

Driving Change: Advice for the National VMT-Fee Pilot

An Eno Webinar – Tuesday, September 19, 2023

National VMT-Fee Pilot

- IIJA authorizes \$50 million for a "National Motor Vehicle Per-Mile User Fee Pilot"
- Test the design, acceptance, implementation, and financial sustainability
- Address the need for additional revenue
- Provide recommendations for adoption and implementation of fee

National VMT-Fee Pilot

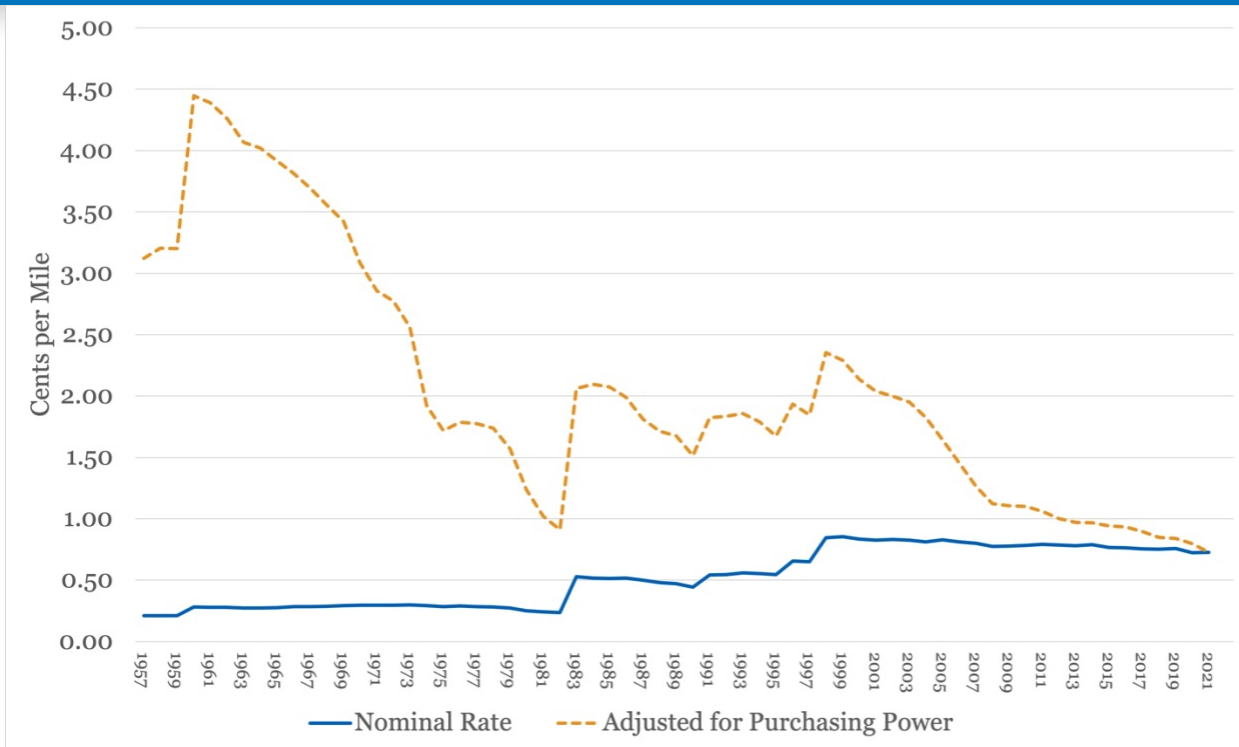
- Advisory Board (formed within 90 days)
- Advisory Board reports recommendations for pilot implementation within 1 year
- SecDOT establish program, coordinate with Treasury
 - Provide at least 2 different collection options
 - Solicit volunteers from all 50 states + PR and DC
 - Ensure equitable geographic distribution
 - Include commercial and private passenger vehicles
- Treasury Secretary, in coordination with DOT
 - Selects a per-mile fee amount
 - Collects fees
 - Deposits fees into HTF

Eno Research Scope and Goals

- Examine context and existing VMT fee pilots and programs
- Garner best practices through research and interviews of key stakeholders
- Recommend national pilot goals and Implementation Plan

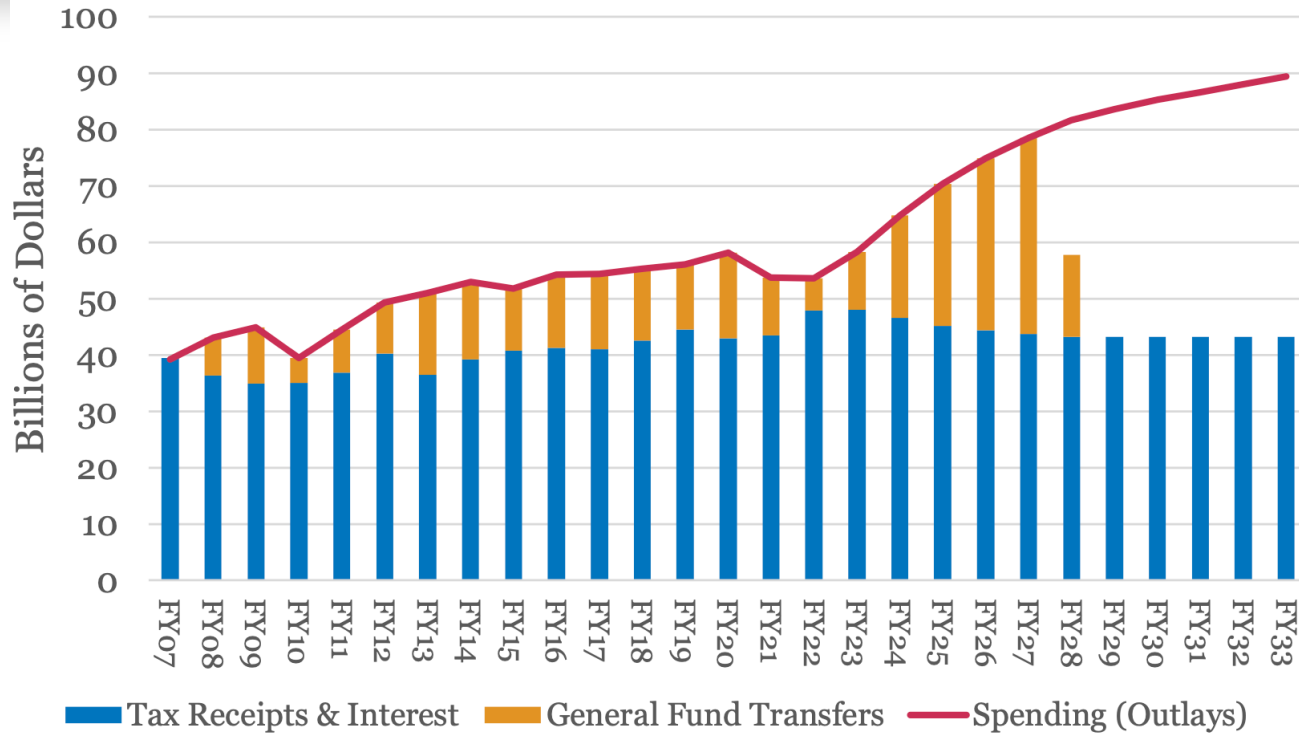
This research looks to inform the pilot itself, not recommend the final implementation of a National VMT Fee

PASSENGER CAR CENTS-PER-MILE EQUIVALENT, 1957-2021



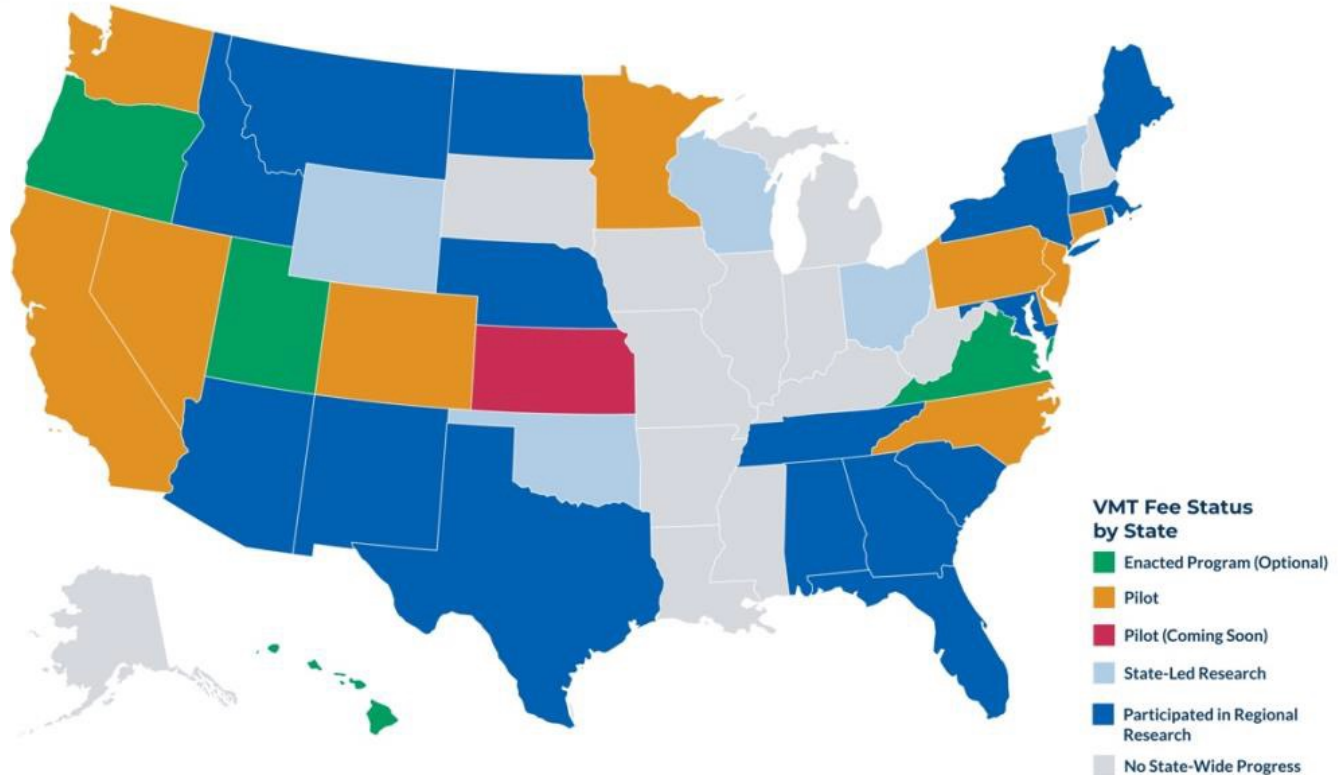
Nominal Rate vs Purchasing Power (NIPA Producer Price Index)

HIGHWAY TRUST FUND FY 2007-2022 (ACTUAL), FY2023-2033 (CBO BASELINE)



General Fund transfers shown in the year the transferred funds are spent.

State and Regional Pilots in the U.S.



Recommendations

Preliminary Recommendations

- Federal System Funding Alternative Advisory Board
- National VMT Fee Pilot
 - Trucking
 - International Border Crossings
 - Private Vehicles
- Continued Exploration at the State Level
- Federal Interoperability Model
- Further Research

1. Federal System Funding Alternative Advisory Board

- Assemble the Federal Advisory Board *as soon as possible*
- Include a diverse range of voices and consider formats that would effectively leverage them
- Chose advisory board chair from within its membership
- In partnership with USDOT, develop pilot structure
- Recommend further research

2A. Commercial Vehicles

- Test various rate structures
- Use simple rate structures that do not increase reporting burden for the trucking industry
- State and regional coalitions should continue to pilot a VMT fee for commercial vehicles



2B. International Travel

Ultimately, international implementation should be piloted in a later phase

- States have already begun piloting remittance of miles driven abroad for U.S.-registered drivers.
- Not much revenue loss from internationally-registered vehicles due to the nature of cross border travel.

2C. Private Passenger Vehicles

- Only test what absolutely needs to be tested at the federal level
- The pilot should be phased, both geographically and sequentially
- Test minimum data required, scalability, and administrative models



2C. Private Passenger Vehicles

- Don't promote, or recommend against, more complex systems
- USDOT should consider using CAMs to manage data, payment, and technology needs, where applicable



3. Continued Exploration at the State/Regional Level

SIRC grant eligible entities should consider the following testing needs when applying

- Trucking Rate Structures
- International Border Crossings
- Equity Impacts on un-banked individuals
- Telematics Access Strategies



4. Federal Interoperability Model

Advisory Board should convene an Interoperability Working Group to consider elements of a federal VMT Fee Interoperability Model

- Data Standards
- Data Privacy
- Interoperability Obstacles



5. Further Research and Activity

After the conclusion of the pilot, advisory board should recommend further research needs

- Explore funding models besides a VMT fee
 - Annual Registration Fees
 - Kilowatt-hour fees
- Conduct targeted education campaign, focusing on the funding problem