Vehicle Miles Traveled (VMT) Fee Research Study

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Current Funding Mechanism

Fuel Tax

- Has been good source for decades
- Not inflation adjusted
- Likely to be used less in future

55¢ Per Gallon Fuel Tax

What We Pay For In A Gallon Of Regular Gasoline
(March 2011)
Retail Price: $3.56/gallon

Crude Oil: 68%
Refining: 13%
Distribution & Marketing: 7%
Taxes: 12%
The Fuel Tax Dilemma

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

Potential Loss in Revenue in 2017 18%

2016 Forecasted Impact
Impact to Florida

- State Fuel Tax ~ $1.8 B plus
- Federal Fuel Tax ~ 1.9B = $3.7B
- Tolls ~ 11%

Strategic Intermodal System (SIS) is estimated to be $131.2 billion in 2010 dollars
VMT Fee Research Study

- **Objective** – VMT fee as a potential replacement for current fuel taxes for sustainable, equitable, and viable transportation funding mechanism

- Not advocating for VMT Fee
- Not discussing raising fuel taxes or the fee
Why is Alternative Funding Mechanism Needed?

- Enhanced full efficiency
  - By 2016: 37mpg, 2025: 54mpg

- Alternative fuel vehicles

- Fuel Tax Less resilient/effective
Reaction of Media

**VEHICLES MILES TRAVELED: Drivers in opposition to tax plan**

Privacy concerns voiced to Transportation Department

By ED VOGEL
Las Vegas Sun
RENO -- state De

"There are Civil Liberty hours a day.
Essentially drive on
Associations.
They want to
NDOT's back
developments.

**ACLU**
AMERICAN CIVIL LIBERTIES UNION
OF NEVADA

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**Issues**
- Criminal Justice
- Death Penalty
- Education
- Free Speech
- Anonymous
- Commentators
- Immigrants' Rights
- 287(g) Agreement
- LGBT Rights
- Patent Reform

**Home**

Will NDOT's New Proposal Invade Your Privacy?

Submitted by Rebecca Gasca on Mon, 05/09/2010 - 16:22
Privacy

**The Government Could Track Your Every Move.**
The Nevada Department of Transportation (NDOT) is studying ways to replace the fuel tax with a Vehicle Miles Traveled (VMT) program in order to charge drivers for the number of miles they travel rather than the fuel they consume.

NDOT will be holding public information meetings to present their proposals and get feedback from the public (see below for more information).

Although the ACLU of Nevada takes no position regarding tax policies, we oppose any resulting information collecting method that would threaten individual privacy rights, particularly if it allows the government to create an infrastructure for routine surveillance.

What is being proposed?
No Big Brother/No GPS Tracking

- Non-intrusive mechanism
- Media, Editorial Boards
- Perception: Positive
- Information on transportation funding, issues
Other Reasons

Sensitive to Sensitivity – Ignoring >>> Counterproductive

- Average taxes per capita: $15–$18/month
- PPP and other Financing Options: Borrowing costs↓
- Nevada: Unique geography, tourism driven economy
- True Market Competition, Integrated Solution – Benefit: AM, Preservation, Ops, Capacity, Financing
What is Included in the Study?

- Revenue distribution: Neighboring States, locals
- Financial Impact: Low-Income, high-mileage
- Impact of Out-of-State visitors, System Interoperability
- Rural vs. Urban Equity
What is Included in the Study?

- Costs of Administration
- Impact on a Regional and Mega-Regional basis
- Institutional Structures
- Transition Plan
Extensive Strategic Public Involvement

4 Major levels

- Public
- Political, Policy Makers, Legislators
- Key Stakeholders, Private Sector
- Business Owners, CEOs
Feedback Received

Constitutionally Protected

Cost of Administration keep it low

Least Technology

Mega Regional

Other Innovative Options
Business Case: Value Proposition – 5 Cornerstones

1. Grass Roots Level Public Involvement
2. 3–7% Administration Costs
3. Mitigate Privacy Concerns: GPS Optional
4. Minimize Bureaucracy & Existing Burdens
5. Address Risks: Stakeholders/Elected Officials
New Funding Model

Flexible, Address Issues

Future-Oriented

User Paid

Self-Sufficient
System Operators

Suppliers at the Rack

Distributors

DMV

New System
Can We Make it Happen?

- Forge a powerful strategic consensus
  - Regional Partnerships
  - National Level Implementation

- Let the system users decide
- Invest Strategically and Boldly

- Path Forward – Challenges: Strategically Prepared for it
National and Regional Momentum

States conducting VMT Studies

National Surface Transportation Financing Commission – 2/2009
National Surface Transportation Policy and Revenue Study Commission – 12/2007

UTAH DOT, CDOT, FDOT, Caltrans, WSDOT, AZDOT, MnDOT
Summary

New Mechanism

Transition

Build a Strong and Resilient Platform first

2013–15 Study
All Answers on the Table
Questions

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- VMT website = (Under construction)

  MBUF: Mileage Based User Fee
  VMT Fee: Vehicle Miles Traveled Fee
  CAFÉ: Corporate Average Fuel Economy