Symposium on Mileage-Based User Fees
U.S. Deployment Approaches: Truck Fees
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Richard Mudge, Ph.D.
r.mudge@delcan.com  (301) 5429-3834
Delcan Corporation
National Perspective

- Federal and state highway finance systems are broken
  - Current revenues fall well short of demand
  - Growth in high-efficiency light vehicles will reduce revenues from gasoline and shift financial burden toward trucks
    - Federal goal of 35.5 MPG for new cars by 2016
- Growing interest (enthusiasm by some) in mileage-based fees but full deployment will take time due to:
  - Technology issues
  - Privacy concerns
  - Cost to deploy and operate
  - Political support
  - A few pilot projects, but no deployment planned in North America
Truck based VMT fees have several advantages:

- Most large trucks already have installed required equipment
  - at no cost to public and no additional costs for motor carriers

- Privacy less of an issue since fleet owners have the right to know the location of their trucks
  - But concerns over release of origin and destination data
  - Some union issues

- Low cost to equip additional trucks
  - May require subsidies, soft loans, or financial incentives
NY Truck VMT Fee Project

- NOT modeled on the German truck fee system!
- Goal: establish a revenue-neutral, mileage-based tax model that generates support from motor carrier industry and public sector.
  - Revenue Neutral – for motor carriers and public sector
    - Mileage fee will replace existing state truck taxes
  - Emphasize Simplification
  - Use Based Fees
    - Vary by class of truck, class of road, time of day and congestion
  - Industry Inclusive
    - Data and information from four motor carriers with a variety of operations
    - Work from ground up to build support within industry
  - Data Intensive
    - Actual data from NY-based fleets
  - Statewide
- Possible partial implementation in 2010
Analytic Work

- Estimate truck VMT by vehicle class and by type of road
  - Build on NYSDOT data
  - Total close to FHWA estimate for NY truck VMT
- Estimate truck payments by truck class
  - Ton mile tax
  - Diesel tax
  - Registration fees
- Compare with actual receipts
- Findings
  - Significant under payment of ton mile tax – matches earlier findings by ATRI
  - Under payment of NY state diesel fuel tax
Development of VMT – NYSDOT Count Stations
## Detail by Class of Road and Type of Truck

<table>
<thead>
<tr>
<th>Class of Road and Type of Truck</th>
<th>Total</th>
<th>Straight Trucks</th>
<th>Trucks with trailers</th>
<th>Trucks with multi-trailers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hwy VMT (million miles)</td>
<td>10,139</td>
<td>4,147</td>
<td>5,865</td>
<td>126</td>
</tr>
<tr>
<td>Non-Thruway VMT (million miles)</td>
<td>8,566</td>
<td>3,794</td>
<td>4,646</td>
<td>126</td>
</tr>
<tr>
<td>Thruway tolled VMT</td>
<td></td>
<td>353</td>
<td>1,219</td>
<td></td>
</tr>
<tr>
<td>A1 + Ramps</td>
<td>3,805</td>
<td>1,348</td>
<td>2,391</td>
<td>66</td>
</tr>
<tr>
<td>A2</td>
<td></td>
<td>597</td>
<td>367</td>
<td>12</td>
</tr>
<tr>
<td>A3 + Others</td>
<td>3,784</td>
<td>1,849</td>
<td>1,888</td>
<td>48</td>
</tr>
</tbody>
</table>

- A1 – Primary highways with limited access
- A2 – Primary highways without limited access
- A3 and Others – secondary highways
Proposed Fee Structure

- Focus on tractor-trailers and straight trucks
- Average fee for all miles
- Variable fee by:
  - Thruway – no substitute for tolls
  - Other limited access roads
  - Primary roads
  - Local (all other roads)
  - Off-peak discount
NY State Highway System
Baseline Flat Fee – Single Per-mile Fee

- Non-Thruway = 10.6 cents per mile
- Thruway = 5.1 cents per mile – in addition to existing tolls

Congestion Fee Option - Based on Time of Day

- Discount for travel in off-peak rather than higher fees for peak travel. Off peak travel in urban areas = 4 percent of VMT for our sample of trucks
Preliminary Proposed VMT Fees – Tractor Trailers

Fees by Class Of Road

- 7 cents per mile for A1 roads – Primary highways with limited access other than Thruway
- 11 cents per mile for A2 roads – Primary highways without limited access
- 15 cents per mile for local roads

But, some truckers argue for a simple, single fee system

- **Is it Revenue Neutral?**
  - Rates match current law (on average)
  - Revenues for NY state would be higher
Project Timeline

Fast Track Plan

- **Phase I:** Use real data to test alternative fee structure

- **Phase II:** A “live” voluntary test with some truck fleets paying the new VMT tax in exchange for dropping other truck fees
  - Possible for late 2010

- **Phase IIA:** Use IFTA filings for simple national system
  - Could this also replace the truck excise tax (12 %)?

- **Phase III:** Full implementation
  - Requires legislation
  - Best if done on a multi-state basis
Adds Value for Operations and Planning

- Data about truck movements and characteristics support
  - Improved freight efficiency
  - Freight planning
  - Aggregate O and D data
  - Fuel use data provides actual costs, rather than reliance on models
  - Greenhouse gas analysis
  - Potential for carbon credits

- Provide data for truck-focused spending – in return for non-revenue neutral fee

- A “poor man’s” Intellidrive?
Who is Working on This Project?

- Greater Buffalo-Niagara Regional Council
  - With support from MPOs in Albany and Binghamton

- Funds from FHWA Value Pricing program
  - Competitive procurement

- Consultant team
  - Delcan Corporation
    - 800-person transportation consulting firm
    - Experience in finance, policy, economics, and technology
  - Calmar Telematics
    - Based in Syracuse
    - Specialty in truck fleet management data

- Advisory Panel includes NYSDOT, 3 MPOs, NYCDOT, AASHTO, I-95, EPA, NYSERDA …