



Pennsylvania Transportation Revenue Options Commission

May 27, 2021



Today



WHY EXPLORE MILEAGE-BASED USER FEES (MBUF)



WHY THE COALITION IS ENGAGED



MBUF INSIGHTS FROM PENNSYLVANIA



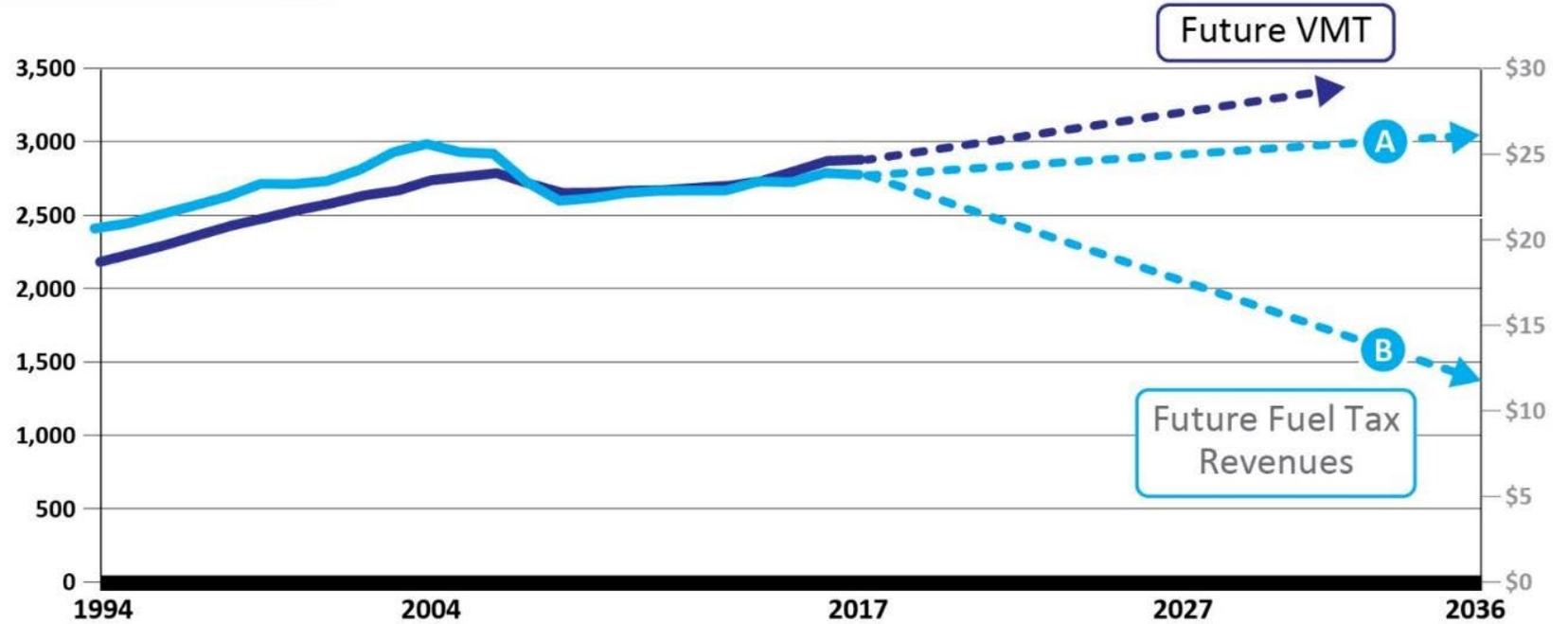
WHY EXPLORE MILEAGE-BASED USER FEES (MBUF)?

Fuel tax revenue per mile driven declining.

57%
Decrease in purchasing power of federal fuel tax since 1998

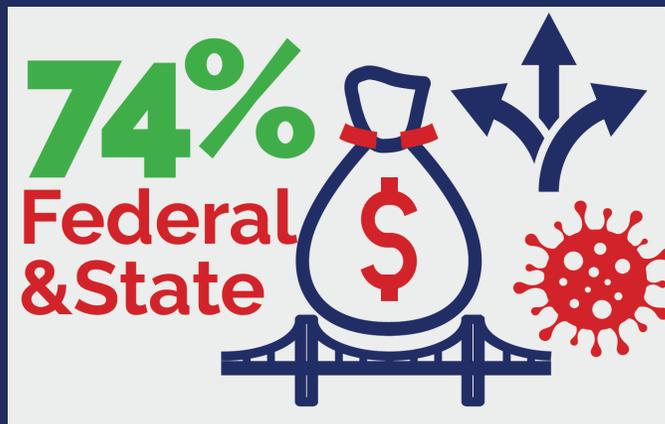
Light Duty VMT (billions)

Light Duty Federal Fuel Tax Revenues (billions)

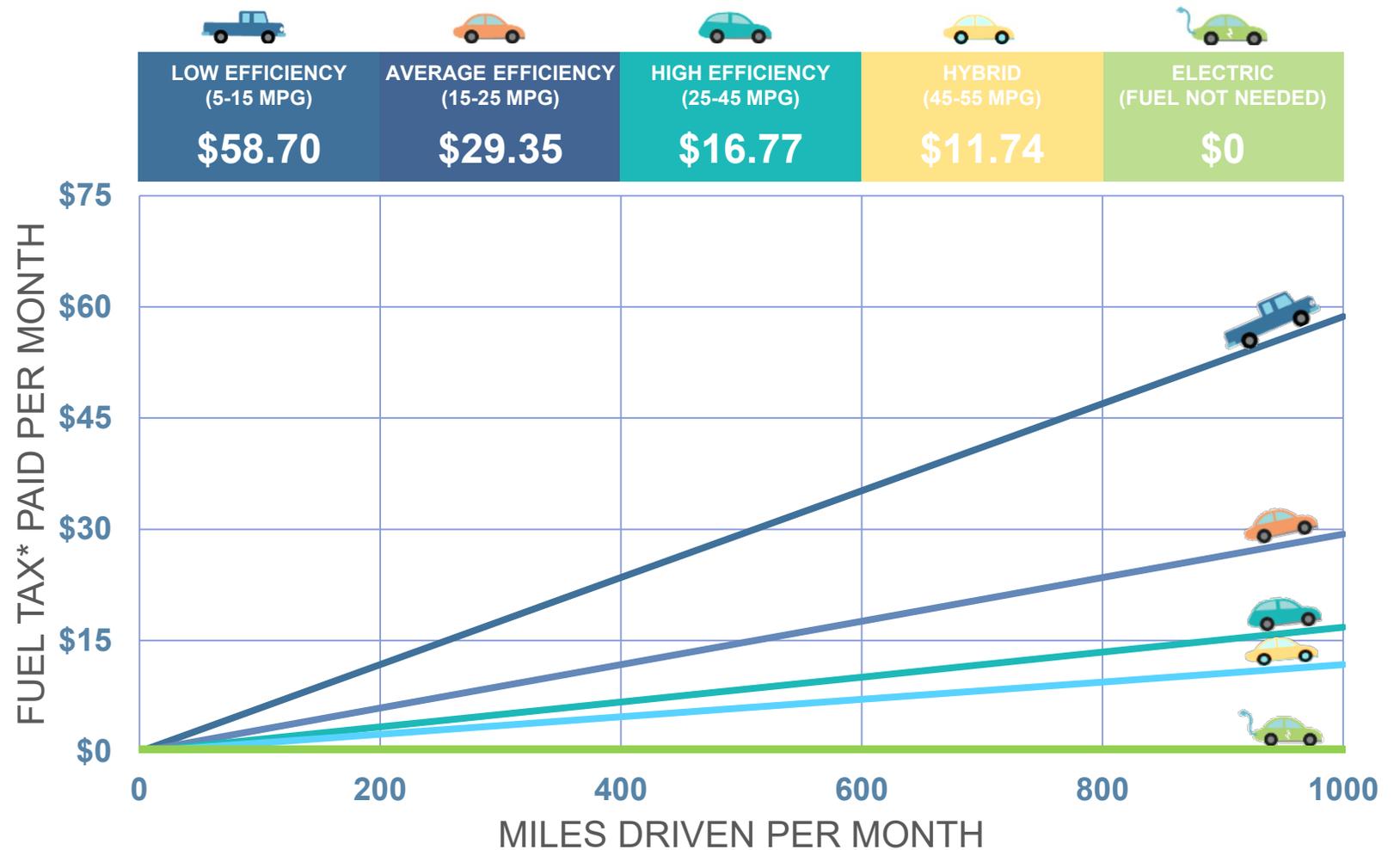


The transportation fleet is changing.

In Pennsylvania...



Source: PennDOT PATHways

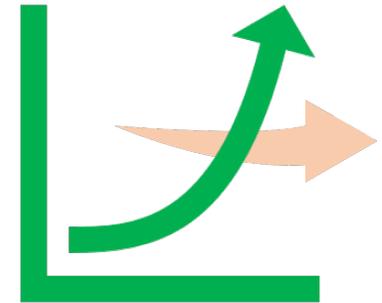


*Calculations are based on state fuel tax rates for Pennsylvania.

Though people value transportation, they don't realize there's a funding problem.



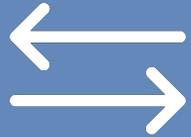
and



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



What is an MBUF?



Most states are looking at MBUF to **replace** the gas tax.

From this...

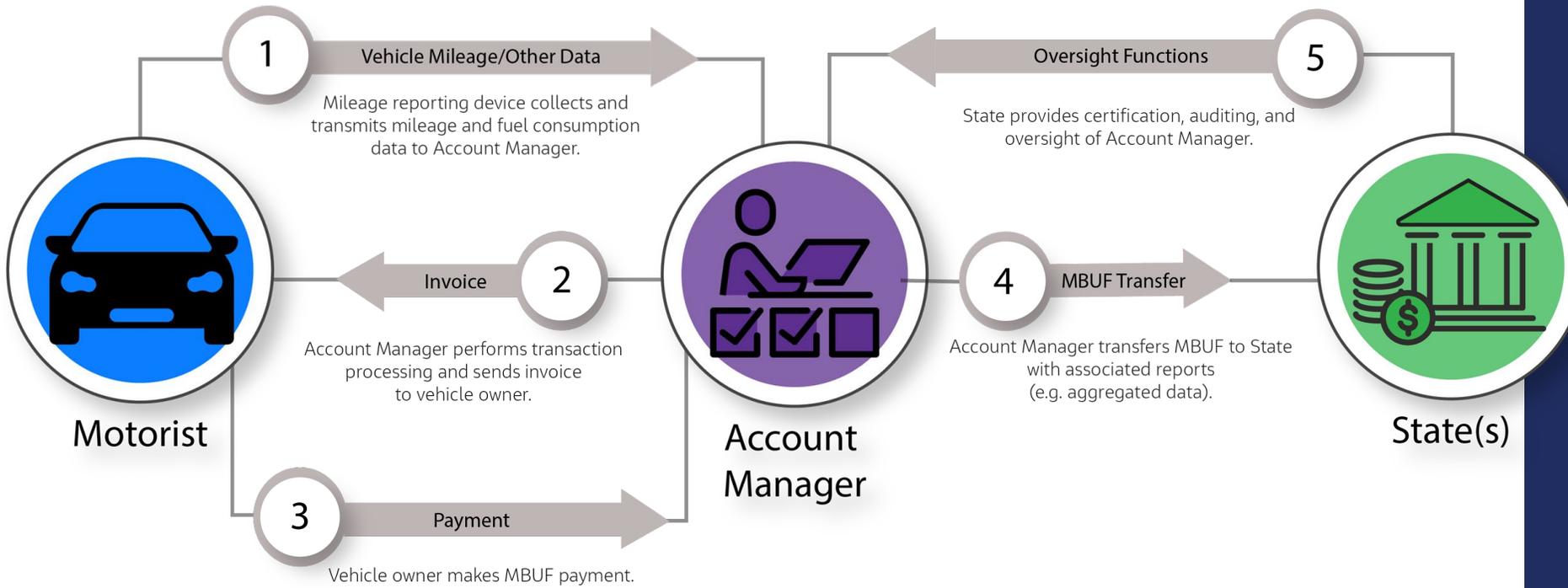


HOW MUCH GAS YOU USE

To this...



HOW MANY MILES YOU DRIVE

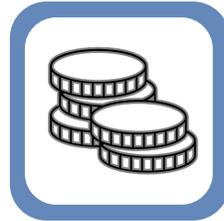


How MBUF (May) Work: Account Managers

Plug-in device

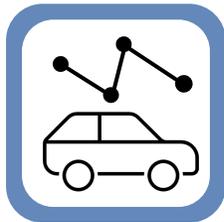


GPS and non-GPS options



Flat fee

In-vehicle telematics



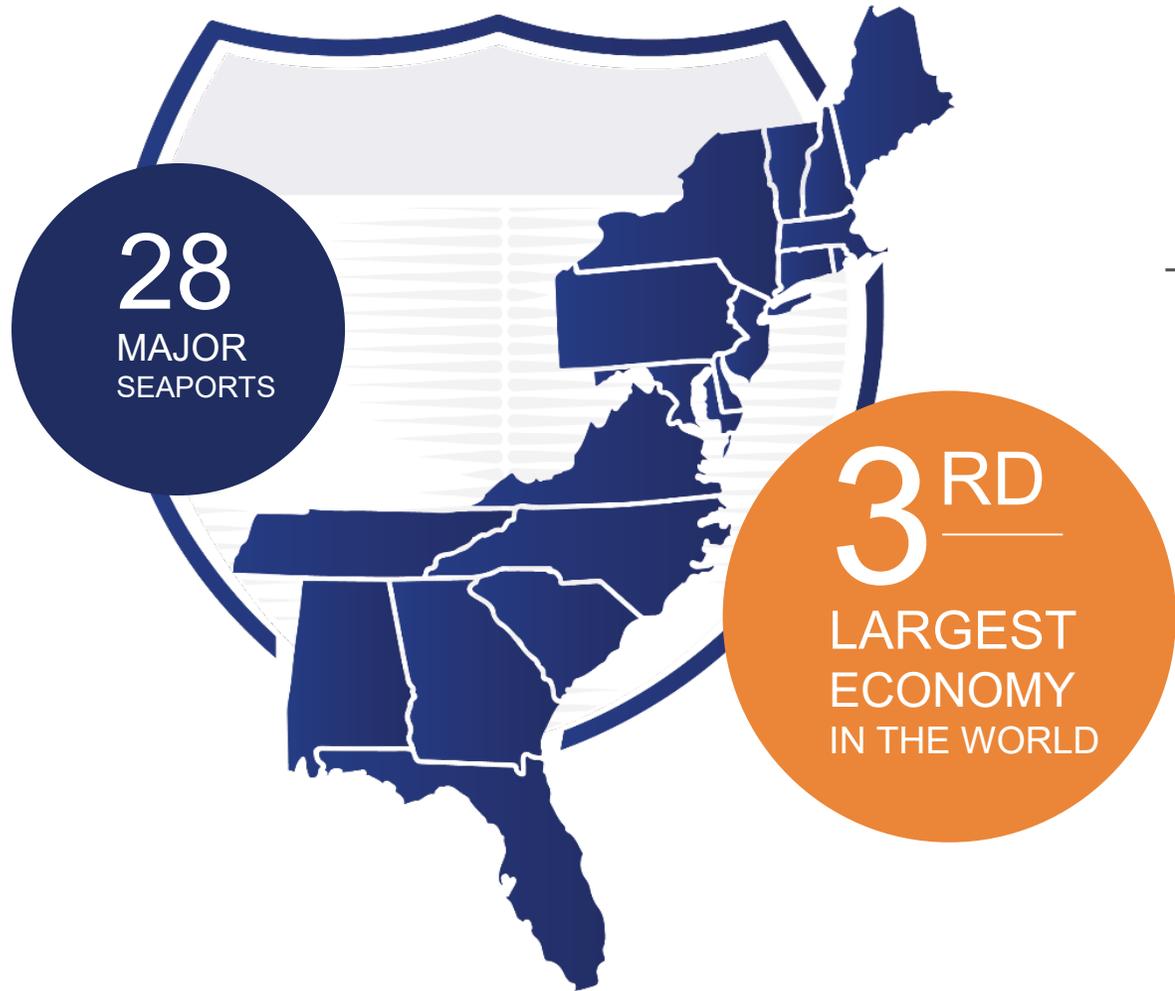
Odometer reading

How MBUF (May) Work: Mileage Reporting



WHY THE COALITION?

About the Eastern Transportation Coalition



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

Connecting for Solutions

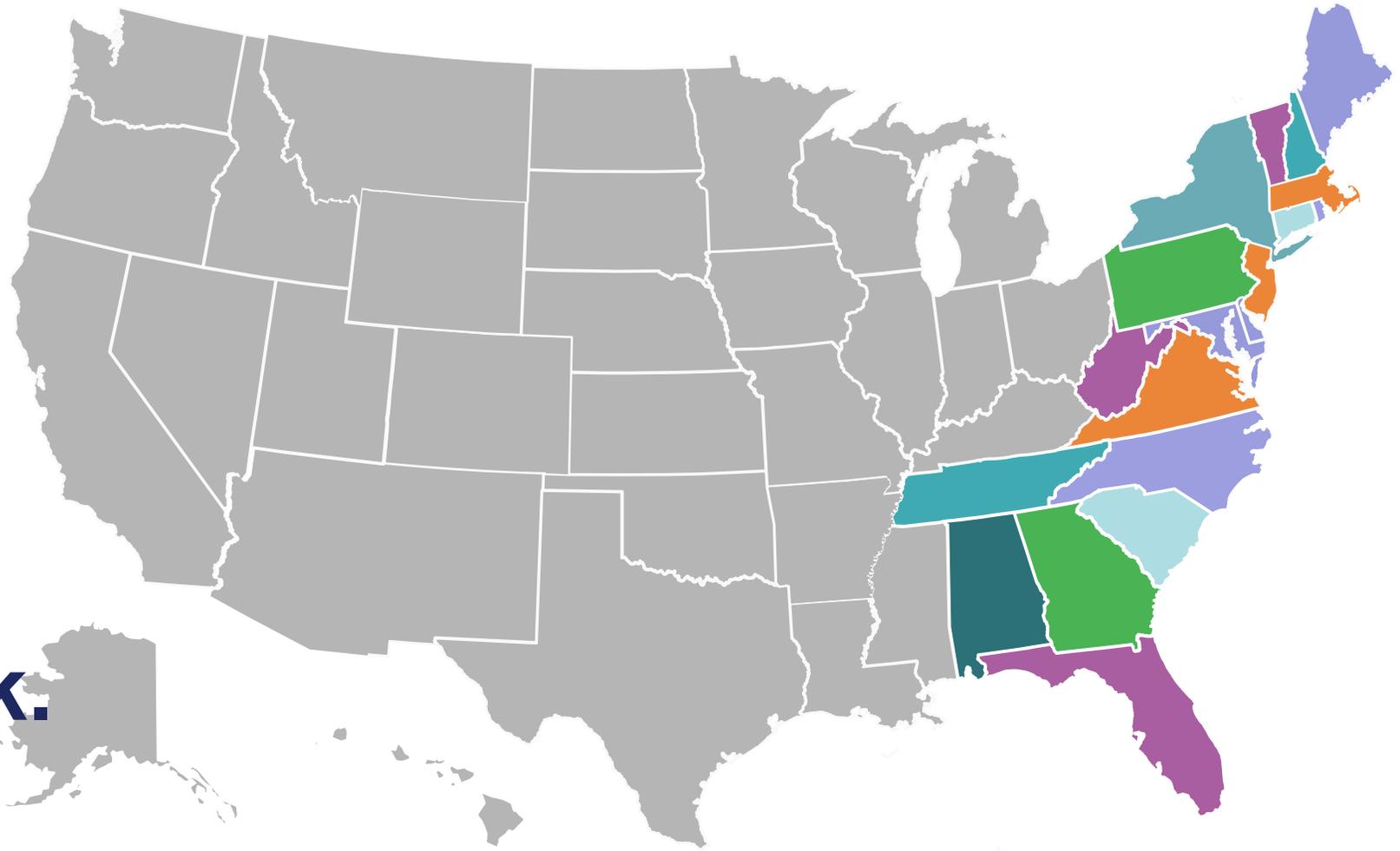
WORKING TOGETHER

MAKES US STRONGER

More alike than we think.

We can learn from one another.

Adding our unique Eastern voice to the national conversation, while respecting differences within member states.



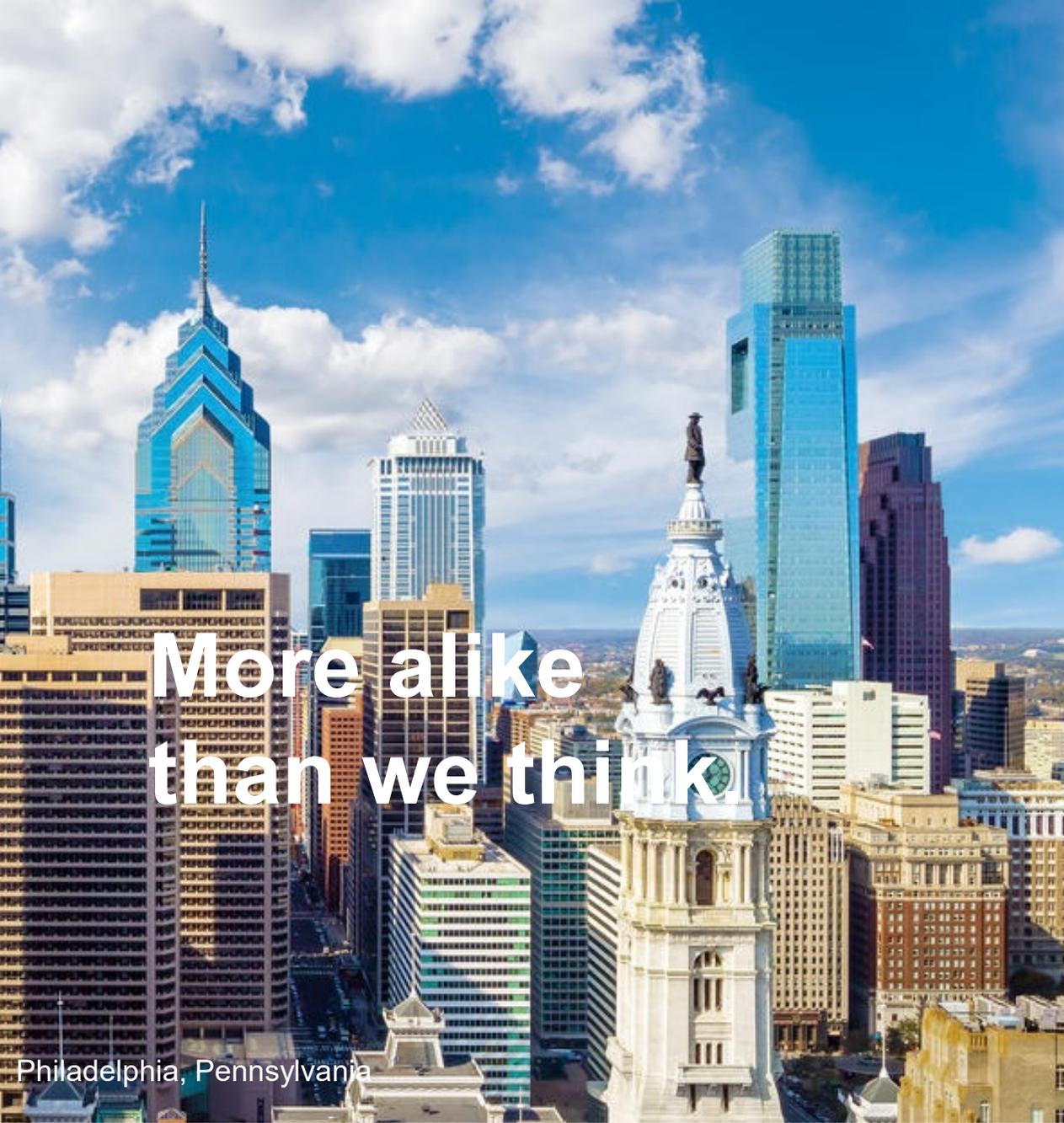


More alike
than we think.

Jim Thorpe, Pennsylvania



Rosendale, New York



More alike
than we think.

Philadelphia, Pennsylvania



Charlotte, North Carolina



More alike
than we think.

State College, Pennsylvania

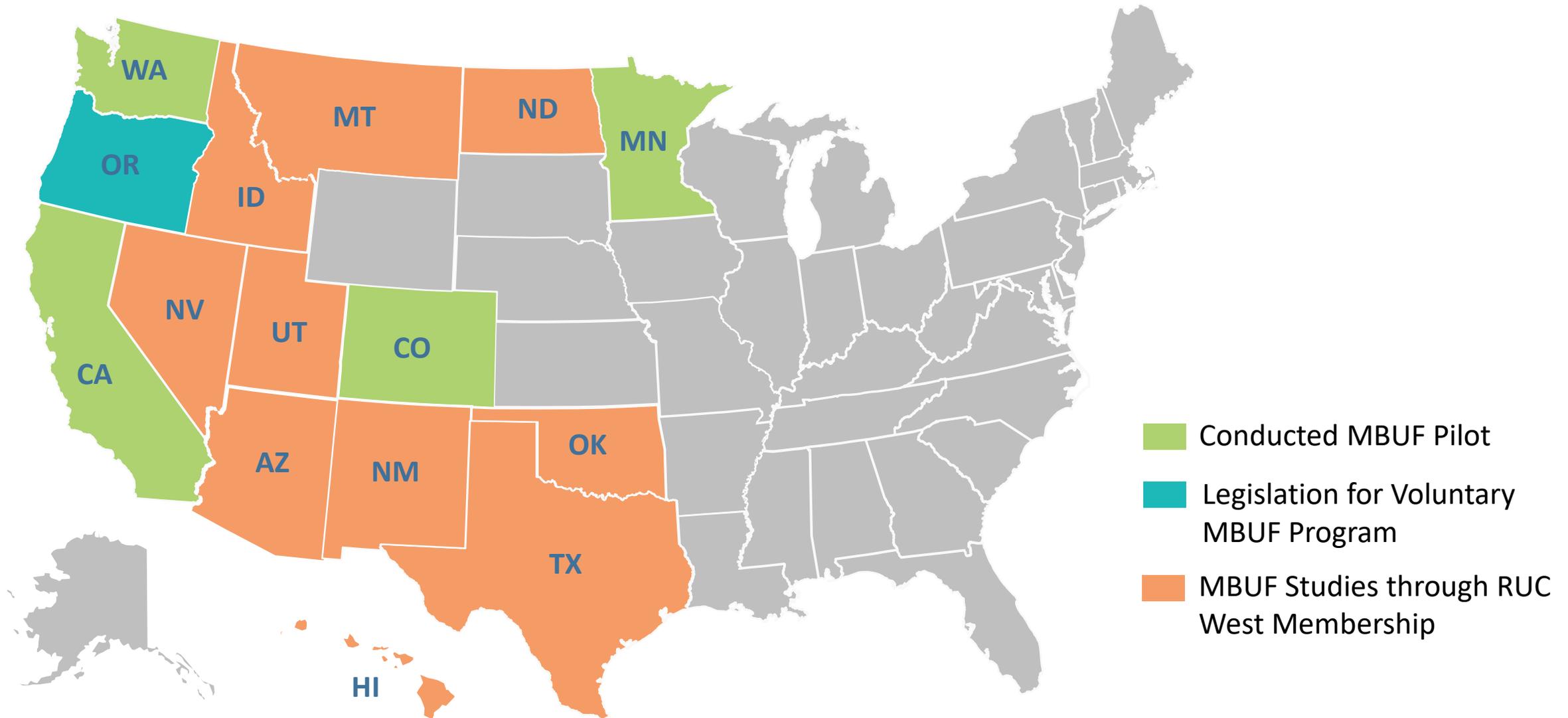


Durham, North Carolina

WORKING TOGETHER

IMPLEMENTABLE SOLUTIONS

In 2016, an East Coast voice was needed.



STSFA Grant Program

Surface Transportation System Funding Alternatives Program

Section 6020 of the Fixing America's Surface Transportation Act

- **Authorized grants to states for demonstrating:**
 - ✓ User-based alternative revenue mechanisms
 - ✓ Utilization of a user-fee structure
 - ✓ A solution to maintain the future long-term solvency of the Federal Highway Trust Fund
- **Provides \$95 million over 5 years**



A Timeline Of Our Work:

We are here.



Phase 3

Phase 1



Launched first passenger vehicle pilot on East Coast (transportation stakeholders)



Conducted nation's first multi-state truck pilot

Phase 2



Expanded passenger vehicle pilots to include general public



Began specialized passenger vehicle pilots in 5 states



Launched first national truck pilot

Phase 4

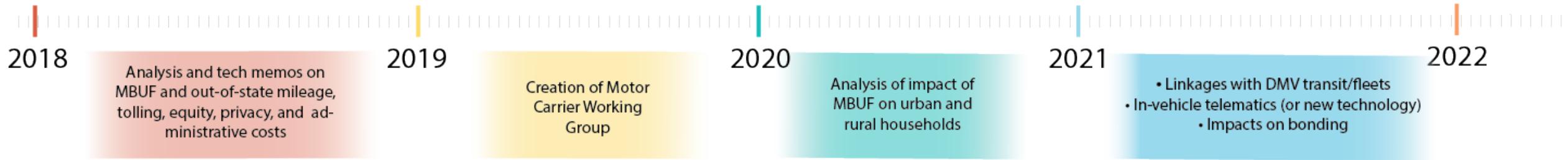


Launch Phase 4

Phase 5



Launch Phase 5

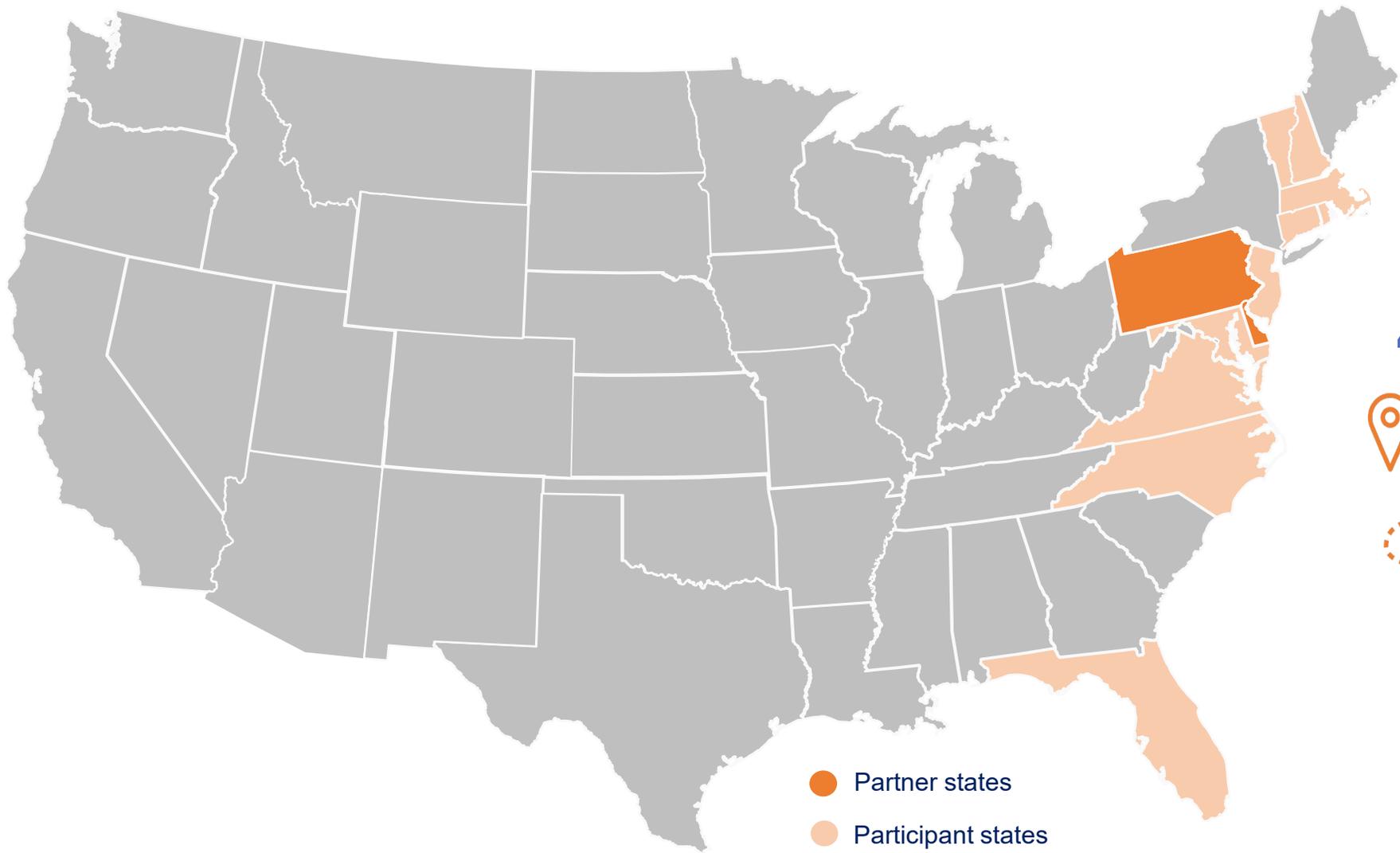




The Coalition is **neutral** on whether MBUF is the solution – but we believe **real-world data** is essential to finding an answer.



Phase 1: Starting the Conversation (2018)



459,448 miles
20% out of state

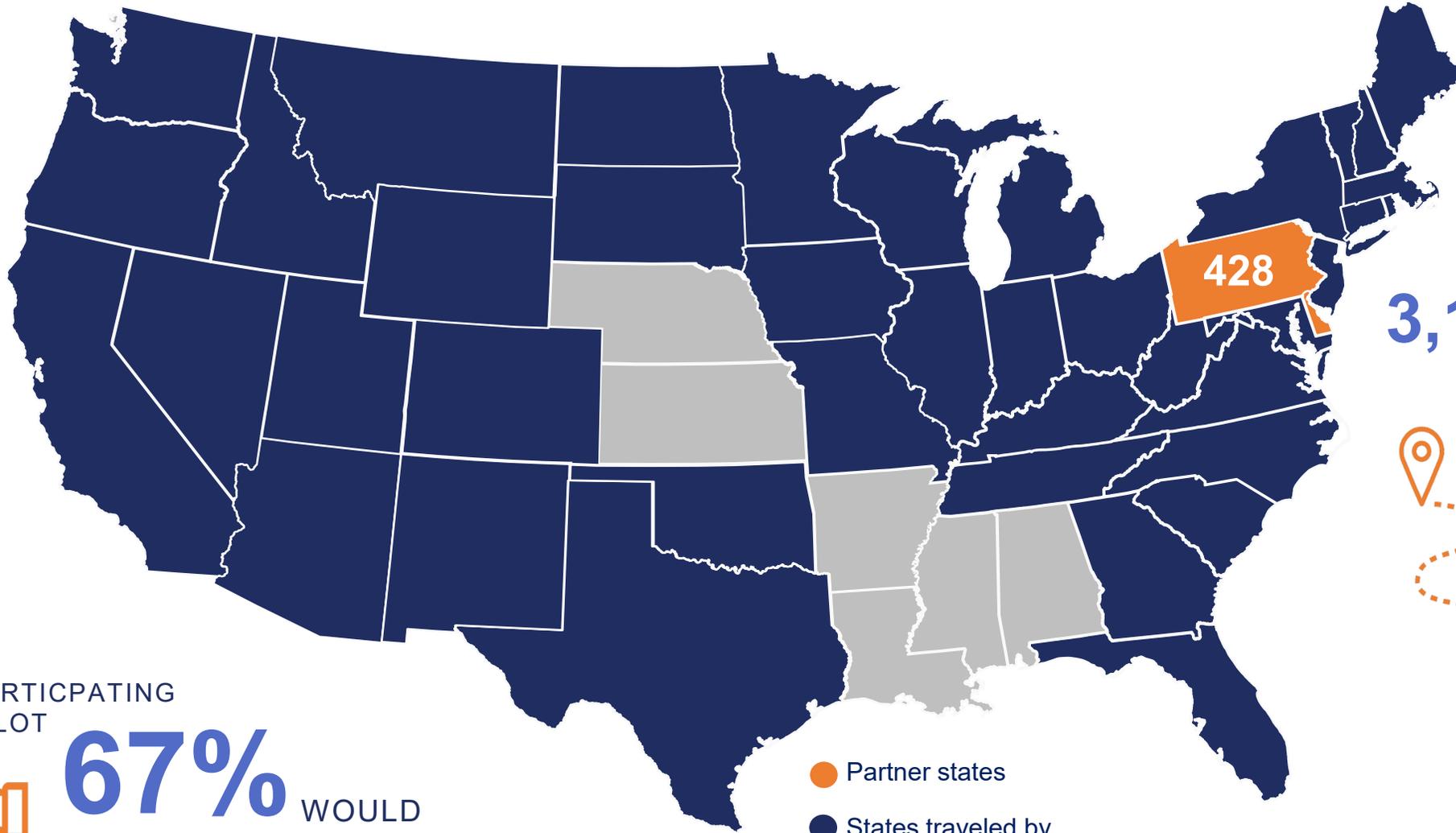
155 participants

13 states

- Partner states
- Participant states



Phase 2: Adding the Public's Voice (2019)



3,129,096 miles
13% out of state

889 participants
42 states + Canada

6 months

AFTER PARTICIPATING
IN THE PILOT

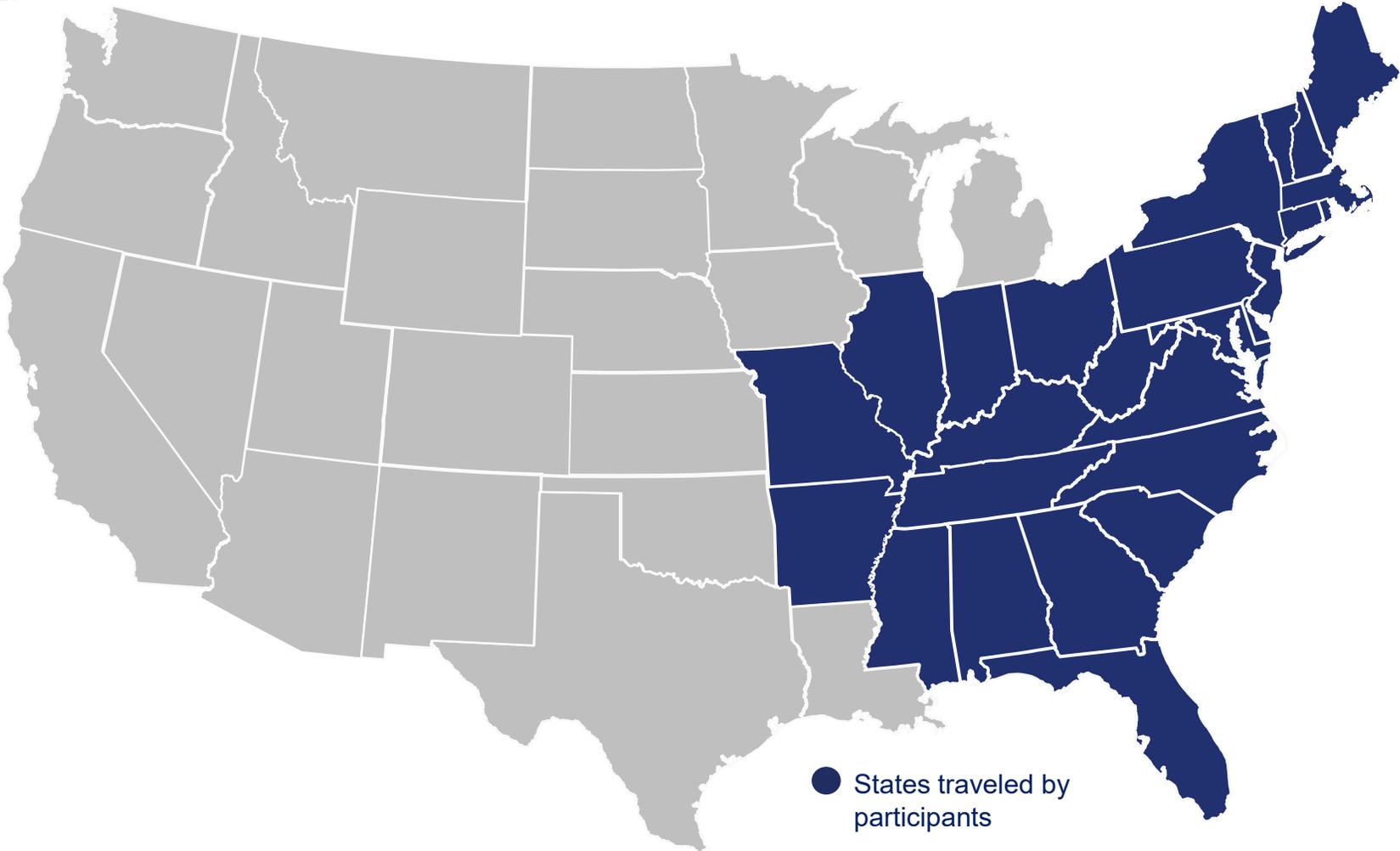


67% WOULD
SUPPORT AN MBUF

- Partner states
- States traveled by participants



Phase 2 (2018-2019): Multistate Truck Pilot



1,430,000 miles

55 vehicles

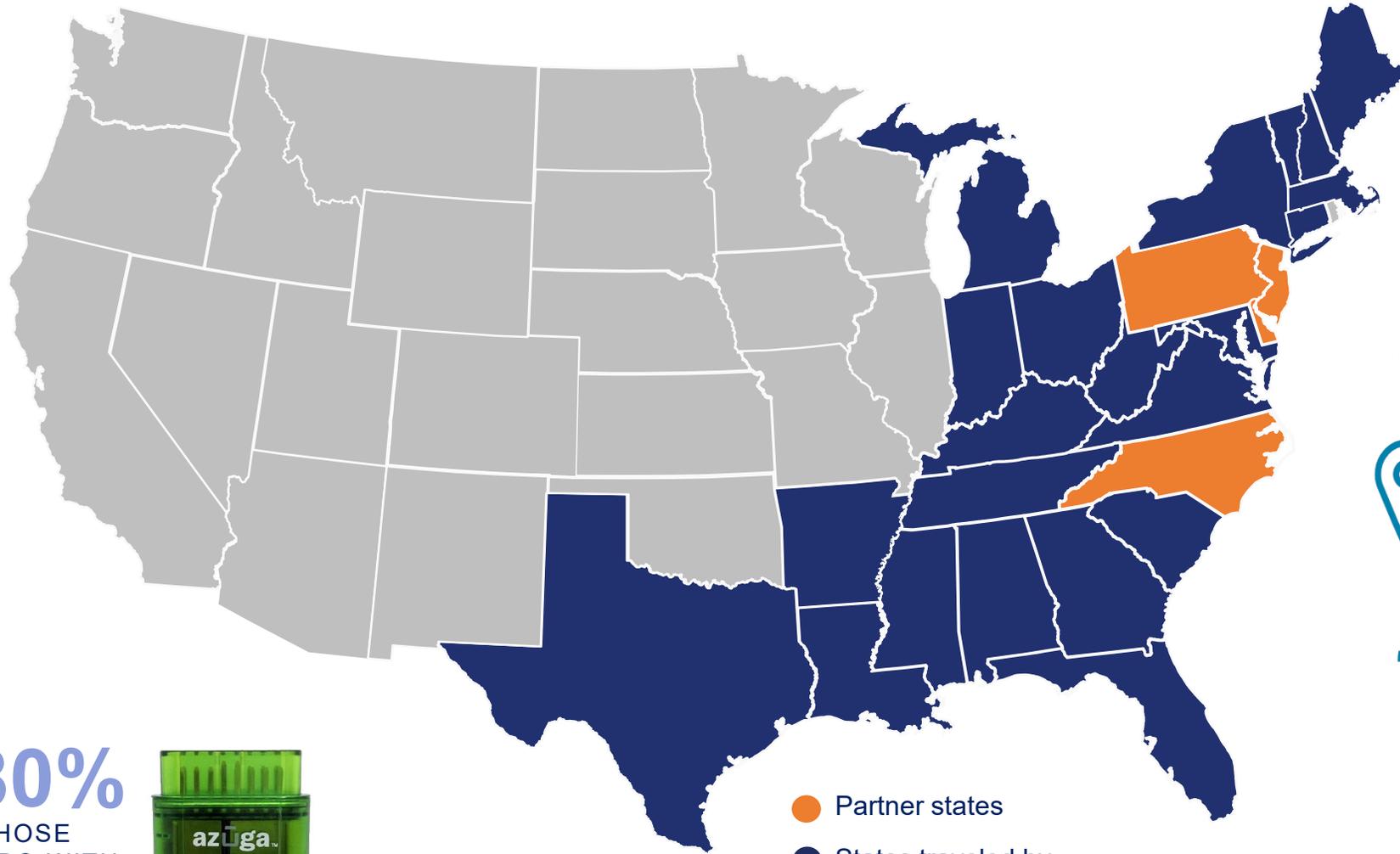
27 states + Canada

6 months





Phase 3: Expanding the Exploration (2020-2021)



1,446,131 miles
10% out of state

383 vehicles

27 states

6 months



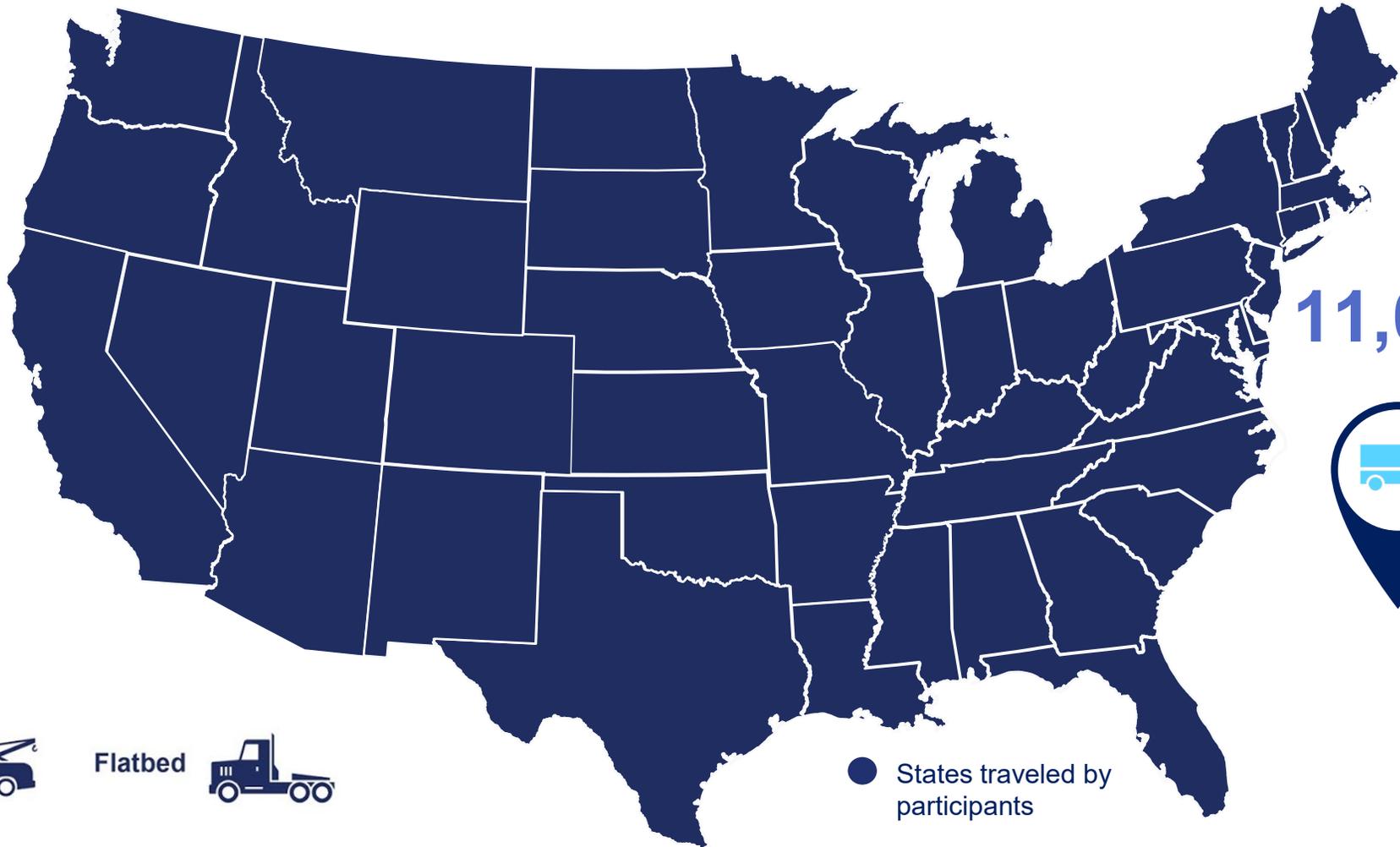
80%
CHOSE
MRO WITH
LOCATION



- Partner states
- States traveled by participants



Phase 3 (2020-2021): National Truck Pilot



11,000,000 miles

221 vehicles

48 states

6 months



● States traveled by participants

Our Participants

Private +
For Hire 

Haul
Away/Tow
Away 

Flatbed 

Auto
Haulers 

Dump
Trucks 

LTL 



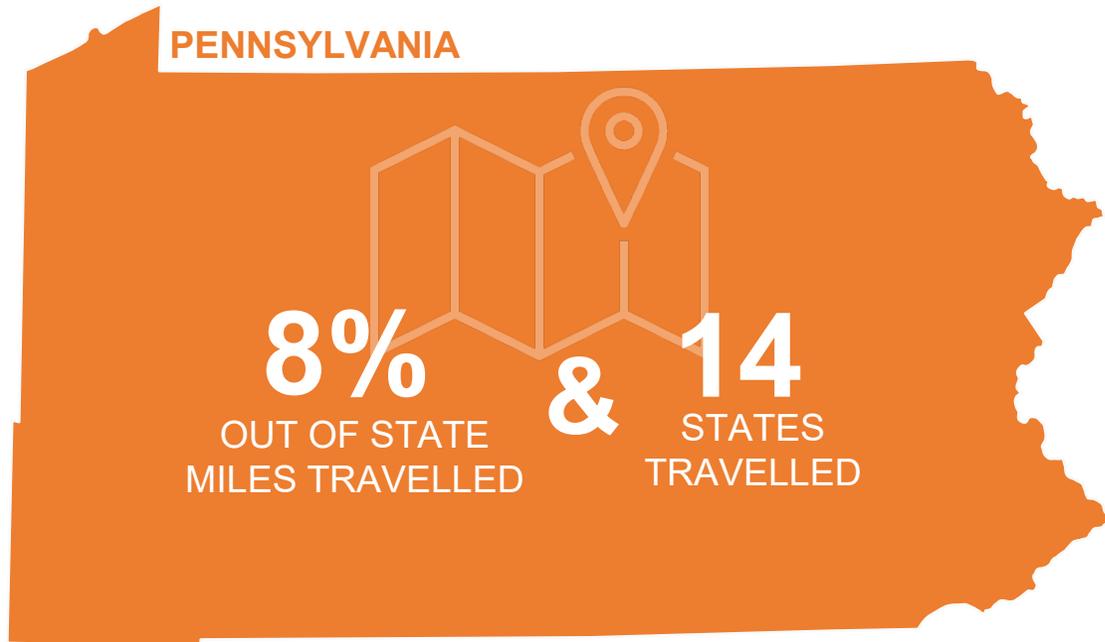
MBUF INSIGHTS FROM PENNSYLVANIA

Important takeaways for Pennsylvania:

1. “Pay for what you use” resonates.
2. People have privacy concerns about MBUF – until they experience it firsthand.
3. Rural drivers may fare better in an MBUF system than they do now.
4. Pilots provide useful information for future rate setting.
5. A transportation funding approach must address all road users.

1. “Pay for what you use” resonates.

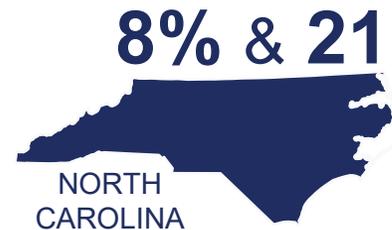
62%  OF PENNSYLVANIANS
BELIEVE EACH DRIVER
— PAYING THEIR FAIR SHARE
IS A GOOD REASON TO SUPPORT MBUF



The link between “pay for what you use” and transportation funding is broken.

An MBUF approach restores this link.

Example: An MBUF can account for out-of-state mileage better than the fuel tax.



2. People have privacy concerns about MBUF – until they experience it firsthand.

2019
General Public



Why did privacy concerns drop



Transparency

Limited Personal Data

Option to Decline GPS

Data Protections

- Account manager could not sell data to 3rd-party entities
- Data destroyed 30 days after pilot

Participant Agreement

Mileage-Based User Fee Pilot

Policies and Participation Agreement

To ensure the voices of citizens residing in Delaware and Pennsylvania - along with other states along the I-95 corridor - are a part of the critical national discussion of how to establish a sustainable and equitable transportation funding approach, the I-95 Corridor Coalition applied for and received funding through the USDOT "Surface Transportation System Funding Alternatives" (STSFA) program to operate a Mileage-Based Usage Fee (MBUF) Pilot beginning on July 1, 2019. The purpose of the MBUF Pilot is to explore the feasibility of replacing the fuel tax with a MBUF approach in a multi-state environment through a pilot system focusing on Delaware and Pennsylvania residents, along with other regional stakeholders. We are particularly interested in receiving feedback on the technologies used in the pilot and the other driver amenities provided, reactions to receiving a monthly MBUF statement for road usage, any concerns with privacy and data security, and the fairness of the MBUF system. All MBUF charges and as tax credits shown on the monthly statement will be simulated and no actual monies will be received from (or paid to) a participant as part of the MBUF Pilot.

MBUF Pilot Data Collection and Use

To set up and properly manage your MBUF account during the 6-month Pilot the account manager will collect the following information:

- Your full name and address, including zip code
- Your email address and phone number
- Year, make and model of vehicles you own or lease
- Fuel type of the vehicles you own or lease (gasoline, diesel, electric or combination (hybrid/plug-in hybrid))
- The Vehicle Identification Number (VIN) for the vehicle(s) you will enroll in the Pilot
- The state you reside in

The account manager is responsible for setting up your MBUF account and processing your mileage reports, delivering mileage reporting devices to persons who choose to test those devices, and providing customer services.

Occasionally I-95 Corridor Coalition or your account manager may use your personal information to contact you or send important notices about your account, changes in the MBUF Pilot, surveys, or other services.

Participation is Entirely Optional

Participants are not required to participate in the MBUF Pilot. If you do not want location reporting, you may simply select a mileage reporting option that does not require location reporting during the pilot registration. It is important to note that if you choose the location reporting option, a portion of your total miles will be allocated to neighboring states based on the location of the vehicle. In addition, some value-added amenities offered by the account manager will not be available to participants in those states. No detailed location information (e.g., routes taken) is provided to the account manager, the Coalition member states, or any third party by the account manager.

Collection and Use of Non-Personal Information

The account manager will also produce non-personal data reports that do not reveal the identity, activities or contact details of any specific person. The collected information will be securely stored and only accessible to researchers. Below are examples of non-personal information and how it might be used:

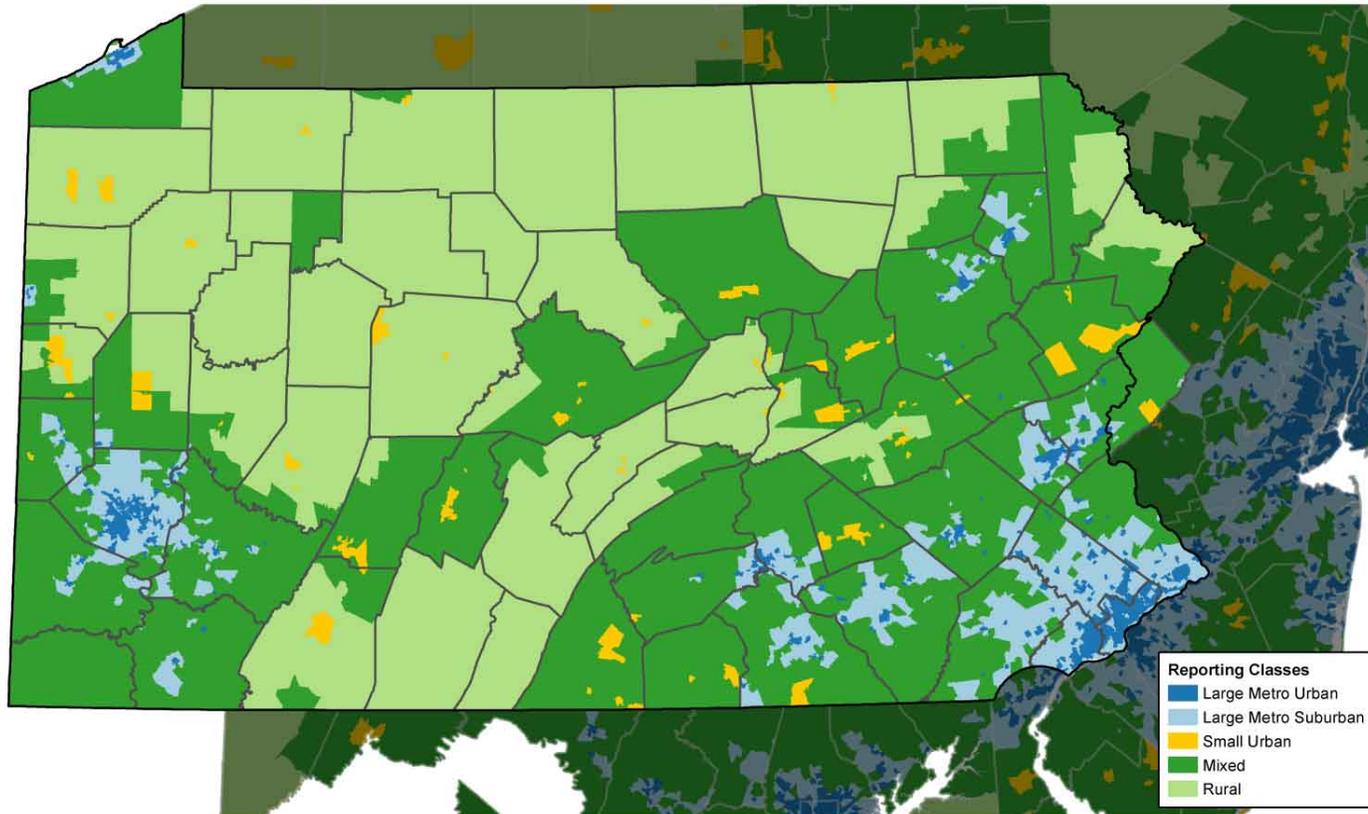
Safeguards so personal information isn't shared with third parties

Regular audits for program administrators

Personal data is **deleted** or **anonymized** for protection

Focus Group Feedback

3. Rural drivers may fare better in an MBUF system than they do now.



Geography	Annual Change Per Household under MBUF
<i>LM Urban</i>	\$10
<i>LM Suburban</i>	\$13
<i>Small Urban</i>	\$0
<i>Mixed</i>	-\$16
<i>Rural</i>	-\$34
Statewide	0.0

4. Pilots provide useful information for future rate setting.

Revenue Neutral Approach



A vehicle operating at the national average of 22 MPG pays MBUF equal to amount paid for state fuel taxes.

➔ **2018 Pilot**
2.65 cents / mile

➔ **2020 Pilot**
2.55 cents / mile

Other Approaches:



Inclusion of Administrative Cost
2019 Pilot: 3.18 cents / mile



Tiered Approach Based on MPG
2020 Pilot



Equity
Future pilots

5. A transportation funding approach must address all road users.



 PA GOAL: **25%**
REPLACE
OF PASSENGER CAR FLEET BY
 **2025**

2022 Ford F-150 Lightning

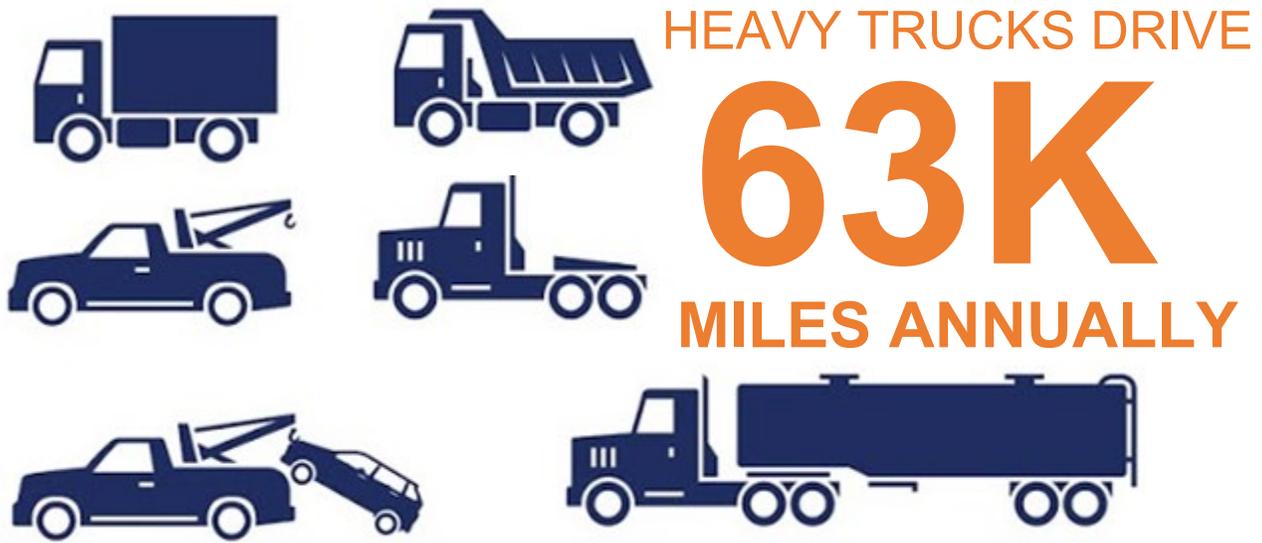
Up to 300 miles / charge
10,000-pound towing capacity

\$40,000 MSRP

\$0 Fuel Tax



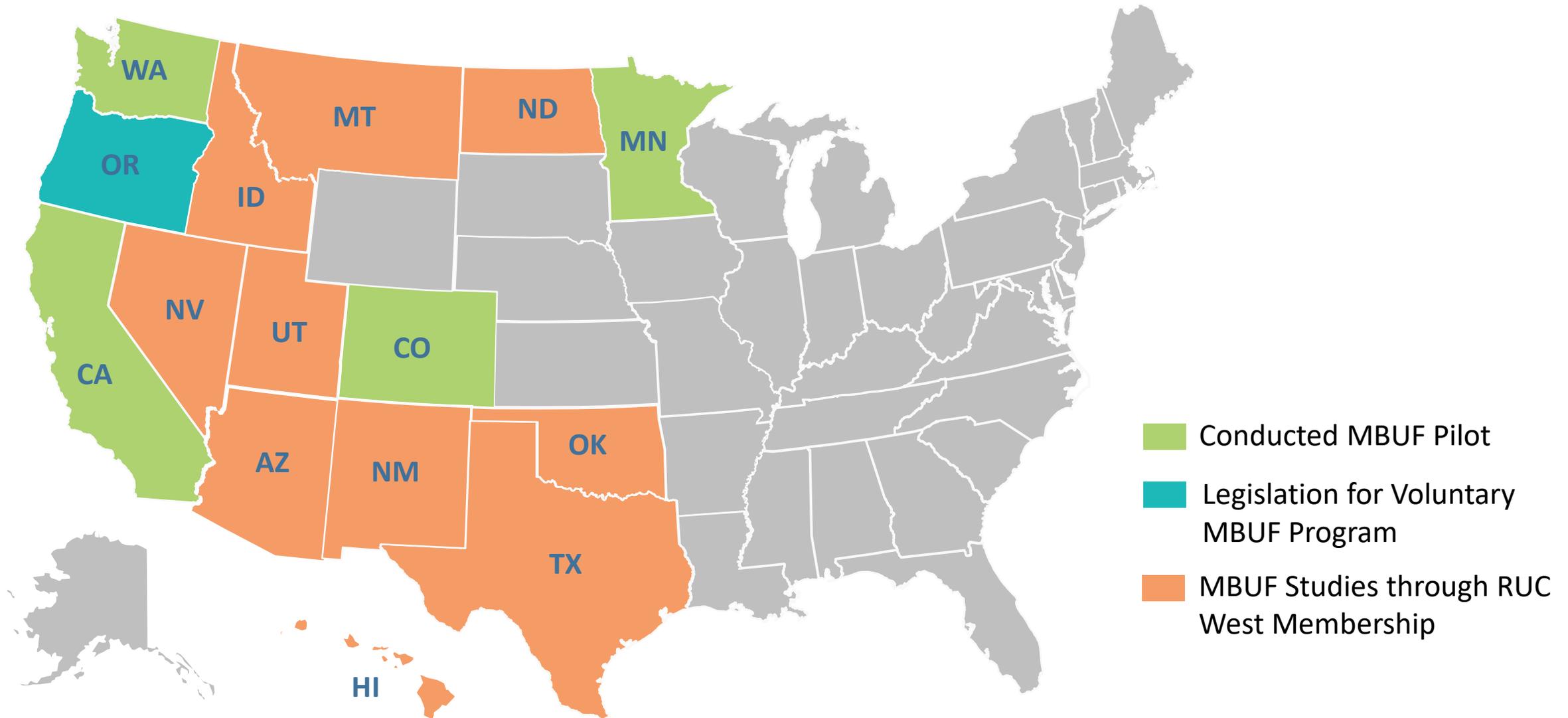
JOHN ROE *Car and Driver*



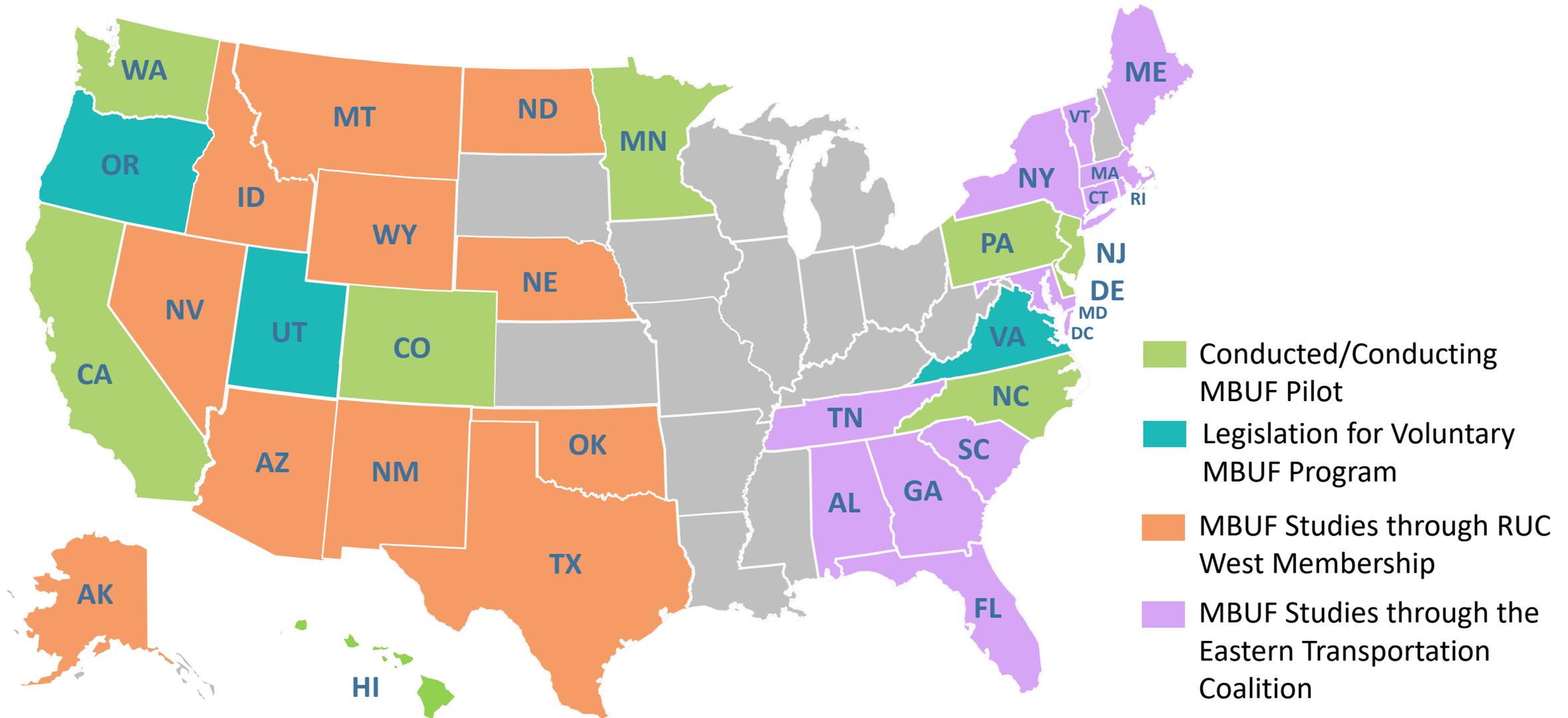
Trucks cannot simply be treated as big cars.

Pennsylvania
529,208
miles travelled in
in National
Truck Pilot

In 2016, an East Coast voice was needed.

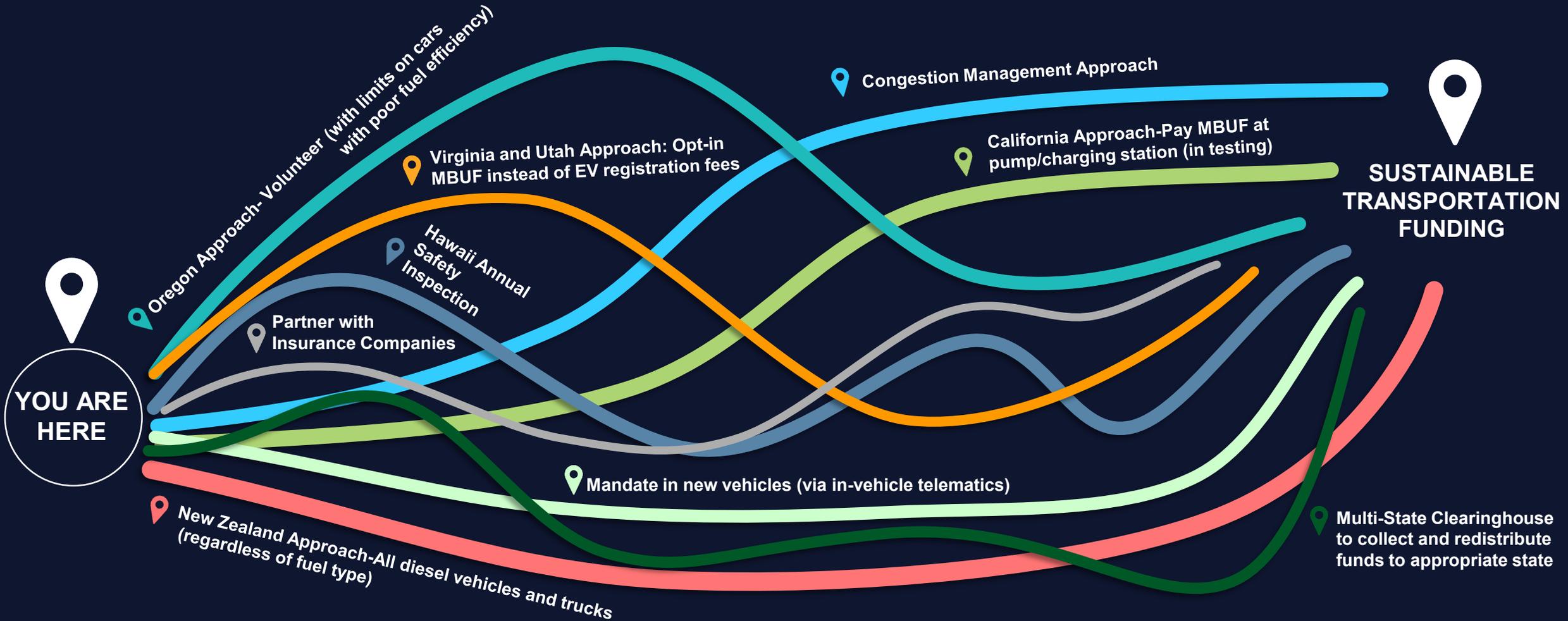


2021 MBUF Map Looks very Different





Which path(s) will work?





— THE EASTERN —
TRANSPORTATION
COALITION

CONNECTING FOR SOLUTIONS

Questions?

www.tetcoalitionMBUF.org