



MILEAGE-BASED USER FEE ALLIANCE

This is the Winter 2013 issue of MBUFA's e-Newsletter. Please use the links below to jump directly to articles and departments of interest. We welcome any comments and suggestions as well as contributions (news, features or links to recent research) for upcoming issues.

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Jack Basso,
Chairman of MBUFA

DC UPDATE FROM CHAIRMAN JACK BASSO

We have an interesting few months ahead as state legislatures prepare to meet for the 2014 session. Many will be confronting their diminished transportation budgets and considering alternative funding mechanisms. Nearly half the states in the country are looking at mileage-based user fees as a revenue raising option. At the same time, Congress has nine months to enact a new highway authorization bill before the Highway Trust Fund becomes insolvent with no sign of a path forward. Congress put more pressure on itself in the recently adopted budget agreement by including a requirement that transfers to the Highway Trust Fund from the general funds must be offset by new revenues or spending cuts.

It was in response to that time and funding pressure that Congressman Blumenauer (OR-3) introduced two transportation funding bills shortly before Congress adjourned. The first was H.R. 3636, the Update, Promote, and Develop America's Transportation Essentials Act of 2013 (UPDATE). This bill would gradually raise the gas tax by 21 cents over the next decade. The second bill was H.R. 3638, the Road Usage Fee Pilot Program Act of 2013, which would authorize \$30 million for pilot studies to address the key concerns about a mileage charge system, namely:

1. Protection of personal privacy
2. Ease of public compliance
3. Level of public acceptance
4. Geographic and income equity
5. Integration with state and local transportation revenue mechanisms
6. Administrative issues
7. Cost
8. Enforcement issues
9. Potential for fraud or evasion
10. Feasibility of implementation

The politics of reaching a near term agreement on Highway Trust Fund financing remain difficult and even with the looming threat of insolvency, there is no assurance that in an election year, Congress will be able to support the revenue raising measures needed. Rep. Blumenauer's legislation, however, does bring the debate on financing into the spotlight. Importantly, for MBUF's, it creates the parameters and financial support for meaningful pilot studies which will examine the major challenges to MBUF implementation.

We are seeing how important the Oregon model has been for communicating with states which are exploring all funding alternatives. We no longer have to talk about MBUF in theoretical terms. Oregon shows that a mileage charge system can be viable. The challenge now is addressing the public and political concerns and making it operational at scale. For MBUFA, we are finding that state and federal policymakers are hungry for information about mileage charge systems. Our state based education workshops and March conference are being designed to meet that demand. I look forward to the active involvement of all members in that process.



EXECUTIVE DIRECTOR'S REPORT

The Mileage-Based User Fee Alliance has continued to expand in both members and exposure during the past months.

New Members

We welcome three new members during this time frame:

- Laborers-Employers Cooperation and Education Trust
- Delaware DOT
- Cubic Transportation Systems

**Barbara Rohde,
Executive Director
of MBUFA**

MBUFA Workshops

Due to strong demand from state and local governments to provide more information and a broader perspective on the VMT issue nationwide, MBUFA has responded by sponsoring workshops and conferences on the issue to interested organizations. To help defray the cost of these events, MBUFA launched the Education Sponsor Series for Members. We wish to thank the following sponsors for their support:

Platinum: Computer Aid, Inc.
CH2MHill
3M

Gold: Reason Foundation

Silver: Atkins

MBUFA has sponsored two workshops since the Summer Newsletter. The **Florida Transportation Commission** hosted a workshop on August 14, 2013 and the **Humphrey School at the University of Minnesota** on November 18, 2013. More details of these workshops are contained elsewhere in this newsletter.

MBUFA is planning to host four workshops in 2014 (Miami MPOs, Illinois, I-95 Corridor Coalition, Colorado) and **a national conference on March 12, 2014, in Washington, D.C.**

In addition, we have continued to assist and work on issues both in Washington and across the nation. I spoke about MBUFA and VMT issues at the Mobility 21 Summit in Los Angeles, California on October 29.

Given 23 states currently have either legislation pending or studies being conducted on this issue, we have responded to many inquiries both from the press, decision makers, and other interested organizations about the issue.

MBUFA organized a letter of support for Rep. Earl Blumenauer's (D-OR) bill on VMT pilot projects that was introduced in early December. Chairman Jack Basso worked with Rep. Blumenauer and his staff for weeks prior to introduction to insure the bill would meet the needs of both federal, state, and local officials in implementing mileage-based user fee pilot programs.

As the reauthorization of MAP-21 begins early next years and the revenue picture continues to deteriorate for transportation funding, we are seeing the reality of needing to look at alternative financing is becoming more acute for policy makers at every level of government.



by Adrian Moore,
Ph.D, Vice President
of Policy of Reason
Foundation,
Vice President for
Education, MBUFA

SOME MYTHS ABOUT MILEAGE-BASED USER FEES

As might be expected with any policy idea that entails new technology, new systems, and new ways of thinking, discussions about mileage-based user fees sometimes fall into the realm of myths. People generalize or simply aren't well versed in what is being practiced. I thought it would be worthwhile to look at some myths that keep popping up.

The first common myth is that mileage-based user fees require some government mandate that vehicles be equipped with an expensive box that records every trip and tracks everywhere the driver goes. In reality, the various state pilot projects that have been conducted - and Oregon's current voluntary per-mile fee replacement for fuel taxes - have explored multiple methods that give drivers a number of alternatives to choose from. Options range from simply paying a flat annual fee based on average miles driven, to paying based on odometer readings, and up through several types of technologies for recording miles driven, to, at the extreme, full external tracking of where the vehicle goes.

Within those technology options are ones where all data about where you drive lives on your own computer or device and you only have to report what you owe based on the software calculations. You control your own data and protect your own privacy. Ideally, any mileage-based user fee system should protect privacy by not enabling governments to track where and when people travel unless they choose that option, and by giving motorists many other choices in how to pay for their miles traveled that protect their privacy.

A second myth is that fuel taxes are much more simple and efficient than mileage-based user fee systems, so why buy in to all the hassle? There is a grain of truth to this. The fuel tax system is simple and fairly efficient, but not perfect. Improvements in technology and systems for measuring and charging by miles have become almost as efficient (see [here](#) for more).

At the same time, mileage-based fees have a real advantage over fuel taxes in terms of being a more direct user fee. When you pay fuel taxes, what you pay is not directly related to the amount of use you have made-which is miles of travel on the road. With most services, we pay directly based on our use. Your water bill, electric bill, gas bill, cable bill, and phone bill are all based on the amount of the particular service you have used. And you pay directly to the provider of the service, knowing how much you paid and what you got for it.

With fuel taxes and roads, payments go into a black hole of multiple levels of government with very little idea how much you pay or where that money goes. With mileage-based fees, paying for roads would be with something like a monthly bill like those people who use modern tolled expressways receive. Ideally, the payments made for using a certain road would go to paying for that road, and overall use of transportation dollars will become more transparent. Drivers will know much more about how much they pay and what they get for it.

The last myth I want to talk about is the idea that mileage-based user fees would be unfair. Unfair to rural drivers who have to go farther to reach things and unfair to drivers of more fuel efficient vehicles who are helping the environment by using less

fuel and paying less fuel taxes. But arguably, mileage-based user fees would in fact be much more fair than fuel taxes.

For starters, fuel taxes are generally regressive because a poor person has to pay a higher share of income to drive 1000 miles a month than does a rich person. Fuel taxes are even more regressive because the poor tend to have older and less fuel efficient vehicles (see [here](#) for more). How fair is it that people who can afford expensive hybrid or electric vehicles get to use the roads without helping to pay for them, while leaving the burden of maintenance costs to spread over fewer and fewer - and generally poorer - people?

Moreover, with mileage-based user fees people will pay specifically for what they use, and will not have to pay for what they do not use, unlike fuel taxes. If you don't use the more expensive road you won't have to pay for them. Truckers already pay much more per mile than cars, especially in states that have weight/distance fees for trucks, because they put more wear and tear on the roads, mostly Interstates. With mileage fees it would be easy to charge fees that differ by major weight classes and relate what people pay to how much wear and tear they cause. At the same time, everyone who consumes goods moved by trucks would be helping pay for the highway as the costs of tolls are embedded in the prices of goods.

As for rural drivers, people assume that because things are farther apart than in urban areas that rural drivers go more miles each year. But at the same time, rural drivers tend to make fewer trips, so research shows they tend to driver fewer total miles per year than most urban-area residents (see [here](#) for more). Also, rural drivers mostly use country roads that are not very expensive to build and maintain, and could pay lower per-mile rates than those paid by people using expensive Interstates and urban expressways. Research on a per-mile fee pilot program in Oregon found that the per-mile fee was more equitable for rural drivers than the fuel tax (see [here](#) for more).

The bottom line is that shifting to a mileage based user fee system is no small task and there is plenty that needs to be worked out. Several years of pilot projects, testing, and concept work have gone into addressing the most common and obvious concerns, and others as well. So don't make the mistake of falling into some of these myths without investigating the full story.



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ROAD USAGE CHARGE SUMMIT SPOTLIGHTS OREGON'S NEW CHARGING PROGRAM

In November, the Oregon Road Usage Charge Summit at Portland's World Trade Center broke new ground for Oregon and for the transportation industry by introducing road usage charging as operationally viable in Oregon and elsewhere to state DOT participants from around the nation and vendors from around the world.

by **Michelle Godfrey,**
Public Information
Officer, Office of
Innovative
Partnerships and
Alternative Funding,
Oregon Department
of Transportation

With 125 attendees, the summit was Oregon's premier opportunity to share policy and technical details of its leading-edge Road Usage Charge Program with a large group of potential partners. During two days of one-on-one meetings following a one day seminar, Oregon's RUC Team joined in dialogue with vendors as each learned more about the market opportunity, available technology and capabilities for successful implementation.

Oregon DOT's [Office of Innovative Partnerships and Alternative Funding](#) convened



by James Whitty,
Manager, Office of
Innovative
Partnerships
and Alternative
Funding,
Oregon Department
of Transportation,
Vice-Chair, MBUFA

more than 15 state departments of transportation, over 30 private sector companies representing four countries, plus several universities, advocacy groups, and the Federal Highway Administration. Attendees learned about the recent history of policy development for distance charging in Oregon and about the state's intentions for implementation. "Vendors needed to see the interest in this topic goes far beyond Oregon, and the states needed to see the extent of vendor interest in the open market approach to per-mile charging," said James Whitty, manager of the Office of Innovative Partnerships and Alternative Funding.

Oregon's Road Usage Charge Program is chalking up a number of "firsts" this year. Besides this first ever Road Usage Charge Summit, the program's 2012-13 pilot project was the first ever government initiative inducted into the Intelligent Transportation Society's Hall of Fame at the [20th ITS World Congress in Tokyo, Japan](#).

The summit was the first step toward fulfilling Senate Bill 810, the first legislation in the United States to establish a permanently operational road usage charge system for transportation funding. The bill authorizes ODOT to set up a mileage collection system for up to 5,000 volunteer motorists. Participants will pay a 1.5 cents per-mile fee in lieu of the traditional fuel tax and will receive an automatic credit for fuel tax paid. The Road Usage Charge Program is the start of an alternate, sustainable and equitable method of generating funds to pay for Oregon highways.

The summit brought some of the best minds from the vendor community together with Oregon DOT staff for interaction about how the new Road Usage Charge system should work operationally. The program must become operational by July 1, 2015 when volunteers will start using it. The Office of Innovative Partnerships and Alternative Funding is in the process of conducting vendor meetings, issuing requests for proposals and qualifications, and coordinating partnerships so the team can consider a variety of strategies and solutions to meet the legislation's intent.

Now, Oregon's program is gaining international recognition. Besides the ITS Hall of Fame award and a recent [article](#) in *The Economist*, many states are considering a road usage charge system of their own. Policy makers and transportation authorities around the world are watching Oregon as an example for how to implement a mileage-based highway funding system. To facilitate other states' process and mutual collaboration, Oregon DOT and Washington DOT formed the first ever collaborative on road usage charging: the Western Road Usage Charge Consortium, a group of now six Western states researching elements of road usage charge policy and systems.

Funding for transportation system maintenance, improvements and construction is declining in Oregon and around the U.S. This is due in part to more fuel efficient vehicles needing less fuel, and thus paying less in fuel taxes, depleting Oregon's primary fund for maintaining and building roads and highways.

A per mile charge is not a new concept in Oregon. The state legislature first authorized initial investigation into options to the traditional gas tax in 2001. Twelve years and two pilot programs later, along with thousands of hours of research and study, Oregon's Road Usage Charge Program is going operational. The November 2013 summit initiated the information exchange we need to make the road usage charging system a reality for Oregonians.



by Jeff Doyle, Director,
Public/Private
Partnerships, WSDOT

WESTERN ROAD USAGE CHARGE CONSORTIUM (WRUCC) BUILDING MOMENTUM FOR 2014 AND THE FUTURE

While Oregon DOT was hosting a national workshop on Road Usage Charging and plans for their newly-authorized program, in a nearby Portland conference room the first Steering Committee meeting was held among transportation agency officials that have joined, or are considering joining, the Western Road Usage Charge Consortium (WRUCC).

WRUCC was drawn up in late 2012 as a collaborative among public agencies that are either considering a mileage-based transportation tax system for their jurisdiction, or simply needing to stay apprised of how such a system might be developed and implemented in nearby states. In July of 2013, the WRUCC was officially convened by the Board's first Chairman, Matthew Garrett, Director of the Oregon DOT. The Board of Directors will only meet annually; most of the activities of the WRUCC will be overseen and directed by the Steering Committee, which is comprised of one representative from each of the dues-paying member jurisdictions.

WRUCC's primary purpose is to build public sector organizational capacity and expertise on the topic of mileage-based transportation tax systems. The Consortium provides a forum for its members to share data and other information, discuss issues, observe and learn from other public agencies that are at various stages of testing or implementation, and facilitate joint research projects among member-agencies. In contrast, MBUFA is a cross-sector, public-private association that provides information, education and outreach to a wide audience, ranging from Congress and executive branch administrators, state and local elected representatives, public officials, private industry and the media; WRUCC is exclusively internally-focused on its governmental member agencies.

The WRUCC Steering Committee will hold its second meeting (but first of 2014) on January 12, 2014 in Washington, D.C. Much of the January meeting will be devoted first to organizational details, and then to development of a work plan for 2014. The meetings are work sessions only open to members and those eligible that are considering joining. The organization's charter currently stipulates that membership is open to states belonging to WASHTO - the Western Association of State Highway and Transportation Officials.

WRUCC has been approved as a Transportation Pooled Fund (TPF) project by FHWA. This designation allows participating jurisdictions to earmark a portion of their federal research dollars to fund the Consortium and its work plan. As of this writing, several state DOTs have officially joined (Washington, Oregon, California, Utah, Nevada, Texas) and several others are in the process of joining or strongly considering participation. It's important to note that just because an organization joins WRUCC, does not mean that they are committed to pursuing a mileage-based fee system or participating in any joint research or testing of such a system. In fact, a significant number of states are participating in WRUCC solely to monitor developments of mileage-based tax systems in nearby states or localities.

While it's too early to know the exact tasks that the WRUCC will undertake, it appears that the first order of business will be setting up mechanisms for members to effectively and securely share data, research and other information with each other. Having the designation, resources and facilitation capabilities of the Pooled

Fund behind it will help ensure that the focus of the WRUCC remains collaboration among public sector member agencies.

More will be known about the direction of the 2014 work plan after the January 12 Steering Committee meeting. The public agency members of WRUCC appreciate the encouragement from MBUFA and all of the industry segments. WRUCC will continue to seek ideas and advice from public and private practitioners and respected organizations like MBUFA as it grows and moves forward.



By
**Sean Stone, Program
Manager for
Transportation Policy,
The Council of State
Governments**

STATE TRANSPORTATION FUNDING EFFORTS 2013 AND BEYOND - REPORT FROM THE COUNCIL OF STATE GOVERNMENTS

It has been a busy year for states pursuing transportation revenue options. At the Council of State Governments (CSG), we've been busy too, keeping state legislators and others from around the country informed about the innovative actions of their counterparts elsewhere.

- In July, Minnesota Transportation Commissioner Charlie Zelle was our featured guest during a roundtable at the [CSG Midwest Meeting in St. Paul](#). He talked about how he's been tasked by Gov. Mark Dayton with making the case for increased transportation investment. He has reportedly been researching a range of revenue options including sales taxes, registration fees, tolls and mileage-based fees.
- Also in July, it was on to Portland, Oregon, where we brought a group of transportation committee chairs for a [CSG Transportation Policy Academy](#) that included [a briefing from Oregon DOT's James Whitty](#) and others about the legislation approved just days earlier, which will set up a voluntary, large-scale test of a mileage-based road use charge system beginning in 2015.
- In September at the CSG National Conference in Kansas City, [Missouri Department of Transportation Director Dave Nichols](#) was on hand to tell us how he's hoping voters will approve a temporary one-cent sales tax next year to fund transportation.
- In October, it was at another [Transportation Policy Academy in Washington, DC](#) that state legislators heard about two of 2013's biggest transportation funding success stories: [Virginia and Maryland](#).
- In December at the CSG East Meeting in Puerto Rico, attendees heard how Pennsylvania became the latest to join the transportation funding club in November .

The efforts of states to fund transportation in 2013 were diverse. While Vermont and Wyoming raised their gas taxes, four other states came up with more complex solutions that incorporated tax swaps, indexing, local taxation and new or increased fees.

- Legislation approved in **Maryland** indexes the state gas tax to inflation and phases in a 3 percent sales tax on fuel that will yield increased revenue when gas prices rise.
- In **Massachusetts**, lawmakers approved a 3 cent-a-gallon gas tax hike, indexed future increases to inflation, raised cigarette taxes, and imposed the state sales tax on computer software and services. The latter element was repealed just weeks after passage when the tech

industry and business leaders balked.

- In **Pennsylvania**, the legislature eliminated the state's existing gas tax but lifted a decades-old cap on the oil-franchise tax paid by oil companies. The net effect, estimates say, will be a 28-cent increase in the per gallon price of gas once it's fully phased in after five years. Lawmakers also increased a variety of fees and fines.
- **Virginia** too eliminated its per gallon excise tax on gas and diesel and replaced it with a 3.5 percent sales tax on the wholesale price of gasoline and a 6 percent sales tax on the wholesale price of diesel. They also increased the state and local sales and use tax by 0.3 percent, partially eliminated the 2 percent motor vehicle titling tax exemption, levied additional local sales taxes for the busy Northern Virginia and Hampton Roads corridors, and created a \$64 alternative fuel vehicle fee. The latter is expected to see a repeal effort next year.

When I interviewed a number of transportation experts from around the country earlier this year for a policy brief on the "[Changing Face of Transportation Revenues](#)," several cited Virginia's everything-but-the-kitchen-sink approach as the most significant of the year. But a number of them also pointed to Oregon.

"I think for the next decade or two, solutions like the Virginia one and other variations on that theme will likely be dominant," UCLA's Martin Wachs told me. "Meanwhile, Oregon is quietly-or maybe not so quietly-addressing much more fundamental long-term change that I think is also necessary."

The University of Minnesota's Lee Munnich agreed that the Oregon program will be one to keep an eye on for the future.

"I think everybody will be watching Oregon to see how they do," he said.

Now with 2014 legislative sessions approaching, it appears that some states may look to do more than simply watch Oregon if a couple of states on my list of the "[States to Watch in 2014](#)" are any indication:

- **Indiana:** Rep. Ed Soliday announced in October he will sponsor legislation that would exempt volunteer motorists from the state gas tax and require them to pay a mileage fee. Soliday's bill would require the Indiana Department of Transportation to test different technologies and methods for assessing a per-mile charge and report back to the General Assembly in two years. "We need to keep moving forward on how we fund our roads," Soliday said. "I'm not leaning in any direction, but to ignore what's going on in the rest of the country would be foolish."
- **Massachusetts:** Reps. Carl Sciortino and Tricia Farley-Bouvier have introduced a measure that would direct the state DOT to launch a pilot program with at least 1,000 volunteers that would test a mileage-based system. Sen. Thomas McGee said it's an important step to get the conversation started. "We take an opportunity to look at a whole broad range of things that I think you need to build support so that people feel comfortable," he told reporters following a recent hearing on the bill. "I don't have really a position right now on what we're going to do on the committee on the bill, but I think it was really a healthy discussion today."

Many are hoping that 2013's spirit of transportation funding innovation continues in 2014 in state capitals and that action in Washington, D.C. might make more experimentation possible:

- A **CSG policy resolution** calling for the creation of a federal program to provide seed money for states to explore alternative transportation funding options such as mileage-based fees was



MBUF WORKSHOP REPORT: FLORIDA

The Florida Transportation Commission and the Reason Foundation hosted MBUFA's first Sustainable Transportation Funding Workshop in Tallahassee, Florida on August 15. The event was held in the auditorium at the Florida Department of Transportation and was sponsored by Computer Aid and Atkins.

Adrian Moore, Vice President for Policy at the Reason Foundation and newly elected Vice President for Education at MBUFA, moderated the workshop and began the session by providing an overview of the national infrastructure funding problem and an introduction to mileage-based user fees. The audience included transportation policy staff and nearly all eight of the Florida transportation commissioners. Brian Peters, the Assistant Secretary for Finance and Administration at the Florida DOT, followed and made a presentation on the funding challenges facing transportation in Florida. A state panel was next featuring Jeff Doyle, Washington DOT; Alauddin Khan, Nevada DOT; and Cory Johnson, Minnesota DOT. The panelists shared developments in each of their states and responded to questions from the commissioners.

Following lunch, Jim Whitty of the Oregon DOT joined by teleconference and provided a presentation on Oregon's recently enacted legislation, SB 810, which authorized the nation's first road user charge system for up to 5,000 volunteers. The workshop concluded with an energetic question and answer/discussion session between workshop presenters and the commissioners.

It was clear that the commissioners are open to exploring all potential funding options and that the workshop provided them with valuable information about mileage-based charges and what is happening in other states. Transportation Commission chairman, Ron Howse, suggested that this was the beginning of what he hoped would be an ongoing dialogue with MBUFA.

approved by the CSG Transportation Public Policy Committee at our National Conference in Kansas City. It puts CSG on record in support of a [similar resolution](#) approved this year by the National Conference of State Legislatures at the urging of Oregon Senator (and current NCSL President) Bruce Starr, the sponsor of the Oregon MBUF legislation.

- **Oregon Congressman Earl Blumenauer** proposed a bill that would allow states to experiment with voluntary mileage-based fee concepts of their own, expanding on Oregon's promise and perhaps taking the concept in some new directions as well. Blumenauer has also proposed doubling the nation's gas tax and indexing it to inflation, as recommended in the Simpson-Bowles Plan.

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MBUF WORKSHOP REPORT: MINNESOTA

On November 18, MBUFA sponsored a Sustainable Transportation Funding Workshop for 70 Minnesota legislators and transportation policy leaders. The workshop, which was jointly hosted by the University of Minnesota's Humphrey School of Public Affairs and Center for Transportation Studies, was held at the State Office Building at the State Capitol in St. Paul. 3M, CH2M, HILL, CAI, and the Reason Foundation were sponsors of the event.

Jim Whitty of the Oregon Department of Transportation spoke to the workshop and gave a separate briefing for legislators and legislative staff about the Oregon's legislation initiating a road usage charging system with 5,000 volunteers and a full-time budget and staff. Other speakers at the workshop were Jack Basso, MBUFA Chair; Adrian Moore of the Reason Foundation; Cory Johnson of the Minnesota DOT; Alauddin Khan of the Nevada DOT; and Burt Tasaico of the North Carolina DOT and I-95 Corridor Coalition. Kenneth Buckeye of MnDOT provided an overview of Minnesota's transportation finance situation. A Minnesota panel, moderated by Lou Neudorff of CH2M HILL, included former Rep. Bernie Lieder, Chair of the Minnesota MBUF Policy Task Force; Mayor Jim Hovland of Edina and Vice-Chair of the MBUF Policy Task Force; Sen. Susan Kent, Vice-Chair of the Minnesota State Senate Transportation and Public Safety Committee; and Margaret Donahoe, Executive Director of the Minnesota Transportation Alliance.



Jim Whitty presenting at the Minnesota workshop

Minnesota was one of the first states to consider a mileage-based alternative to the gas tax in the early 1990s when then Rep. Bernie Lieder proposed a pay-at-the pump mileage fee as an alternative to the gas tax. In 2007, the Minnesota Legislature approved \$5 million to study mileage-based user fees, which included a 500-person pilot test and an MBUF policy task force.

Minnesota Department of Transportation Commissioner Louis Zelle, who participated in the workshop, has described mileage-based user fees as "inevitable" in the future. Minnesota policymakers are still weighing their options with regard to MBUF and looking for ways to engage the public productively on this issue. The Oregon approach may offer a pathway forward for states such as Minnesota. The workshop was an important event for Minnesota leaders to continue to explore MBUF as a long-term transportation funding solution.



FHWA MILEAGE-BASED USER FEE POOLED FUND PROJECT

In November, the Federal Highway Administration launched a mileage-based user fee pooled fund project, inviting all state and local DOTs and MPOs to join. Currently three state DOTs - Minnesota, Washington, and Nevada - are members or are in the process of becoming members.

Objectives

The objective of the pooled fund project is to learn and begin coordinating efforts with respect to the mileage-based user fee (MBUF) concept. Up to now, coordination between states has been difficult. Several states have conducted their own research and demonstration projects and some states have expressed interest in just learning more about the topic. In an effort to begin coordinating efforts and advancing the knowledge on MBUF the pooled fund will have two main objectives:

- 1) Offer membership to the MBUF Alliance. Each state will have opportunity to dedicate a portion of their annual contribution towards this organization and their educational events. As a research and educational organization, the mission of the Mileage-Based User Fee Alliance is to:
 - Create a constructive learning environment and policy space for collaboration and networking among individuals and groups interested in mileage based user fees;
 - Coordinate efforts to build awareness of mileage-based user fee programs in the US and around the world; and
 - Promote research to test the feasibility of mileage-based user fee programs.

- 2) Solicit and select specific research projects that all member states are jointly interested in performing. On an annual cycle, the remaining project moneys will be used to fund research projects that will cover areas of the MBUF concept that have not been explored to date. Topics could range from alternate tax collection designs, to enforcement alternatives, to private industry scenario testing and standards

recommendations.

Scope of Work

- Track and conduct research on mileage-based user fee initiative in the U.S. and around the world.
- Organize and facilitate workshops attended by MBUFA member states to share knowledge and best practices related to mileage-based user fees.
- Organize and sponsor an annual "MBUF" conference or symposium to provide a continuing education and peer exchange opportunity for member states.
- Organize and implement peer-to-peer exchanges, education and outreach activities regarding mileage-based user fees.
- Within budgetary allowances, provide support to member states such as speaking at member state conferences, offering expert advice, travel support for conferences and meetings, etc.

Membership

MBUF pooled fund project to be funded at \$20,000 per member per year. This amount will cover cost of an annual MBUF Alliance membership. Up to \$5,000 may be used for travel and expenses for conferences, meetings and peer-to-peer activities.



EVENTS

MARCH, 2014

March 9-11, **IBTTA Summit on Legislation, Policy & Infrastructure Finance**, Washington DC

March 12, **MBUFA Conference**, Pew Center, Washington DC



NEWS

[Someday Soon You'll Pay For Every Mile You Drive](#)

[Dem Proposes Taxing Drivers By The Mile](#)

[Metro-North Derailment Demonstrates Need For Infrastructure Investment, Says LaHood](#)

[Mass. Miles: The Bay State May Become The "Miles-Traveled State"](#)

[Panelists Talk Vehicle Miles Traveled Fee Option For Transportation Financing](#)

[PBS NewsHour: Should Drivers Be Charged For Every Mile Driven?](#)

[Study Proposes Implementing Per-Mile Tolls On U.S. Interstate System](#)

[Indiana Lawmaker: Mileage Charge Could Replace State Gas Tax](#)

[One Way To Pilot A Fee Mile vs. Gasoline Taxes: Institute It Now, For Alternative Fuel Vehicles](#)

[Nevada To Consider 'Vehicle Miles Traveled' Tax For Road Funding](#)



RESEARCH LIBRARY

[Documents and Presentations from 2013 Oregon Road Usage Charge Summit](#)

[Text of H.R. 3636: Update, Promote, And Develop America's Transportation Act Of 2013](#)

[Text of H.R. 3638: Road Usage Fee Pilot Program Act of 2013](#)

["What do Americans Think About Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year Four of a National Survey". The Mineta Transportation Institute](#)

Council of State Governments Knowledge Center Transportation Policy Academy presentations on Oregon's Mileage-Based Road Usage Charge Program

- [Oregon's Road Usage Charge Program: Paying for Distance Travelled \(Jim Whitty PowerPoint presentation\)](#)
- [Cost and Revenue Modeling for Road Usage Charging \(Travis Dunn \(D'Artagnan Consulting\) PowerPoint presentation\)](#)
- [Evaluation of Oregon DOT Road Usage Charging Pilot Program \(Steve Morello, D'Artagnan Consulting\)](#)
- [Road Usage Charge Pilot Program Administration and Lessons Learned \(Louis Neudorff, CH2M HILL\)](#)
- [Road Usage Charging Urban-Rural Analysis \(DHM Research\)](#)
- [Pilot Program Communications \(Kristin Hull, CH2M HILL\)](#)

[RAND: Mileage-Based User Fees for Transportation Funding: A Primer for State and Local Decisionmakers.](#)

["Road to Nowhere: Federal Transportation Infrastructure Policy" -- Council on Foreign Relations](#)

[The Mediating Role of Motorists' Evaluation of Current Roadway Conditions in Determining Their Willingness to Pay for Future Improvements. Morgan State University](#)



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CalTrans (California Department of Transportation)
Cambridge Systematics
CDM Smith
CH2MHill
Colorado Contractors Association
Computer Aid, Inc.
Cubic Transportation Systems
D'Artagnan Consulting
Delaware Department of Transportation
Humphrey School of Public Affairs, University of Minnesota
I-95 Corridor Coalition
IBTTA (International Bridge, Tunnel and Turnpike Association)
LECET (Laborers- Employers Cooperation and Education Trust)
Minnesota Department of Transportation
Nevada Department of Transportation
New York City Department of Transportation
North Carolina Department of Transportation
Oregon Department of Transportation
Parsons Brinckerhoff
Reason Foundation
TransCore
True Mileage
Verdeva, Inc.
Washington Department of Transportation
Xerox

[National Transportation Center](#)

[Equity of Evolving Transportation Finance Mechanisms: Transportation Research Board
August, 2011](#)

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