



NC FIRST COMMISSION

July 31, 2020

UNDERSTANDING DIFFERENCES

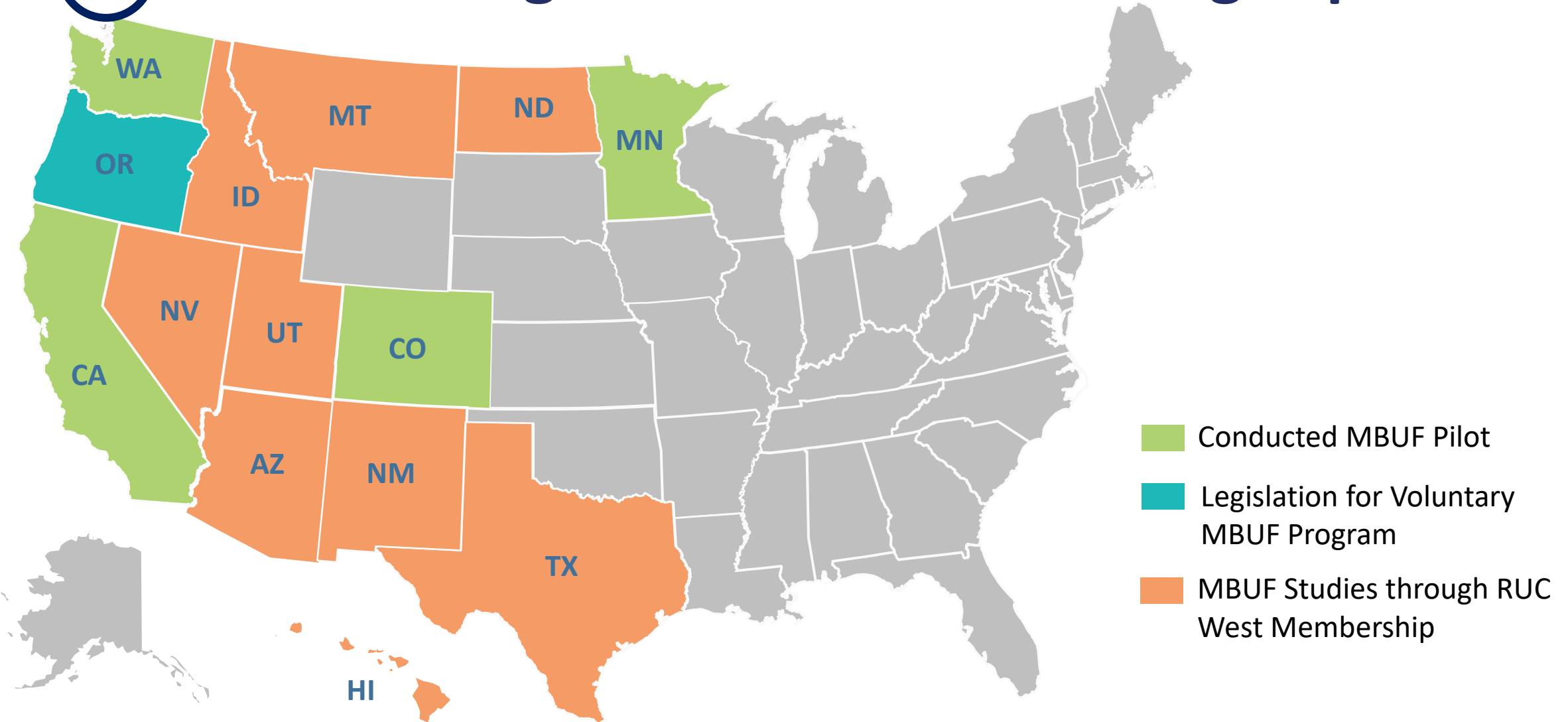
FINDING COMMON GROUND

**We need a new &
more sustainable
way to fund our
transportation
system.**

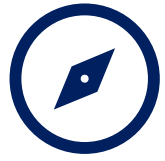




2016: Mileage-Based Use Fees Being Explored



- Conducted MBUF Pilot
- Legislation for Voluntary MBUF Program
- MBUF Studies through RUC West Membership



Surface Transportation System Funding Alternatives (STSFA) Grants

***Purpose:** Explore the feasibility of replacing the gas tax with a mileage-based user fee program in a multistate environment*

- **Out-of-State Mileage**
How will travel across boundaries be handled?
- **Tolling**
What is the relationship between tolling and MBUF?
- **Amenities**
Will value-added amenities help with public acceptance?
- **Trucking**
How does a user-fee fit into current requirements?



Coalition
awarded
four grants



A PATH FORWARD

Understanding what makes sense in NC



WE'VE ASK NC RESIDENTS ABOUT THEIR CONCERNS AND SEE POTENTIAL TO ADDRESS THEM.



HOUSEHOLD LEVEL ANALYSIS CONDUCTED THAT ANSWERS: WHAT WOULD MBUF MEAN FOR ME?



PILOT GETTING UNDERWAY TO BRING REAL-WORLD EXPERIENCE TO NORTH CAROLINIANS



BY LEVERAGING LESSONS LEARNED FROM OTHER MBUF WORK, LAY OUT OPTIONS FOR A PATH TOWARDS SUSTAINABLE TRANSPORTATION FUNDING



WHAT DO NORTH CAROLINA **RESIDENTS** THINK ABOUT MBUF.

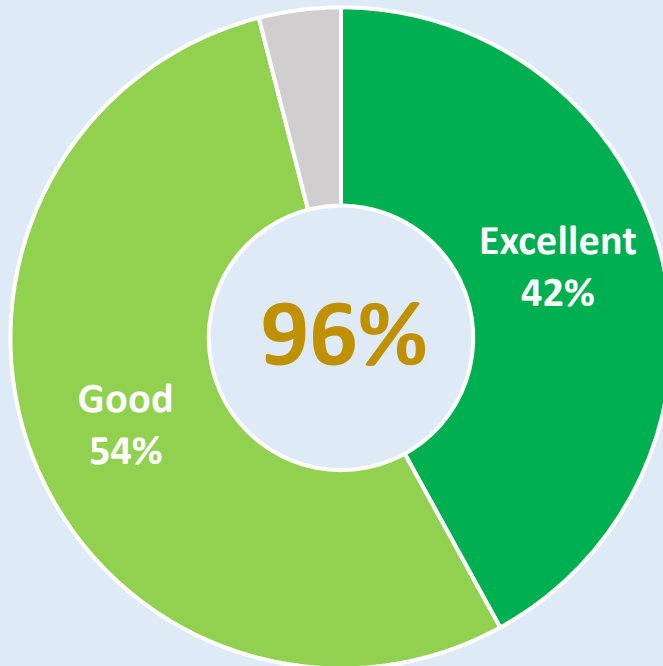


**North Carolinians
connect transportation
to quality of life**

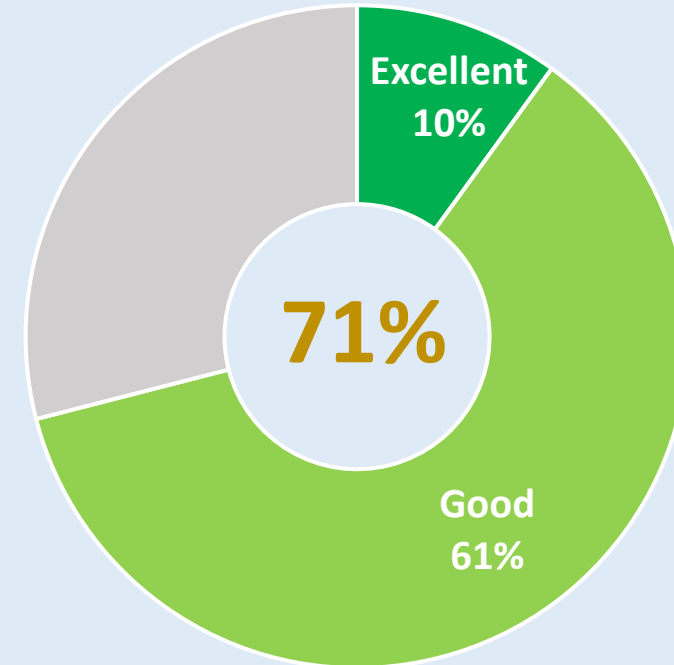


Most residents believe North Carolina is an excellent or good place to live and highways are well-maintained.

Perceptions of North Carolina



Quality of NC State Highways





Transportation is a top-tier issue that North Carolina residents want their leaders to address.

12% Education (general)

11% Jobs, economy

▶ 10% Roads, infrastructure

10% Healthcare

6% Politics / politicians

6% Corona virus / COVID-19

5% Education funding

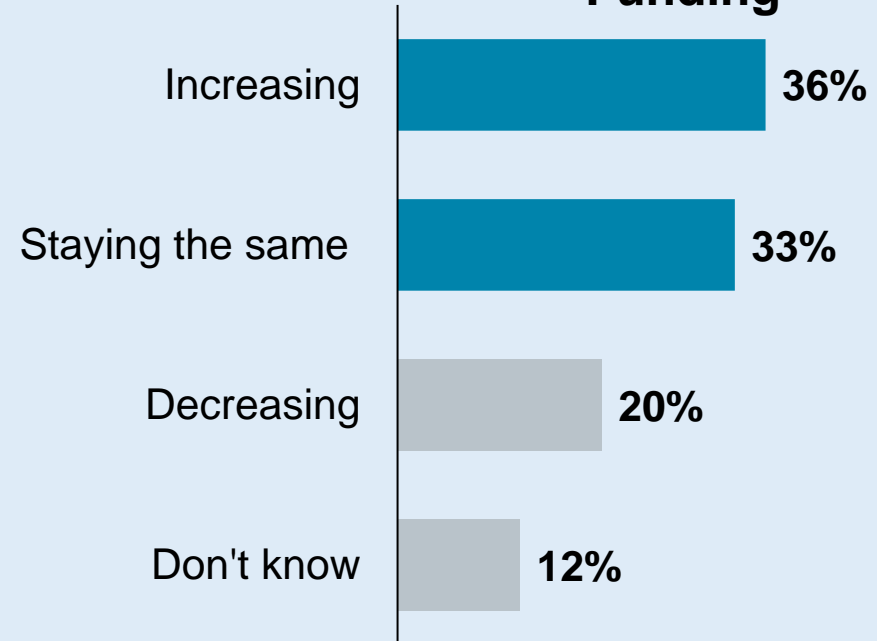
5% Taxes



North Carolina residents believe transportation funding is either increasing or staying the same.



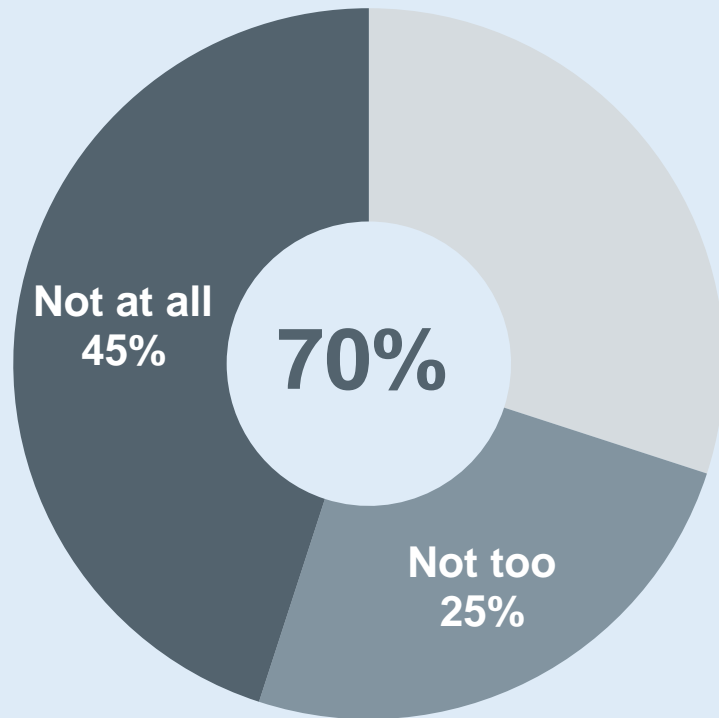
Perceptions of Transportation Funding



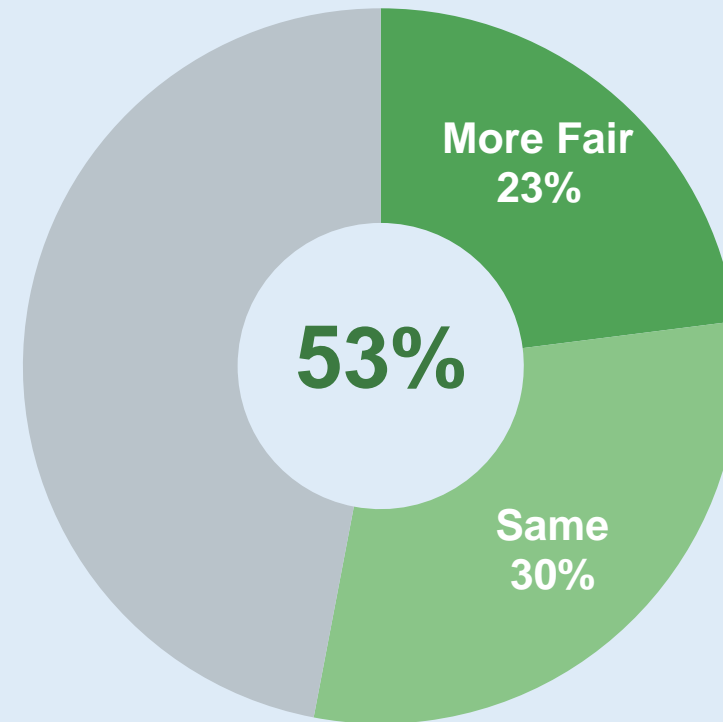


Although residents are unfamiliar with MBUF, after a brief explanation they view it as fair.

Familiarity with Mileage-based User Fee



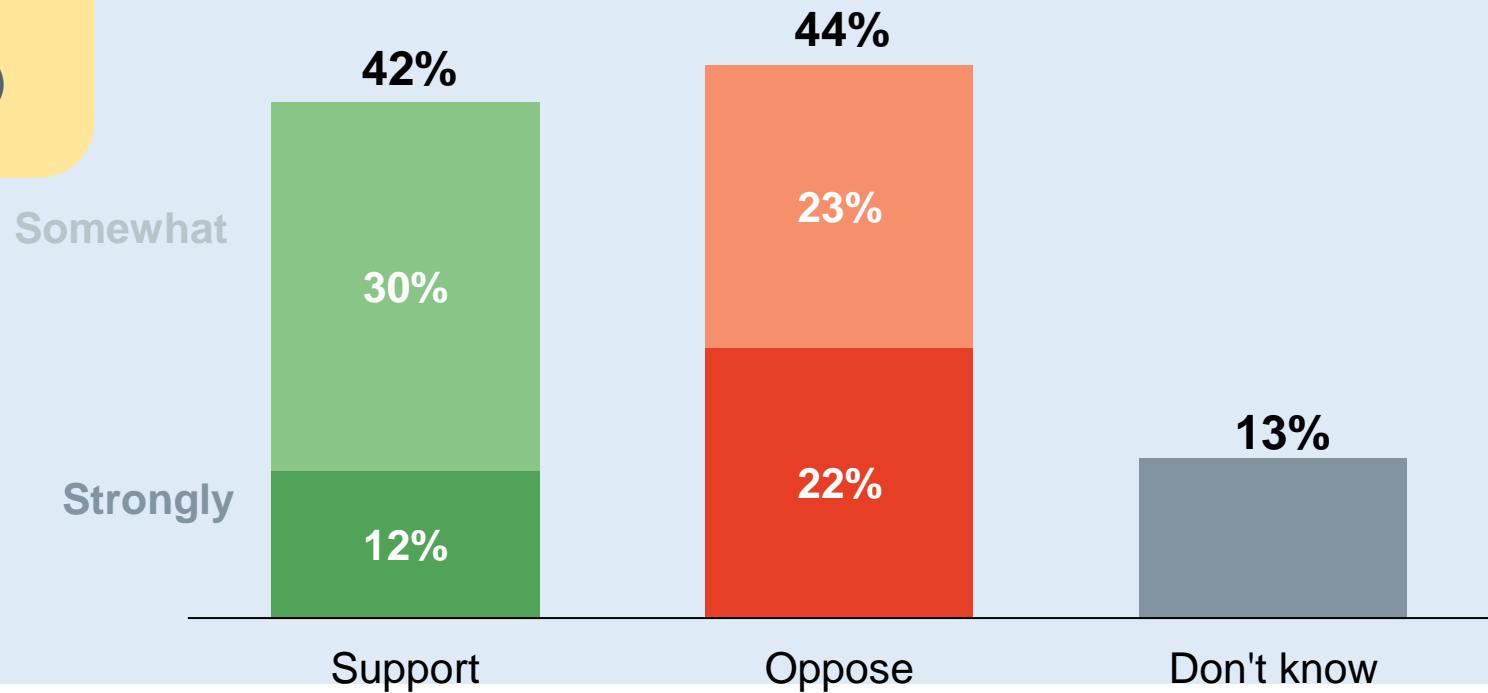
Fairness of Mileage-based User Fee





NC residents are split when it comes to whether a mileage-based user fee should be implemented as an alternative way to fund transportation.

Support:
45% New Jersey (2020)
40% Delaware (2020)
38% Pennsylvania (2019)
32% Washington (2017)





Most top reasons in support of a mileage-based user fee are shared by residents across the state

Rural

Suburban

Urban

61% Efficient vehicles pay less in gas tax
 60% Sustainable model
60% Gas tax is out of date

57% Gas tax is out of date
 55% Sustainable model
 55% Gas tax is unfair

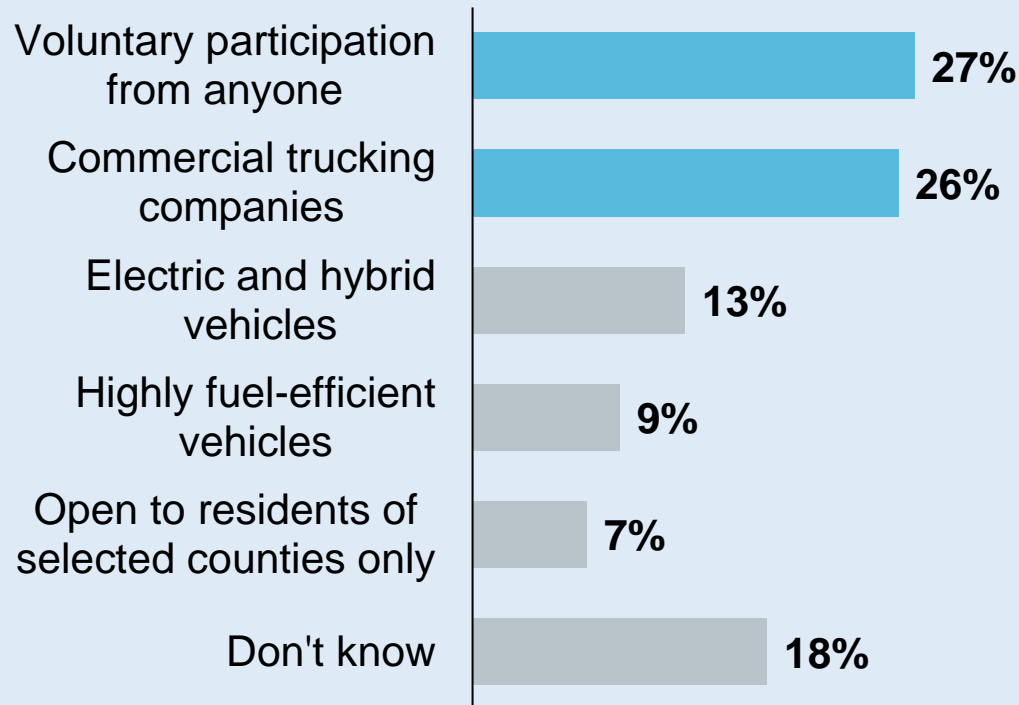
69% Gas tax is out of date
 68% Everyone pays fair share
 63% Gas tax is unfair





If the state rolls out an MBUF program, residents think participation should first be voluntary or consist of commercial truckers; interest in an initial pilot is strong.

Who Should be Asked to Participate First?





Residents across NC have similar concerns about a mileage-based user fee

Rural

- ▶ **81% Unfair to rural**
- 65% Out of state
- 62% Personal information



Suburban

- ▶ **73% Unfair to rural**
- 66% Hassle
- 62% Gas tax more fair



Urban

- ▶ **74% Hassle**
- 65% Out of state
- 59% Unfair to rural**



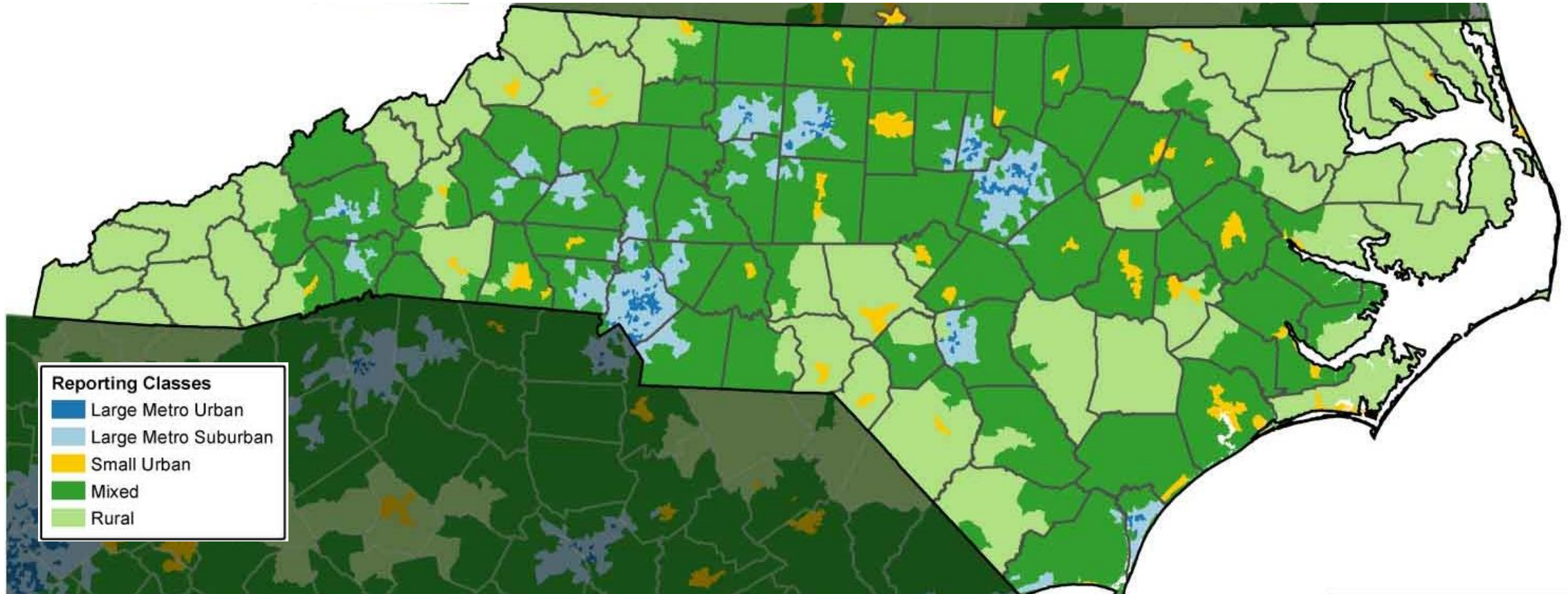


**Explore the Myth:
Rural residents will pay
more under MBUF**





Location of 5 Geographies



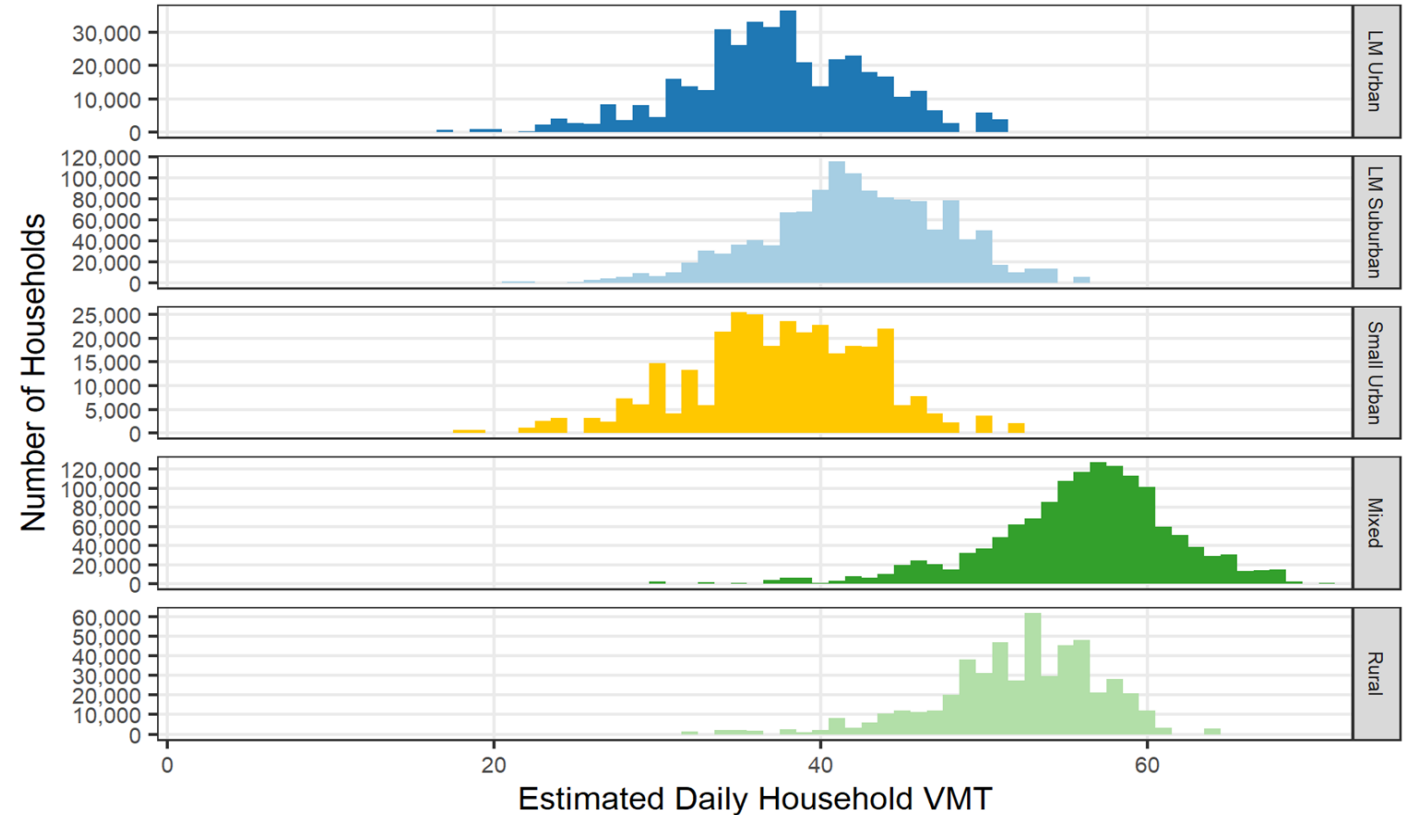
Reporting Classes	
Dark Blue	Large Metro Urban
Light Blue	Large Metro Suburban
Yellow	Small Urban
Green	Mixed
Light Green	Rural

<i>LM Urban</i>	<i>LM Suburban</i>	<i>Small Urban</i>	<i>Mixed</i>	<i>Rural</i>
1,026,000	3,297,000	834,000	3,670,000	1,299,000



Estimating different travel behavior based on geography

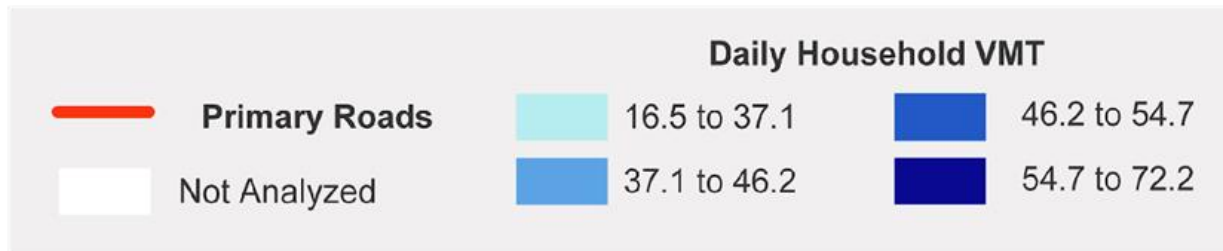
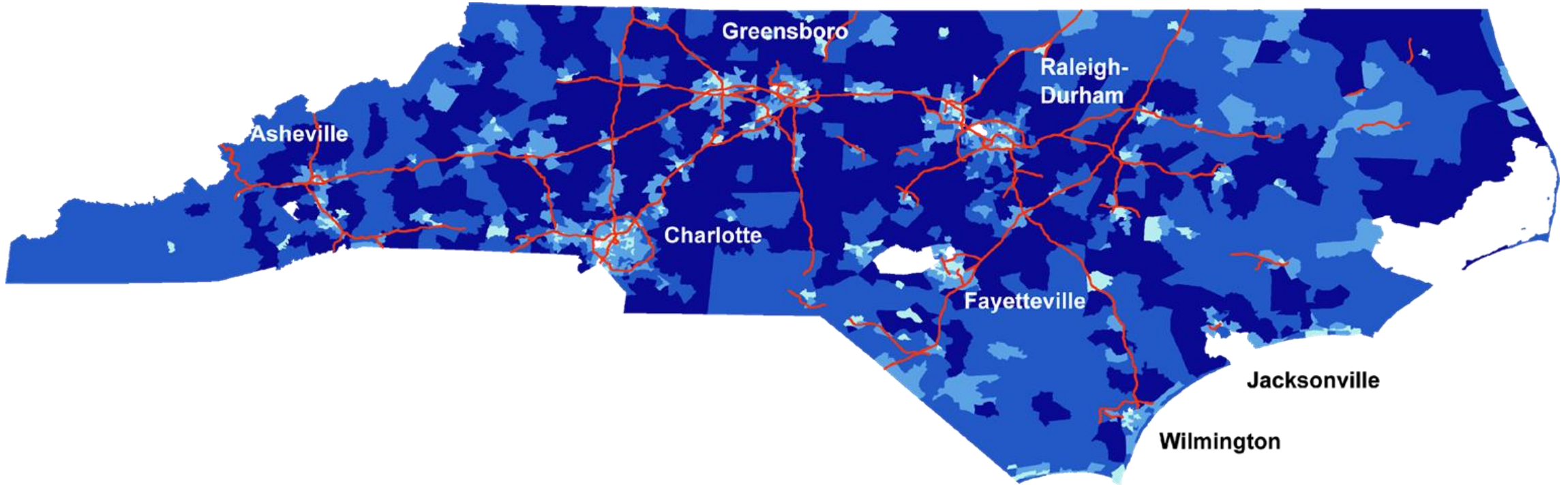
Geography	% of HHs	Avg VMT
<i>LM Urban</i>	10%	36.6
<i>LM Suburban</i>	33%	41.7
<i>Small Urban</i>	8%	36.9
<i>Mixed</i>	36%	55.6
<i>Rural</i>	13%	52.0
All Urban	51%	39.8
Statewide		46.9



Estimates are based on the Bureau of Transportation Statistics LATCH (Local Area Travel Characteristics of Households) research.

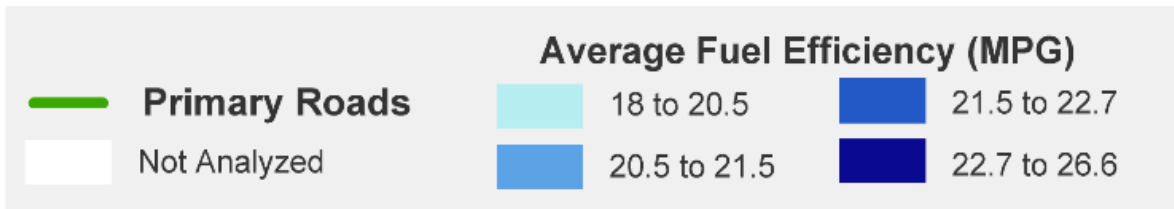
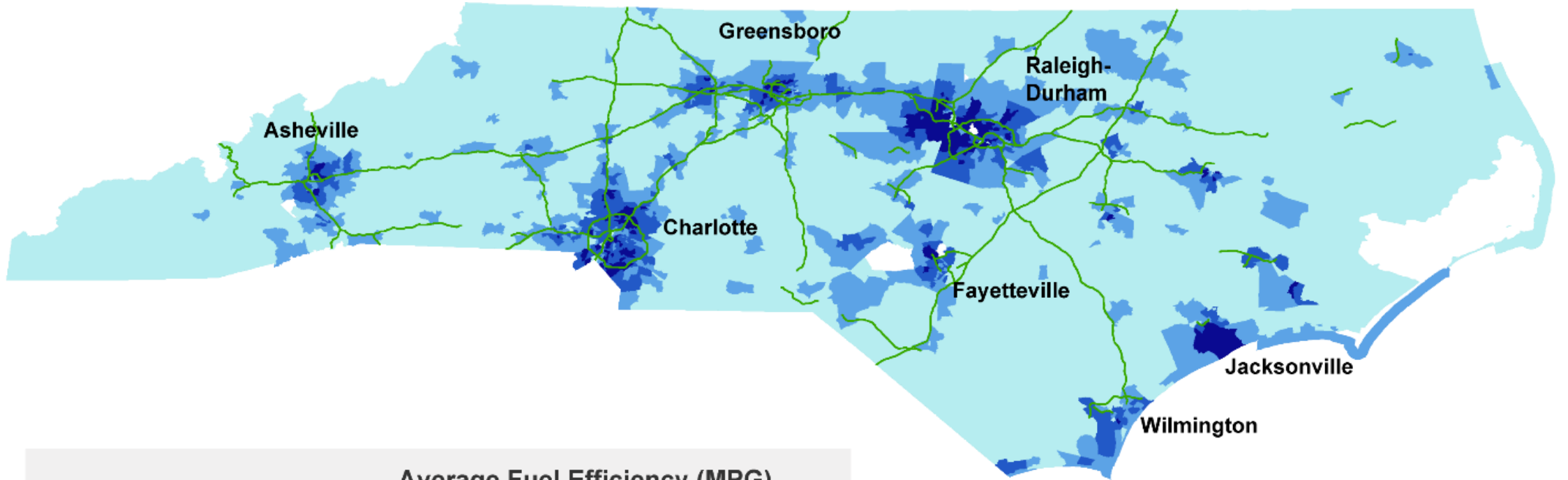


LATCH travel patterns





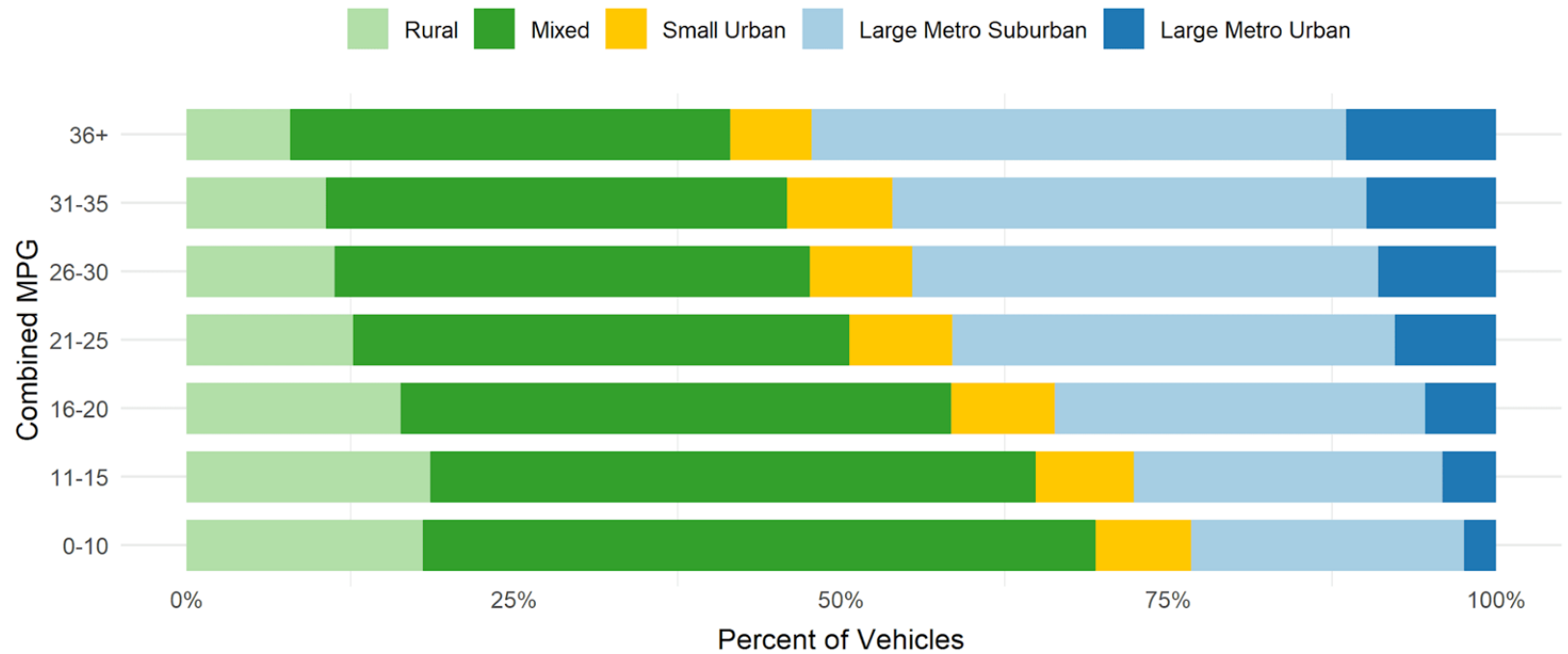
Fuel efficiency spatial patterns





Fuel efficiency differences are noticeable

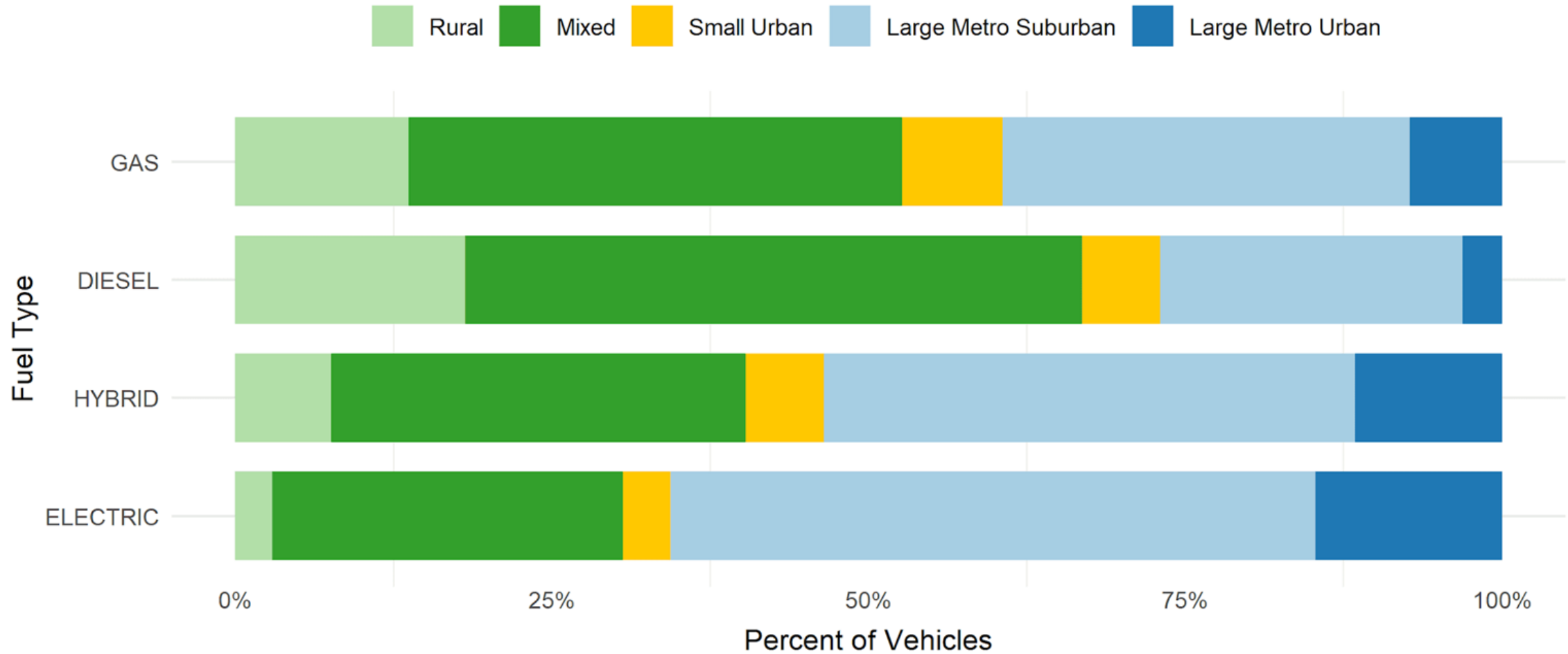
Geography	Average Fuel Efficiency
<i>LM Urban</i>	22.7
<i>LM Suburban</i>	21.9
<i>Small Urban</i>	21.1
<i>Mixed</i>	20.6
<i>Rural</i>	20.0
<i>All Urban</i>	21.8
Statewide	21.1



13.5% higher fuel efficiency in large metro urban areas



Fuel types vary by geography

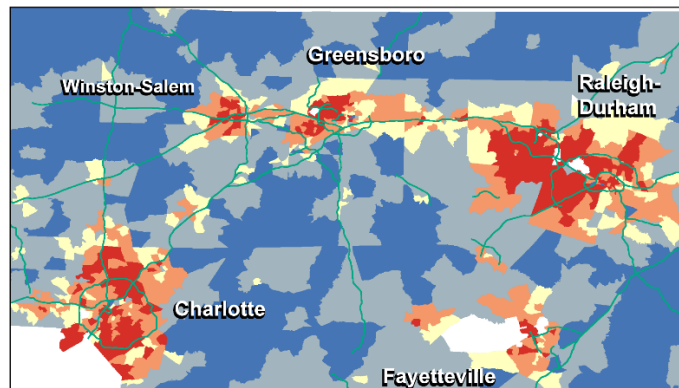
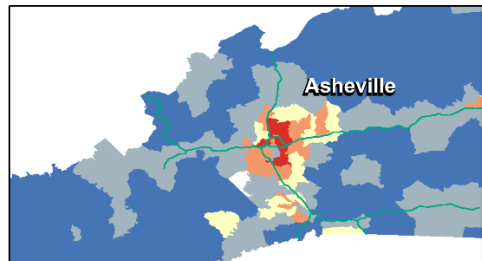
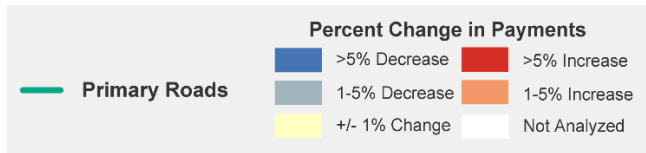
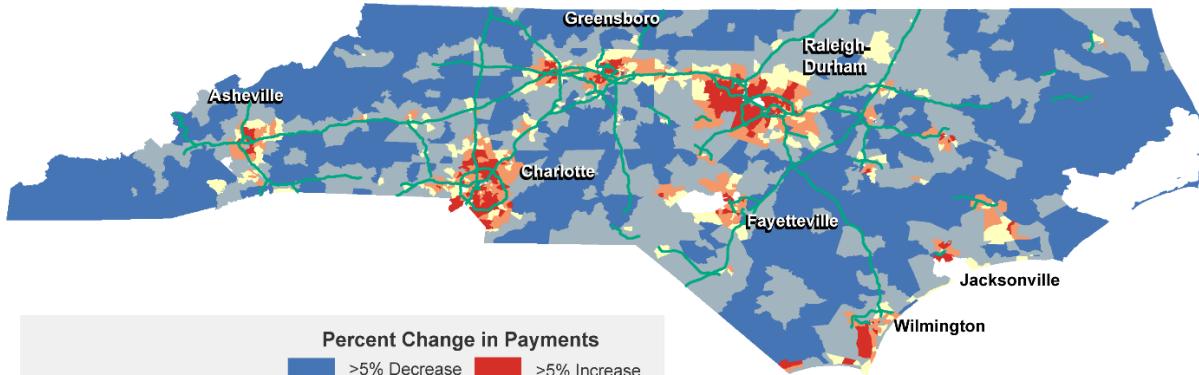




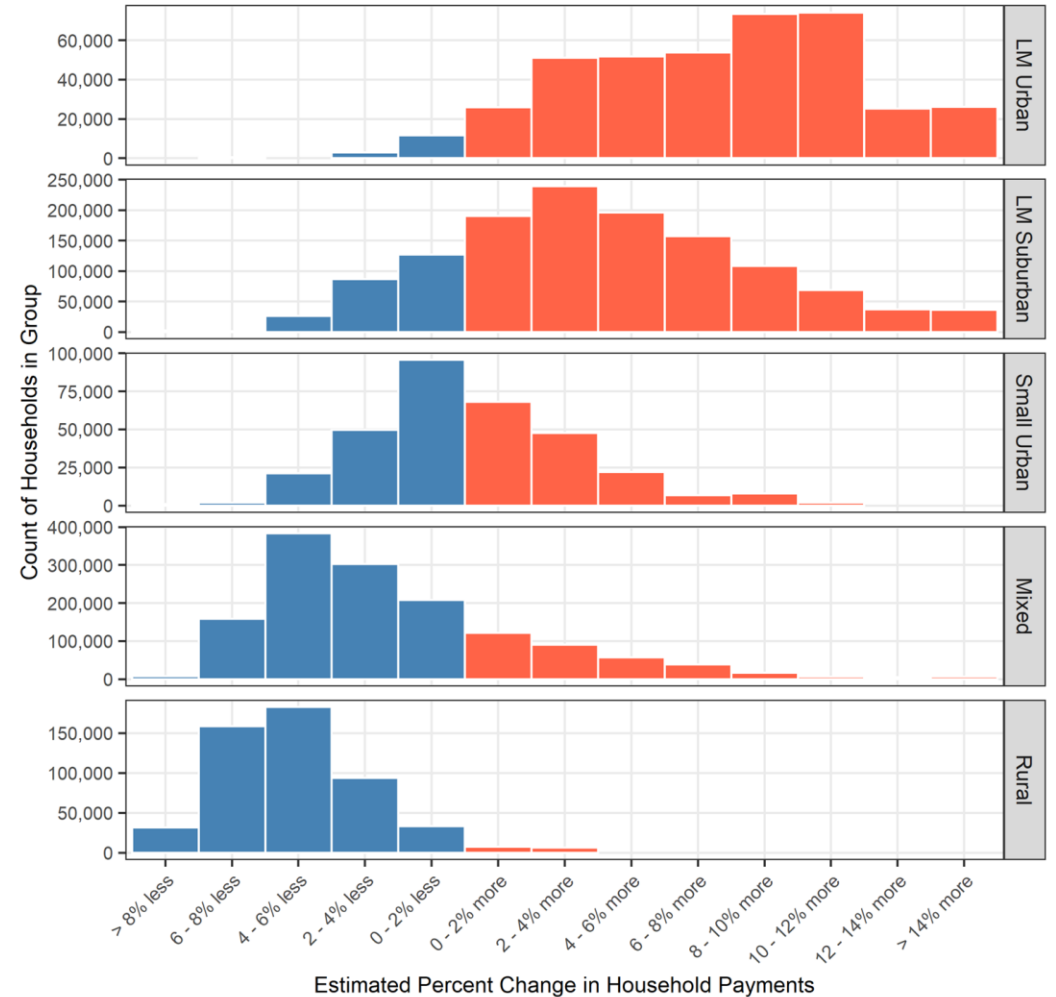
SO.... WHAT WOULD A **SHIFT** TO
MBUF MEAN FOR NORTH CAROLINA
HOUSEHOLDS?



Minimal changes under MBUF



Changes in Household Payments in North Carolina





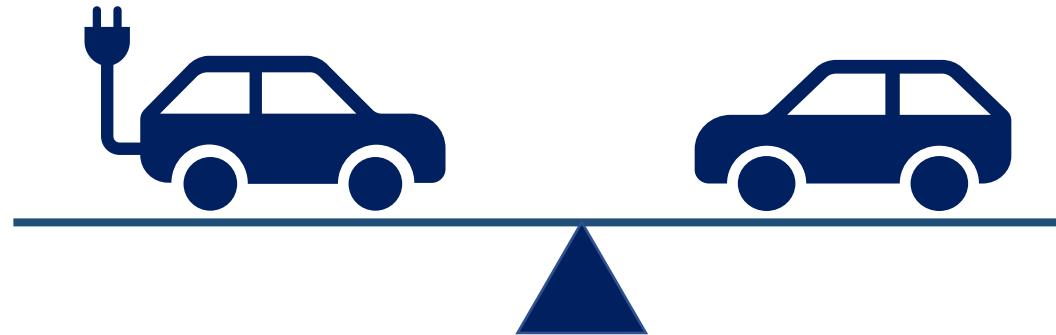
Minimal changes under MBUF

<i>Geography</i>	<i>Change in Revenue Origin</i>	<i>% Shift</i>	<i>Geography</i>	<i>Average Fuel Tax</i>	<i>Annual Change Per Household under MBUF</i>
<i>LM Urban</i>	\$6,680,000	+0.6%	<i>LM Urban</i>	\$217	\$17
<i>LM Suburban</i>	\$12,870,000	+1.1%	<i>LM Suburban</i>	\$253	\$10
<i>Small Urban</i>	\$190,000	0.0%	<i>Small Urban</i>	\$234	\$1
<i>Mixed</i>	-\$10,780,000	-0.9%	<i>Mixed</i>	\$358	-\$8
<i>Rural</i>	-\$8,950,000	-0.8%	<i>Rural</i>	\$343	-\$17
<i>All Urban</i>	19,740,000	+1.7%	<i>All Urban</i>	\$243	\$10
<i>Statewide</i>	\$0	0.0%	<i>Statewide</i>	\$297	\$0



Drivers pay for what they use

<i>Policy</i>	<i>Gasoline</i>	<i>Diesel</i>	<i>Hybrid</i>	<i>PHEV</i>	<i>Electric</i>	<i>Sum of Fuels</i>
<i>Gas Tax</i>	95.2%	4.0%	0.7%	0.1%	0.0%	100%
<i>MBUF</i>	94.8%	3.4%	1.2%	0.5%	0.1%	100%
<i>Difference</i>	-0.4%	-0.6%	0.5%	0.4%	0.1%	0%





UPDATE ON MBUF PILOT HAPPENING IN NORTH CAROLINA



Pilots are a key for understanding MBUF



13% to 20% of MBUF might be paid by out-of-state drivers



~65% learned how much they paid at the pump (31% thought it was more)



Privacy concern dropped (57% to 30% and 46% to 20%)



67% - 80% would support MBUF implementation



Pilot participants find it to be a positive experience



Of participants support doing more research on MBUF.



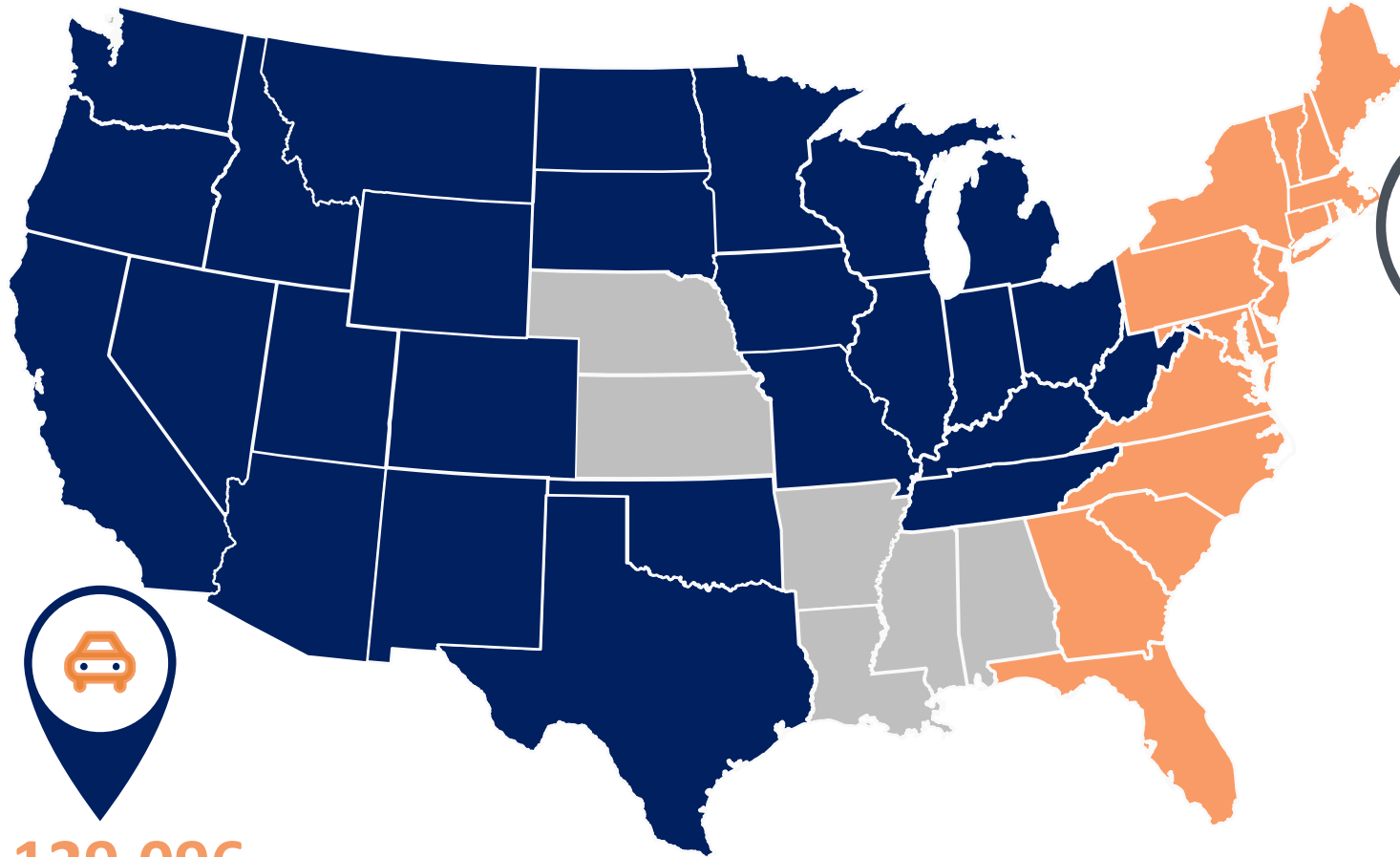
Of participants would be willing to participate in another pilot.

Participants were satisfied with the Pilot, with an average ranking of **4.5** on a scale of 1 – 5 (with 5 being Very Satisfied)





Real-world experience results in increased support



889
PARTICIPANTS



**Across 42 States
+ Canada**



3,129,096
MILES DRIVEN

AFTER PARTICIPATING
IN THE PILOT

67%

WOULD SUPPORT
AN MBUF



NC MBUF Pilot

Still time
to sign-up!

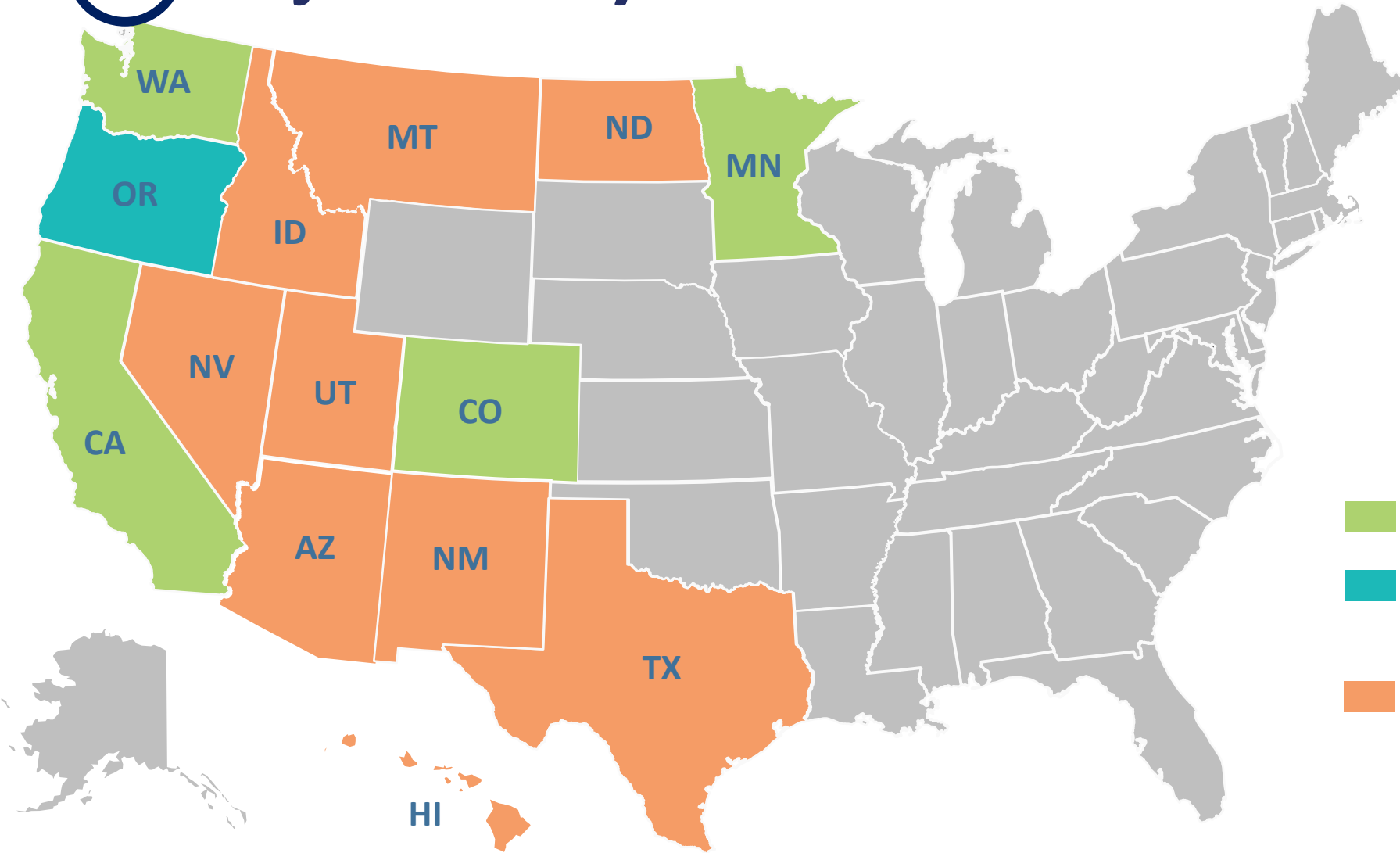
- Who? Key Stakeholders– YOU!
- When? August 1st – December 31st
- What? Plug-in devices (with and without location)
 - Private vendor (Azuga)
 - Value-added amenities
 - Monthly statement (simulated)
- Why? Gain real-world experience
 - Share your opinions
 - Help identify future options
- Status? 135 out of 150 recruited



WHICH PATH FORWARD WILL
NORTH CAROLINA
CHOOSE?



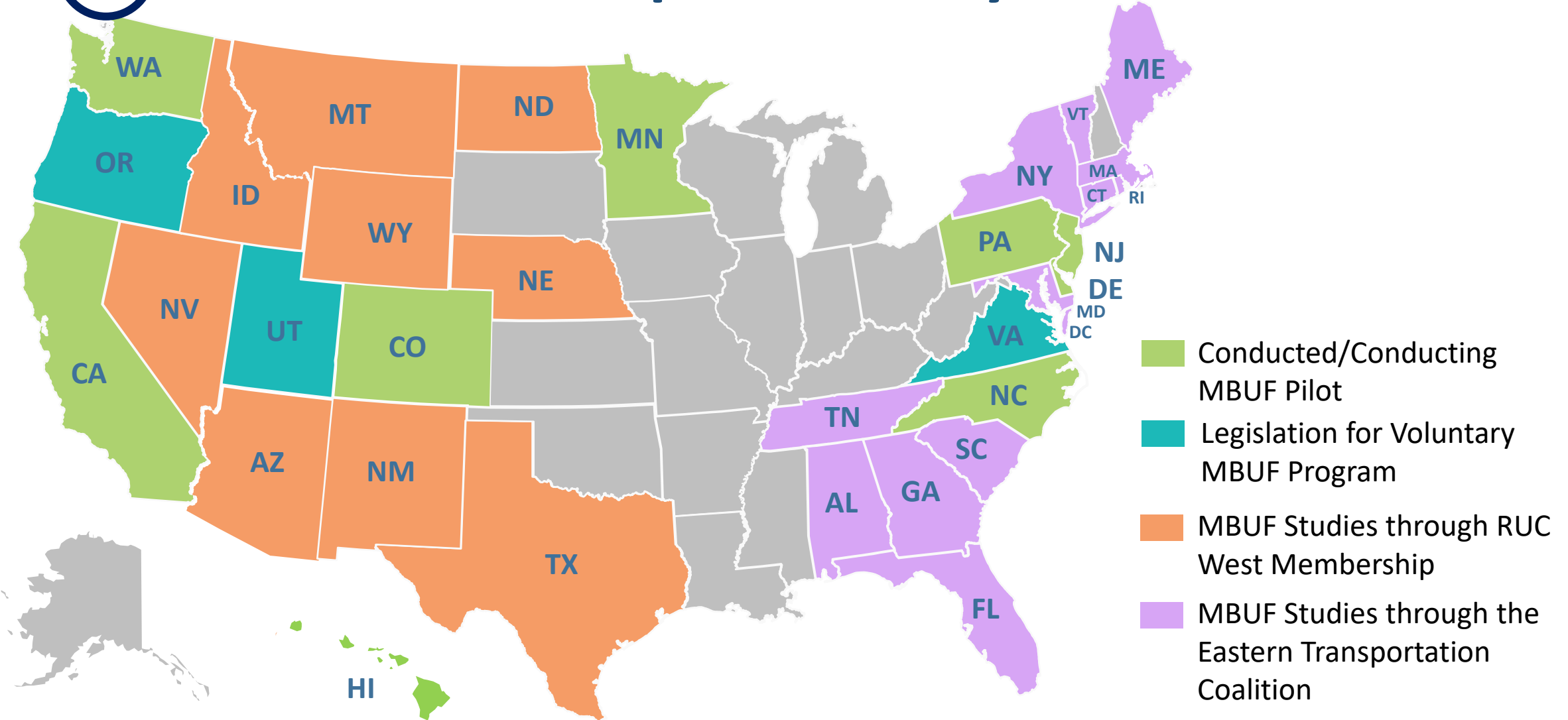
In just four years....



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- Legislation for Voluntary MBUF Program
- MBUF Studies through RUC West Membership

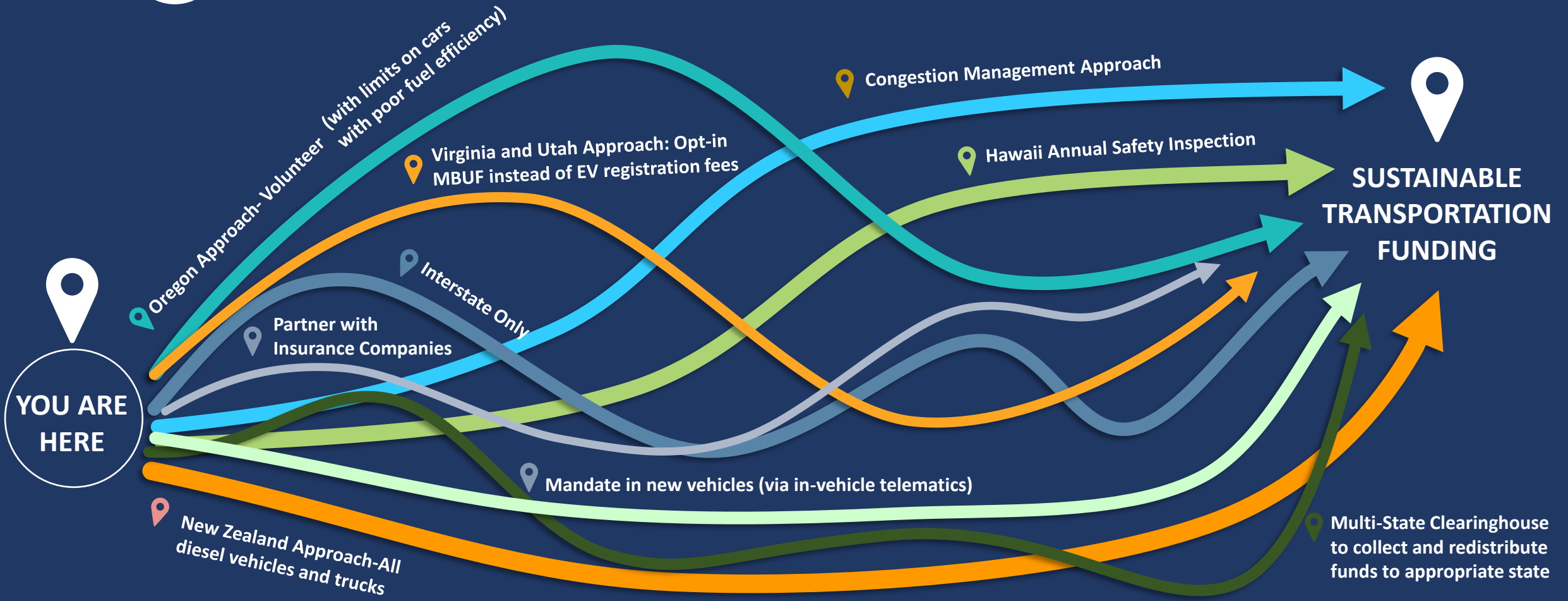


2020: MBUF Map Looks very Different





Which path(s) works for NC?





THANK YOU! QUESTIONS?

www.tetcoalitionMBUF.org