



MILEAGE-BASED
USER FEE ALLIANCE

Mileage Based User Fees

Southeast Wisconsin Transportation Symposium

“Collaborate to Innovate”

October 8, 2021

about mbufa.

dedicated to promoting
the practice of **Mileage-
based User Fees** as a
sustainable and
equitable mechanism
for transportation
funding.

About the Mileage-based User Fee Alliance (MBUFA)

"Headquartered in Washington, D.C., MBUFA is a non-profit organization that is dedicated to promoting the practice of Mileage-based User Fees as a sustainable and equitable mechanism for transportation funding. Our members share a common mission of supporting and creating a learning and research policy space for collaboration and networking among those interested in advancing the research and concepts for mileage-based user fees."

- MBUFA Chair Jack Basso

our mission.



TO ADVANCE THE
**PRACTICE OF MILEAGE-BASED
USER FEES**

MBUFA DOT Members

STATE MEMBERS

California

Hawaii

Minnesota

North Carolina

Oregon

Wisconsin

Delaware

Illinois

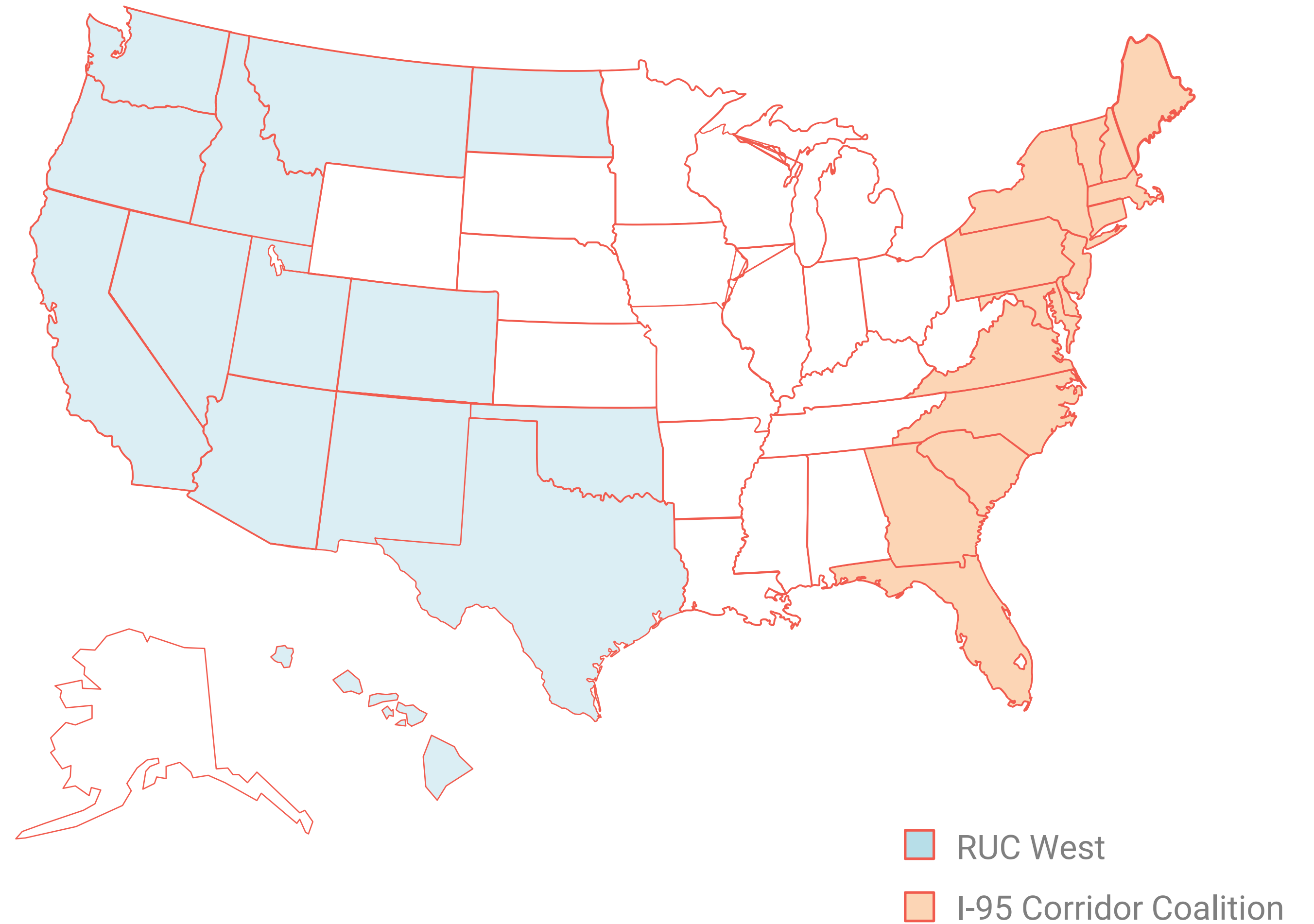
Nevada

Ohio

Washington

Wyoming

**major
regional
MBUF
members**
in the United
States



In 2009, the National Surface Transportation Infrastructure Financing Commission recommended...

A VMT system as the best and most efficient long term sustainable option to fund federal investment in surface transportation

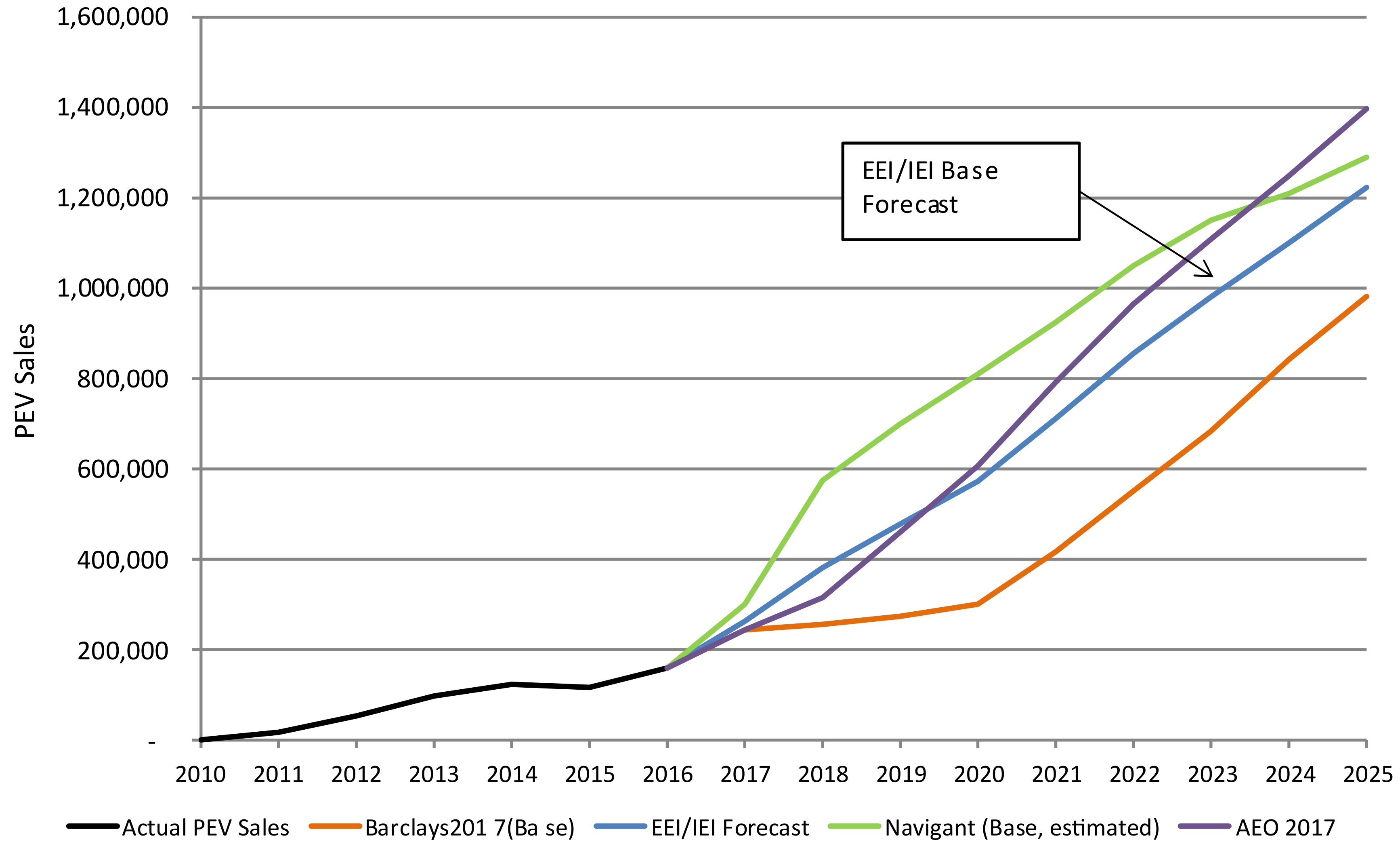
Why was there a national commission?

The passenger vehicle market
is **transforming**

U.S. has the
**Largest Road
Network** in
the World



EEI/IEI Forecast Compared to Selected Forecasts Annual PEV Sales by Year (2010- 2025)

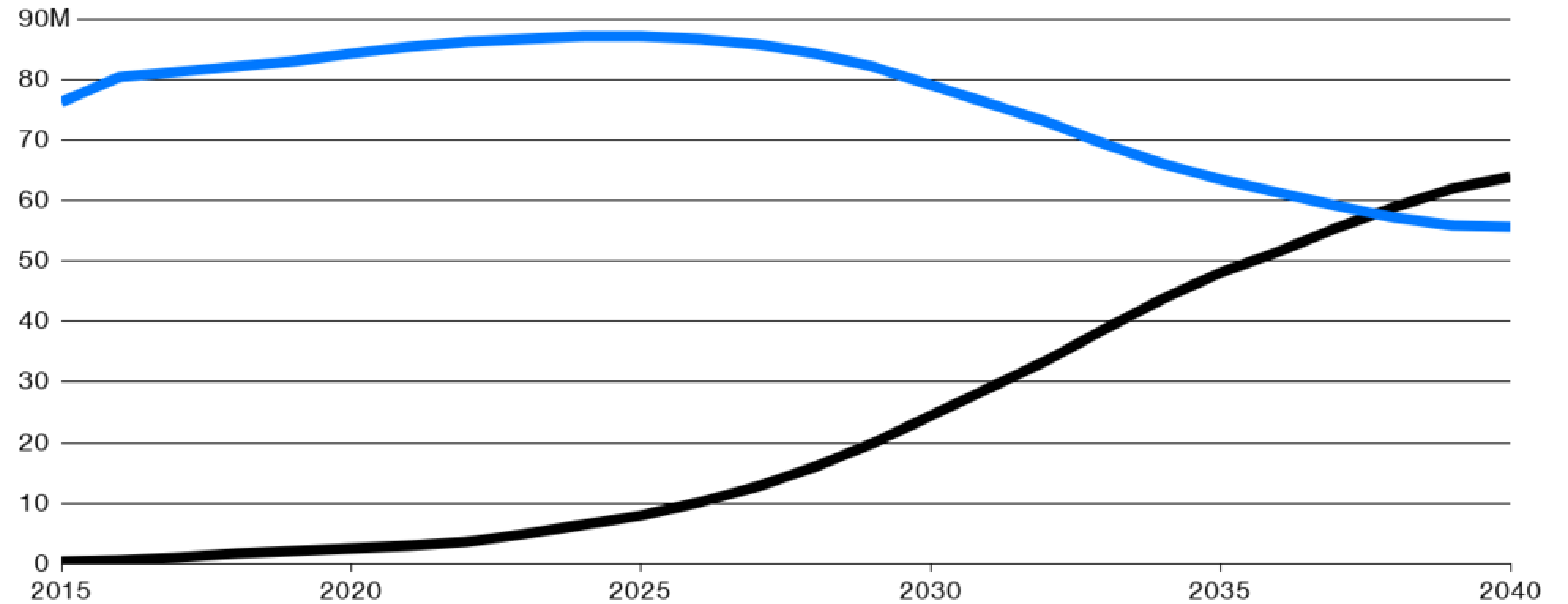


Overtaking lane of electric vehicles and fuel consumption vehicles

Overtaking Lane

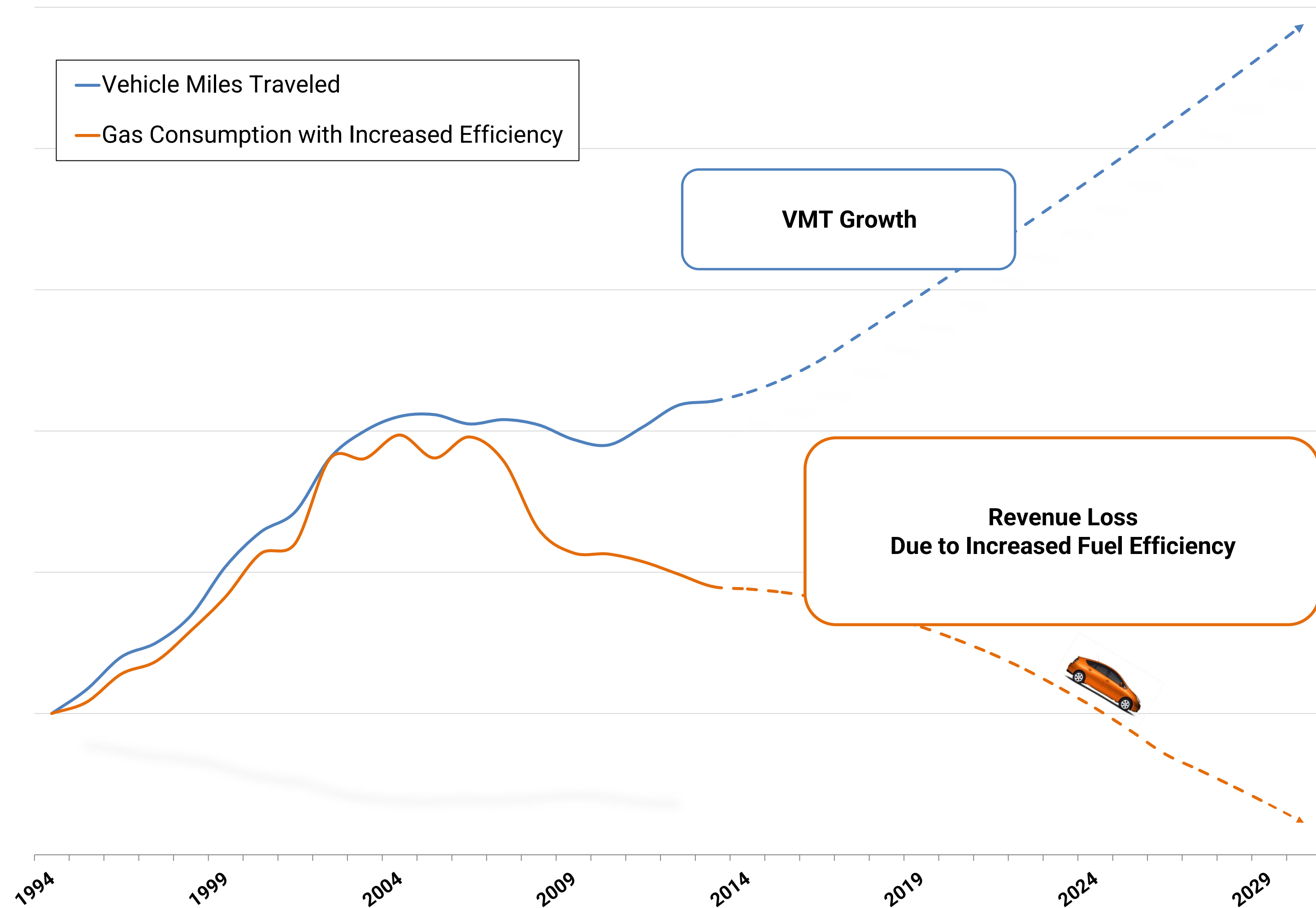
Electric vehicle sales will surpass internal combustion engine sales by 2038

■ Electric vehicles ■ Internal combustion engine



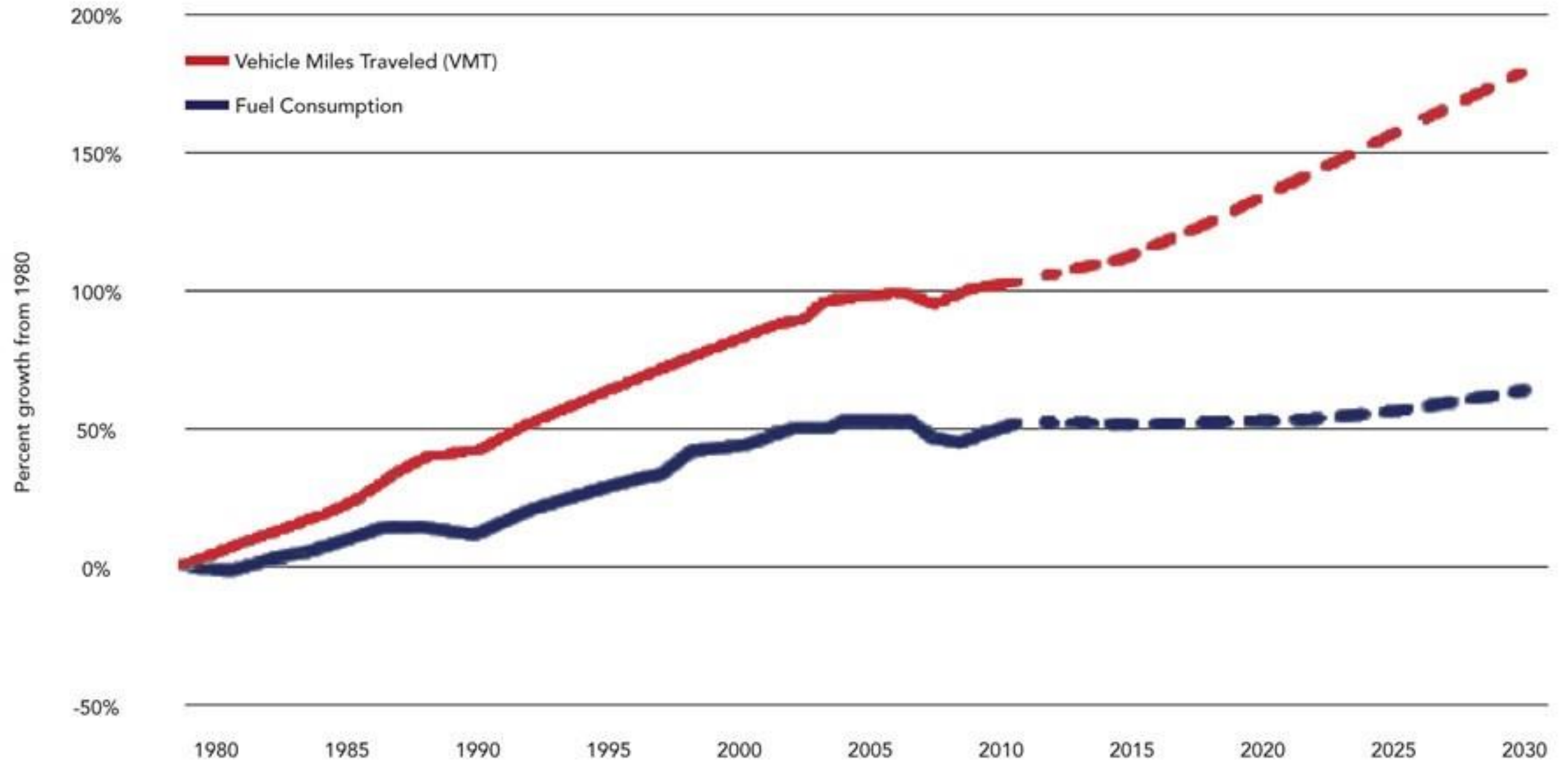
Source: Bloomberg New Energy Finance

Revenue Loss due to Increases in Fuel Economy



Source: Caltrans

Fuel Consumption VMT graph



20% electric cars by 2025

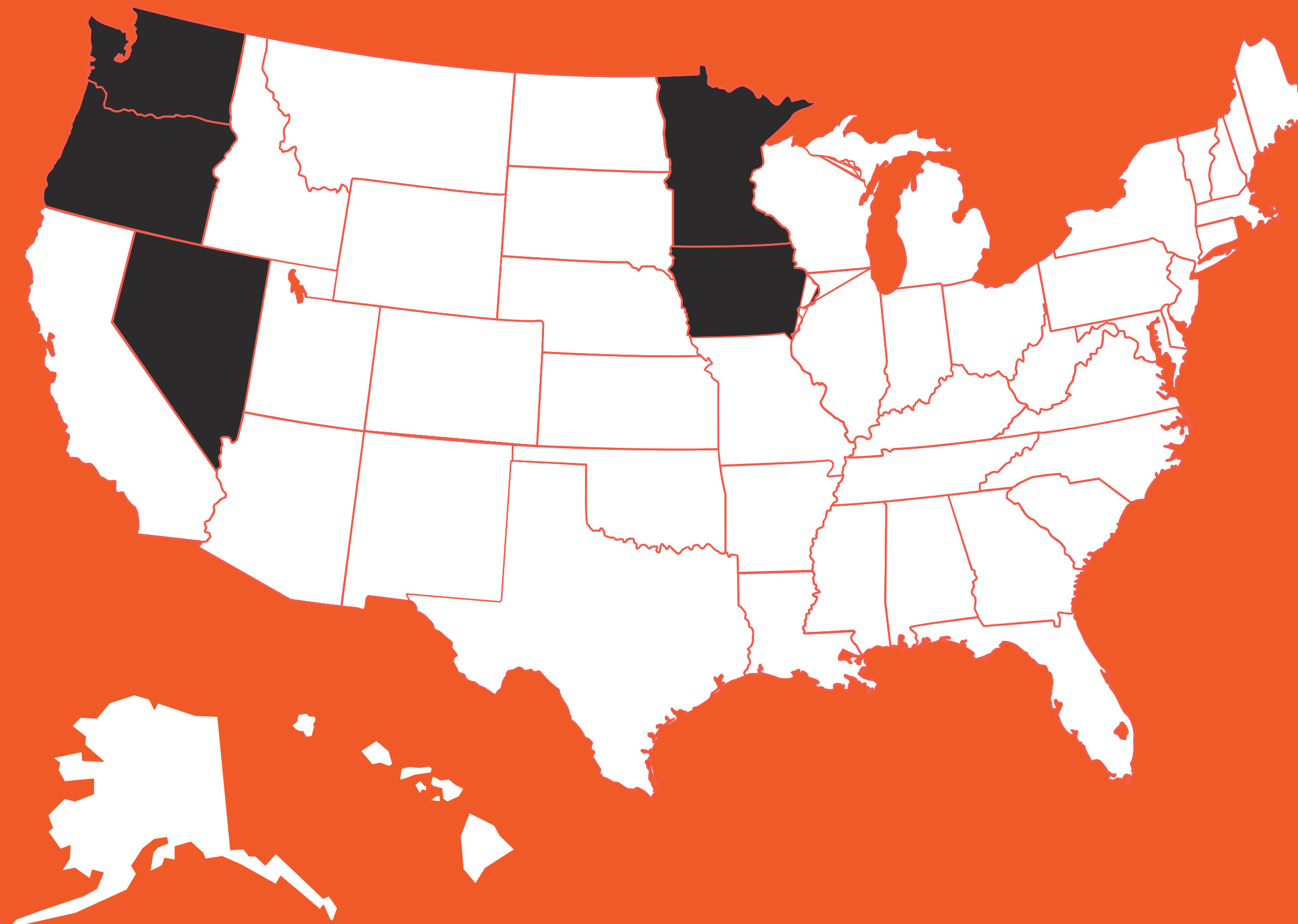
By **2025**, 20% of all new **cars** sold globally will be **electric**, according to the latest forecast by the investment bank UBS.



Even with Annual Gas Tax Increases **Revenue Will Not Keep Up** with Needs

- The gas tax would have to be raised about 1.5 cents per gallon, per year on all vehicles from 2019-2043 in order to equal net revenues from a road usage charge of 2.4 cents per mile
- This would not address growing funding needs for improvements or maintenance – it would keep funding at status quo levels

States Exploring a Road Charge in **2010**



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2015 FAST Act and STSFA Grants

■ \$95 million Surface Transportation System Funding Alternatives (STSFA) grant program established under the 2015 FAST Act

■ **STSFA program purpose:**

“to provide grants to States to demonstrate user-based alternative revenue mechanisms that utilize a user fee structure to maintain the long-term solvency of the Highway Trust Fund”

And to address issues of privacy, security, equity, ease of compliance and use of 3rd party vendors

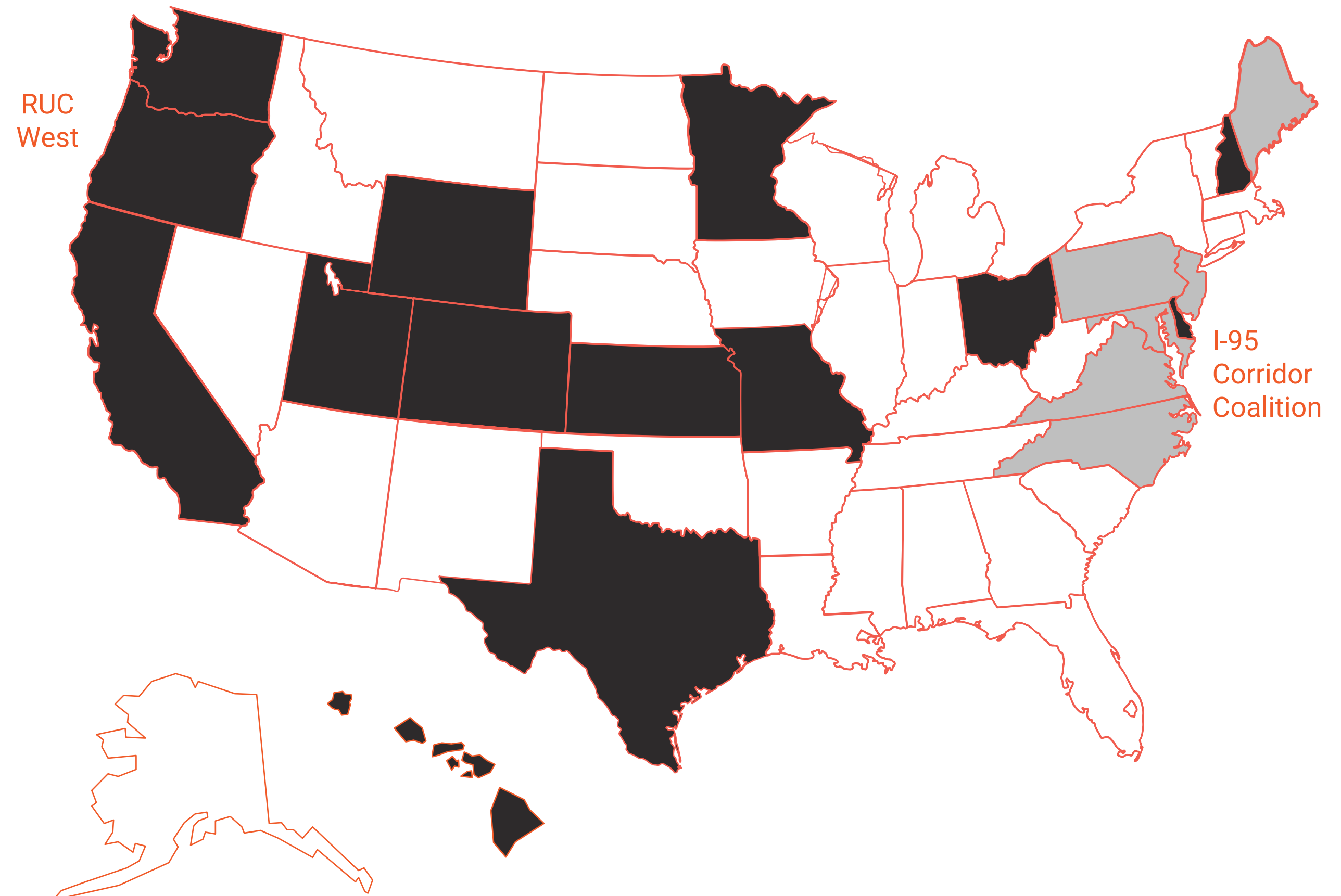
2021--FAST Act Grantees and Participants

GRANTEES

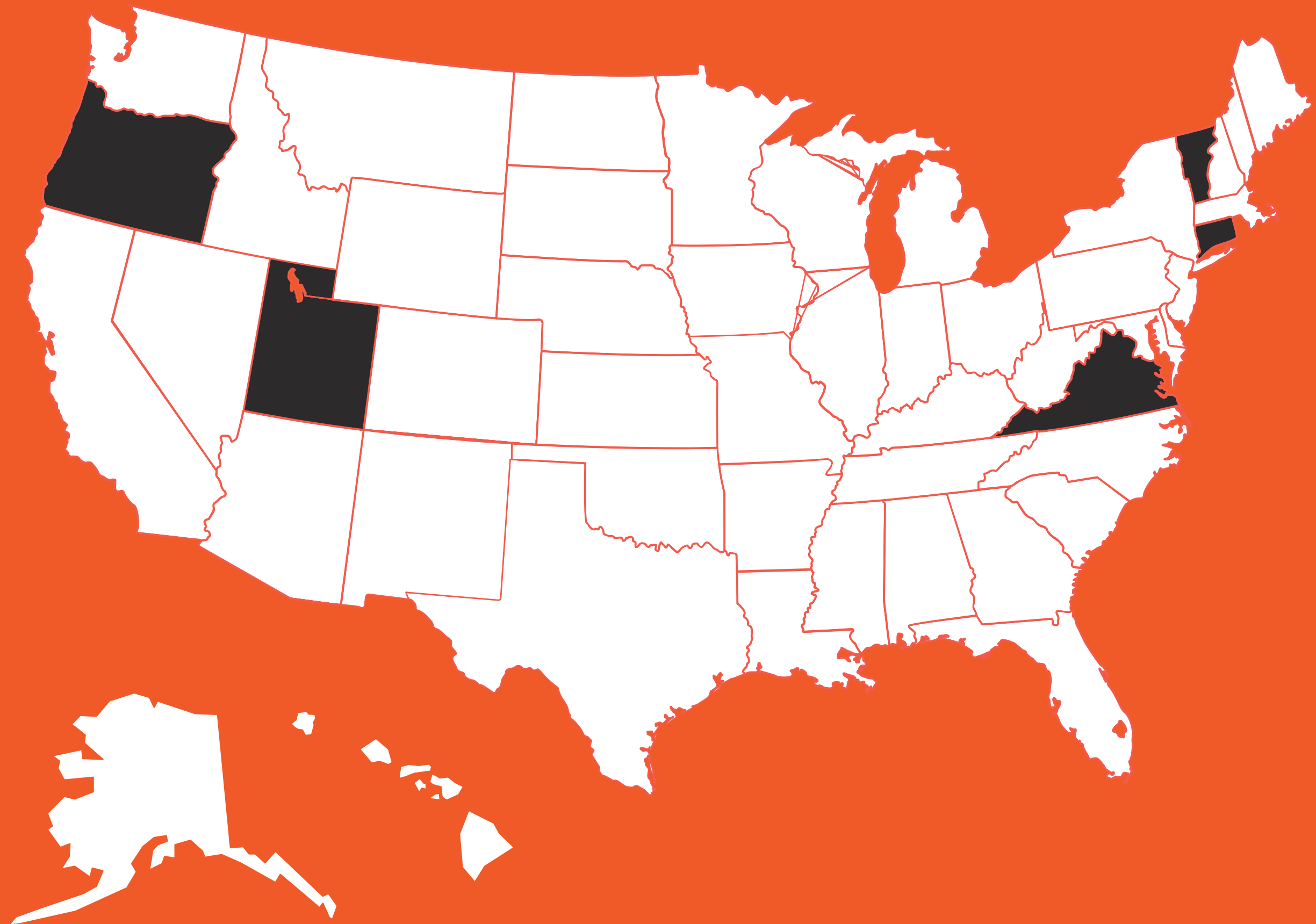
Hawaii, Washington, Oregon, California, Colorado, Wyoming, Utah, Minnesota, Delaware, Ohio, Texas, Kansas, New Hampshire, Missouri

PARTICIPANTS

North Carolina, Pennsylvania, Virginia, New Jersey, Maine, Maryland and the District of Columbia



**current status of
MBUF programs in
the United States**



Oregon OReGO

- OReGO participants currently pay **1.8 cents for each mile they drive** on public Oregon roads (including city, county). (The RUC rate is indexed to the fuel tax rate.)
- Participants get **non-refundable credit for fuels tax paid**, which is credited to their accounts as they drive taxable miles. (Fuel taxes are \$0.36 per gallon or gallon equivalent.)
- **Money goes into the State Highway Fund** for construction, maintenance, and preservation of roads and bridges.
- Drivers of vehicles with a 40+ mpg rating have the opportunity to **lower their registration rates if they join OReGO**.
- **Operational since July 1, 2015**, the program has a proven track record of responding to statutory changes.



Utah

- **Advertised to eligible vehicles at registration renewal—voluntary**

Rate cannot exceed the cost of the annual registration fee

- **3,000 vehicles currently participating**

- **Open to hybrids, PHEV, and EVs**

No longer advertising to hybrids

- **Rates: 1.5 cents/mile, all miles: \$120 EV**

- **RUC Cap: cannot exceed flat fee in a single year**

Note: must pay difference to flat fee at time of de-enrollment.



Virginia

- **There is hereby established a mileage-based user fee program.** The program shall be a voluntary program that allows owners of vehicles subject to the highway use fee pursuant to § 46.2-772 to pay a mileage-based fee in lieu of the highway use fee. No owner of a motor vehicle registered in the Commonwealth shall be required to participate in the program established pursuant to this section.
- **In any year that an owner pays the fee set forth in this section, such owner shall not be subject to the fee set forth in § 46.2-772 for the same vehicle.** In no case shall the fees paid pursuant to this section during a 12-month period exceed the annual highway use fee that would have otherwise been paid.
- **The fee schedule for the mileage-based user fee program shall be calculated by dividing the amount of the highway use fee as determined** pursuant to subsection B of § 46.2-772 by the average number of miles traveled by a passenger vehicle in the Commonwealth to determine a fee per mile driven.
- **The Department shall establish procedures for the collection of the fees set forth in this section.** Such procedures may limit the total number of participants during the first four years of the program.

New Connecticut **Truck Tax Fee**

The tax will be based on the truck weight and the miles traveled. Fees would range from 2.5 cents per mile to 17.5 center per mile for trucks weighing more than 80,000 pounds. **The tax is expected to generate \$90 million per year** to support infrastructure improvements, the CT Mirror reported.



U.S. infrastructure investment and jobs act

State Pilot Program

MBUF Pilot Objectives— Both House and Senate Bills

1. Test equity: Income, rural vs urban
2. Privacy and data security
3. Minimize administrative costs
4. Test variety of data collection solutions, including 3rd party
5. Public Education and Outreach to increase public awareness
6. Revenue collection from fueling stations
7. Evaluate impact on mobility, driving patterns, congestion, costs and freight movement
8. Evaluate options for integration with a nationwide transportation revenue collection

U.S. Infrastructure

Investment and Jobs Act
House T&I Committee Bill

\$140 million over four years scheduled for state pilots testing road charging
in the United States

U.S. Infrastructure Investment and Jobs Act

August 11, 2021

Senate Passes \$1 Trillion Infrastructure Bill

October ??, 2021

Passage???

State Pilot Program

Senate Passed Bill

Eligible Applicants:

1. Local Government
2. *Regional Governments or Metropolitan Planning Organizations*
3. State Governments

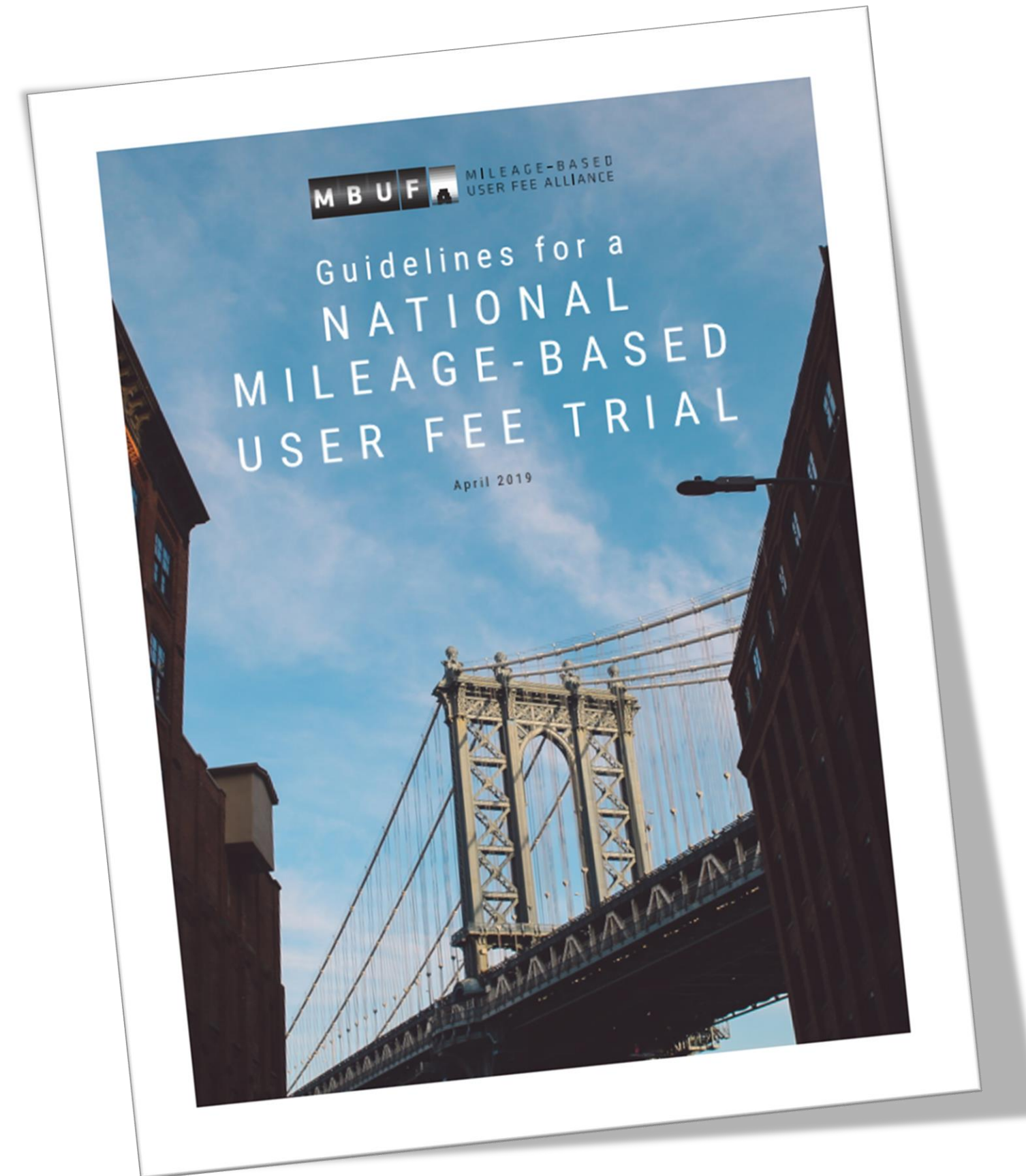
Funding:

\$75,000,000 over five years--\$15 million per year federally to be matched by applicants at either 80% (new) or 70% (previously funded)

National Motor Vehicle Per Mile User Fee Pilot Senate Passed Bill Only

- **\$50 million over five years**
- **Volunteers from all 50 states and Puerto Rico**
- **Pilot to Be Directed by the Department of Transportation in coordination with the Secretary of the Treasury**
 1. Creates a National Advisory Board
 2. Testing with: On Board diagnostics OBD, Smart Phones, Telemetric Data from auto companies
 3. Data from insurance companies, STSFA Grants, and motor vehicle fueling stations
 4. Established by the Secretary of Transportation for cars, light trucks, and heavy duty trucks
 5. One year after start date, report back to Committees in House and Senate on objectives

Key Guidelines MBUF National Trial Framework



Released April 2019

questions?

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