

— THE EASTERN
TRANSPORTATION
COALITION

CONNECTING FOR SOLUTIONS



Rebuilding the Link Between Road Use and Payment for Sustainable Transportation Funding Solutions

February 5, 2026



Today's Agenda

Why Are We Talking About Transportation Funding?

Where Do We Go From Here?

The Coalition's Latest Work

Building a Path Forward





Why Are We Talking About Transportation Funding?



We need our roads.

As vehicles become more fuel-efficient, drivers pay less motor fuel tax per mile, **weakening the link between use and payment.**

Inflation is Here: *Building and Maintenance Costs are Increasing*

In **2003**, we could build this road



In **2023**, we could build only this much with the same money



The Link Between Use and Payment is *Fraying*

How many miles
you drive...



...does not reflect
what you pay



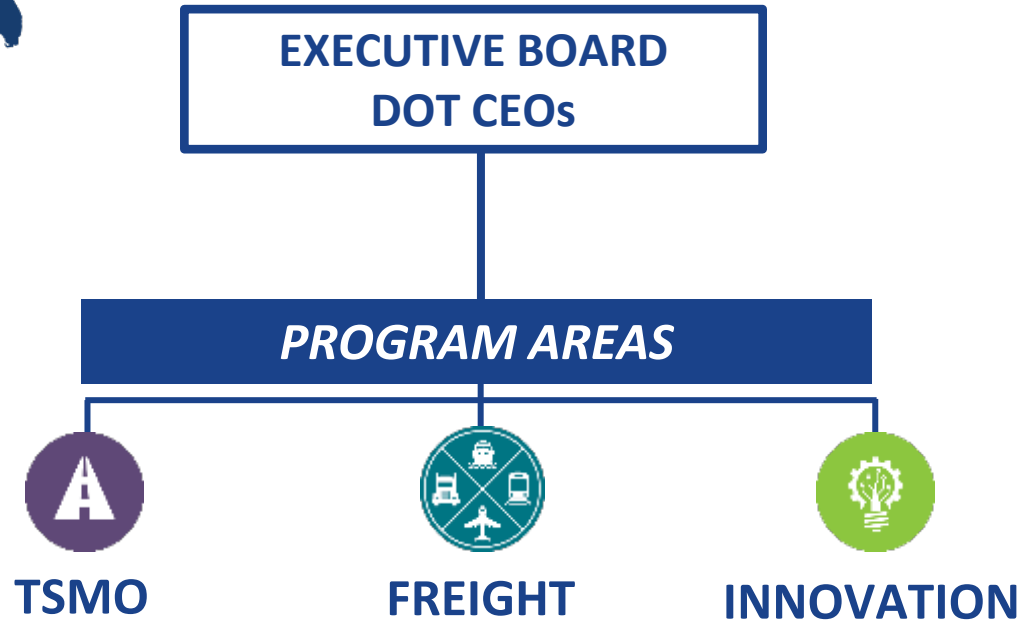
Who is the Coalition?

Collective impact organization working together to solve today's most pressing transportation challenges.



20 States + D.C.

and 250+ agencies



COALITION BY THE NUMBERS

20 MEMBER STATES PLUS DC

42% OF THE U.S. POPULATION

42% U.S. VEHICLE MILES TRAVELED

MORE THAN 250 AGENCIES

46% OF THE NATION'S JOBS

33% OF THE U.S. ROAD MILES

Finding Solutions to Our Transportation Funding Challenge

The Coalition works across states given the region's economic importance, heavy **cross-border travel**, and significant **truck movement**.

The Coalition has been exploring a range options:



Mileage-based user fees (MBUF)



kWh fees



EV fees



Truck taxes & fees



Tolling

Overview of TETC MBUF Work

14 Passenger Vehicle Pilots*

*6 general public and 8 stakeholder

3,250+ Passenger Vehicles

14 States Represented Among Participants

4,000+ Public Opinion Survey Respondents

- ✓ Education & Outreach Materials
- ✓ Compendium of Revenue Alternatives
- ✓ 3 Peer Exchanges
- ✓ Evaluation & Outreach Plans
- ✓ Participant Surveys & Focus Groups
- ✓ Geographic & Socio-economic Equity Analysis
- ✓ 8 Steering Committee Meetings
- ✓ Tolling, Congestion Mitigation & Rate-Setting Studies

NATION'S FIRST MULTI-STATE & NATIONAL TRUCK PILOTS

3 Commercial Vehicle Pilots

500+ Commercial Trucks

19M+ Miles traveled

48 States Traveled + Canada

- ✓ Coordination with IFTA/IRP
- ✓ Clearinghouse Workshop
- ✓ Participant Surveys & Interviews
- ✓ 12 Motor Carrier Working Group Meetings
- ✓ Rate-Setting Studies (weight)



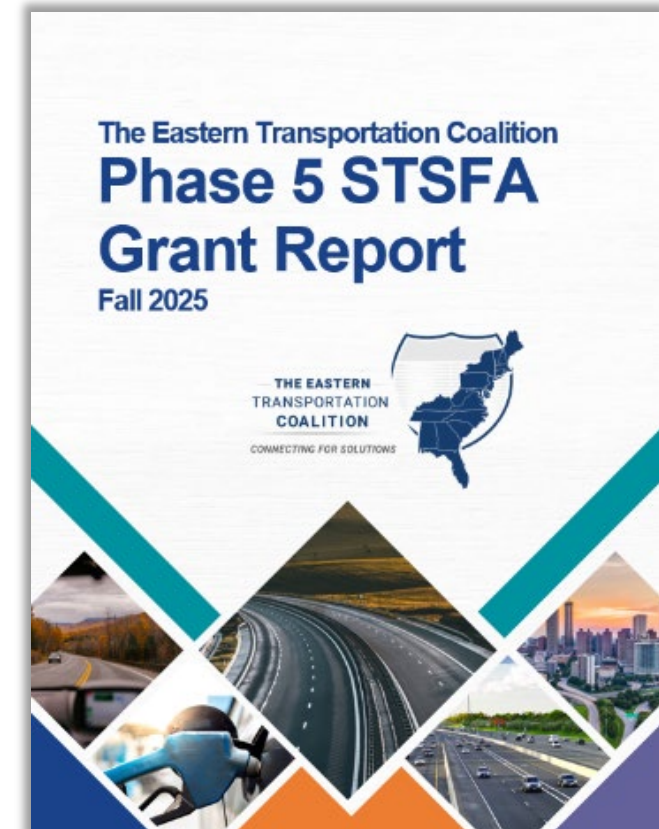
The Coalition's Latest Work: *STSFA Phase 5 MBUF Work*

Our Latest Work

2023-2025

The Coalition partnered with **9 member states** to deliver:

- ✓ Revenue Sound Bites
- ✓ Revenue Visualization Tool
- ✓ Compendium of MBUF, EV Fees, and kWh Fees
- ✓ Demonstration Pilots
- ✓ Household Impact Analysis
- ✓ Customized Education and Outreach
- ✓ ...and more!



Addressing Key Barriers

Previous Phases

Identified common barriers to MBUF implementation



Phase 5

Explored real-world solutions to **overcome** these barriers



Gap in Public Understanding



Privacy Concerns



Fairness Myths



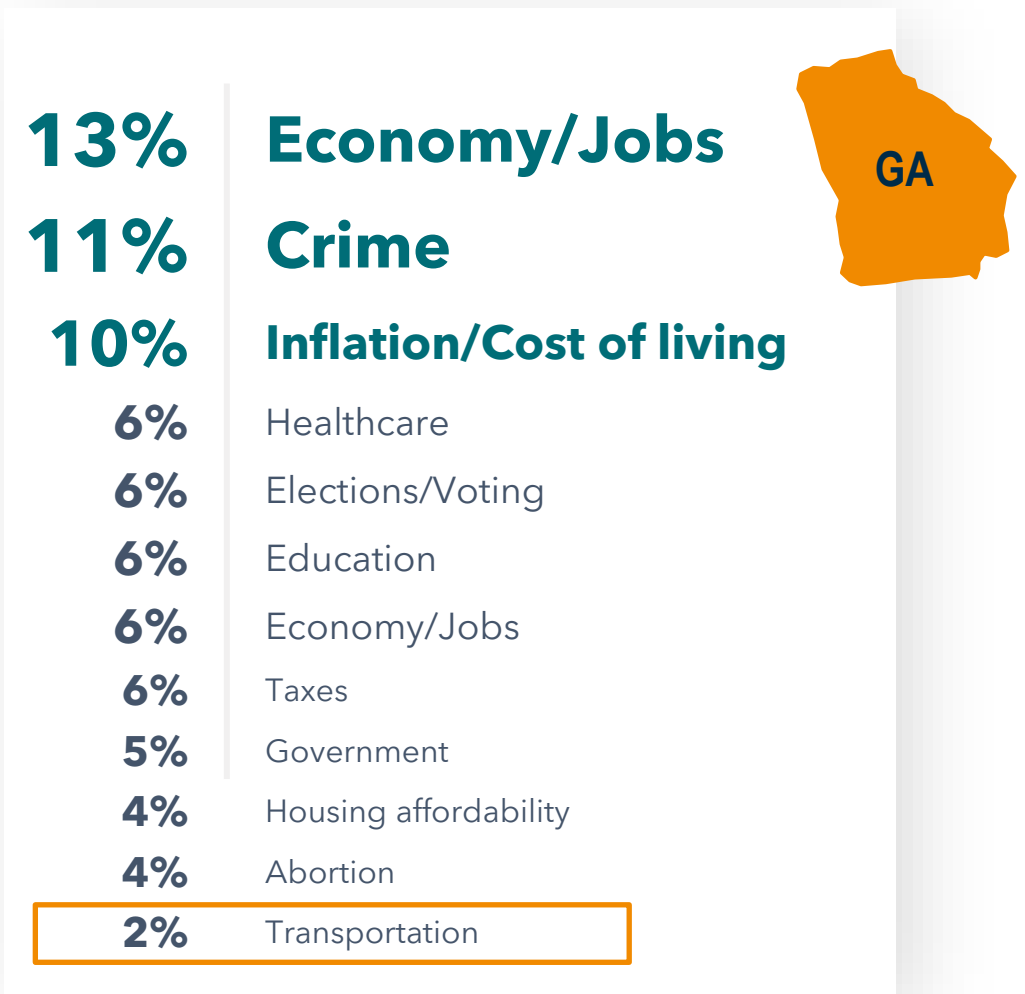
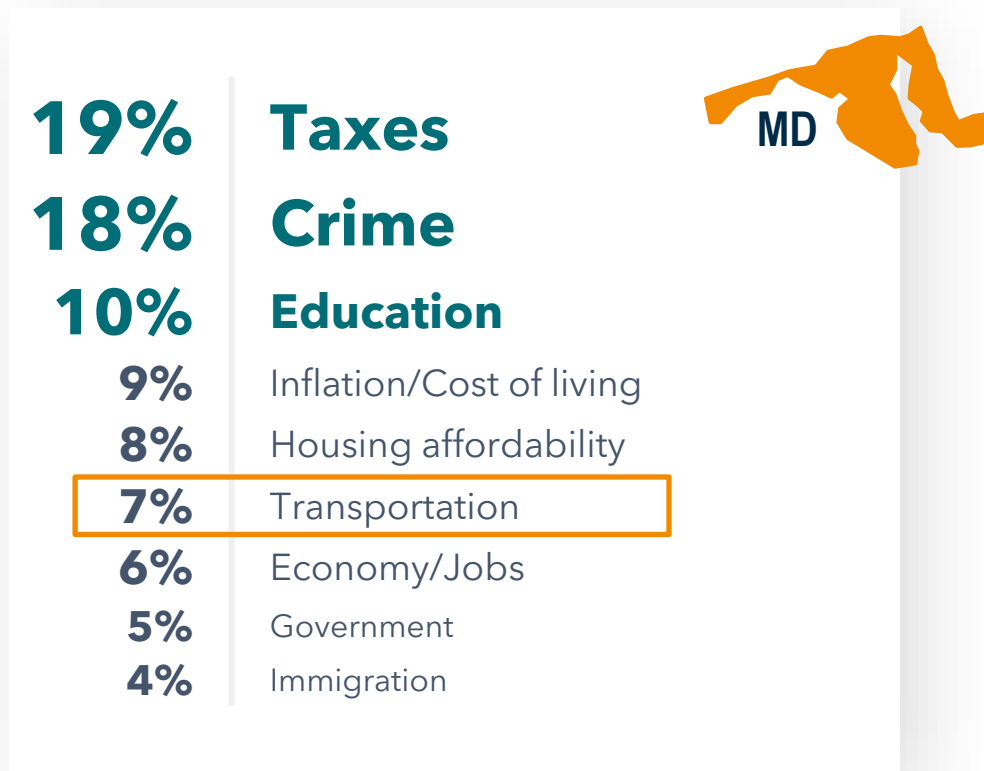
Administration Costs



Closing the Understanding Gap

Transportation is Not Always *Top of Mind*

What is the most important issue that you would like your elected officials to address?

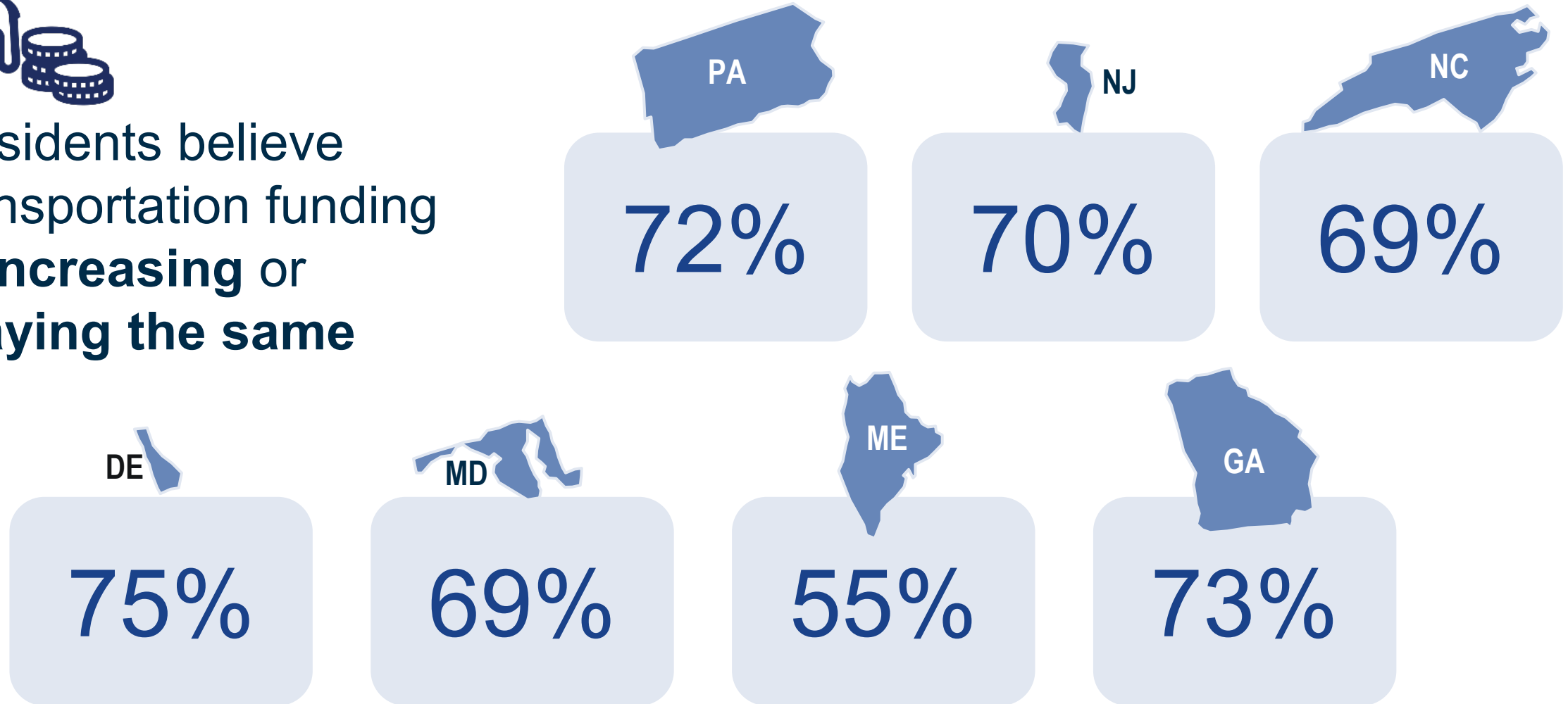


DHM Research | TETC MD 2024 and GA 2023 MBUF Statewide Surveys

There is a *Gap In Public Understanding*



Residents believe transportation funding is **increasing** or **staying the same**

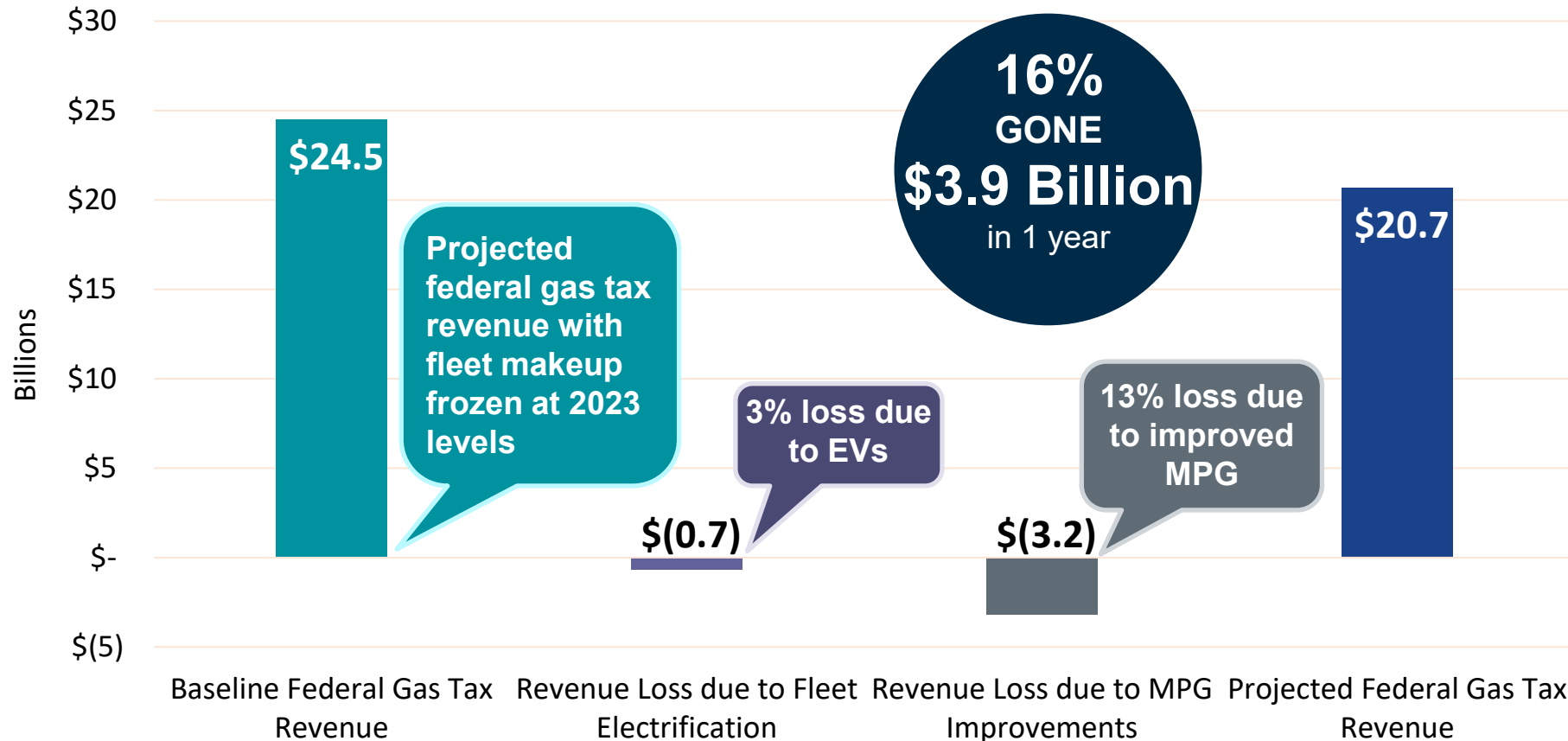


Revenue Sound Bites

Putting a number on the “cost of doing nothing.”



Projected Federal Fuel Tax Revenue in 2030
Slow EV Adoption (EIA)



Note: Nominal dollars.

Test Messaging Through Focus Groups



2 Online
Focus Groups
Before Launch



Residents in North Carolina (N=17)
Group 1 (N=8): Residents from rural areas
Group 2 (N=9): Residents from small urban areas



Previous Logo Impression
*Changed 'mobility' to
'transportation;' loved 'together'*



Video
Impression
Positive impression



Website Messaging
Overall helpful and convincing

"Tell us exactly what the challenges are so that we understand, educate us."

URBAN FOCUS GROUP RESIDENT

AdvaNCe Transportation Together

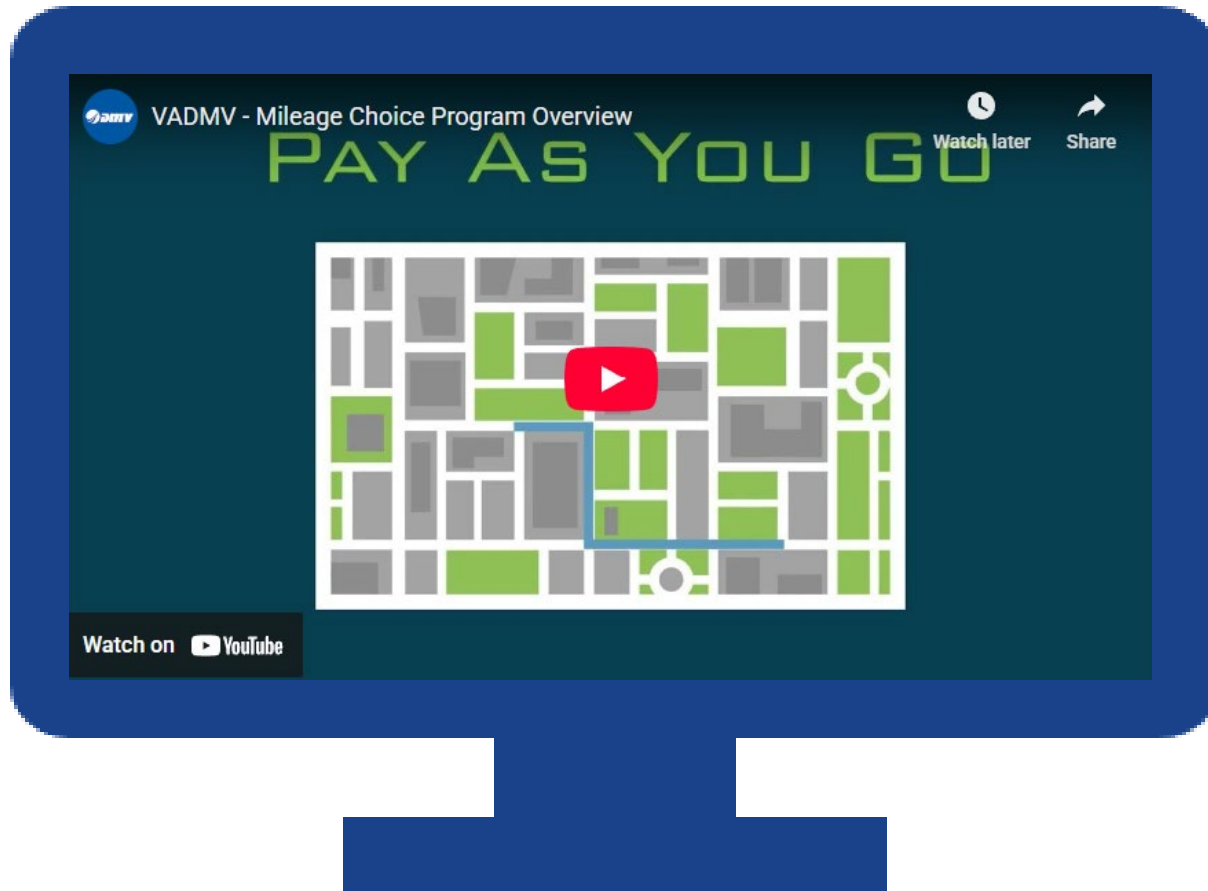


AdvaNCe Transportation Together launched as a public education effort to explain how transportation is funded, including problems and potential solutions.

Outreach materials enabled a **layered approach to amplify the message:**



Virginia's New Engagement Tools: Video and Calculator



Virginia Mileage Choice Calculator

Calculate your potential savings with the Mileage Choice program

Vehicle Type

Traditional Fuel Vehicle (Under 25 MPG) Traditional Fuel Vehicle (25+ MPG)

Electric Vehicle

Fuel Economy (MPG) 27

25 MPG 100 MPG

Annual Mileage 10,000

0 miles 11,600 miles

Virginia's Mileage Choice program provides no savings for vehicles that drive more than 11,600 miles each year—such vehicles will pay the same amount in Mileage Choice as they would for the Highway Use Fee.

Your Estimated Costs & Savings

Highway Use Fee (HUF)	Mileage Choice Payment	Potential Savings
\$16.12	\$13.90 Instead of Highway Use Fee	\$2.22 Highway Use Fee - Mileage Choice



Addressing Admin Costs

What are Ways We Can Lower Administration Costs With MBUF?



Leverage technology:

Over time, technology gets cheaper

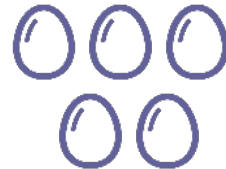


TVs cost 99.20% less in 2024 vs. 1952



Increase volume of participants:

More participants means less cost, like bulk pricing



*1 dozen eggs = \$4.00 at a grocery store
5 dozen eggs = \$14.00 at Costco*



Leverage existing programs and agencies:

Drives costs down



HI leverages existing safety inspections

Leverage Technology



Virginia Mileage Choice Highlights



24,000 participants as of Sept. 2025

- 20% EV, 30% Hybrid and 50% Gasoline
- **Largest program in the nation**



Most Mileage Choice users **stayed below their Highway Use fee (HUF) Cap**



80% renew participation for another year, 71% still participating after two years

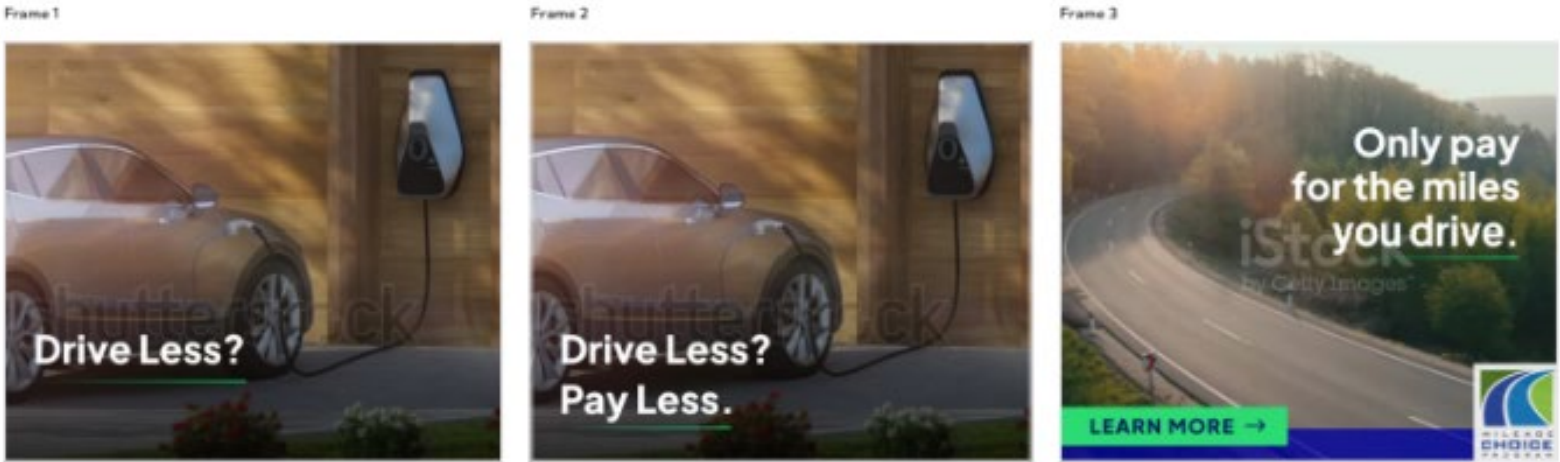


Enrolled drivers are motivated by **saving money, fairness, and the ability to compare costs**

Message Campaign To Improve Enrollment



Creative Ads for Virginia's Mileage Choice Program Tested in Focus Groups



Leverage *Existing* Programs and Agencies



Administer through existing programs, departments, and agencies to drive down costs



Hawaii



Vermont



Leverages an existing program: safety inspections



Uses low-tech odometer readings



Mandatory implementation increases numbers

Estimate Cost of Collection Ranges



Revenue Mechanism Categories



Motor Fuel Taxes: cents-per-gallon fuel excise tax applied to sales of gasoline and diesel



Vehicle Related Fees: taxes and fees based on vehicle characteristics, such as registration fees



Direct Usage Fees: fees based on measured use of transportation system, such as MBUF



Other Indirect Usage Fees: taxing products incidental to road use, such as tires or electricity



Other Fees and Taxes: a variety of mechanisms that do not meet the criteria from the other four categories, such as retail delivery fees

Cost of Collection for Select Mechanisms

As a percentage of revenue



Retail Delivery Fee: 0.10-0.20%

Motor Fuel Tax: 0.5-4%

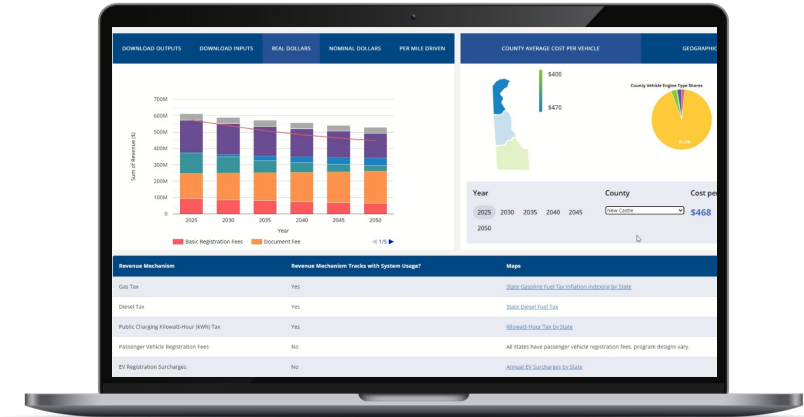
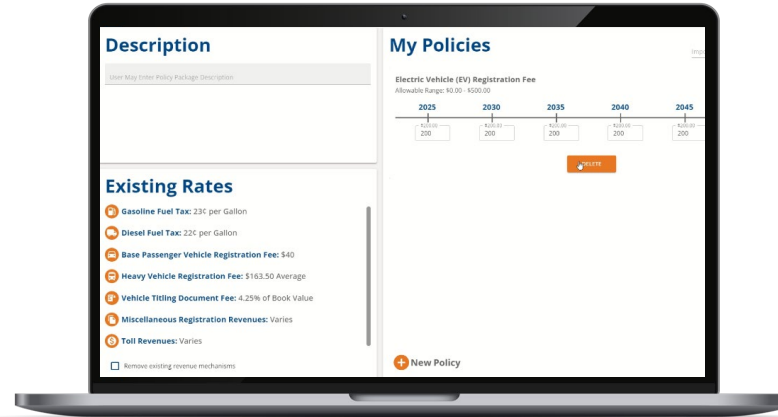
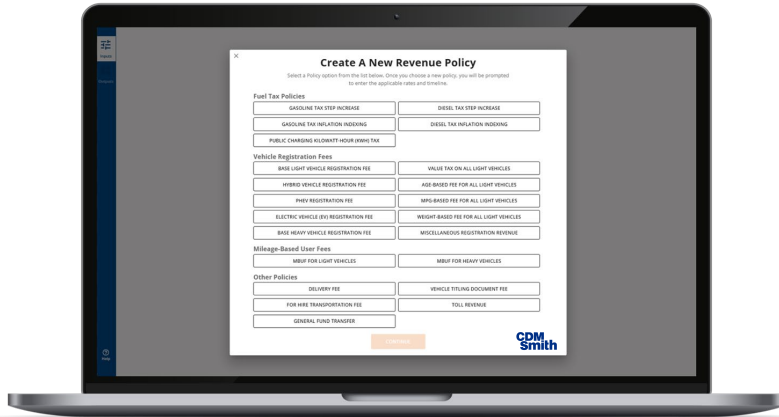
Public kWh Fee: 1-2%

Light-Duty MBUF: 4-25%

Vehicle Registration Fees: 3-36%

Note: Numbers are preliminary and based on limited real-world data

Clearly Present Options: Revenue Policy Visualization Tool



1 Open dashboard

2 Input policies

3 Output charts, maps

- ✓ Simple user interface
- ✓ Flexibility to explore 22 transportation policy choices, existing and new
- ✓ Accounts for administration costs of different policy options



Privacy

Road Tested: First Pilots in Georgia and Maryland



Pilot Highlights



Georgia

November 1, 2023 – February 29, 2024



156

Key Stakeholders Participated



492,449

Total Miles Driven during Pilot



\$14/mo.

Average MBUF compared to \$12/mo. average fuel tax calculated in pilot



Maryland

February 1, 2024 – May 31, 2024



182

Key Stakeholders Participated



405,818

Total Miles Driven during Pilot



\$23/mo.

Average MBUF compared to \$19/mo. average fuel tax calculated in pilot

Pilot Benefits:



Address barriers and concerns unique to each state



Enable a hands-on experience with an MBUF system for residents



Provide data specific to respective states

Addressing Privacy From The Beginning *Through Choices*



New Jersey EV Pilot



Mileage Reporting *Choices*



GPS Smartphone App (**34%**)



Odometer Photo (**39%**)



In-vehicle telematics (**24%**)



Plug-in device with GPS (**3%**)

Privacy Concerns *Decrease* Across the Board After Pilots

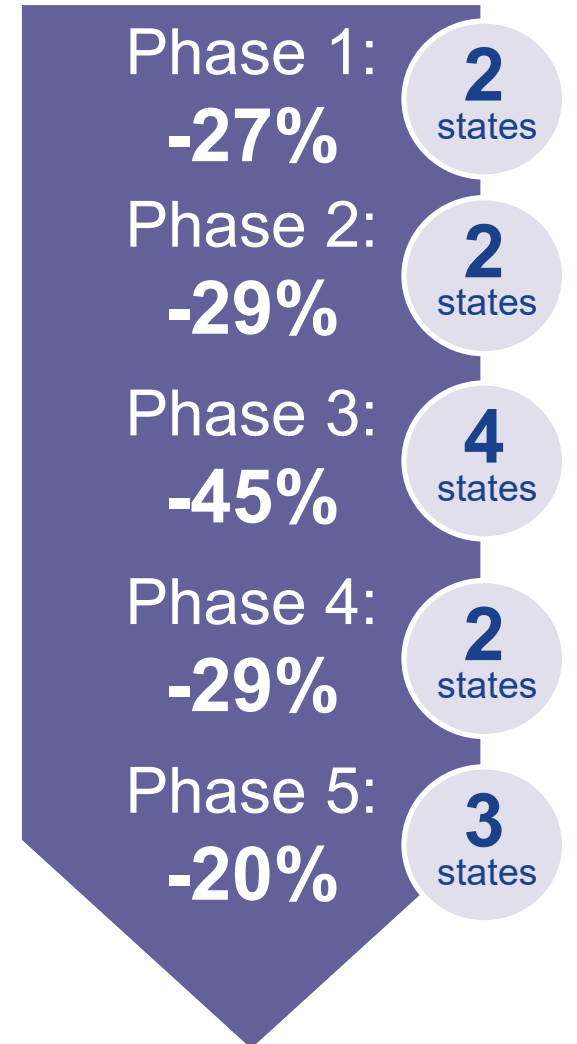
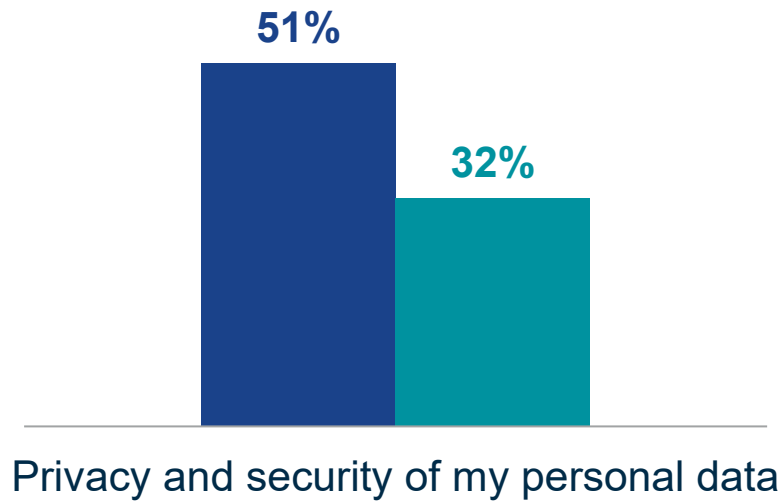


Across **5** phases and **13** pilots, privacy concerns *drop* between **20** and **45** percentage points, on average



Georgia concerns decrease **19%** post-pilot

Concern (4+5 ratings)
Pre-Pilot vs Post-Pilot



Additional Ways States Are Addressing Privacy Concerns

✓ Provide choices in how to report mileage
Low tech, no location information

✓ Use participant agreements to address what data is collected and how it will be used and protected

Protect user privacy in legislation (i.e. privacy protection laws)



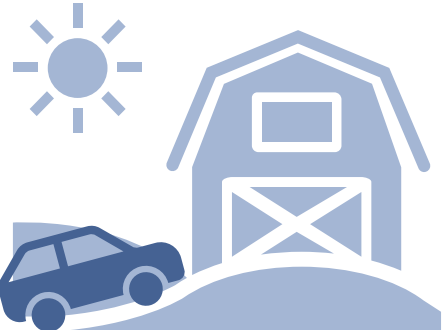
In Virginia...

- Legislation directed DMV-led working group for PII protection
- Existing provisions covered DMV data
- Additional provisions for the *Code of Virginia* took effect on July 1, 2022 (*data only released for program operation purposes*)



Addressing Fairness Concerns

What People Think About MBUF *Varies Across States*



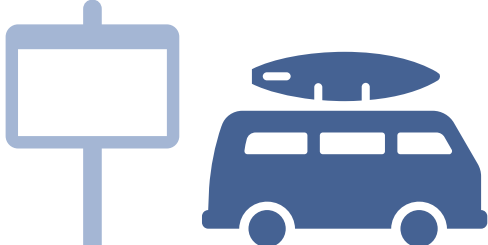
GA MD

Unfair to Rural Drivers




NJ MD GA

Hassle to Report and Pay



PA DE NC MD GA

Out-of-State Drivers May End Up Not Paying



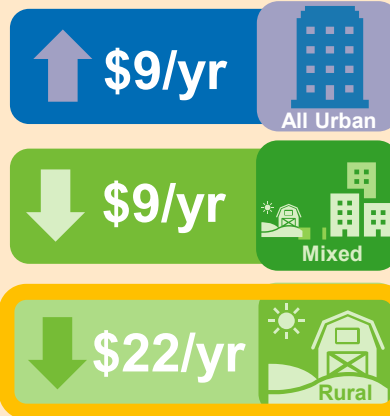
ME NJ

Accuracy of Fuel Tax Paid

Data Addresses *Myths* About Rural Drivers



On average rural drivers' costs would **decrease** under an MBUF



Household impact analyses in Georgia are **consistent** with previous work in other states:



New Jersey EV Pilot *(first of its kind)*

★ \$250 annual registration fee for EVs introduced on July 1, 2024:

- Annual fee increases \$10/year for 4 years
- Paid annually at registration



4-month pilot

Oct 1, 2024 – Jan 31, 2025



Evaluation: Data Analysis, Participant Surveys

Top reasons to join the Pilot:



Support implementation of MBUF

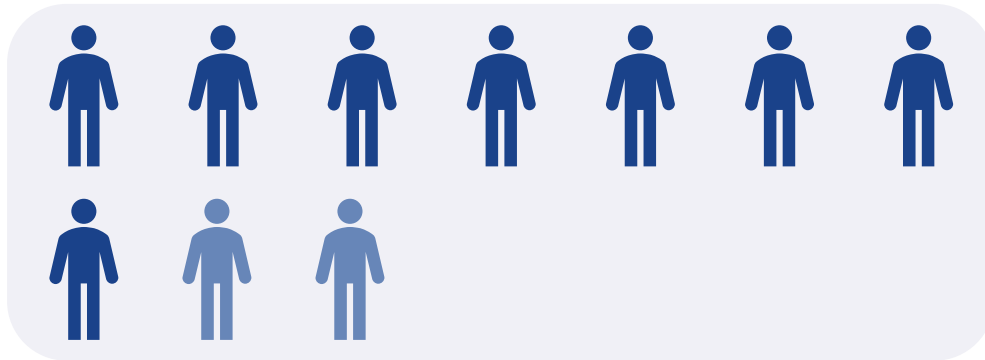


Influence policy decisions

Fairness of MBUF and Choice Matter



Over **8** out of **10** participants support an MBUF over the fuel tax.



Nearly **9** out of **10** participants support an MBUF over an EV fee.



Participants want a fair system where all drivers pay for their road usage.

“I’m more than willing to pay my fair share. A MBUF, in my mind, is a fair way to do it.

-Participant 65+

“I’m not complaining. I went for 11 years and freeloaded, so I can’t complain too much.”

-Participant 45-64



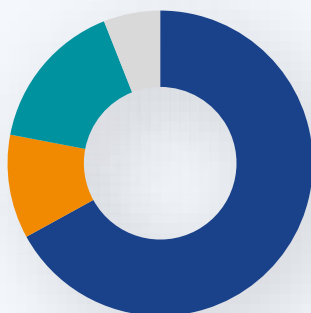
Virginia Driver Survey and Focus Groups



Most drivers believe the Mileage Choice Program is more fair than the HUF.

Less fair
16%

Just as fair
11%

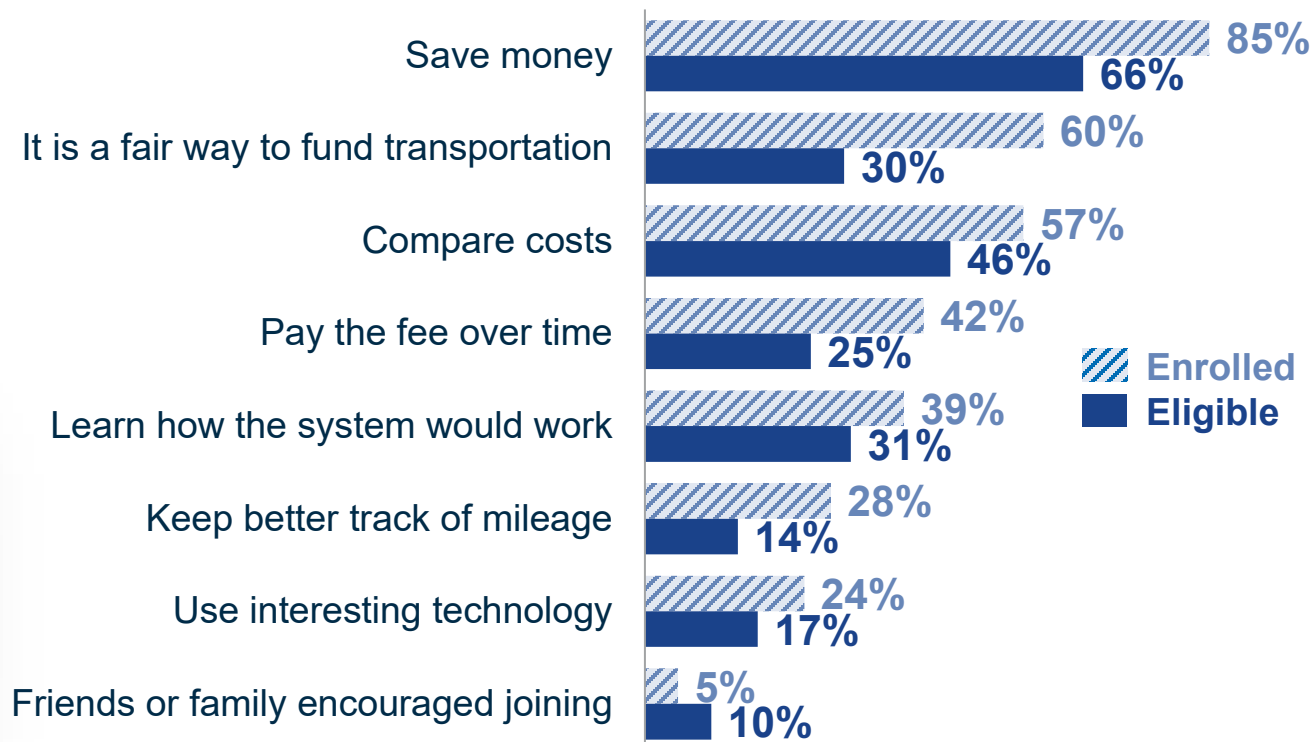


More fair 67%

Being a frugal and consumer-oriented person, the savings got my attention. I'm a big fan of it. The only reason that I'm there is that it's saving me money. How it's saving me money? I don't care. As long as it keeps doing what it's supposed to do, I'm happy.

Enrolled Hybrid Driver

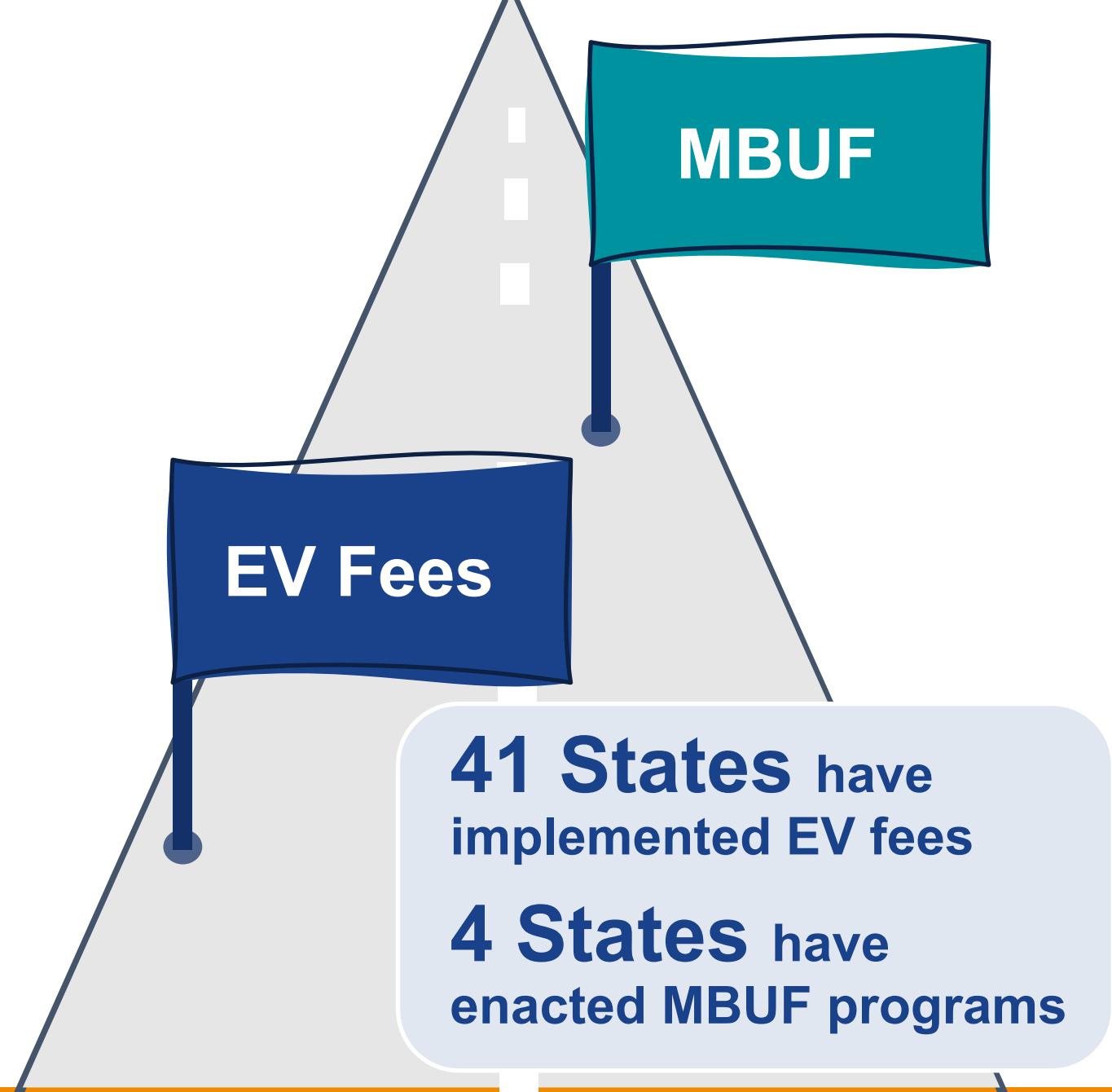
Enrolled drivers are more motivated by saving money, fairness, and the ability to compare costs compared to eligible drivers.



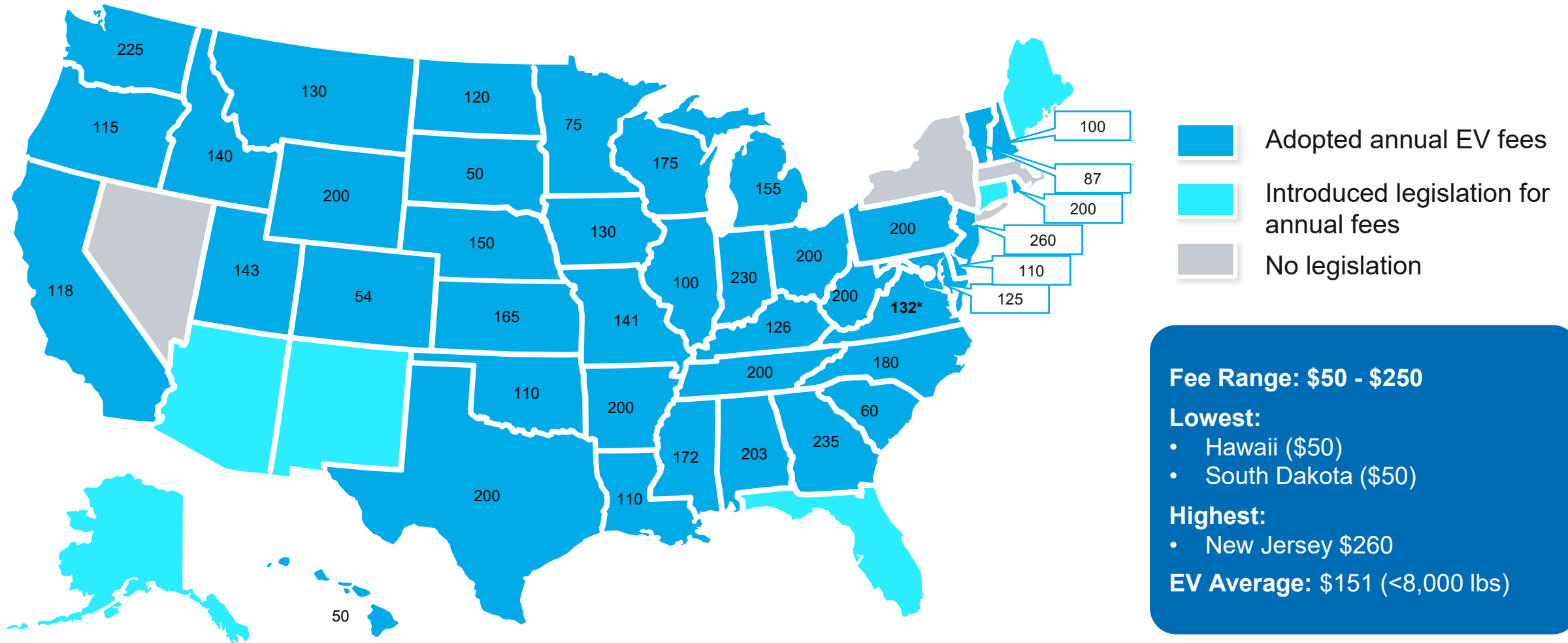


Where Do We Go From Here?

State View



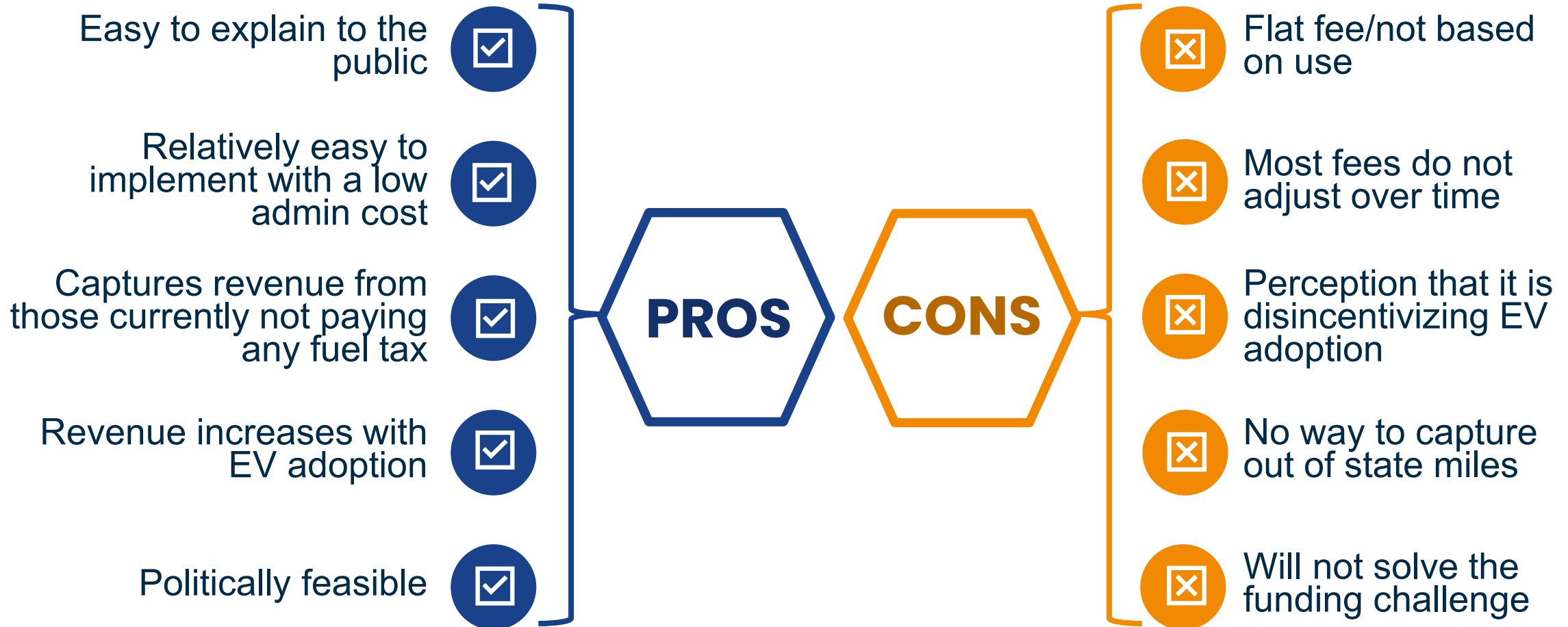
Special Vehicle Registration Fees for EVs (2025)



Source: [Special Fees on Plug-In Hybrid and Electric Vehicles \(ncsl.org\)](https://www.ncsl.org/research/transportation/special-fees-on-plug-in-hybrid-and-electric-vehicles) cross referenced with State DMV websites

*Collected through VA's HUF

EV Annual Registration Fee



EV Fees: A Launching Pad to Programs



- EVs and 25+ MPG
- Replaces highway use fee
- RUC capped at flat fee amount



Virginia



Hawaii



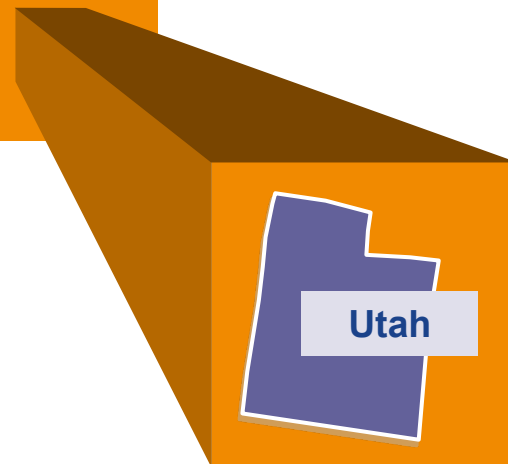
- EVs only
- Replaces EV flat fee
- RUC capped at flat fee amount



- EVs and 20+ MPG
- Discounted registration fee
- No fee cap



Oregon



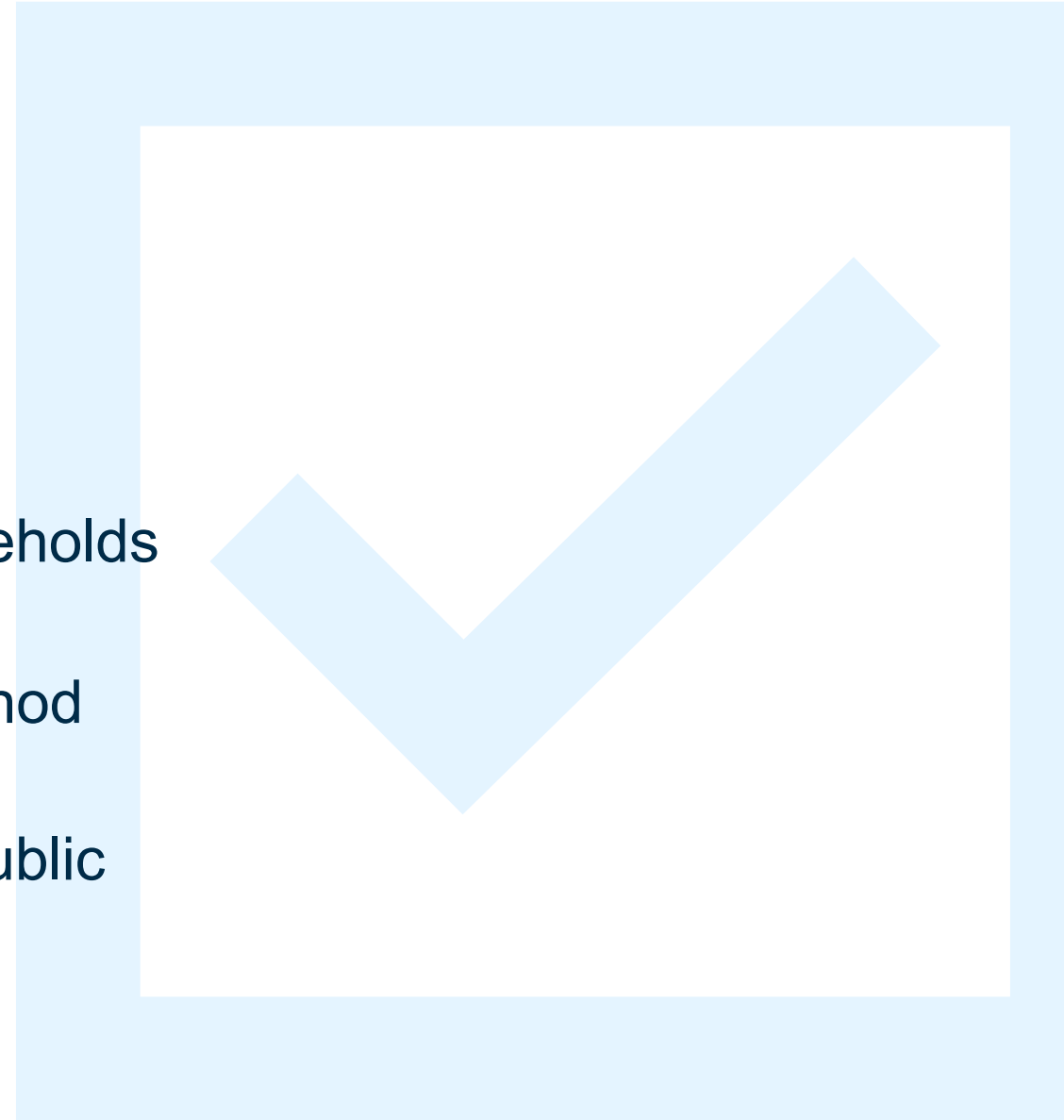
Utah



- EVs only
- Replaces EV flat fee
- RUC capped at flat fee amount

The User-pay Advantage

- ✓ True user pays funding method
- ✓ Transparent to user
- ✓ Data shows it would benefit rural households
- ✓ Independent of vehicle propulsion method
- ✓ Pay for what you use resonates with public
- ✓ Long-term, sustainable option

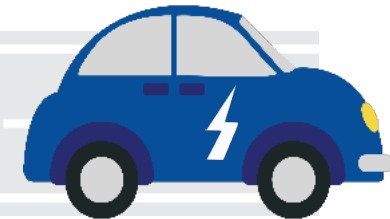


The User-pay Advantage...

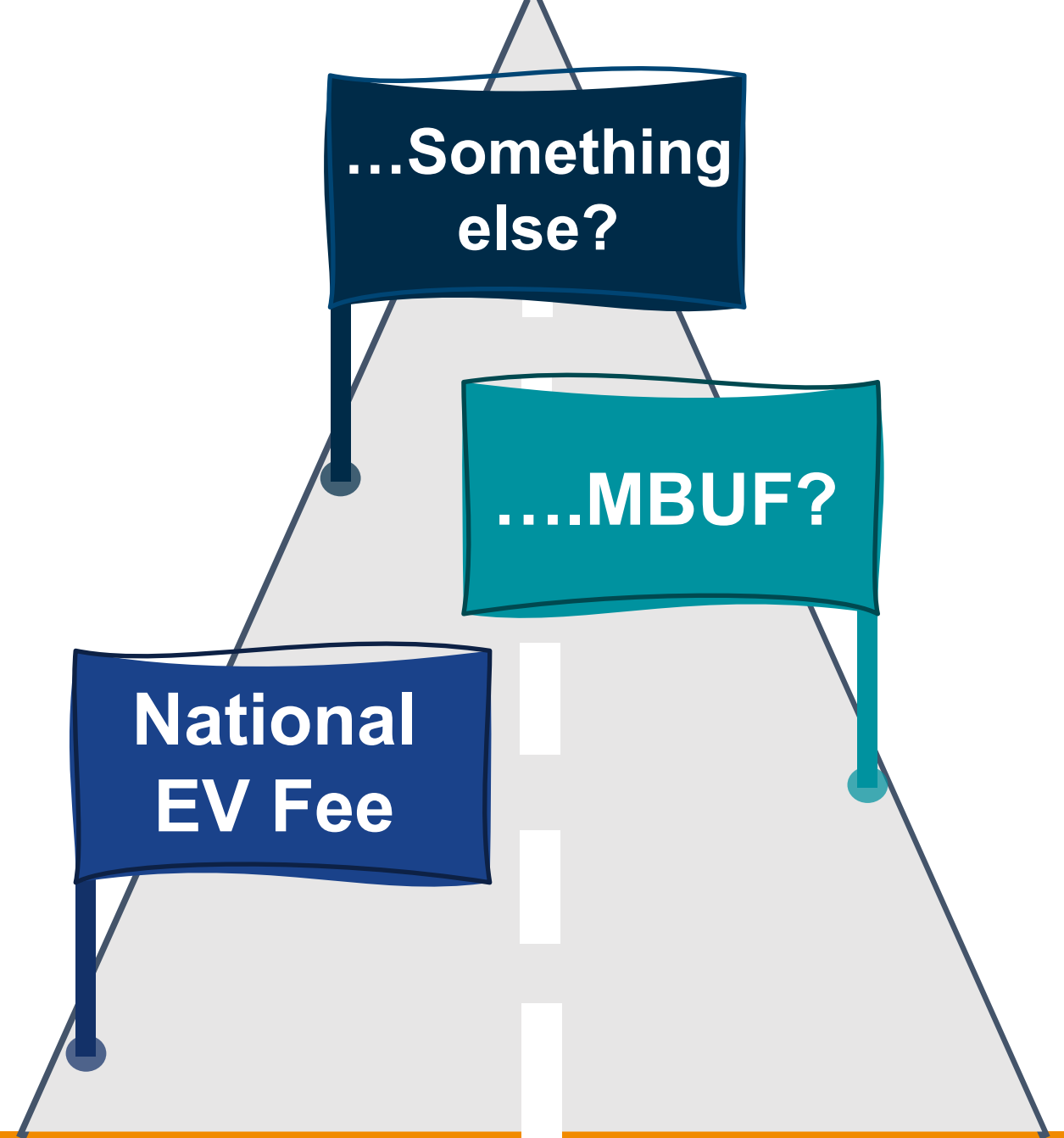
...You Only Pay for the Amount You Drive



If you *drive* the same amount, you *pay* the same amount



On The Horizon on The Federal Side...



What else is on the Horizon?



**National
Pilot**



**National
Awareness
Campaign**



SIRC



Building a Path Forward

Keep Building Momentum

Broaden the Conversation

Expand across more states, topics, and perspectives

Communicate Value Clearly

Continue using visuals and data to explain funding challenges and impacts to daily life

Refine the Message

Address concerns about flat fees and EV fees not solving fuel efficiency disparities



Through coordinated multi-state efforts by the Coalition, Phase 5 demonstrated how pilots, data-driven tools, and targeted outreach can effectively address many of the perceived implementation challenges as we determine further the feasibility of MBUF as a sustainable funding approach.

-- Russell McMurry, The Coalition Executive Board Chair, Georgia Department of Transportation



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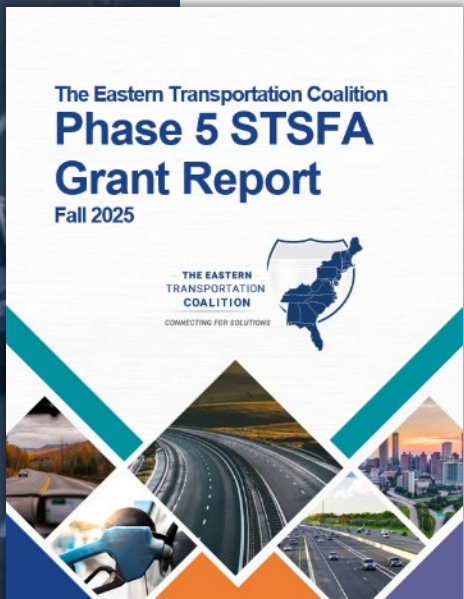
Read our latest report!

www.tetcoalitionmbuf.org/phase5report



Learn about the Coalition!

www.tetcoalition.org



Join Our Multi-State MBUF Pilot

Experience MBUF!

We are hosting a **FREE** multi-state MBUF pilot now!



Looking for Key Stakeholders in Coalition states, *except Virginia*:

- Agency leadership
- Regional partners (e.g., MPOs)
- Industry and economic partners



tetcmbufpilot.org