

# TRANSPORTATION REVENUE OPTIONS COMMISSION (TROC)



APRIL 15, 2021

**TROC**

# NAVIGATING ZOOM

The image shows a Zoom meeting window with a dark theme. The main area displays two video thumbnails: "Paul Caulfield" on the left and "K.C. Yi-Taylor" on the right. The bottom of the window features a toolbar with icons for Mute, Start Video, Participants, Chat, Share Screen, Record, and Reactions. On the right side, there is a "Participants (2)" panel showing "K.C. Yi-Taylor (Me)" and a "Chat" panel. A "Reactions" panel is also visible at the bottom right, showing various reaction icons and a "Raise Hand" button. Several yellow callout boxes with blue text provide instructions on how to use these features.

**Callout 1:** Click "Participants" to open the participants panel.

**Callout 2:** Use these buttons to participate. Click "more" to populate the second set of buttons.

**Callout 3:** Click "Chat" to open the group chat.

**Callout 4:** Click "Reaction" to open and share your reaction or raise your hand.

**Callout 5:** Click to switch from "Gallery View" to "Speaker View"

# MATERIALS YOU HAVE RECEIVED

- Draft March 25, 2021, Meeting Minutes
- Affinity Grouping of Commission Members' Mentimeter Input
- Chat Q&A Responses
- Other States' Transportation Funding Practices
- PennDOT Efficiencies Report
- Meeting Agenda

# AGENDA

1. Meeting Objectives
2. Commission Chair's Opening Remarks
3. Schedule/Milestone Review
4. Meeting 1 Recap (March 25, 2021)
  - Benefits of Transportation
  - Consequences of Inaction
  - Major Considerations
  - Approaches to the TROC Charge
  - Guiding Principles
  - Q&A Responses
5. TROC Survey Results
  - Response Rate
  - Priorities for Potential Solutions
  - Alternative Funding Options
  - Scenarios and Initial Evaluation
6. Meeting Summary and Public Comments
7. Commission Chair's Closing Remarks

# MEETING OBJECTIVES

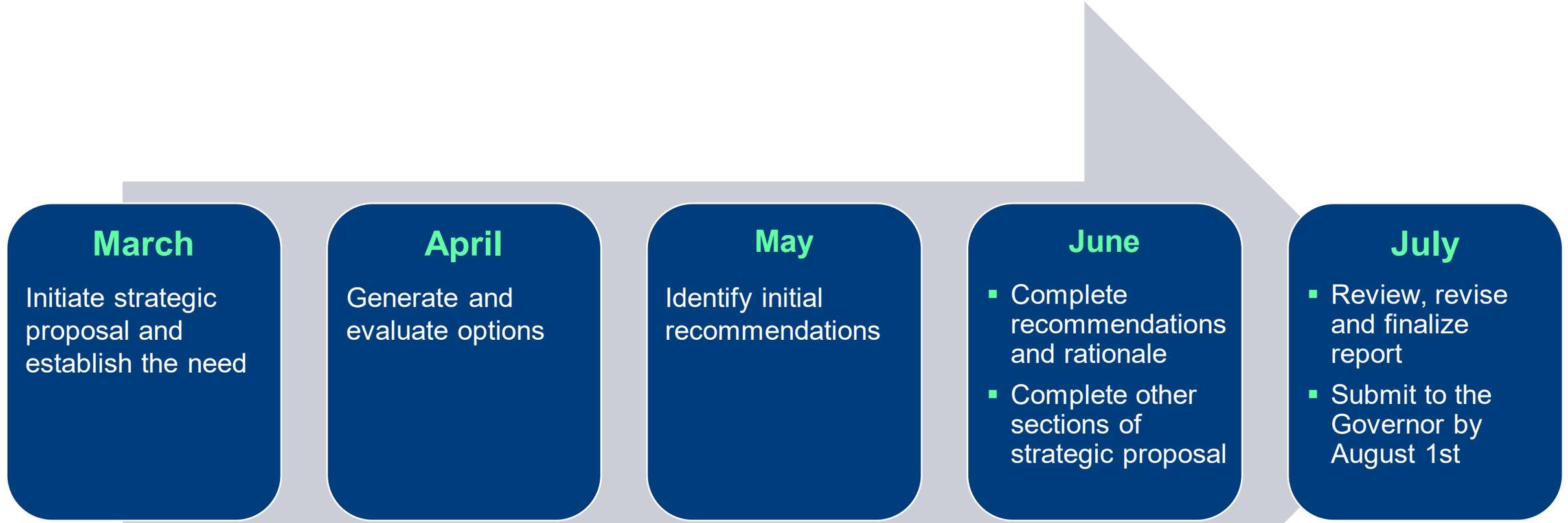
- To review the data received from the Commission survey on alternative funding options.
- To initially assess the level of support and impact of various funding options and scenarios.
- To engage Commission members in determining the funding options with the greatest potential for success and the steps necessary for further evaluation.

# COMMISSION CHAIR'S OPENING REMARKS



Secretary of Transportation,  
Yassmin Gramian

# SCHEDULE/MILESTONE REVIEW



**Tentative May Meeting Dates: May 13 and 27**

# MEETING 1 RECAP (MARCH 25, 2021)



# BENEFITS OF TRANSPORTATION



- Accessibility (9)
- Economic Growth (8)
- Community Connection (7)
- Safety (7)
- Passenger Transit (5)
- Jobs (5)

# BENEFITS OF TRANSPORTATION



- Commerce (4)
- Environmental Impact (3)
- Products (3)
- Tourism (3)
- Quality of Life (2)
- Mobility (2)

# CONSEQUENCES OF INACTION

- Economic Impacts (12)
- Infrastructure Deterioration (9)
- Loss of Independence/Community Connections (9)
- Businesses Impacts (6)
- Lost Jobs (6)
- Safety Impacts (6)



# CONSEQUENCES OF INACTION



- Access to Medical Care (4)
- Diminished Services (4)
- Increased Congestion (4)
- Inability to Compete (4)
- Decreased Quality of Life (3)
- Policy and Funding (2)

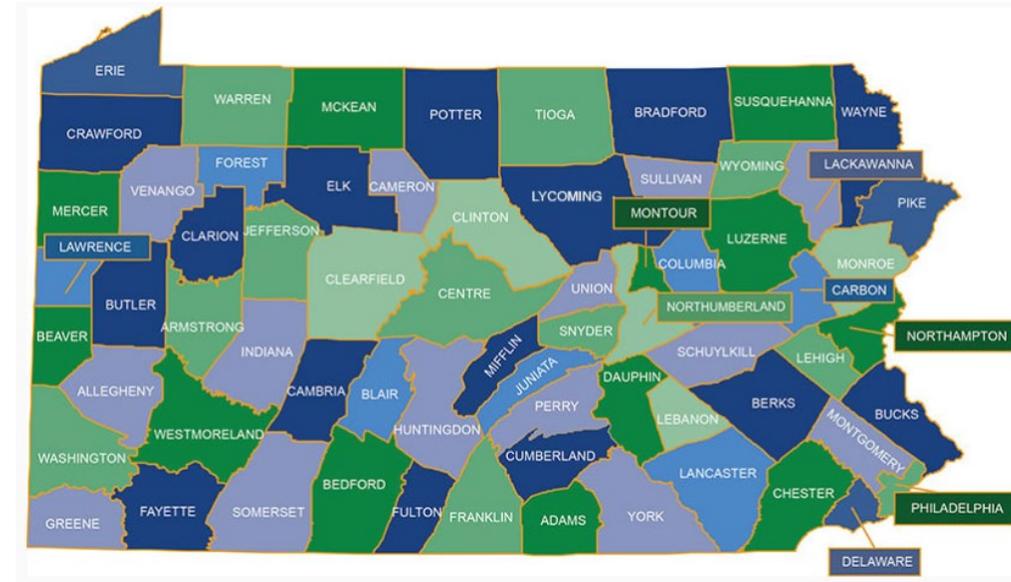
# MAJOR CONSIDERATIONS

- Equitability (9)
- Sustainability (6)
- Benchmarking (4)
- Economic Considerations (4)
- Electric or Unmanned Vehicles (3)
- Development/Planning (3)
- Public Perceptions (3)
- Federal Assistance (3)
- Trucking and Freight (3)
- PennDOT Operations/Structure (3)
- Fuel Tax (2)
- Through Traffic (2)
- Multimodal Opportunities (2)

# APPROACHES TO THE TROC CHARGE

Other than mode-by-mode approach:

- Funding Streams (2)
- Regional (2)



# GUIDING PRINCIPLES



- Utilize Input (7)
- Impact on Citizens (5)
- Cost (2)
- Sustainability (2)

# Q&A RESPONSES

4/13/2021

TROC meeting #1 (3/25/21) - Chat Questions/Answers			
Commenter	Member/Public	Comment	Response
Rob Latham	Member	It may be a matter of semantics but, as opposed to a charter, should we develop a Mission Statement?	The Executive Order 2021-02 established the Commission's Mission: "Develop a comprehensive, strategic proposal for addressing the transportation funding needs of Pennsylvania. The charter would build on the mission and discussions from the first meeting (e.g., guiding principles)."
Jerry Sweeney	Member	How our competitive position (Response to next question - What would be the consequences of not addressing this challenge in transportation funding?)	Included in next responses.
Frank Myers	Member	We will lose our skilled workforce to States with more robust infrastructure programs (Response to next question - What would be the consequences of not addressing this challenge in transportation funding?)	Included in next responses.
Jerry Rescher	Member	Contribution is this just the tax on those or total cost (in relation to 11b 11.1)	The graphic represents the total cost of the other utilities/services, compared to the gas tax.
Laura Cho Wang	Member	This is presuming that households have cars - (in relation to 11b 11.1)	When using this slide in the future we will clarify this point.
Jeff Herman	Member	Accessibility for all land, air and sea transportation systems. (Response to next question - What concerns or opportunities must be considered?)	Included in next responses.
Jeff Herman	Member	I appreciate the revenue comparisons that / share on what PA has as well as some other states. Unless I missed, I didn't see a comparison on what PA pays for as compared to other states. Think that's an important comparison. For a future meeting, can we be provided that information too? Thanks.	Other States fund Transportation in many, very different ways. They also have vastly different state and locally owned transportation systems. We will continue to evaluate the different sources and uses of revenue among other States.

# TROC SURVEY RESULTS



# SURVEY ON ALTERNATIVE FUNDING OPTIONS

## Survey Response Rate

36

# MILEAGE-BASED USER FEE

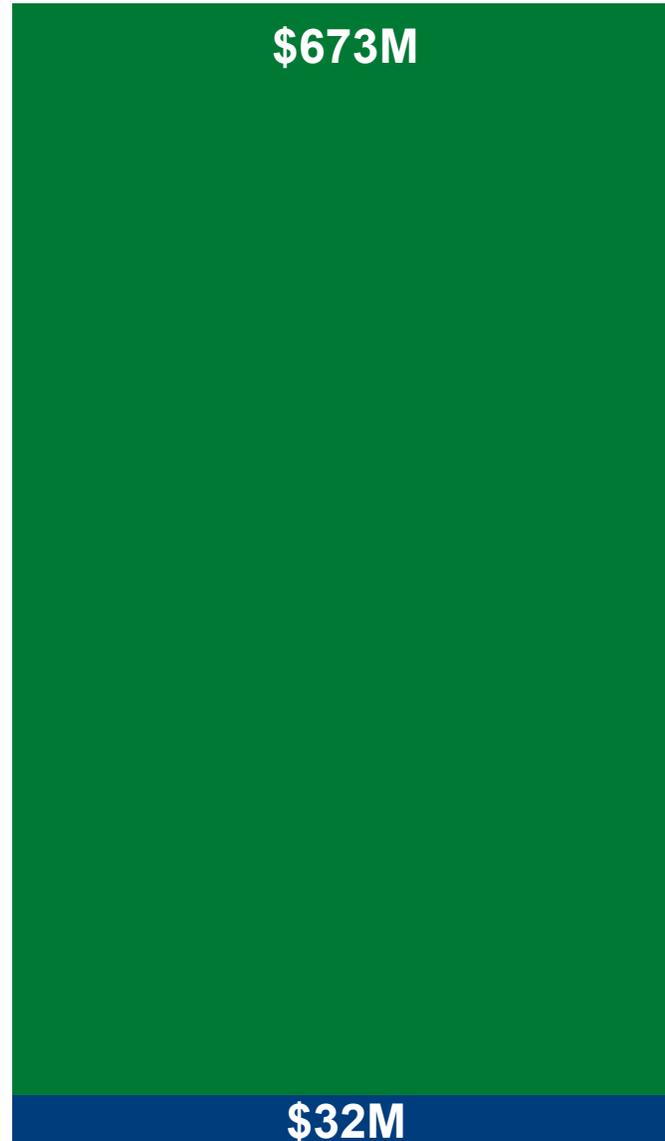
- Mileage-Based User Fee \$3.8B - \$8.4B
- New road user charge of 3.16 cents (current gas equivalent) to 7 cents per mile



**Level of Support**  
**3.63**

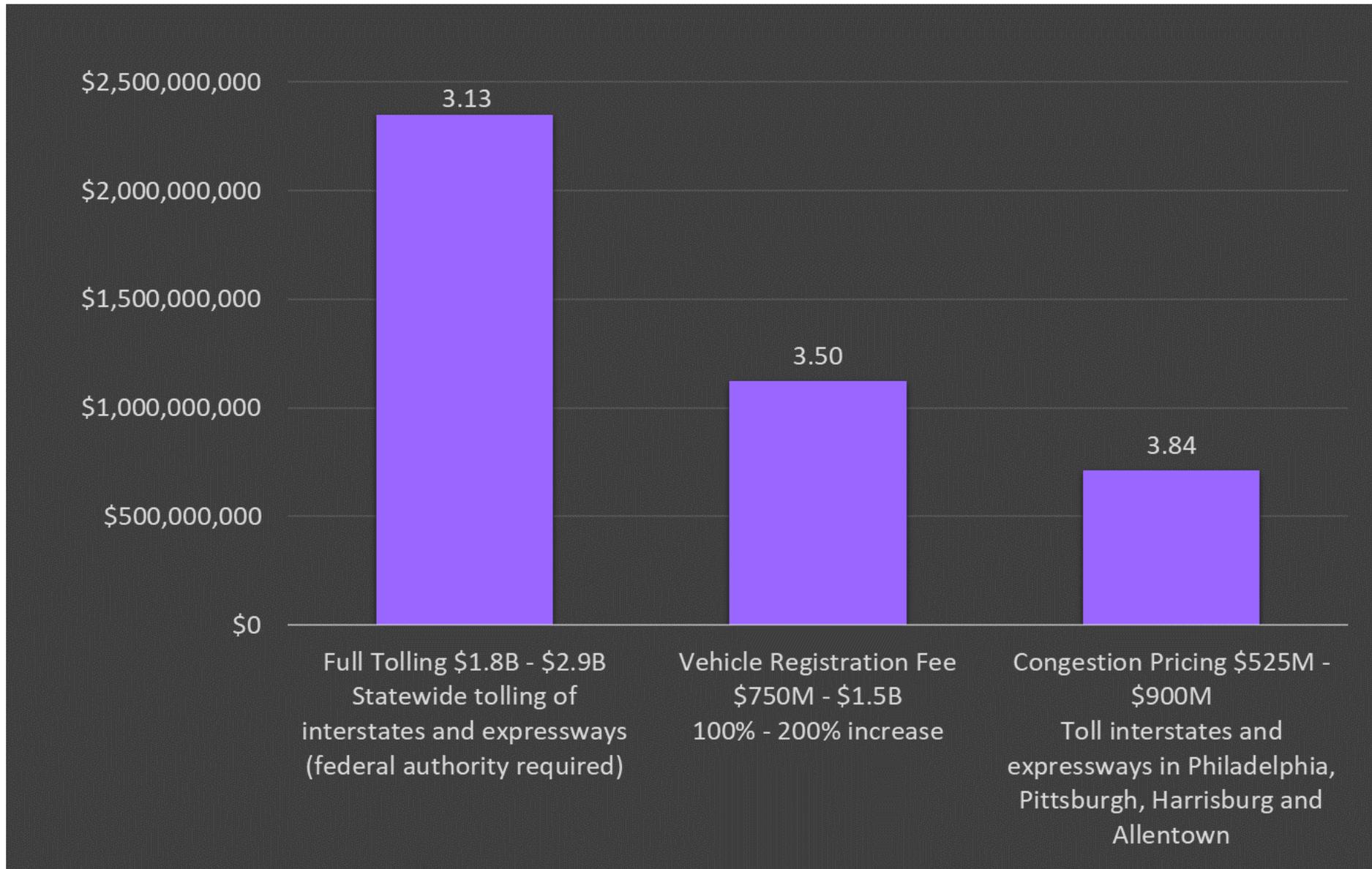
# ACCELERATED PSP FUNDING REDUCTION

- Accelerated PSP Funding Reduction from Motor License Fund \$32M - \$673M
- Use General Fund in lieu of MLF to pay for Pennsylvania State Police

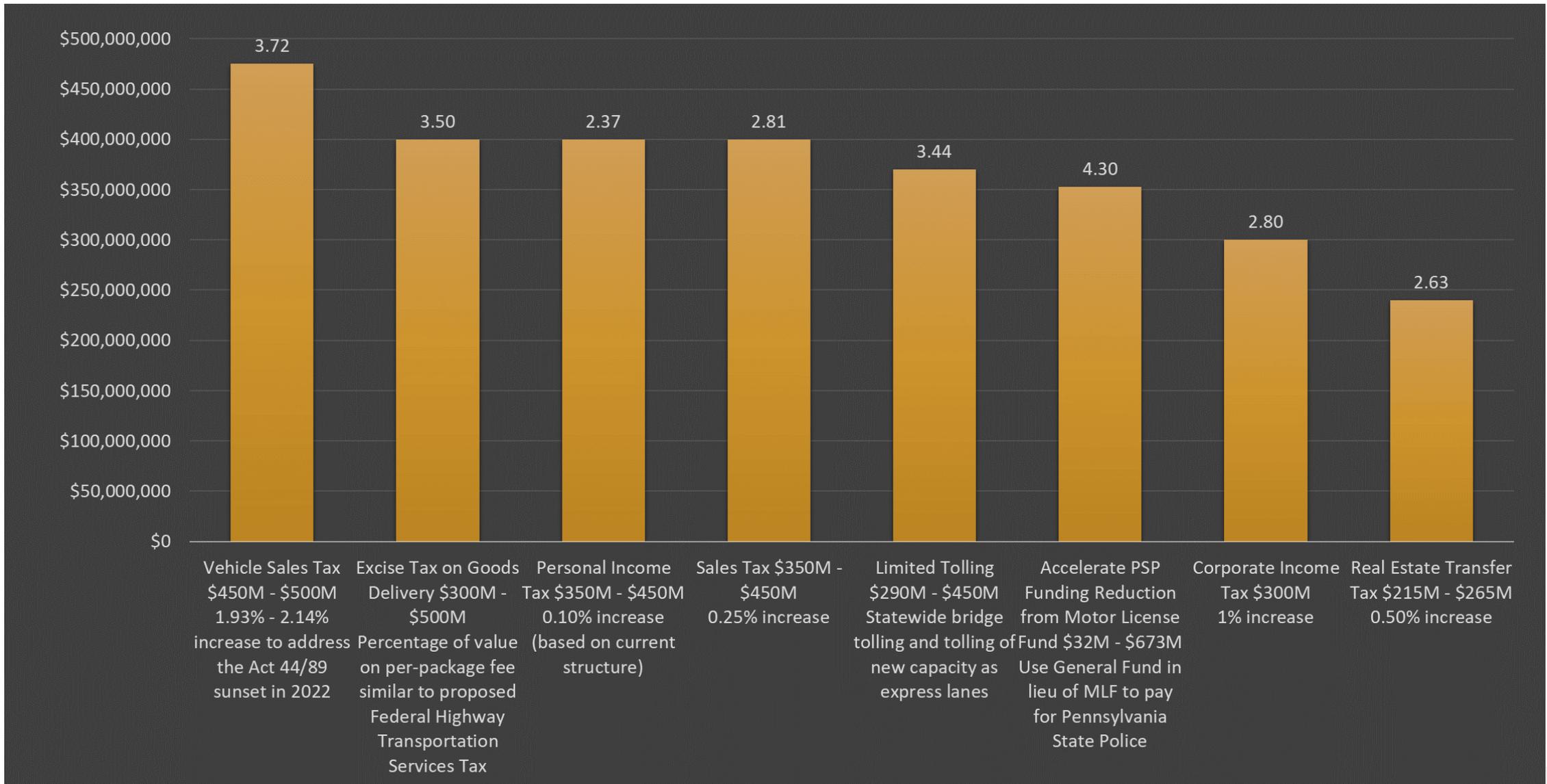


**Level of Support  
4.30**

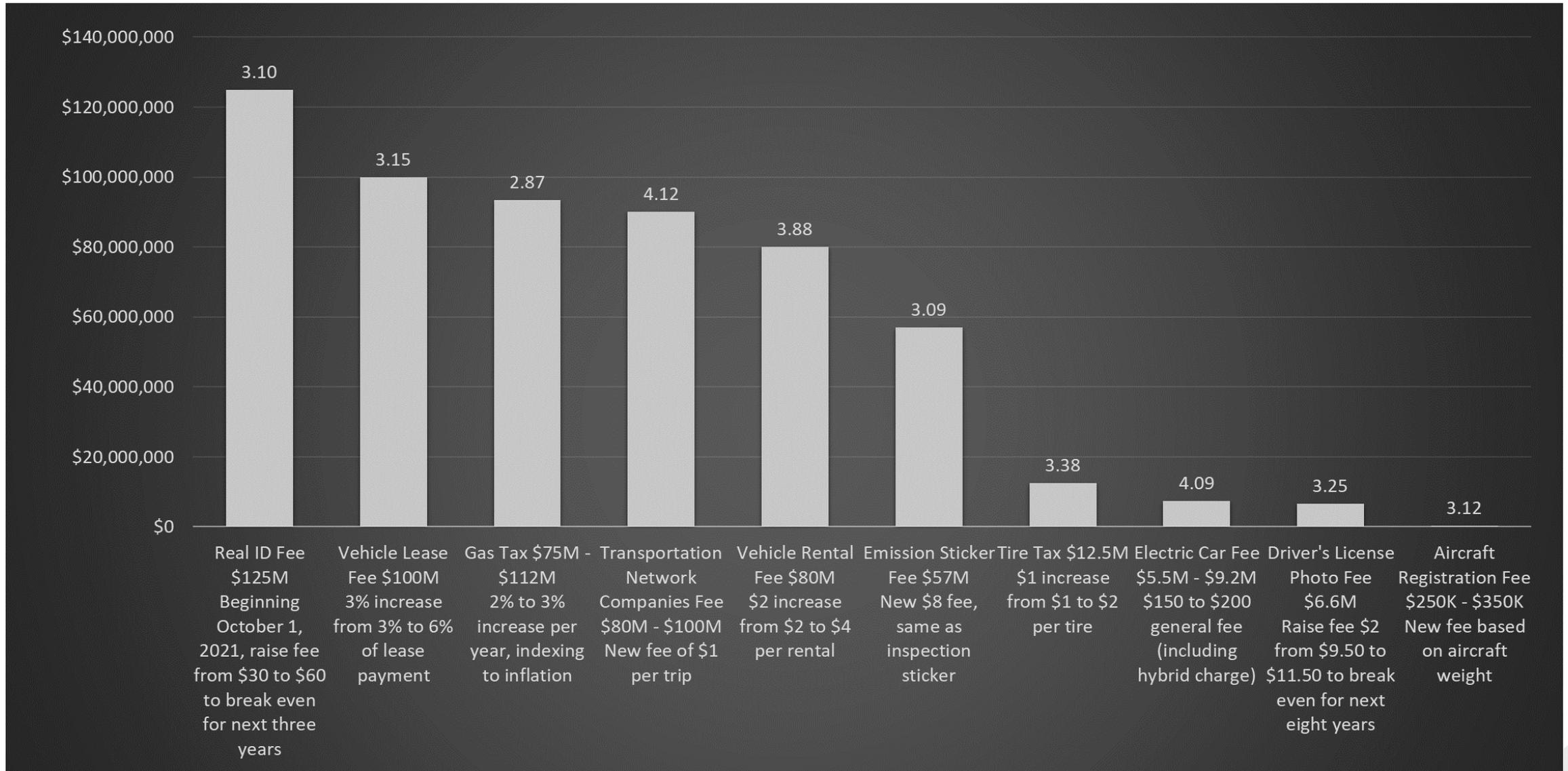
# THREE MAJOR REVENUE SOURCES



# MID-RANGE REVENUE SOURCES



# REMAINING REVENUE SOURCES



# MILEAGE-BASED USER FEE

- Mileage-Based User Fee \$3.8B - \$8.4B
- New road user charge of 3.16 cents (current gas equivalent) to 7 cents per mile



**Level of Support**  
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Use your browser, tablet or smartphone.

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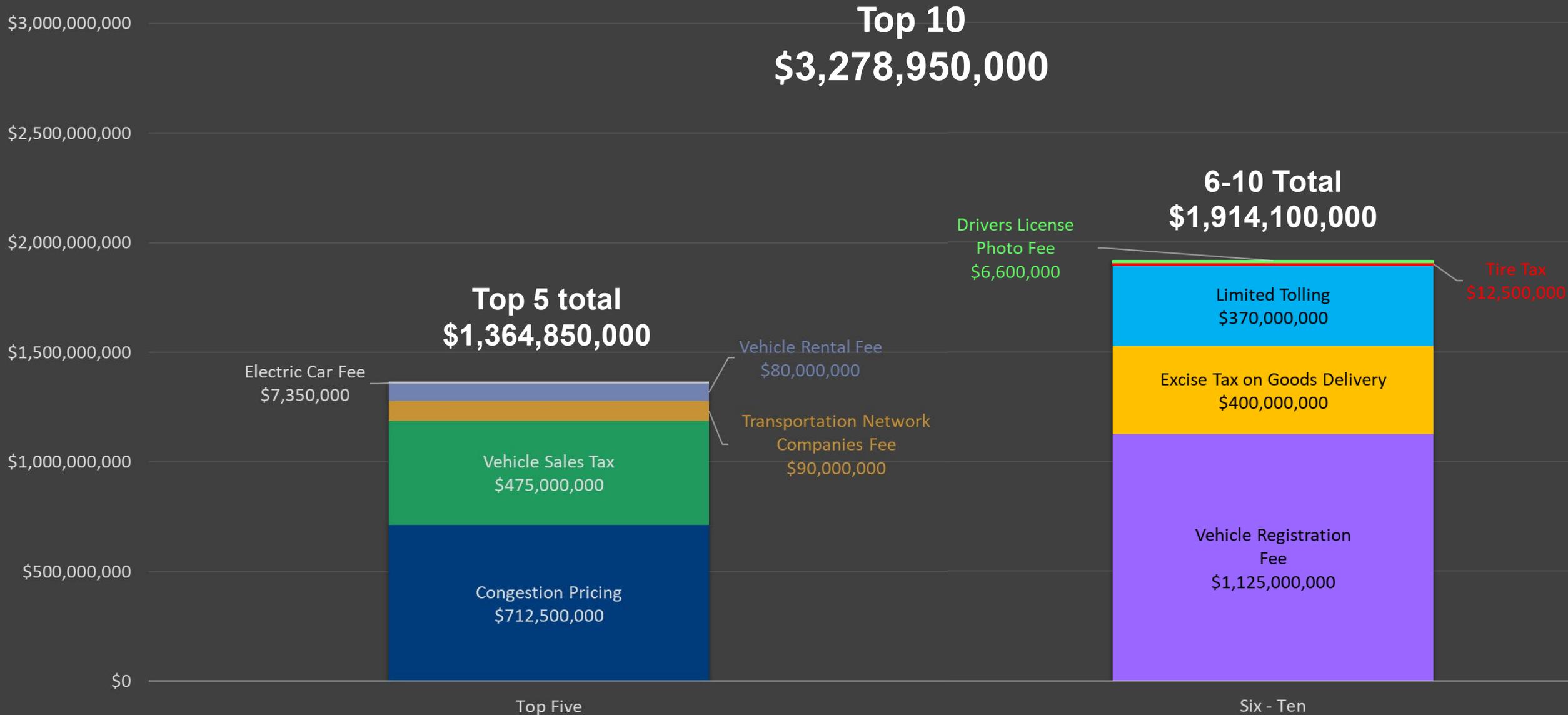


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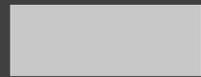
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# PRIORITIES FOR POTENTIAL SOLUTIONS



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## Top 5 Options



Electric Car Fee \$5.5M - \$9.2M  
\$150 to \$200 general fee (including hybrid charge)



Vehicle Rental Fee \$80M  
\$2 increase from \$2 to \$4 per rental



Transportation Network Companies Fee \$80M - \$100M  
New fee of \$1 per trip



Vehicle Sales Tax \$450M - \$500M  
1.93% - 2.14% increase to address the Act 44/89 sunset in 2022



Congestion Pricing \$525M - \$900M  
Toll interstates and expressways in Philadelphia, Pittsburgh, Harrisburg and Allentown

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# PRIORITIES FOR POTENTIAL SOLUTIONS

## Six - Ten



Driver's License Photo Fee \$6.6M

Raise fee \$2 from \$9.50 to \$11.50 to break even for next eight years



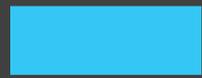
Tire Tax \$12.5M

\$1 increase from \$1 to \$2 per tire



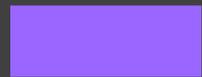
Excise Tax on Goods Delivery \$300M - \$500M

Percentage of value on per-package fee similar to proposed Federal Highway Transportation Services Tax



Limited Tolling \$290M - \$450M

Statewide bridge tolling and tolling of new capacity as express lanes



Vehicle Registration Fee \$750M - \$1.5B

100% - 200% increase

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# ALTERNATIVE FUNDING OPTIONS

## User Fees

- Luxury vehicle tax
- Vehicle property tax
- Increase to truck and tractor trailer registration fees
- Increase the Heavy Vehicle Use Tax
- Assess over-speed [and overweight?] trucks fines more commensurate with damages they cause
- Carbon tax (also submitted as tax targeting diesel trucks and older cars)

## Commonwealth

- Transportation Climate Initiative (TCI)
- Taxes generated from legalization of marijuana
- Uncollected revenue (e.g., any lawsuits, fuel or registration revenues [unpaid] by vehicle users)
- Collaboration with other programs
- Highway Patrol Fee (like in California)

## Private Sector

- Corporate head tax
- Distribution center container and Amazon parcel tax
- Commercial warehouse dock door fee dedicated to county roads
- Social Media Advertisement Fee (like in Maryland)
- Service Use Tax (SUT) [Relates to TNC]

## Local/Regional

- Regional Transportation Tax (RTT)
- Increase tax on inner city parking lots (to promote public transit usage)
- Enable metropolitan and rural planning organizations as divisions of local government to raise revenue
- Increase local and county government tools/Options for Raising Revenue

# ALTERNATIVE FUNDING OPTIONS

## Individual

- Wealth tax
- Mobile device connectivity fee
- Statewide infrastructure fee on all bought goods (including online sales)
- E-commerce delivery tax

## Federal

- Covid relief monies received from the federal government
- American Rescue Plan
- Surface Transportation Act has substantial additional funding

## Transit

- P3 for area mass transit systems (e.g., regional rail lines may be profitable if right-sized and priced appropriately)
- Raise cost of public transit ridership to match expenditures

## Aviation

- Aviation user fee
- Aircraft registration

# MEETING SUMMARY AND PUBLIC COMMENTS

- Opportunity for Public Comment
  - Limit remarks to three minutes maximum
  - Questions and comments will be recorded for Commission consideration
- A Look Ahead
  - April 29<sup>th</sup> Presentations: PEL and ARTBA
  - Future Presentation: MBUF by the Eastern Transportation Coalition
  - Further Evaluation of Revenue Alternatives
- Other Commission Member Input
  - Information Requests
  - Potential Future Presentations
  - Other Items

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# COMMISSION CHAIR'S CLOSING REMARKS



Secretary of Transportation,  
Yassmin Gramian

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