



**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

VMT Fees and Truck-based VMT Fees

- ◆ 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



NYSDOT Count Stations

- Volume Counts
- Volume and Classification Counts

Detail by Class of Road and Type of Truck

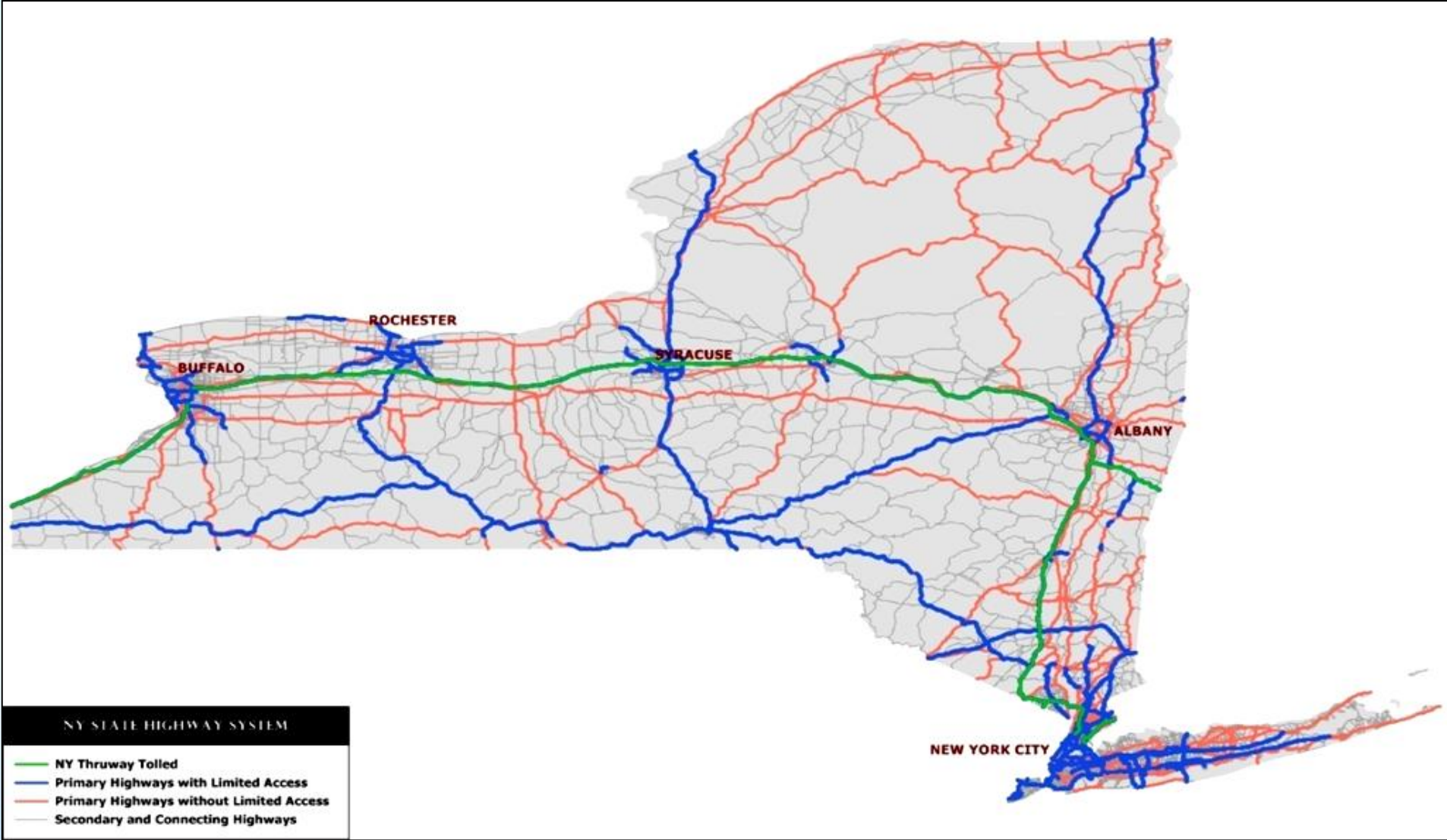
	Total	Straight Trucks F05 - F07	Trucks with trailers F08 - F10	Trucks with multi-trailers F11 - F 13
Hwy VMT (million miles)	10,139	4,147	5,865	126
Non-Thruway VMT (million miles)	8,566	3,794	4,646	126
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Thruway tolled VMT	1,573	353	1,219	
A1 + Ramps	3,805	1,348	2,391	66
A2	977	597	367	12
A3 + Others	3,784	1,849	1,888	48
		-		

- ◆ 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



Preliminary Proposed VMT Fees – Tractor Trailers

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 ...