



Exploring Mileage-Based User Fees

Pennsylvania General Assembly – Senate Transportation Committee
March 9, 2023



What's the issue?



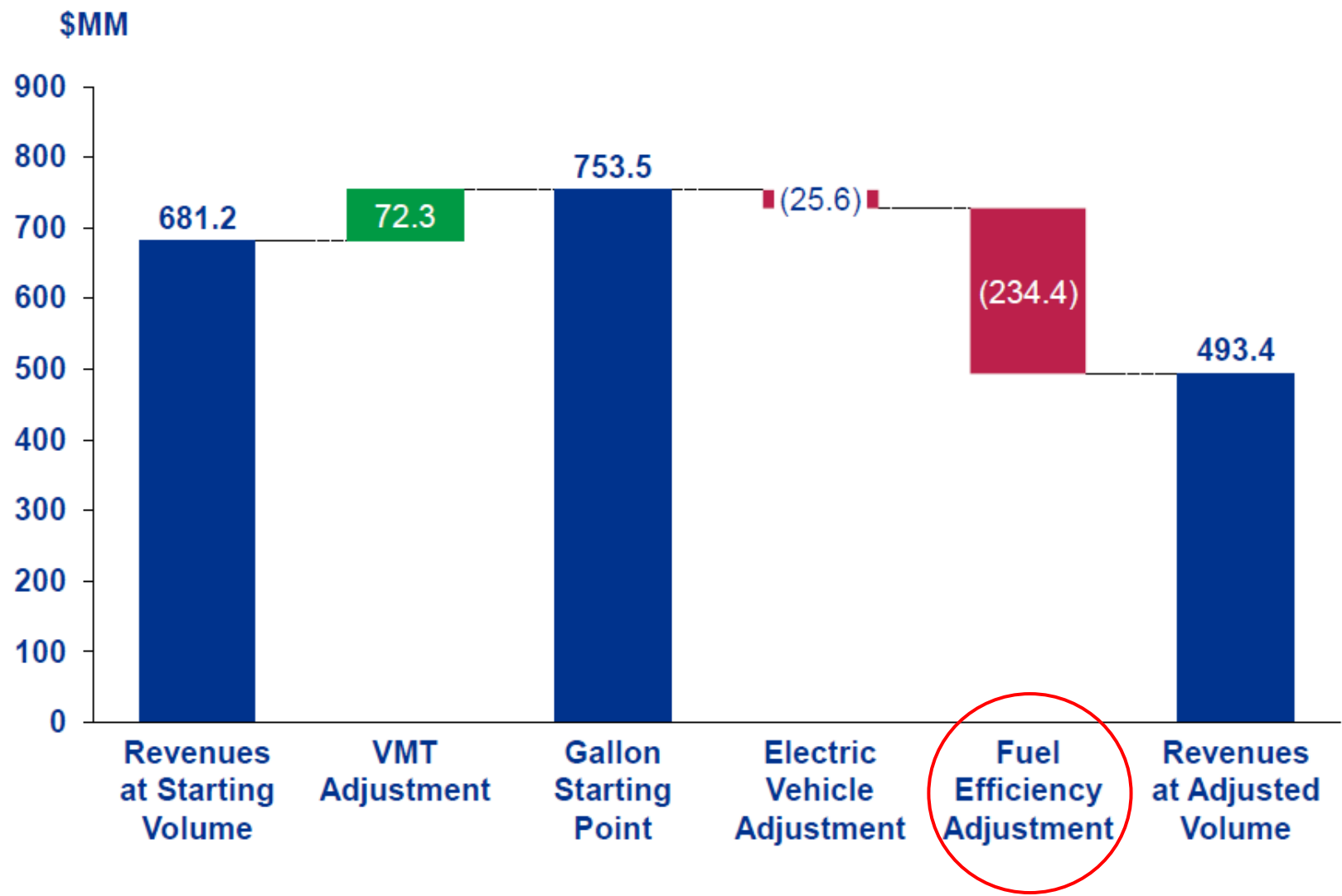
We need our roads.

EVs are here...



F-150 Lighting

Virginia: Fuel tax revenues projected to decline by 2040



~31%
reduction in gas
tax collections
due to
increased fuel
efficiency

A transportation funding approach needs to address all road users.

"I love doing my part for the environment and that I don't have to buy gas. But what? I don't pay for the roads I drive on?"



"My neighbor just got a new car and is paying a lot less than me in gas taxes – that doesn't feel fair."



"I have to drive far to get to the grocery store and my truck gets me to work. I am surprised MBUF may not increase what I spend on transportation."



"I already pay a lot in fees and taxes; MBUF can't create extra burden and cost."





Finding a Sustainable Approach to Funding Transportation

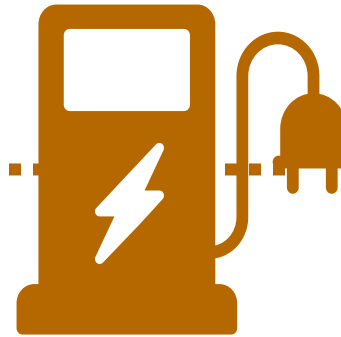
States are exploring solutions to address fuel tax revenue loss



Annual Flat Fees



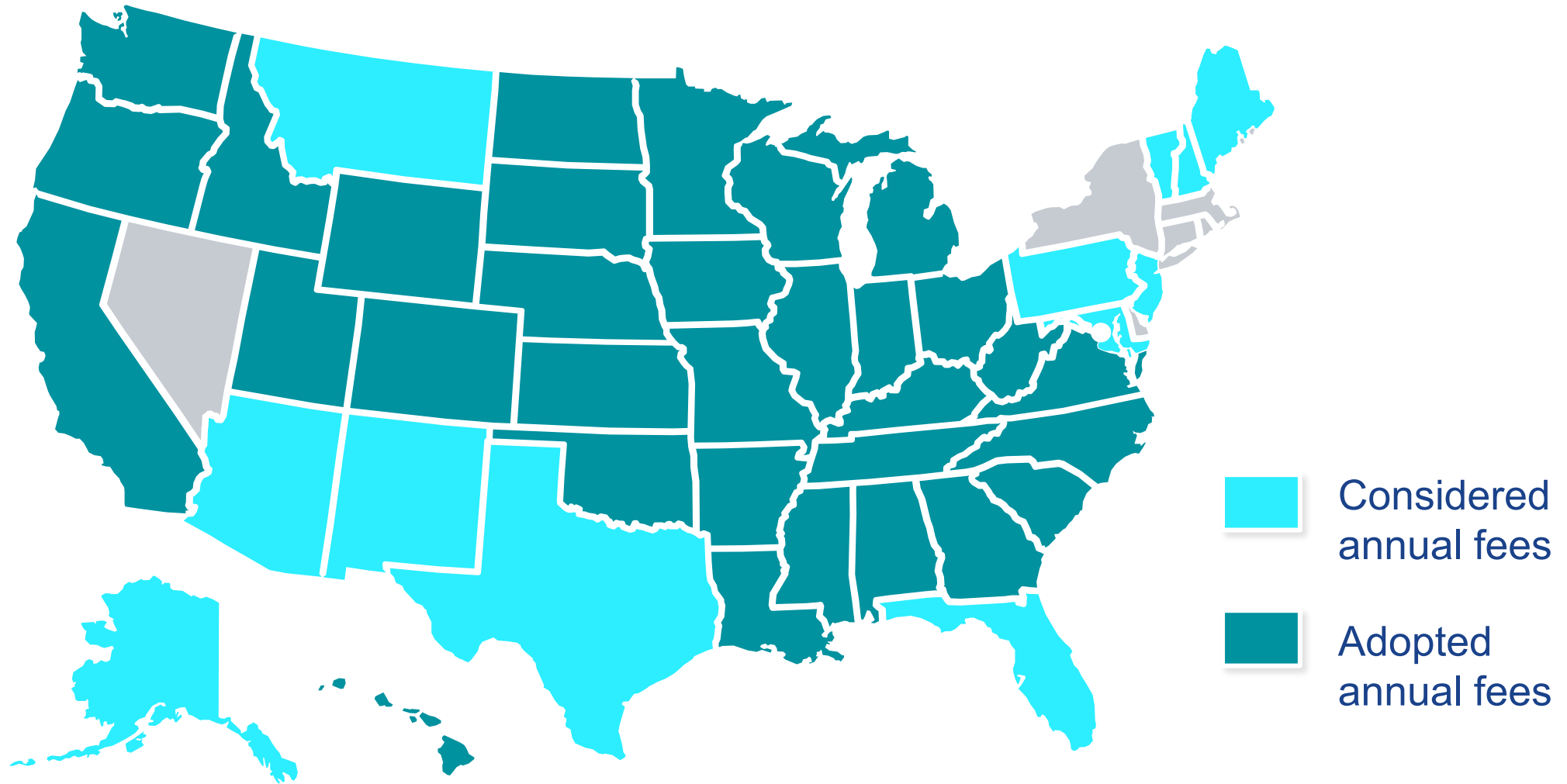
kWh Fees



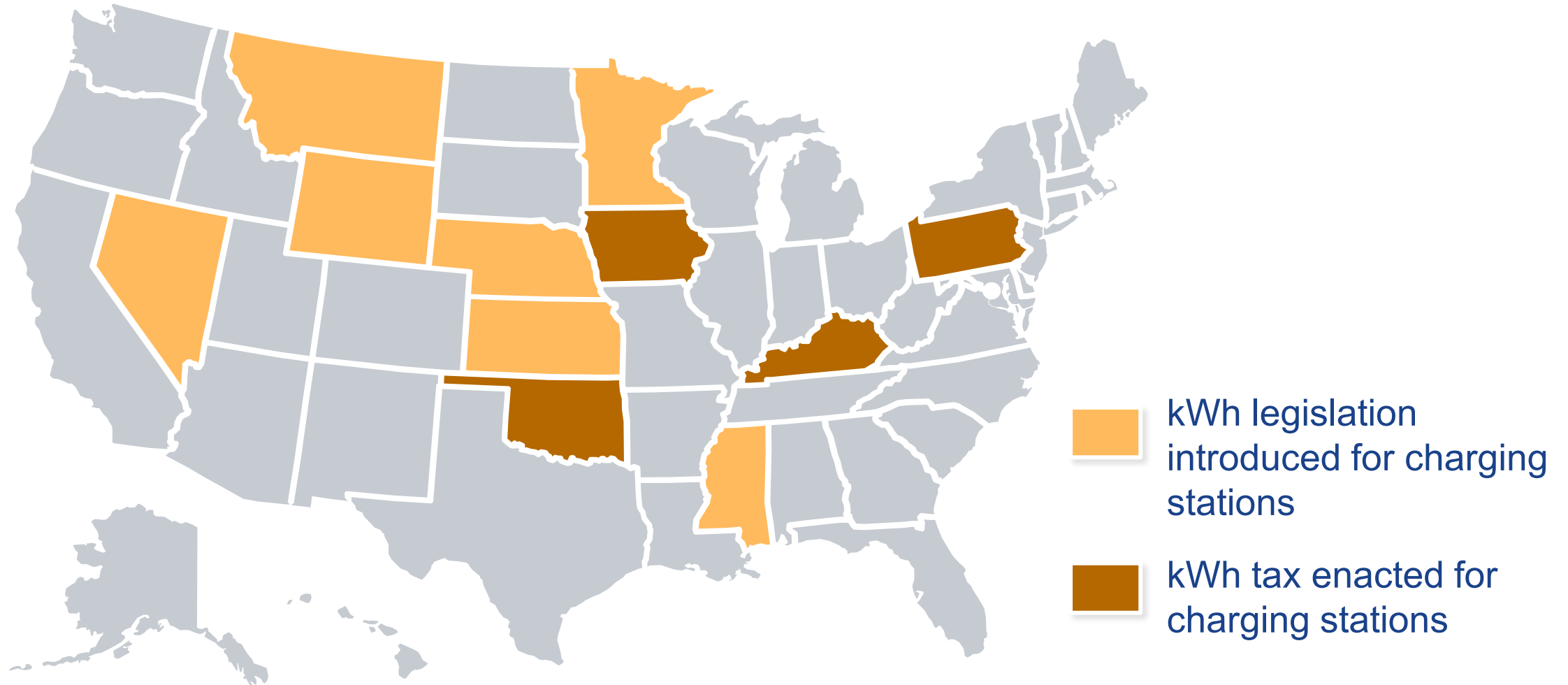
Mileage-Based User Fees (MBUF)



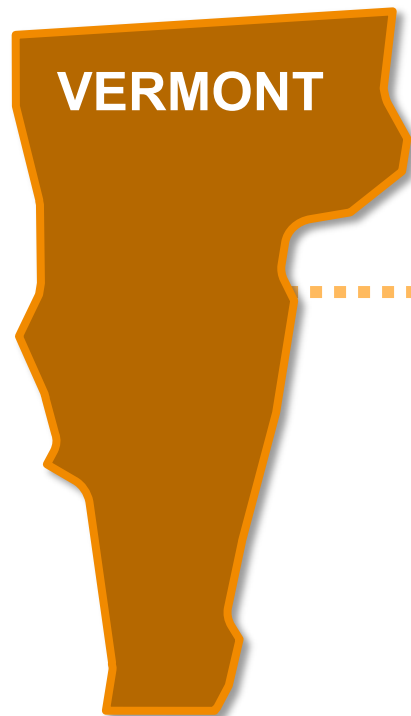
Annual Fees in 2023



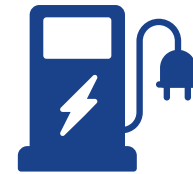
Kilowatt Hour Tax (kWh) Fee in 2023



Charging the charger: The juice isn't worth the squeeze.



15-20% of public charging is by non-residents

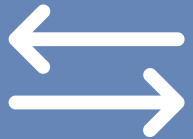


In 2021, VT considered a kWh fee for **out-of-state vehicles**



VT decided against the kWh fee as it would generate **less than \$5K a year**

Mileage Based User Fees (MBUF)

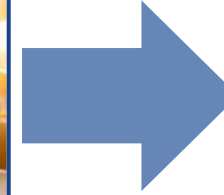


Most states are looking at MBUF to **replace** the gas tax.

From this...



**HOW MUCH GAS
YOU USE**

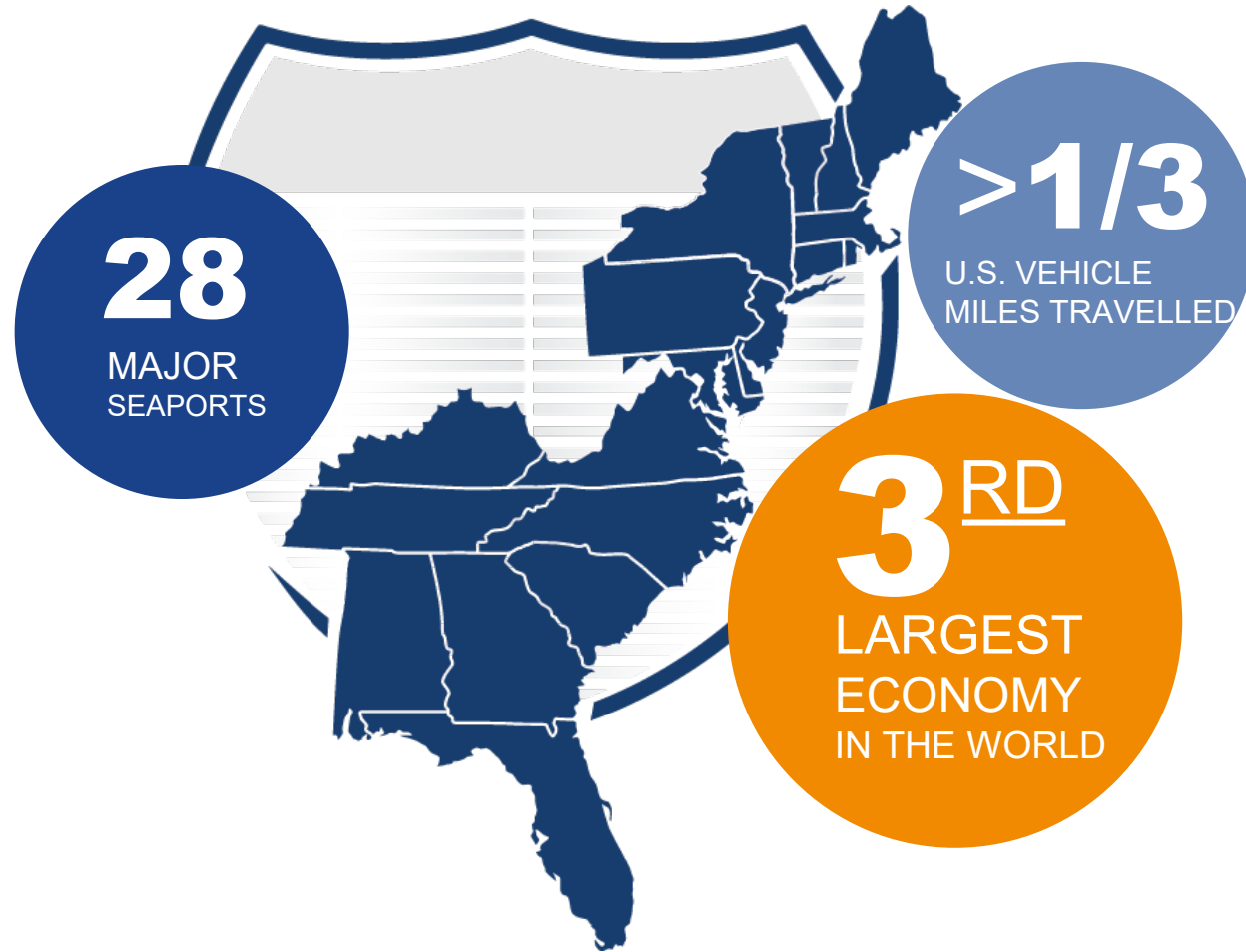


To this...



**HOW MANY MILES
YOU DRIVE**

Why Did the Coalition Get Engaged?



- Out-of-State Mileage
- Freight Corridor
- Tolling Insights
- Public Acceptance

A Timeline of Our Work

6 MBUF Grants Won

Phase 1

Phase 2

Phase 3

Phase 4

Phase 5



Launched 1st passenger vehicle pilot on East Coast



Conducted nation's 1st multi-state commercial truck pilot



Expanded passenger vehicle pilots to include general public



Began specialized passenger vehicle pilots in 5 states



Launched nation's 1st national commercial truck pilot



Addressing implementation issues; international truck pilot



Launch 5th phase of STSFA-funded work

2018

2019

2020

2021

2022

2023



OReGO



Also, voluntary MBUF programs are growing.

Oregon



- Established in 2015
- Discounted registration fee
- No fee cap
- **810 EVs, hybrids, and fuel-efficient vehicles**

Utah



- Established in 2020
- Replaces EV flat fee
- Fee cap
- **4,000 EVs, hybrids, and fuel-efficient vehicles**

Virginia



- Established in 2022
- Replaces highway use fee
- Fee cap
- **12,000 EVs, hybrids, and fuel-efficient vehicles**



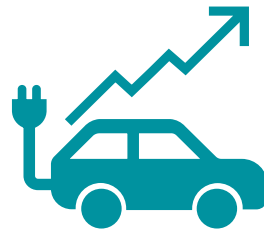
What does this all mean?

Vehicle Fees and EV Adoption



Myth:

*EV fees deter
EV adoption*



Fact:

*Even in states with EV flat fees,
EV sales continue to rise.*

Average EV Growth Rates from 2018 – 2021



EV Annual
Fee Ranges

NO FEES

\$50-\$74.99

\$75-\$149.99

\$150-\$225

EV Adoption
Growth

367%

337%

337%

331%

EV owners often support MBUF.

“ Plug In America **supports** the eventual development of a **road usage charge program**. ”



One of the top reasons Pennsylvanians support MBUF is that more fuel-efficient vehicles and EVs pay less (or no) fuel taxes but still put wear and tear on roads.

AAA Study: Drivers buy EVs primarily because of **environmental** impact.



A Tale of Two Cars in Pennsylvania

2009 Toyota Camry



25 MPG

\$278 Annual State Fuel Tax Paid

2019 Toyota Camry (Hybrid)



52 MPG

\$134 Annual State Fuel Tax Paid



— THE EASTERN —
TRANSPORTATION
COALITION

Thank you!

<https://tetcoalitionMBUF.org>

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