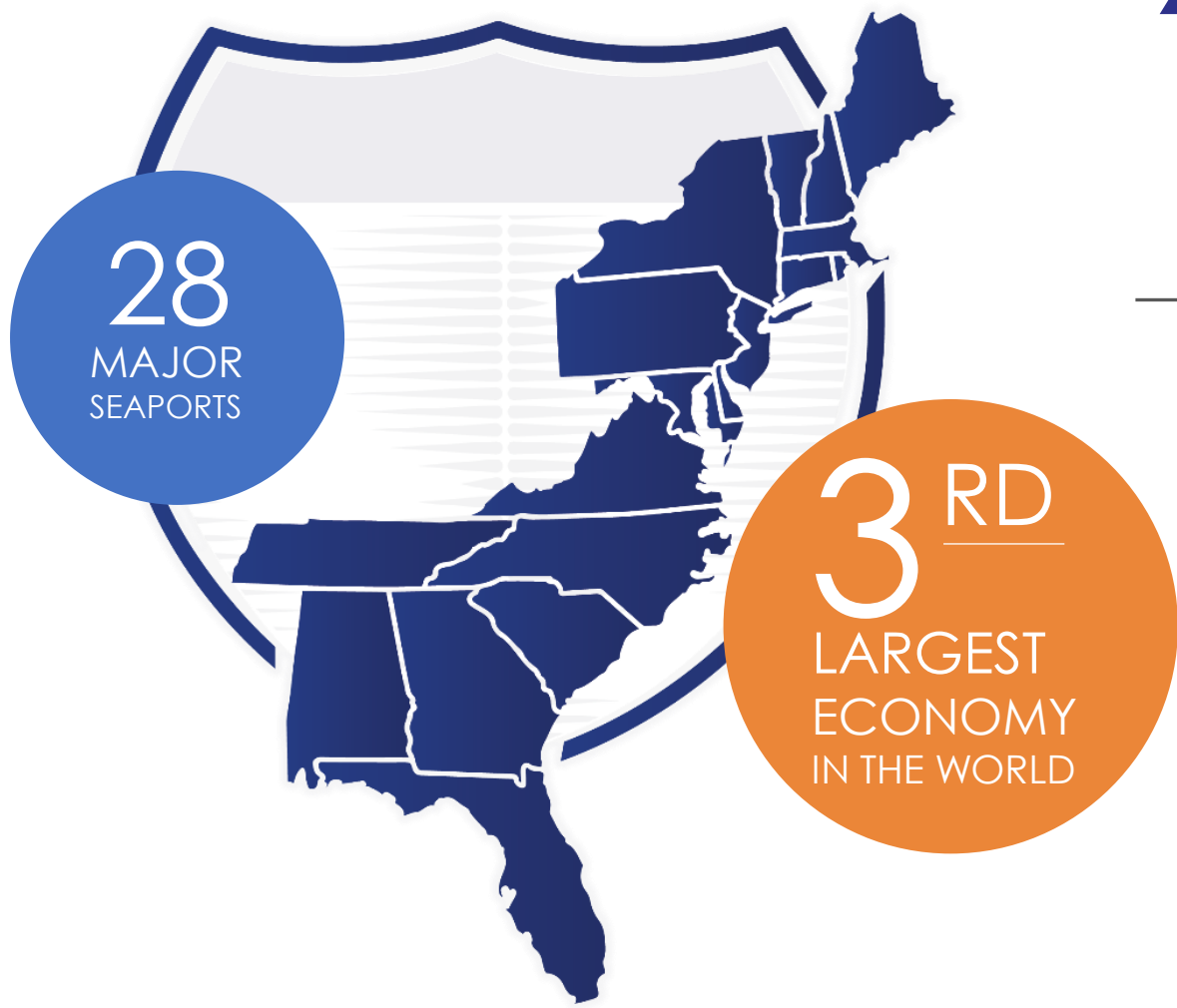
Privacy concerns dropped (57% to 30% and 46%
to 20%)



67% - 80% would support MBUF implementation



WHY IS THE COALITION LEADING MBUF EXPLORATION?



17 States + D.C.

and 190 agencies

40% OF THE U.S. POPULATION

38% OF THE NATION'S JOBS

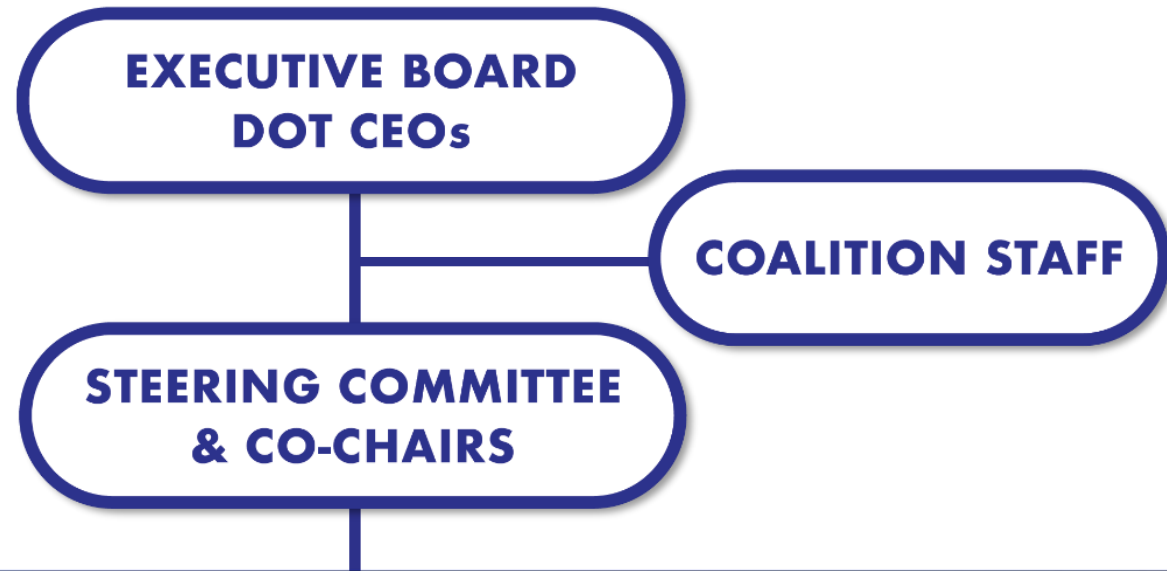
35% U.S. VEHICLE MILES TRAVELED

21% OF THE U.S. ROAD MILES

Stronger Together



THE COALITION STRUCTURE



PROGRAM TRACK COMMITTEES

TRANSPORTATION SYSTEMS
MANAGEMENT & OPERATIONS
VPP MARKETPLACE
DATA TOOLS & USER GROUPS
TRAVELER INFORMATION
*TRAFFIC INCIDENT /
EVENT MANAGEMENT*
OPERATIONS ACADEMY

FREIGHT
FREIGHT PLANNING
FREIGHT DATA
TRUCK PARKING
SUPPLY CHAIN PERFORMANCE
FREIGHT ACADEMY

INNOVATION IN
TRANSPORTATION
*CONNECTED &
AUTONOMOUS VEHICLE*
TOLLING RECIPROCITY
MILEAGE-BASED USER FEE

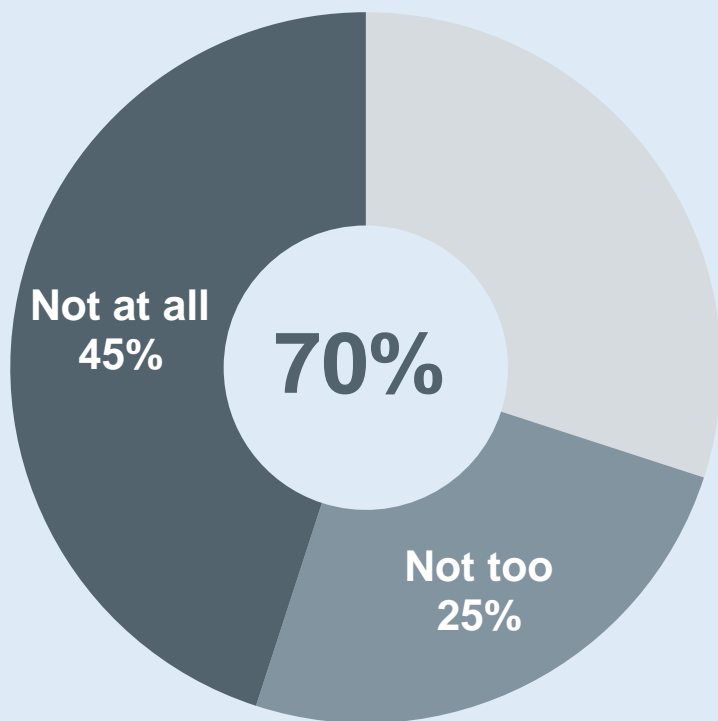


WHAT NORTH CAROLINA RESIDENTS THINK ABOUT MBUF.

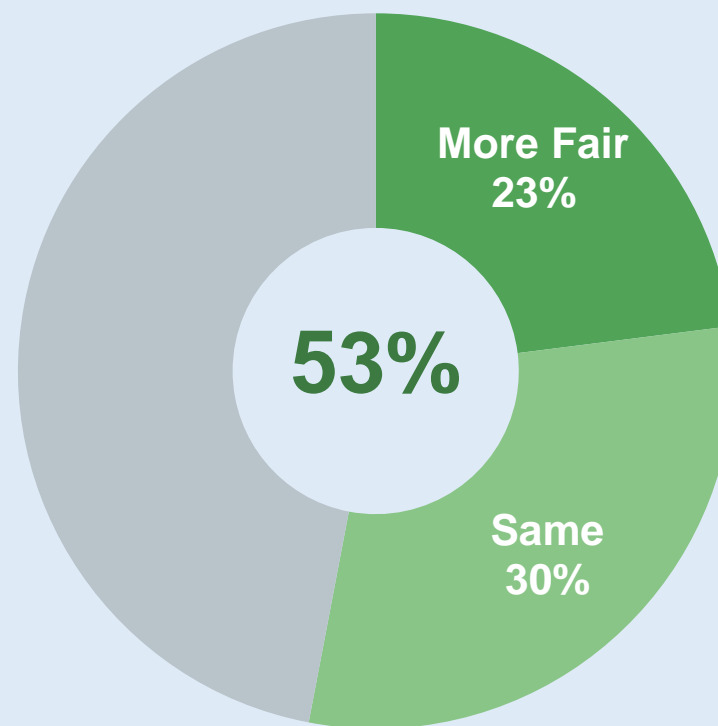


Although residents are unfamiliar with MBUF, after a brief explanation, they view it as fair.

Familiarity with MBUF



Perceived fairness of MBUF





NC residents are split about whether a mileage-based user fee should be implemented as an alternative way to fund transportation.

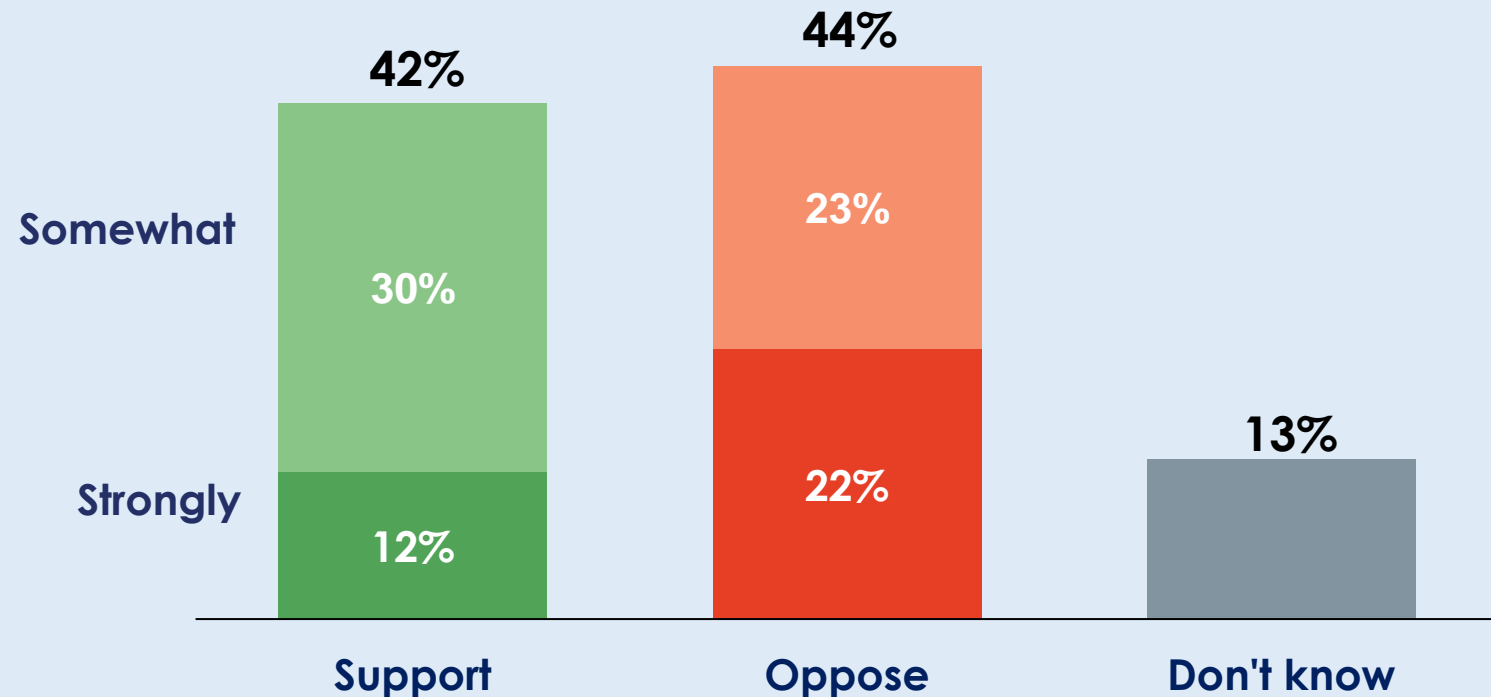
Support:

45% New Jersey (2020)

40% Delaware (2020)

38% Pennsylvania (2019)

32% Washington (2017)





Residents across the state who support mileage-based user fees have a shared reason for doing so.

Rural

61% Efficient vehicles pay less in gas tax

60% Sustainable model

▶ **60% Gas tax is out of date**



Suburban

▶ **57% Gas tax is out of date**

55% Sustainable model

55% Gas tax is unfair



Urban

▶ **69% Gas tax is out of date**

68% Everyone pays fair share

63% Gas tax is unfair





Residents also have shared concerns about a mileage-based user fee model.

Rural

- ▶ **81% Unfair to rural**
65% Out of state
62% Personal information



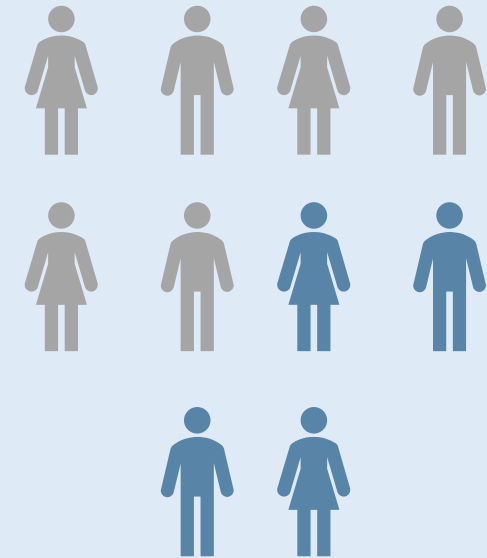
Suburban

- ▶ **73% Unfair to rural**
66% Hassle
62% Gas tax more fair



Urban

- ▶ 74% Hassle
65% Out of state
59% Unfair to rural

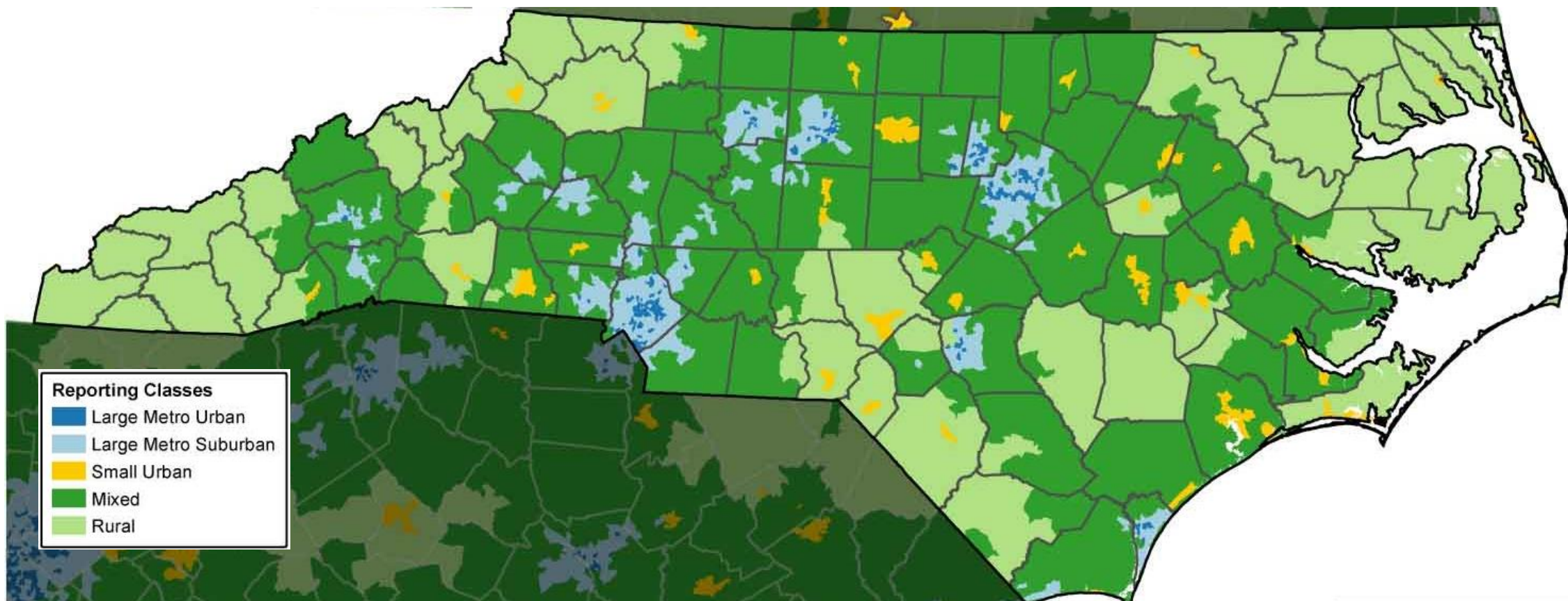




**Exploring the myth:
Rural residents will pay
more under MBUF**



5 geographies capture driving patterns in North Carolina.



LM Urban

1,026,000

LM Suburban

3,297,000

Small Urban

834,000

Mixed

3,670,000

Rural

1,299,000

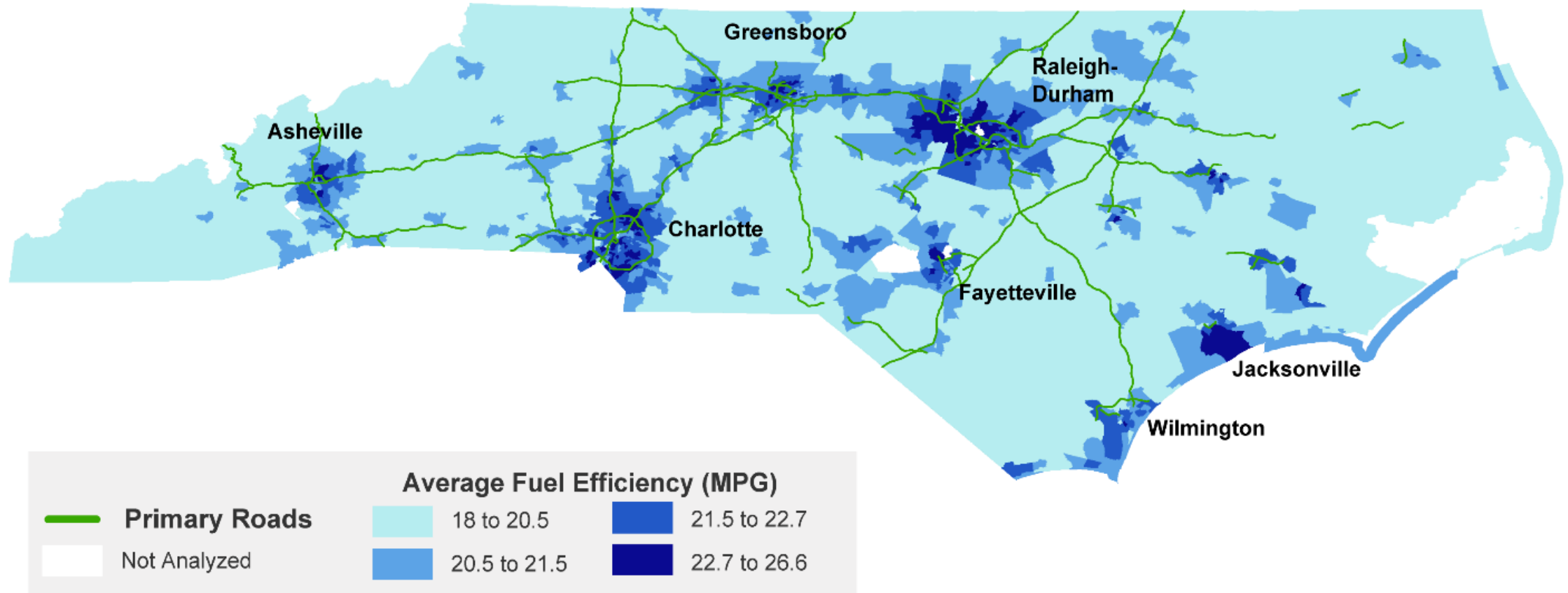


Rural and mixed communities travel longer distances.

Geography	% of Households	Avg VMT
<i>LM Urban</i>	10%	36.6
<i>LM Suburban</i>	33%	41.7
<i>Small Urban</i>	8%	36.9
<i>Mixed</i>	36%	55.6
<i>Rural</i>	13%	52.0
All Urban	51%	39.8
Statewide		46.9

Estimates are based on the Bureau of Transportation Statistics LATCH (Local Area Travel Characteristics of Households) research.

Vehicles in large metro urban areas see 13.5% higher fuel efficiency.

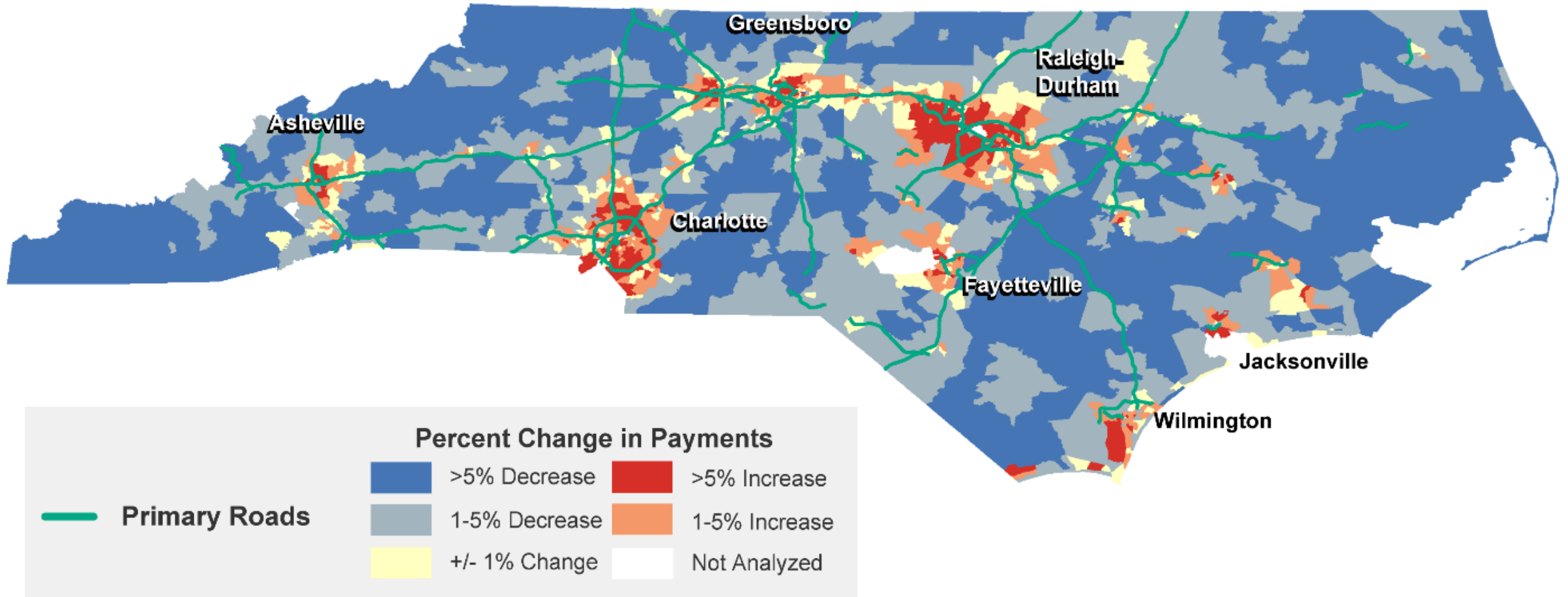




SO.... WHAT WOULD A **SHIFT** TO
MBUF MEAN FOR NORTH CAROLINA
HOUSEHOLDS?



There is minimal change under MBUF.





The average change is less than \$1.50 per month.

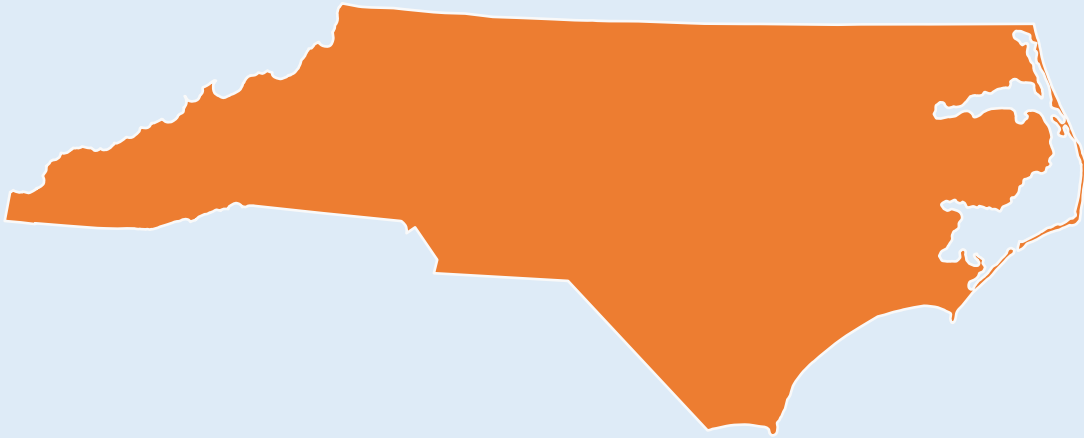
Geography	Change in Revenue Origin	% Shift	Geography	Average Fuel Tax	Annual Change Per Household under MBUF
LM Urban	\$6,680,000	+0.6%	LM Urban	\$217	\$17
LM Suburban	\$12,870,000	+1.1%	LM Suburban	\$253	\$10
Small Urban	\$190,000	0.0%	Small Urban	\$234	\$1
Mixed	-\$10,780,000	-0.9%	Mixed	\$358	-\$8
Rural	-\$8,950,000	-0.8%	Rural	\$343	-\$17
All Urban	19,740,000	+1.7%	All Urban	\$243	\$10
Statewide	\$0	0.0%	Statewide	\$297	\$0



CURRENT NORTH CAROLINA MBUF PILOT

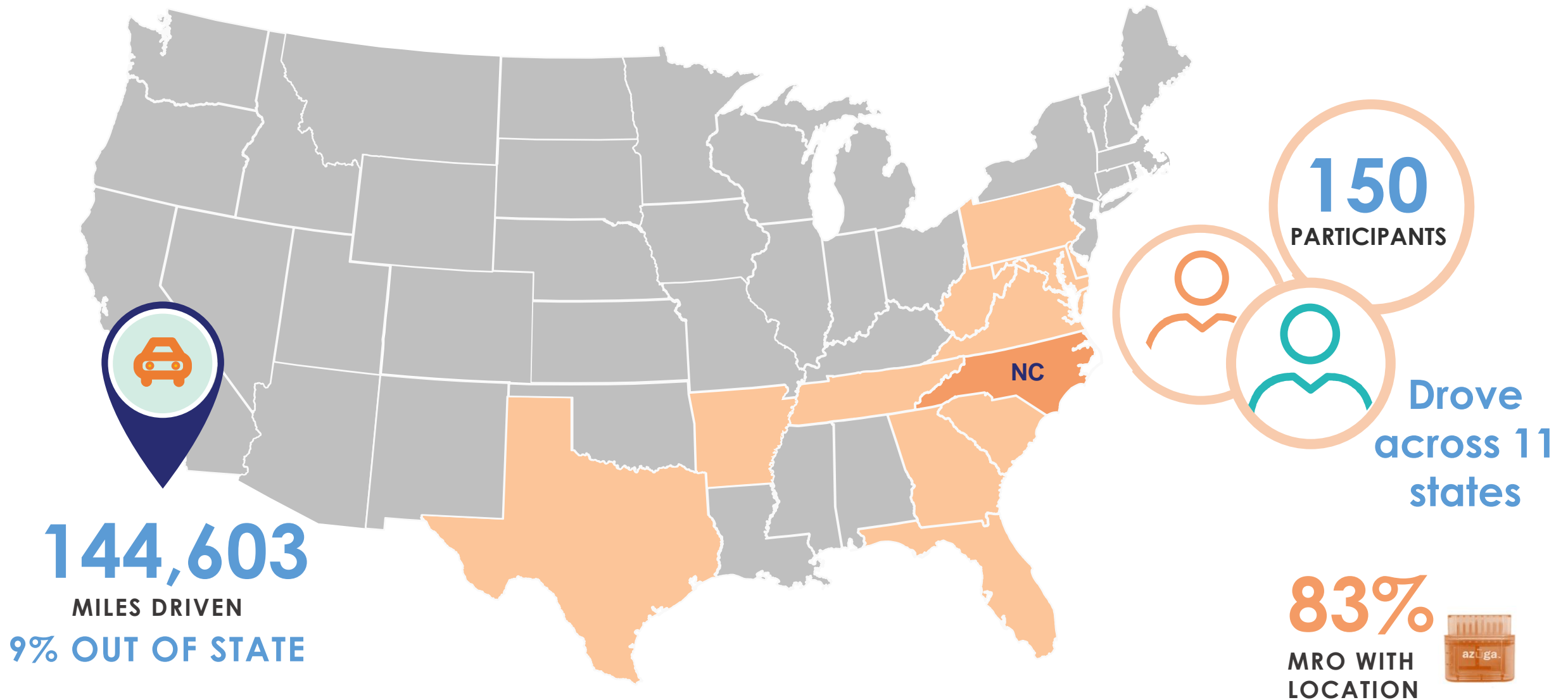


Starting the Conversation and Exploration of MBUF in North Carolina



- 5-Month Pilot (launch August 1st)
- Target 150 Stakeholders
 - DOT, Turnpike and Other State Officials (29% of participants)
 - Local, County and Regional (14%)
 - Consultants, Contractors, Suppliers (45%)
 - Other (12%) – includes trucking companies, FHWA, NC Rural Center, NC Justice Center, etc.

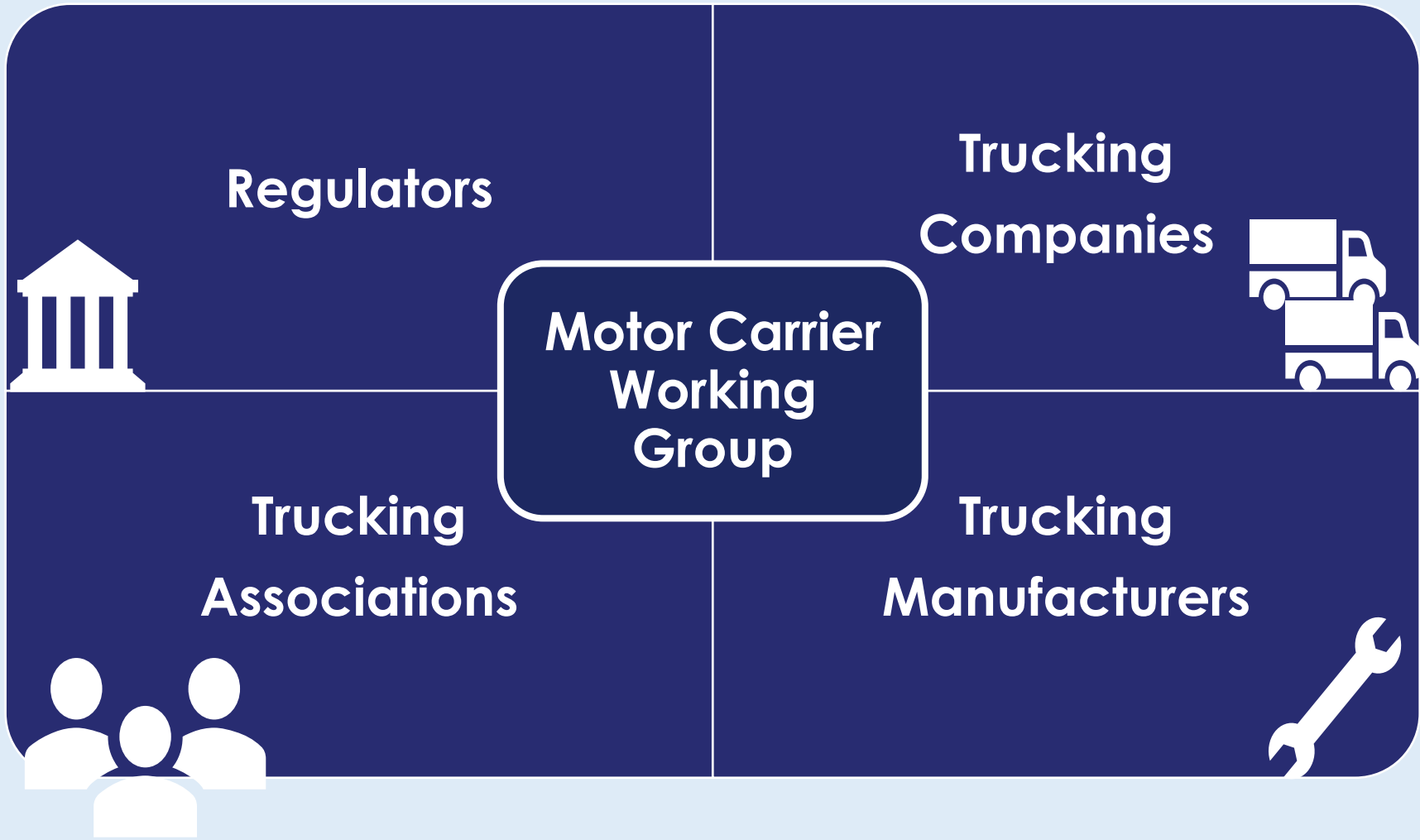
📍 November 2020 Pilot Operations





ENGAGING THE TRUCKING INDUSTRY

The Motor Carrier Working Group:



The Nation's First Multi-State MBUF Truck Pilot (2018-2019)

55

Trucks

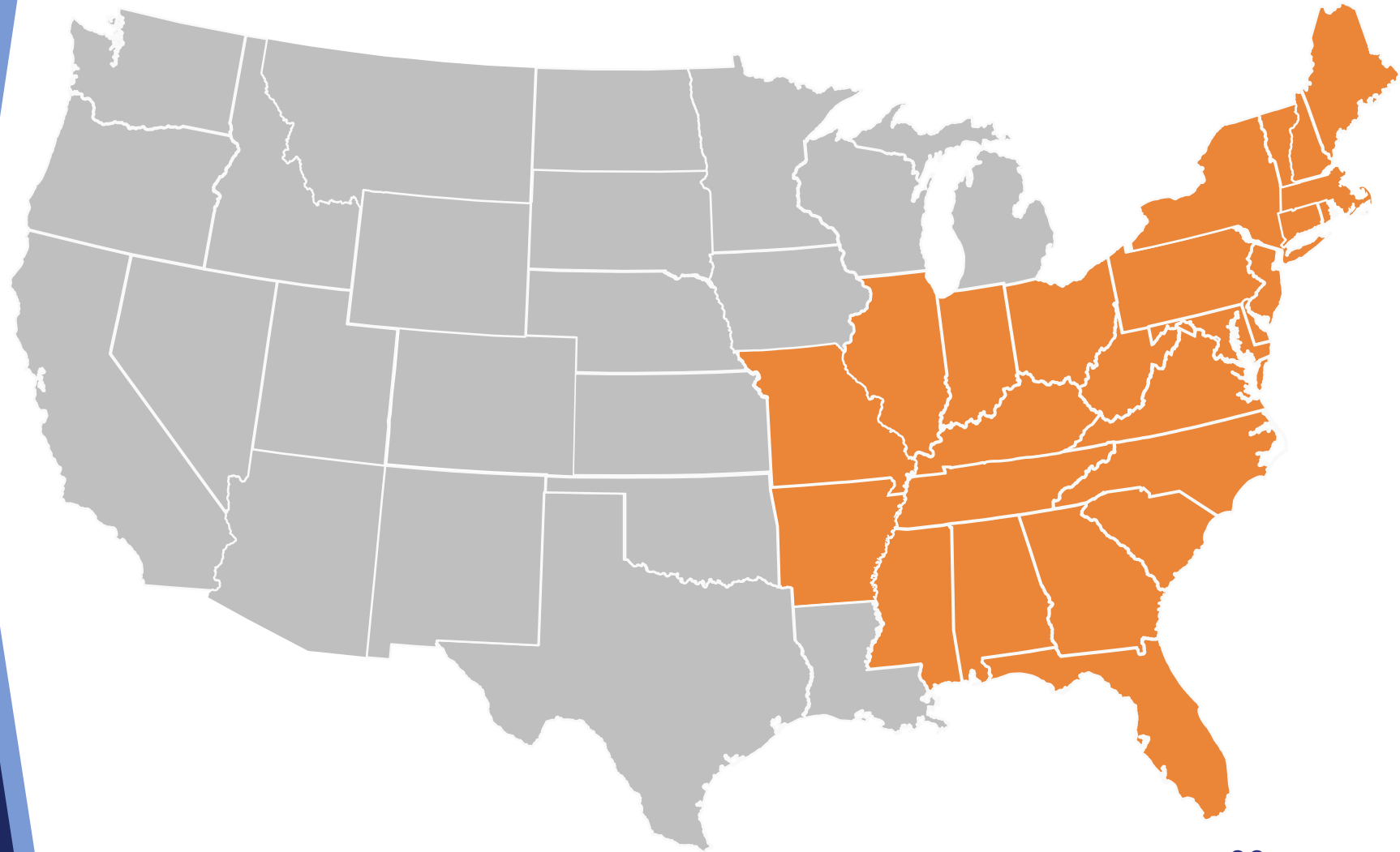
6

Months

27

States

1,430,000 MILES DRIVEN





Five key findings from the truck pilot:

1

Bringing the trucking industry's voice to the table is essential.

2

Trucks cannot simply be treated as big cars in an MBUF system.

3

Existing regulations provide guidance for MBUF implementation.

4

One rate for all trucks doesn't work.

5

There is a need for further education.



The trucking industry is engaged in this work.

“



“The Eastern Transportation Coalition is **methodical and systematic** about what can work – and what likely can’t – and we will continue to support this **comprehensive, data-driven approach** going forward.”



Bill Sullivan | Executive Vice President for Advocacy | **American Trucking Associations**

“



“We are grateful the Coalition’s latest report **accurately reflects many of these concerns, which are often overlooked or ignored by other organizations exploring MBUF.**”



Todd Spencer | President & CEO | **OOIDA**

“



“TCA is pleased to see that **the Eastern Transportation Coalition’s new study has produced much-needed multistate data** on the viability of a mileage-based user fee (MBUF) for the trucking industry.”



John Lyboldt | President | **Truckload Carriers Association**

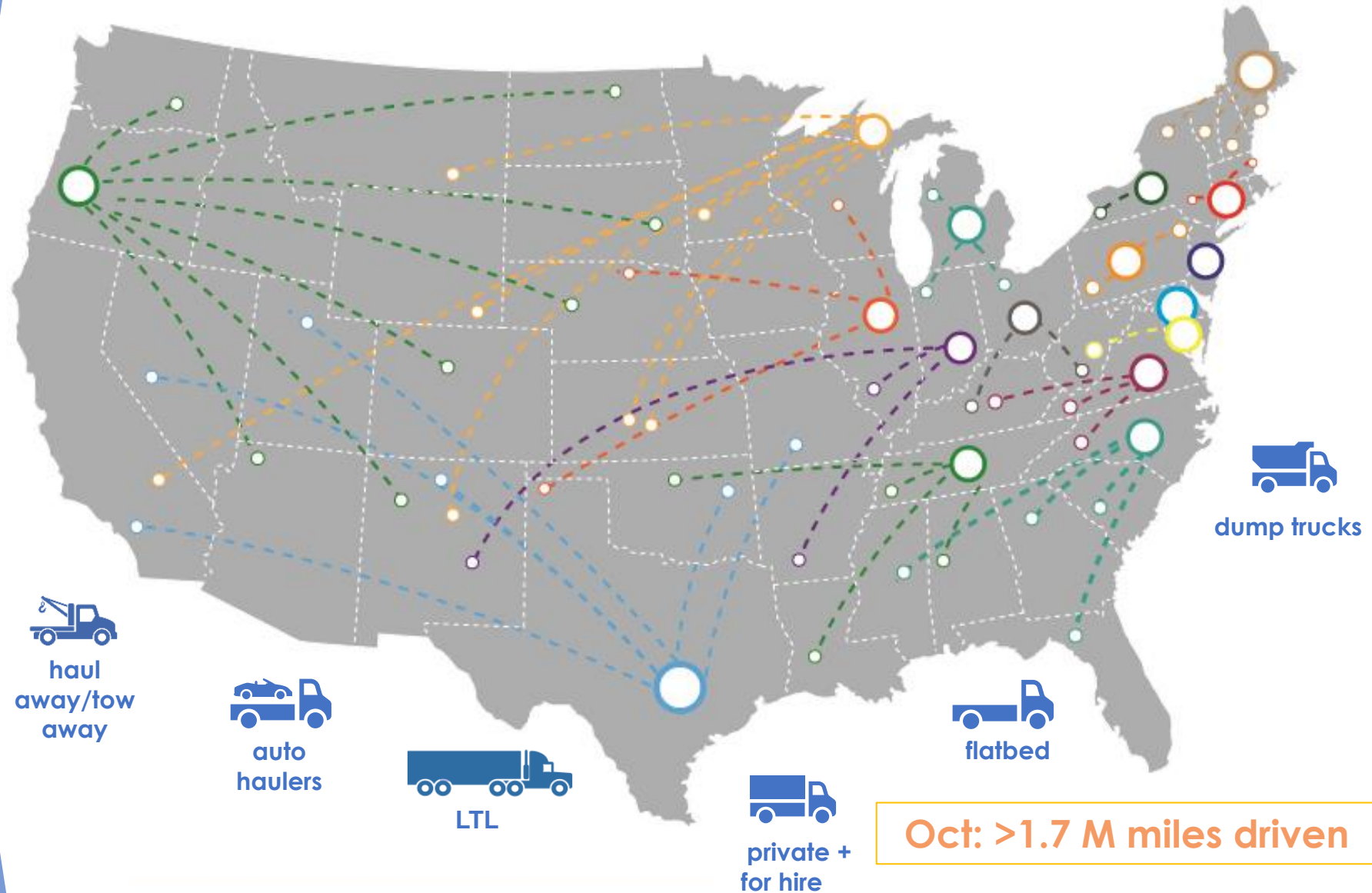
The 2020-2021 National Pilot

200
Trucks

6
Months

48
States

OUR PARTICIPANTS:



Key Topics Explored:



Fair and transparent rate setting



Synergies with existing regulatory processes and procedures



System compliance needs and monitoring



Holistic view of transportation fees





CONTINUING TO BRING
INFORMATION TO **NORTH**
CAROLINA

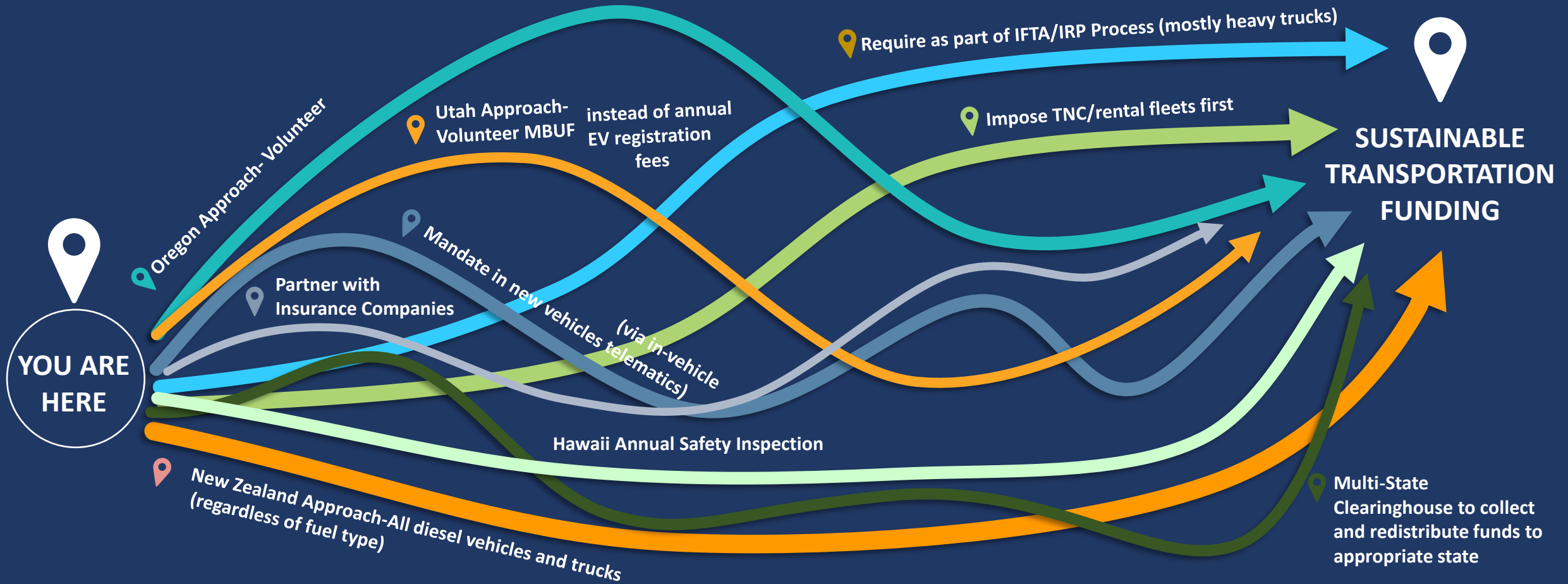


Next steps:



- Focus groups and pilot evaluation
- Expand household analysis to address socio-economic factors
- Expand pilot to include general public
- New approaches for mileage data
- Examine cost and methods for compliance and administration

What path(s) works for NC?





NO DECISIONS
ARE BEING MADE.

THE COALITION'S
WORK IS HELPING
PROVIDE
INFORMATION TO
DECISIONMAKERS.



THANK YOU! QUESTIONS?

www.tetcoalitionMBUF.org