I-95 Corridor Coalition

Multi-State VMT-Based Road-User Fee Initiative

Mark F. Muriello

Assistant Director
Tunnels, Bridges and Terminals
The Port Authority of NY & NJ

Co-Chair
Policy & Strategic Planning
I-95 Corridor Coalition
The I-95 Corridor Coalition

- Transportation agencies, authorities, operators, MPOs, public safety and related organizations
  - Maine to Florida, with affiliate members in Canada
- Forum address multi-modal transportation management and operations issues of common interest
- Volunteer, consensus-driven organization
- Allows state, local and regional members to work together to improve transportation system performance far more than they could working individually.

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VMT Growth 1997-2008
**VMT-Fee Initiative Focus**

- Distance-based road user charging a key issue and opportunity in Coalition’s Strategic Vision

- Coalition Executive Board direction to embark on a program to explore Coalition roles

- Decision to focus on administrative, institutional and legal issues
  - Complement work being performed by others

- Agreement to work towards definition of a multi-state trial in the Coalition region, anticipating regional and national needs
VMT-Based Fee Initiative Objectives

- Build consensus on a comprehensive set of functions to be included
- Identify alternative mechanisms for governing and administering multi-state VMT fee collection
- Explore existing multi-state revenue collection systems for lessons that can be applied
- Prepare preliminary estimates of the costs of administration and enforcement with different options
- Identify legal issues that may constitute barriers or opportunities

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VMT Member Advisory Committee

- Connecticut DOT
- DC DOT
- Delaware DOT
- Delaware River Port Authority
- Delaware Valley Regional Planning Comm.
- FHWA
- Florida DOT
- I-95 Corridor Coalition
- Maine DOT
- Maryland DOT
- Maryland SHA
- Mass EOT
- MassHighway
- MTA Bridges & Tunnels
- New Hampshire DOT
- New Jersey Turnpike Auth.
- New York City DOT
- New York Metro Transp Council
- New York State DOT
- North Carolina DOT
- Pennsylvania DOT
- Port Authority of NY & NJ
- Rhode Island DOT
- So Jersey Transp Planning Org
- Vermont AOT
- Virginia DOT/Transp Research Council
System Functionality

- Administrative needs and costs of a multi-state system defined by the functions encompassed.
- Examining three levels of functionality as defined by the NCHRP 20-24(69) RAND report:
  - Simple – “mileage metering based on fuel consumption”
  - Moderate – OBD-II with cellular communications
  - Complex – GPS/GNSS solutions
Member Inputs on Functionality

- Functionality represented by the simple option may not be sufficient
- Implementation won’t happen quickly, so no need to move towards deploying the simple option just for that purpose
- Functionality represented by the complex option *must* be considered
- “Scalable, flexible, and interoperable”
Administrative Requirements

- Enroll user participants (either volunteer or mandatory)
- Accumulate mileages and related charges, by state, jurisdiction, and agency
- Calculate and reconcile mileage traveled by jurisdiction
- Distribute revenues among participating parties
- Calculate fees and invoice users with multiple methods of payment and billing processes
Administrative Requirements

- Maintain user interfaces and communication
- Enforce, audit, and ensure security
  - Ensure collection of fees from users
  - Ensure proper distribution of funds among agencies
- Identify state and multi-state administrative units and their respective responsibilities
- Governance procedures to address relationships between states by defining multi-state agreements
  - State responsibilities
  - Other agency roles, rules and requirements

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The Question of Administrative Costs

Prevailing thoughts on cost of collection….

- The cost of collecting the Motor Fuel Tax is extremely efficient
- The cost motor vehicle registration varies, but is relatively effective means of revenue collection.
- ETC often viewed as expensive ongoing operating costs

… but the cost of VMT-based fees will exceed all.
## Collection Costs vs. Receipts

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<th>States</th>
<th>Admin - MFT</th>
<th>Veh Reg</th>
<th>$/Veh Reg</th>
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Key Cost Drivers

- Numbers of users and of agencies
- Required level of detail of VMT data – by geographic area, by time of day, by facility
- Whether existing processes and practices, such as state registrations, can be leveraged
- Frequency of updates – mileage by jurisdiction, billing, and collection
Administrative Cost Drivers

- Level of customer service and communication
- Level of monitoring, including identifying unregistered or newly registered vehicles and identifying delinquent accounts
- Enforcement and auditing to minimize evasion and to assure collections and revenue distribution
- Ability to leverage existing systems such as the IRP, E-ZPass® IAG, etc.
States and toll agencies want to maintain their own customer interfaces and data, while achieving efficiencies from vendors and multi-state agreements.

“Institutional Options” are a sliding scale:
- Contract services
- In-house services
- Multi-state agreements
Legal Issues

Objective is to identify issues of most concern to member agencies
- Conducting a survey of legal staff in a cross section of member agencies
- Will conduct follow-up discussions

Will develop a strategy to address issues and opportunities
- Tax or user fee?
- Do restrictions on use of motor fuel taxes apply?
- Ability to collect fee based on mileage driven on all roads (including non state-owned facilities)
- Authority to enforce against out-of-state violators
A Multi-State VMT-Based Fee Trial

- Attractiveness of the Coalition Region
  - Significant amount of multi-state freight movement and passenger travel
  - Abundance of toll facilities
  - Existence of variably priced facilities
  - Opportunities to test applications of a variety of policies as reflected in rate structures, collection methods, enforcement practices, etc.
  - Coordinating structure already in place through the I-95 Corridor Coalition

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Possible issues to be explored in a multi-state trial in the Coalition region:

- Distributing fees among participating states/agencies
- Development of a vehicle registry network (perhaps building on AAMVA and IRP systems)
- Integrated payment system concepts incorporating time-based and toll-facility charges
- Issues of frequency of payments & payment channels
- Collecting Federal fees through a state network
- Open system concepts involving multiple vendors and technologies
- An institutional prototype (collection service with retention of agency relationship with customers)