

# Nevada Vehicle Miles Traveled Fee Study

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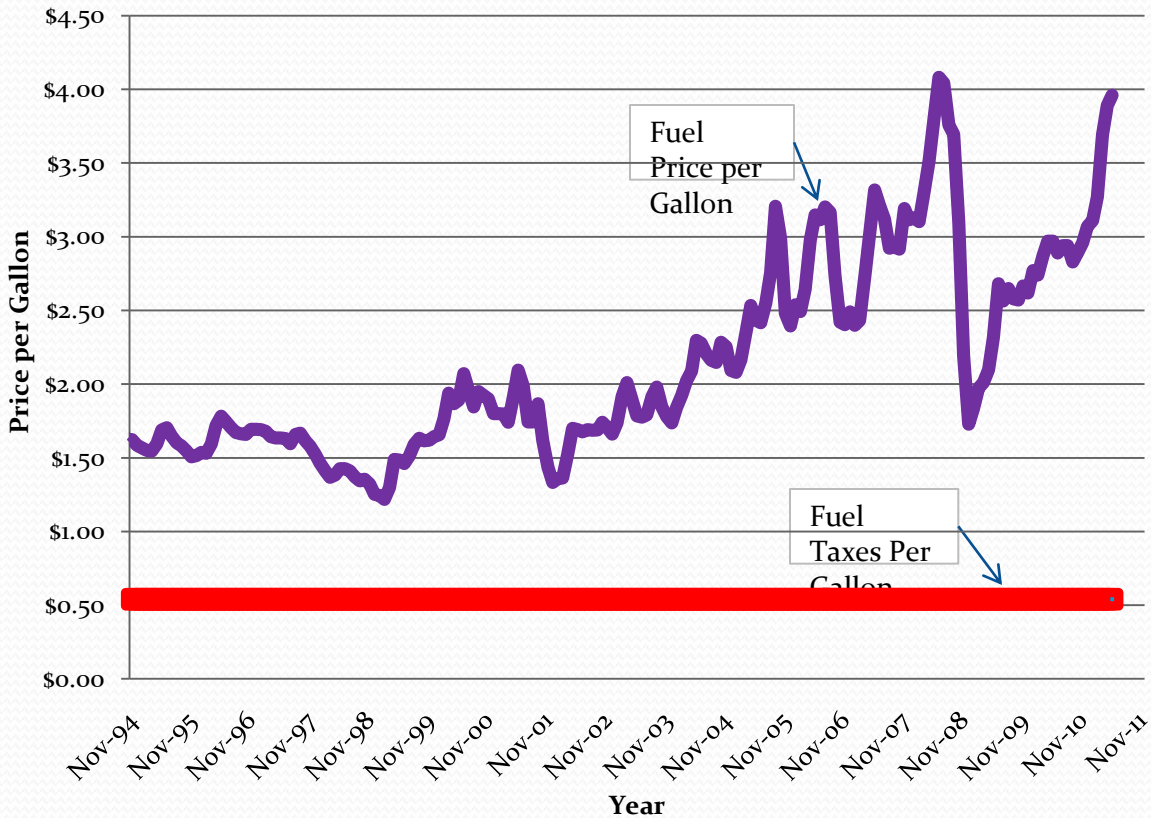


# Looking Back

**VMT**  
—VEHICLE MILES TRAVELED—  
**FEE STUDY**

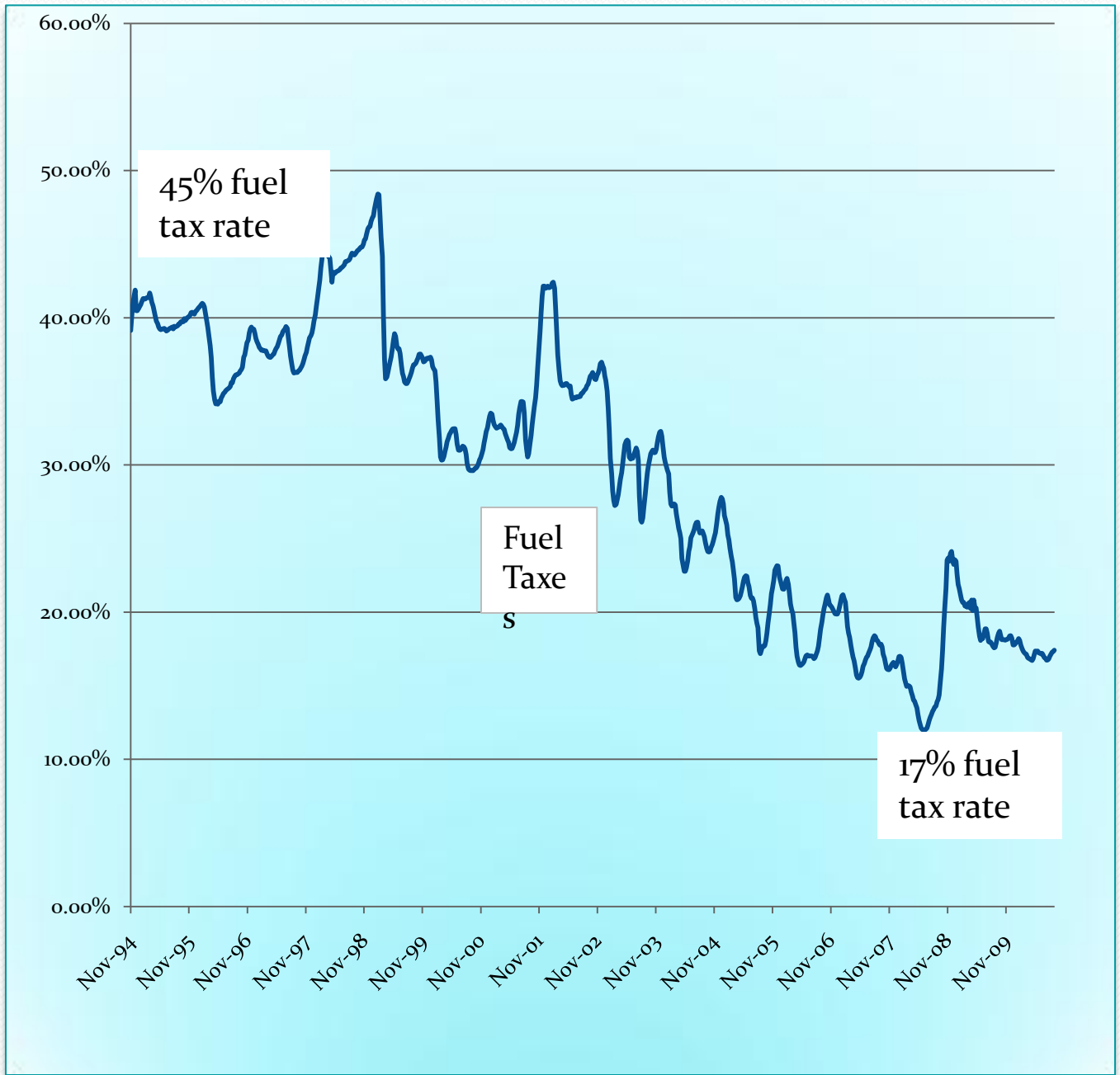


# Looking Back – Fuel taxes in Nevada



**Price of fuel per gallon continues to rise, but fuel taxes remain flat**

# Fuel taxes as a percent of the total cost of fuel continue to decline



As a percentage of the total price of fuel, taxes have declined from 45% in 1994 to 17% today!

# Nevada VMT Fee Study

## Objectives and overview

- **Objectives**

- as a potential replacement for current fuel taxes for sustainable and equitable transportation funding.
- To collaborate our efforts with other agencies conducting VMT fee studies

- **Overview**

- Study consists of three phases:
  - **Phase 1 - Research Study, concluded in 2010:**  
Extensive Public Education and Outreach: Solicited Public Input and Feedback; Listened to concerns suggestions and recommendations; Eliminated vehicle tracking; Included a spectrum of Payment Options for the drivers to chose from.
  - **Phase 2 – Field Test; estimated completion Oct 2011**
  - **Phase 3 - Conduct Pilot Study, estimated 2 years**
- Agencies involved: NDOT, UNR, UNLV, Consultant team





# What Vehicle-Miles-Traveled Fee would generate the same revenue as the current fuel tax?



**54¢ Per  
Gallon  
Fuel Tax**



**Avg 2.1¢ Per  
Mile**



Both generate the same highway funding. VMT fee based on current total miles driven in Nevada by all users, regardless of fuel economy, and actual revenues generated by fuel taxes. (Includes Federal, State, and Local

taxes)



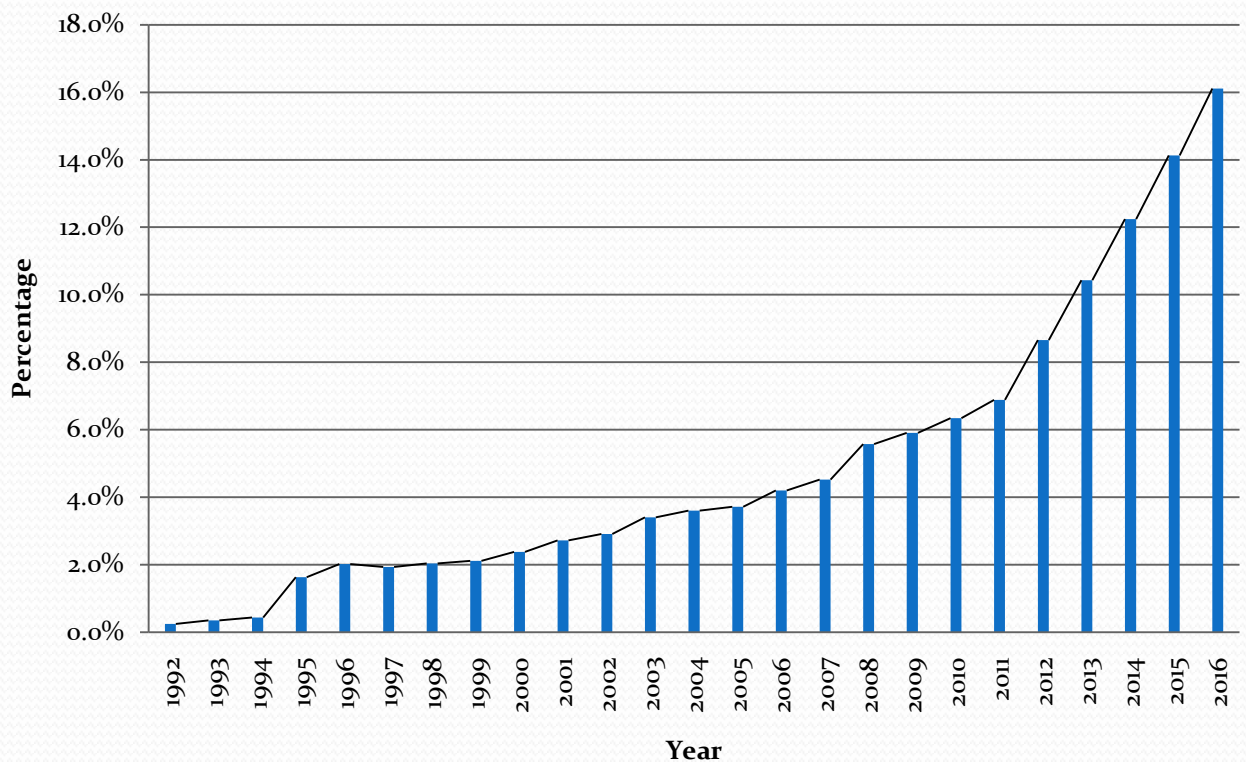
# Looking into the Future

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# Growth in alternative fuel vehicles

## Alternative Fuel Vehicles As A Percentage Of All New Passenger Vehicles





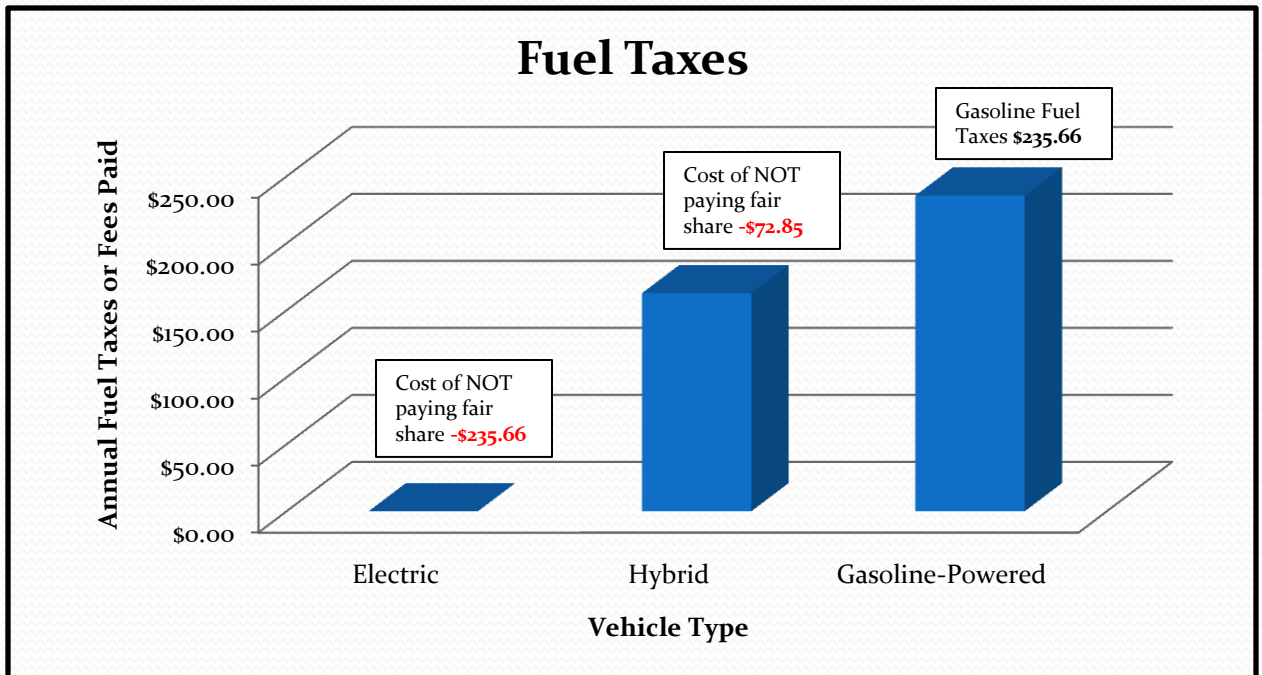
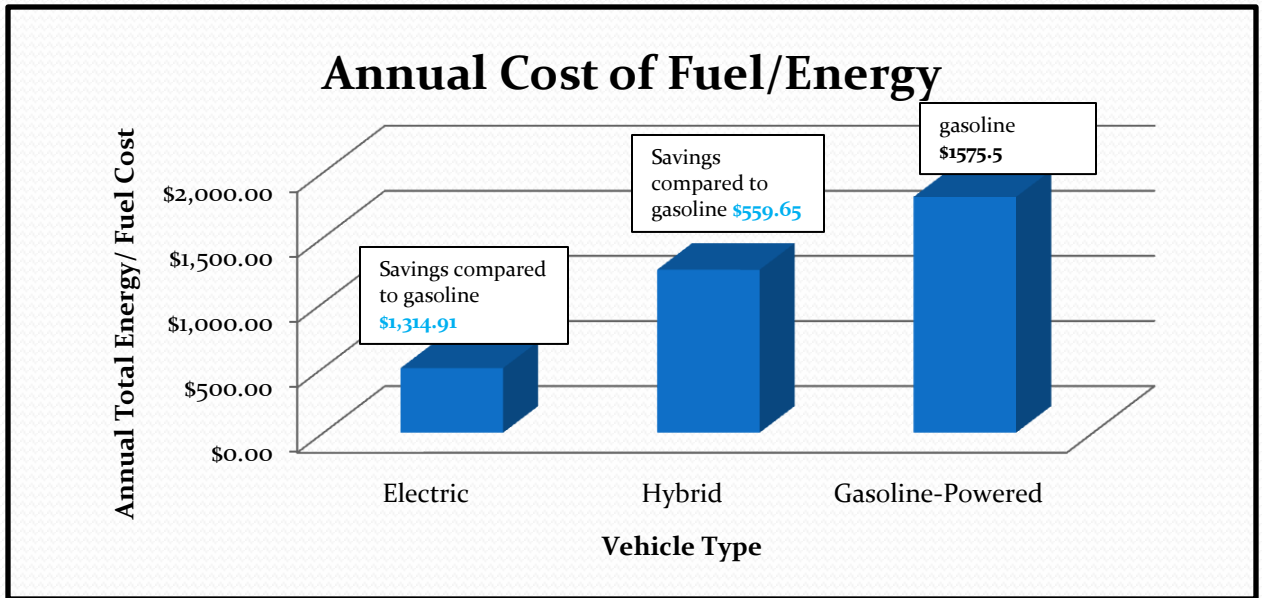
# Impact of Revised CAFE

**State Level Estimated Combined Loss In Highway Revenue In 2016 Due To Enhanced Fuel Efficiency**

**Total Loss in Revenue**

**~13%/year**

# Fuel Savings for Electric/ Hybrid Vehicles compared to Gasoline Vehicles



Note: Assumptions -12,000 miles driven per year

- Cost of Fuel @ \$4.15 per gallon

- Fuel Taxes @ 54¢ per gallon

- Average fuel economy by vehicle type: Electric 83.5 mpg, hybrid 40 mpg, gasoline 25

mpg

- Annual operating cost of electric vehicle @ \$496 per [www.fueleconomy.gov](http://www.fueleconomy.gov)

# Public Education and Feedback

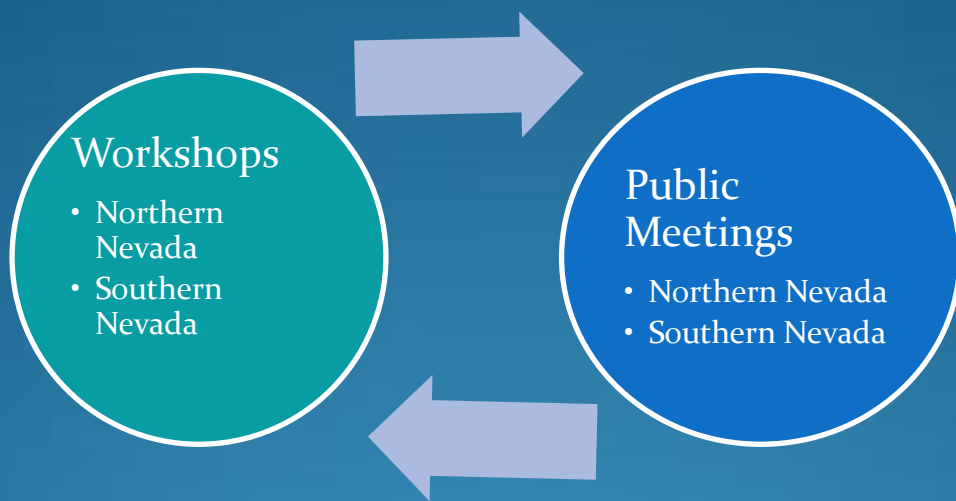
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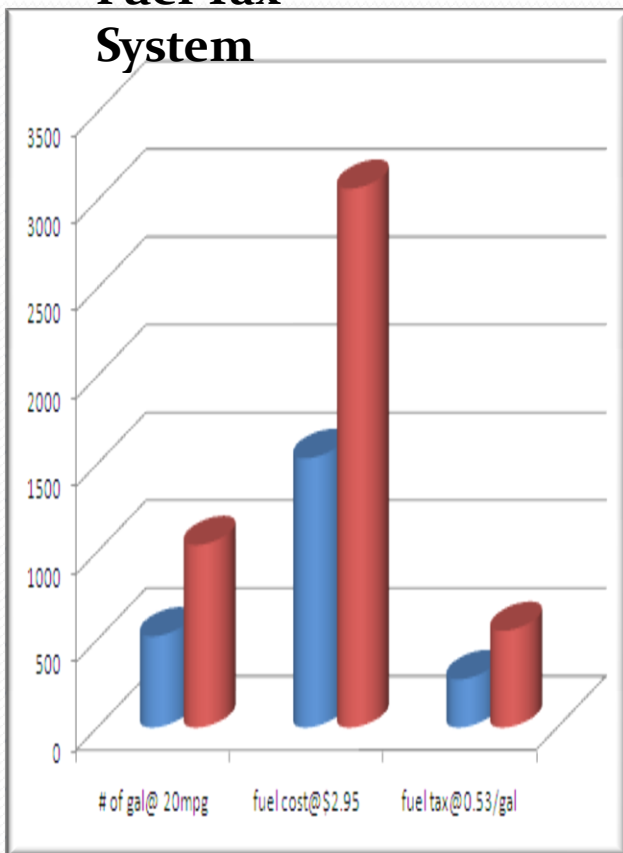
UNLV  
UNIVERSITY OF NEVADA LAS VEGAS

# Public Outreach and Education is critical

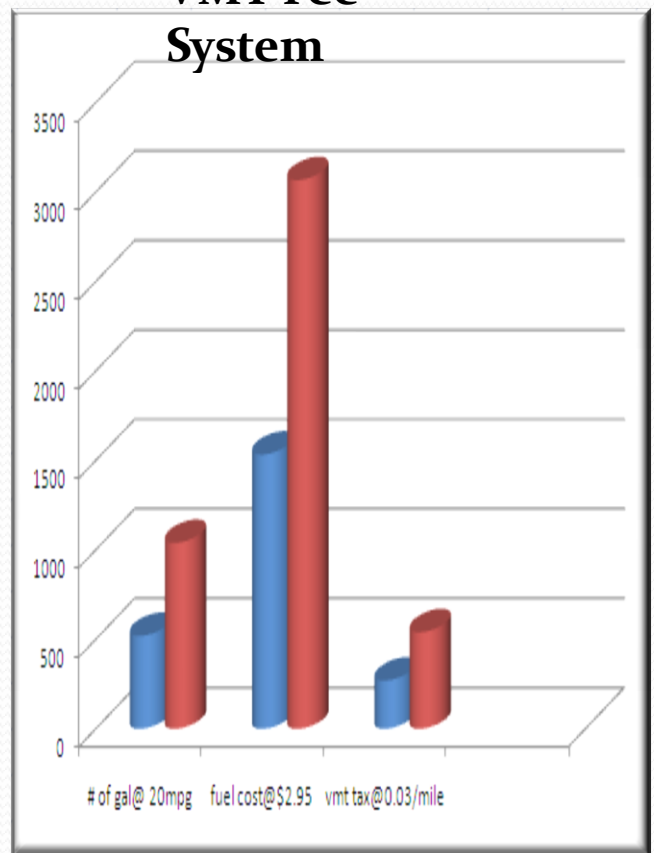



# The more we drive, the more we pay under any payment system

## Fuel Tax System



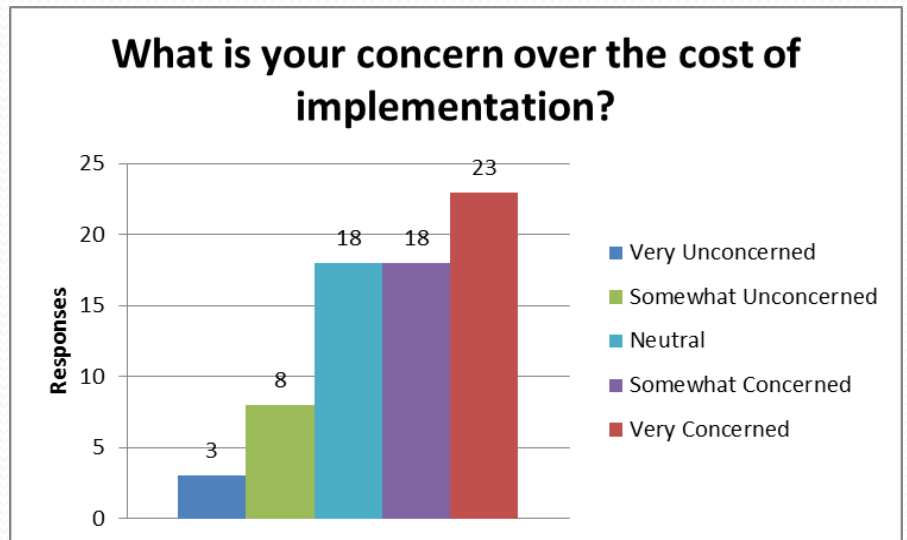
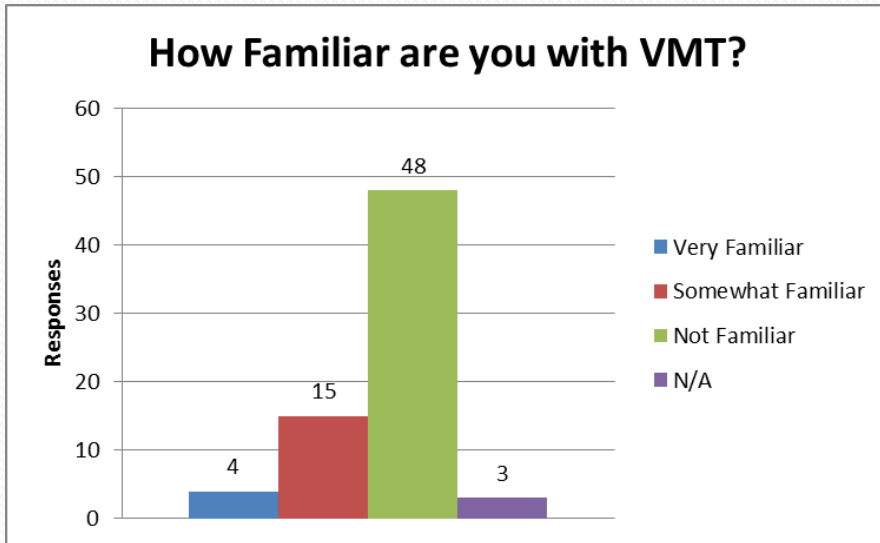
## VMT Fee System



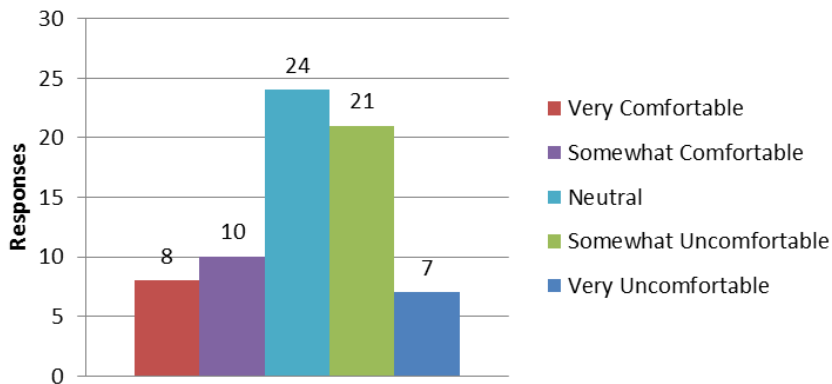
-  40 miles commute per day
-  70 miles commute per day



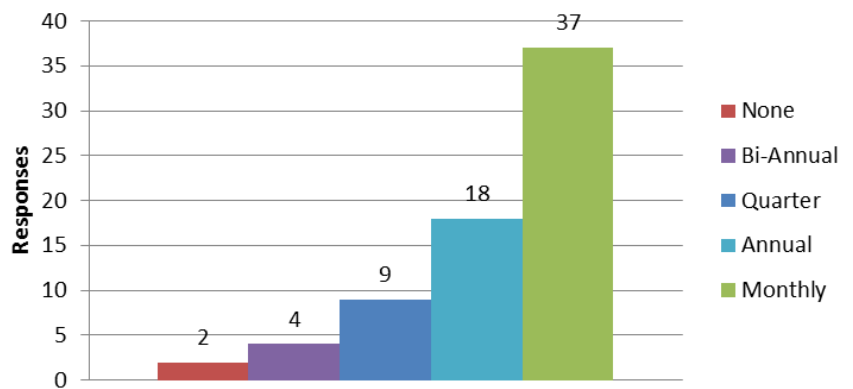
# Survey



## How Comfortable are you with Car Chip?



## What payment method would you consider?



# Field Test

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# Phase 2 Field Test –Scope

- A spectrum of payment and collection options- including at-the-pump payment system and a periodic payment system
- Assess the workability of a VMT Fee collection system.
- Based solely on odometer readings to address privacy concerns.
- Evaluate an easy-to-use, simple at-the-pump payment system to make sure it's convenient, and efficient.
- Evaluate an easy-to use annual, semi-annual, or periodic DMV collection of payment system to make sure it's simple, user friendly and convenient.
- Identify and define the cost and DMV periodic collection of a Pilot VMT Fee Program (Phase 3 of study).
- Conduct public outreach to solicit feedback and input.
- Develop policy recommendations.

# DMV Data

- Analyze Data from DMV
- Assess the feasibility of periodic collection (monthly, six monthly etc)
- Cost of collection and administration
- Software/ hardware compatibility



# Things that we are Aware of but will not be studied in the field test...

- NOT studying VMT fee variations based on vehicle weight, type, or classification
- NOT studying VMT fee variations based on local jurisdiction boundaries
- NOT studying VMT fee variations based on travel on commute corridors or during peak travel times
- NOT studying any technology that tracks or stores vehicle location
- NOT studying any technology that tracks or stores vehicle information beyond miles traveled, as captured by odometer
- NOT studying any VMT system for purposes of additional revenue

# Privacy will be protected

- No tracking of vehicles
- Solely based on odometer readings
- Requires no more information than is gathered today through the registration and smog check process

# VMT Fee Policy Issues and Opportunities

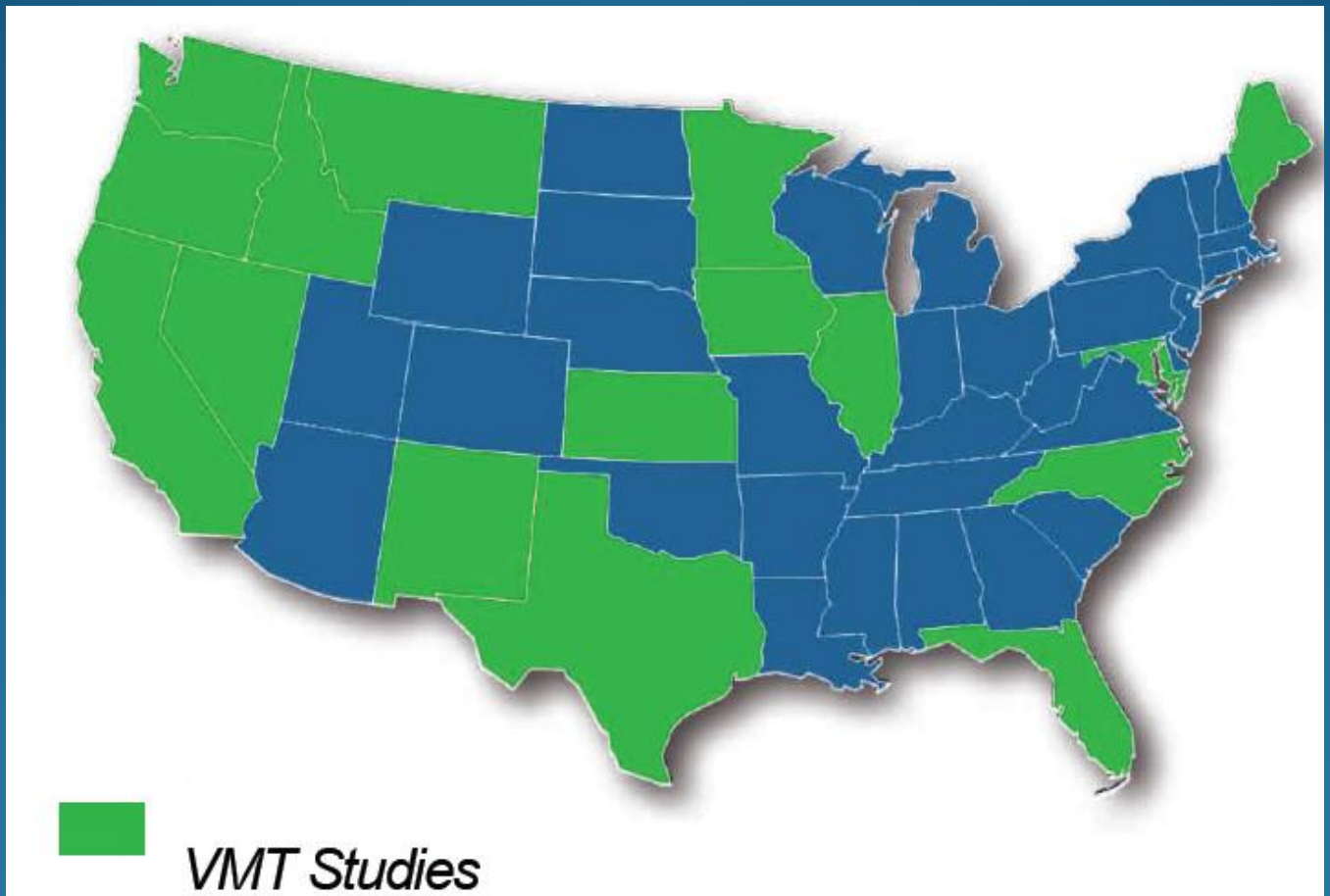
- Multiple payment options tailored to individual needs and preferences
  - Pay at the pump
  - One-time annual payment
  - Estimated monthly/quarterly payments with a final annual reconciliation
  - Payment through a private vendor in return for additional services, more refined VMT payments, lower insurance rates, etc.
- Public /political awareness , feedback, and support
- Does a VMT Fee work for Nevada? If not, what will?

# Future VMT Fee Policy Considerations

- Does a VMT Fee work for Nevada? If not, what will?
  - Public /political awareness , feedback, and support
  - Ease of use
  - Cost-of-collection
  - Privacy
  - Equity
  - Multiple payment options tailored to individual needs and preferences
- 
- Transition from current collection system to new
  - Enforcement and evasion
  - Integration with national and other public policies
  - How can a VMT Fee meet the needs of cities and counties?
  - How will it work for neighboring states and visitors?
  - Role of the private sector



# Other States researching aspects of VMT Fees



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# Conclusion

- Different studies explore answers for different questions
- Collaborate their studies towards a comprehensive study
- Public Education
- Build public and political support
- Conduct large size pilot tests