



# **I-95 Corridor Coalition**

## ***Multi-State VMT-Based Road-User Fee Initiative***

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**I-95 CORRIDOR  
COALITION**

**Co-Chair  
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I-95 Corridor Coalition**

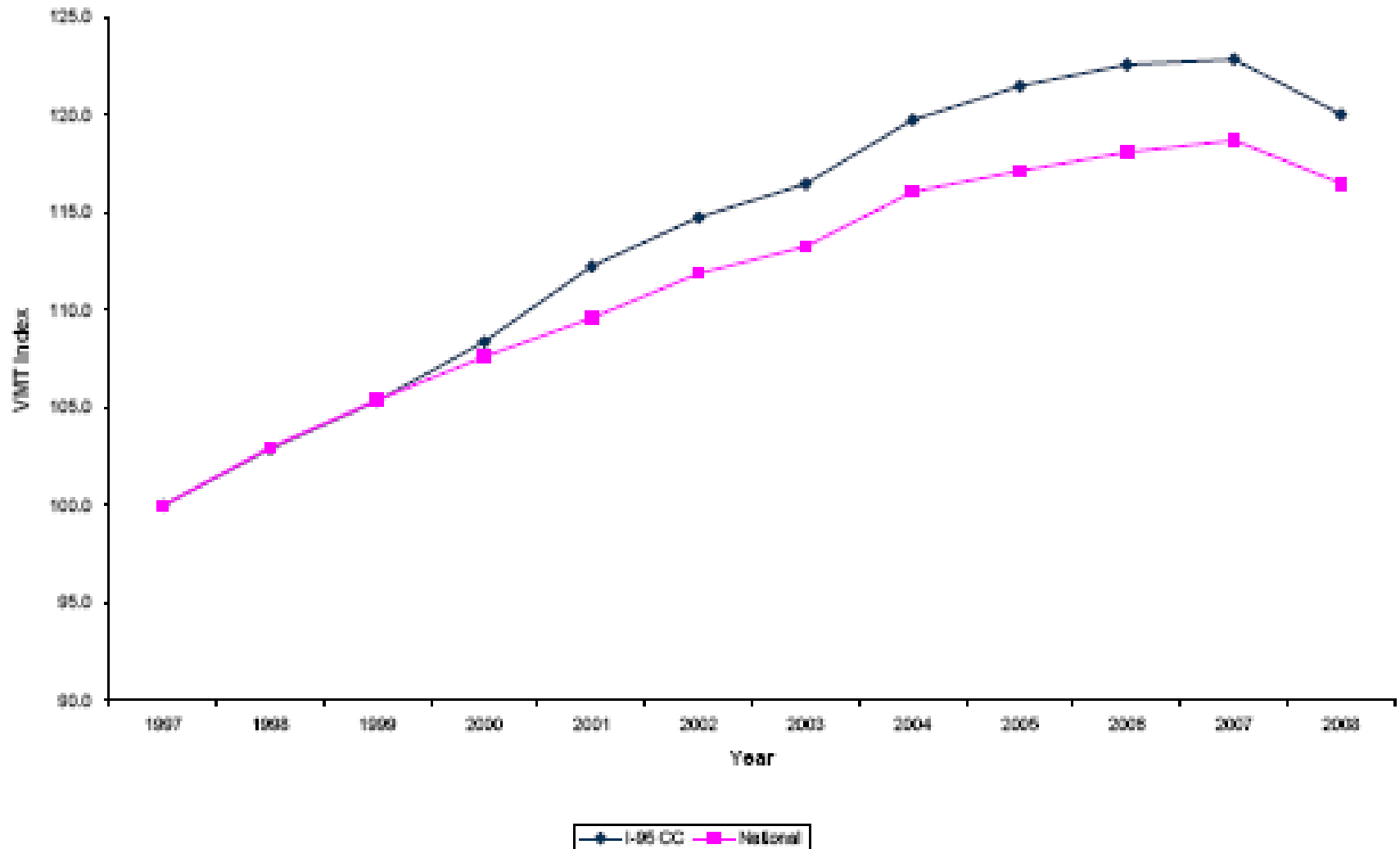
# ***The I-95 Corridor Coalition***

- **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.**



# VMT Growth 1997-2008

VMT Indexed (1997=100)



# ***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 applied**
- **Prepare preliminary estimates of the costs of administration and enforcement with different options**
- **Identify legal issues that may constitute barriers or opportunities**



# *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

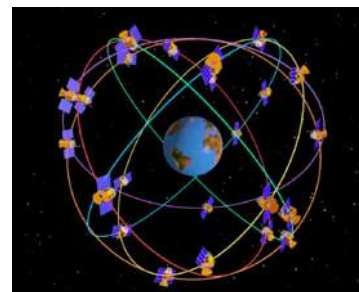
- Administrative needs and costs of a multi-state system defined by the functions encompassed
- Examining three levels of functionality as defined by the NCHRP 20-24(69) RAND report:

■ 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**



# *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

States	Admin -		
	Admin - MFT	Veh Reg	\$/Veh Reg
Connecticut	0.95%	16.35%	\$ 16.30
Delaware	1.10%	3.96%	\$ 5.79
Dist Col		12.01%	\$ 40.99
Florida	1.13%	7.34%	\$ 5.72
Georgia	1.07%	20.89%	\$ 8.85
Maine	0.38%	26.81%	\$ 22.49
Maryland	0.89%	13.76%	\$ 34.55
Massachusetts	0.90%	14.84%	\$ 9.12
New Hampshire	0.49%	17.52%	\$ 16.63
New Jersey	1.00%	15.70%	\$ 16.64
New York	1.00%	17.97%	\$ 14.45
North Carolina	1.40%	14.41%	\$ 9.39
Pennsylvania	0.86%	8.97%	\$ 8.12
Rhode Island	0.36%	21.62%	\$ 18.76
South Carolina	1.39%	27.11%	\$ 13.95
Vermont	0.92%	10.09%	\$ 21.55
Virginia	0.84%	14.79%	\$ 19.84
<b>I-95 Corridor</b>	<b>0.86%</b>	<b>12.79%</b>	<b>\$ 11.88</b>
<b>National</b>	<b>0.82%</b>	<b>11.04%</b>	<b>\$ 12.89</b>



# ***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<sup>®</sup> IAG, etc.**



# ***Institutional Considerations***

- **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**



# ***Multi-State Trial***

- **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)**

