Mileage-Based User Fees (MBUFs)

The Right Path or Off-Roading?
Ahead of the Curve or In the ditch?

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What are Mileage-Based User Fees

• Pay as you drive for miles you drive
• Pay where you drive
• Pay when you drive
• Extension of tolling
Why Mileage-Based User Fees

- Alternatives needed to traditional gas tax
- Current transportation funding shrinking
  - VMT decreasing
  - Failed revenue raising attempts
  - More fuel efficient vehicles
  - Some vehicles pay no fuel tax
- Technology and times enable the discussion
I want to be able to do it all from my iPhone.
Driverless

NewTheEndBegins.com
Formal studies underway/complete:

- University of Iowa Field Tests
- 2006-07 & 2012-13

Pilot Program Completed or Underway:

- I-95 Corridor Coalition
- Beginning Inquiry
- Participating in multi-state pilot
Key Challenges and Concerns

- System design and administration
- Privacy protection and data use
- Transition from gas tax
- State to state adoption
- Cost of administration and enforcement

The absence of a federal role …
What “they” are saying

- December 2012 ... Rep. Blumenauer (D-Ore) introduced bill for Treasury to study MBUFs
- December 2012 ... T&I Committee Chair Bill Shuster has said a MBUF is a “fair way” to pay for transportation infrastructure
- December 2012 ... GAO Report “the most promising alternative revenue measure” to the existing gas tax
- President Obama has opposed MBUFs...
What is the reality

• No clear set of champions for mileage fees
• No clear federal leadership
• Many issues to address – not unlike other initiatives
• System design likely to have options
• Technology will help pave the way for greater public confidence
• Generation of digital natives won’t have issues with use of technology or privacy
What can be expected

- **Little** federal leadership
- **Some** research and pilots at the state level
- **More** toll roads and public/private transportation partnerships (using AET)
- **Increase** in alternative and electric vehicles; more fuel efficient vehicles
- **Greater** urgency to adequately fund transportation

The conversation will continue....
The DMV/AAMVA Likely Role In MBUFs

• Role will be limited
• Sharing of vehicle ownership data
  – Work out toll information exchange issues
• Enforcement (fines/sanctions)
  – Work out state-to-state compacts
• Path to e-title and NMVTIS are important components
  Rethink roles and reposition …
Some Things Do and Can Change