

What Do Americans Think of Mileage Fees?

December 13, 2016



Today's Presenters

- **Moderator**

Adrian Moore, Reason Foundation

- **Findings from NCHRP Synthesis Report 487**

Asha Agrawal, San Jose State University and
Hilary Nixon, San Jose State University

- **Comments**

Jim Madaffer, California Road Charge Technical
Advisory Committee



NCHRP is...

A state-driven national program

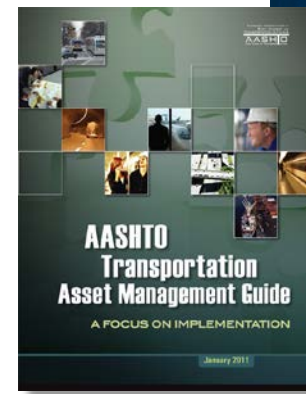
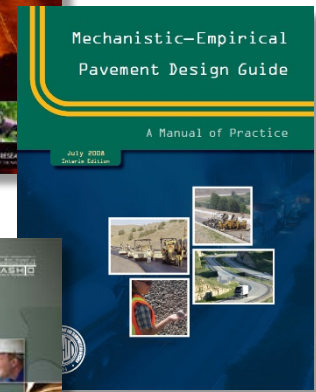
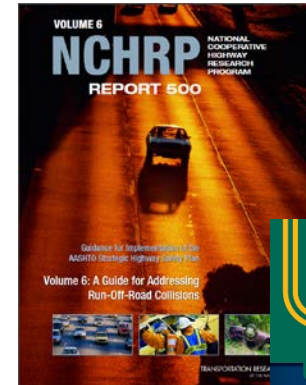
- The state DOTs, through AASHTO's Standing Committee on Research...
 - Are core sponsors of NCHRP
 - Suggest research topics and select final projects
 - Help select investigators and guide their work through oversight panels



NCHRP delivers...

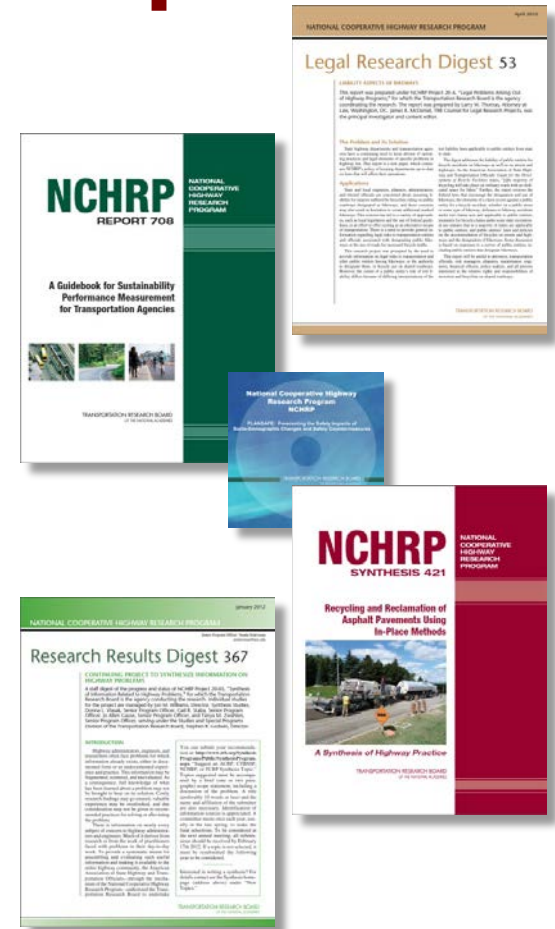
Practical, ready-to-use results

- Applied research aimed at state DOT practitioners
- Often become AASHTO standards, specifications, guides, manuals
- Can be directly applied across the spectrum of highway concerns: planning, design, construction, operation, maintenance, safety



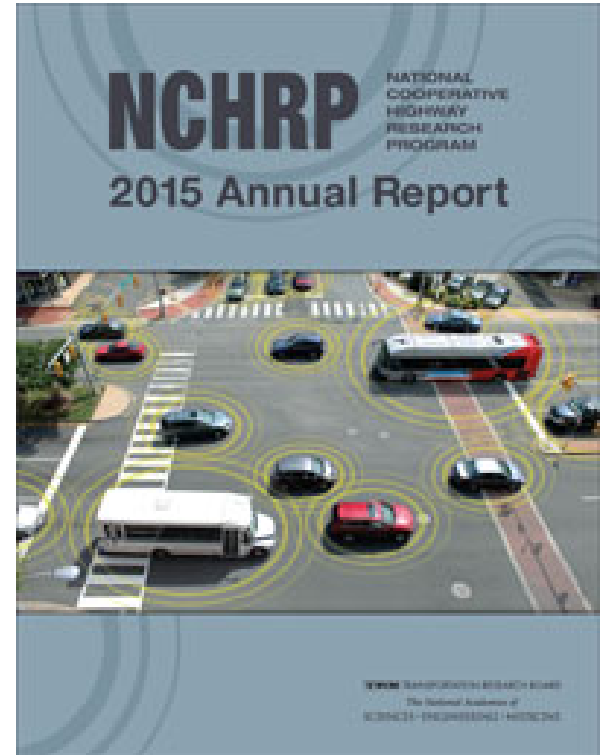
A range of approaches and products

- Traditional NCHRP reports
- Syntheses of highway practice
- IDEA Program
- Domestic Scan Program
- Quick-Response Research for AASHTO
- Other products to foster implementation:
 - *Research Results Digests*
 - *Legal Research Digests*
 - *Web-Only Documents and CD-ROMs*



NCHRP Webinar Series

- Part of TRB's larger webinar program
- Opportunity to interact with investigators and apply research findings.



Introduction

- A. What a mileage fee is
- B. Why the transportation community is interested in mileage fees?
- C. Why this NCHRP study happened.



Today's First Presenters

- **Findings from NCHRP Synthesis Report 487**
Asha Agrawal, San Jose State University and
Hilary Nixon, San Jose State University



Comments

- Jim Madaffer, California Road Charge Technical Advisory Committee



What Do Americans Think of Mileage Fees?

Findings from NCHRP Synthesis Report 487

Presented by
Asha Weinstein Agrawal & Hilary Nixon
December 13, 2016

Presentation outline

A. Study methods

B. Findings

1. The quantity of research & media coverage on mileage fees (MFs) that is available
2. Public knowledge about MFs and current transportation taxes/fees
3. Support levels for MFs
4. Reasons for opposition
5. Reasons for support

C. Summary and policy implications

Study methods

- Objective: Find and synthesize existing information about how the public views MFs
- We looked for 3 types of data
 - Qualitative research studies
 - Surveys
 - Media stories

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Relatively little public opinion data is available

- 38 surveys with MF questions
(compared to > 100 surveys for gas tax & tolls)
- 12 qualitative studies, mostly focus groups
- 359 media studies, from 2010 - 2014

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People form MF opinions based on little knowledge

Most people don't understand:

1. Current transportation taxes/fees
2. How a mileage fee program would work

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Do people support MFs?

Ways this is asked:

1. Do you support a MF?
2. Do you support replacing the gas tax with a MF?

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And the answer to both is

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And the answer to both is



Support for MFs in general

- 33 survey questions
- Mean support: 24%
- Support ranged from 8% to 50%

(Very similar findings for questions asking about replacing the gas tax with a mileage fee)

Does support vary by socio-demographics?

Based on our relatively small sample of surveys:

- Didn't matter: Gender, age, income, education, race/ethnicity
- Did matter somewhat: Political affiliation, with Democrats/liberals more supportive



Tentative evidence that support will grow

1. Support in surveys for replacing gas taxes with a MF has increased over time

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2. Participants in 2 pilot programs were more supportive

Tentative evidence that support will grow

1. Support in surveys for replacing gas taxes with a MF has increased over time
2. Participants in 2 pilot programs were more supportive
3. Media stories are becoming a little more positive

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Reasons for concern: administration

- Technology and administrative problems
- Fraud
- High administrative costs
- Charging the MF on out-of state miles
- Billing out-of-state vehicles

Reasons for concern: driver impacts

- Invade privacy
- Unfair
- Eliminate the incentives/rewards for purchasing fuel-efficient vehicles
- Lump-sum payments are a hardship

Reasons for concern: other

- Don't want a MF program with congestion pricing
- Want simplicity/dislike complexity
- Prefer to raise gas tax rates instead

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Reasons for support

1. Fairly charges drivers of alternative-fuel and efficient vehicles for their road use
2. Could be a “solution” to the problem of raising transportation funds
3. A “sustainable” or “innovative” revenue source

Presentation outline

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Summary of findings & implications

Findings	Implications
Relatively little research on public opinion of MFs	Value in collecting more high-quality public opinion data
Support is low, but may be rising.	Over time, public will likely grow more comfortable with MFs.
Higher support among pilot participants	Running more pilots may raise public awareness and support
People object to the perceived complexity of a MF program	Public more likely to support MF programs with a simple structure

Findings & implications, cont.

Findings	Implications
Key concerns: privacy, fairness, billing errors, lost incentive to purchase fuel-efficient vehicles, and hardship of paying periodic, larger bills	Public more likely to support MF programs designed to minimize these issues
Key benefits: fair to have all vehicles pay “their share” for roads, “solution” to lack of trans’n funds, “innovative” idea	These attributes may be worth emphasizing in MF program design
People prefer higher gas taxes to a MF	In short run, it may be more publicly acceptable to raise gas taxes than to introduce a MF

Want to learn more?

Agrawal, Asha Weinstein, Hilary Nixon, and Ashley M. Hooper. *Public Perception of Mileage-Based User Fees* (NCHRP Synthesis 487). Washington, D.C.: Transportation Research Board, 2016.

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The View from California: Public Opinion on Mileage Fees & the Road Charge Pilot Program

Prepared for: Jim Madaffer

TRB Webinar

December 13, 2016



Exploring a Road Charge in California

Public Engagement Topics:

1. What is a road charge?
2. Why is CA exploring a road charge?
3. What is the California Road Charge Pilot?
4. Who authorized this research study?
5. Who is designing and implementing this pilot?



Exploring A Road Charge for California

An efficient transportation system is critical to California's economy and the quality of life. We need a long-term replacement for the existing gas tax to support our state's transportation funding needs for the future. A year after "helping to rebuild" Senate Bill (SB) 680, SB 681, SB 682, and SB 683, we are now taking the next step with a pilot program that explores how a road charge can work in California.

Why is California Studying a Road Charge?

- We are considering a road charge as a potential replacement for the gas tax. This alternative currently provides for highway and local roads and is crucial for generating and maintaining road infrastructure, including congestion and improving the driving experience.
- As vehicle fuel efficiency increases, fewer gallons of gas are being burned, resulting in less revenue needed to maintain our highway system if the state were to replace vehicle gas tax.
- Despite the decline in gas tax revenue, more cars are using California roads and the road system is in need of financing.
- California is also addressing the consequences of climate change and our air quality. According to EPA's national transportation research group, your own car emissions cost the average California driver \$100 per year in operating and repair costs.



CaliforniaRoadChargePilot.com January 2016

OUR ROADWAYS ARE OVERSTRESSED
 An California's toll transportation system is facing a serious problem. Increasingly urban freeways are reaching maximum capacity and general-use roads are in need of repair. Making the problem worse, the money to build or fix and to maintain infrastructure is being spent at a slower rate than ever. Having less money to repair our roadways means that our transportation system will continue to get worse each year without funds to maintain them.

WHY IS THIS HAPPENING?
 Aging Infrastructure - The majority of our major roadways are more than 30 years old and have reached or exceeded their design life. The oldest one-way roadway system in the state is more than 80 years old.

OUR ROADWAYS ARE OVERSTRESSED
 California Revenue Loss
 Due to increases in Fuel Economy

WHY IS THIS HAPPENING?
 Aging Infrastructure - Despite major efforts to reduce costs and increase efficiency, the cost of maintaining and repairing our roadways continues to rise significantly.

WHY IS THIS HAPPENING?
 More Fuel Efficient Vehicles - High fuel efficiency cars, like hybrids and electric vehicles, are generally getting 30% to 40% better fuel economy. They are contributing only a fraction to the overall need for road repairs.

WHY IS THIS HAPPENING?
 A 2012 RAND Corporation publication states, "The roadways leading to California will generate more revenue in the next 30 years in comparison with other states, as a result of higher fuel economy. However, this revenue will be offset by the loss of gas tax revenue. Because states that will experience more in the next 30 years to lengthen study alternative funding mechanisms, California is in a bind."

According to the 2015 San Jose State Highways Operation and Maintenance Report, California's highway system is in a state of disrepair. The report states that California's highway system is in a state of disrepair. The report states that California's highway system is in a state of disrepair.



Senate Bill 1077 (2014)

Legislation Highlights:

- Road Charge Technical Advisory Committee (TAC)
- Gather public input
- Address privacy and data security
- Provide at least one non-technology option
- Implement pilot by ~~January 2017~~ July 2016
- Report findings by ~~June 2018~~ July 2017



Phase 1: Public Outreach Drives TAC Process

Pre-Pilot Outreach Included:

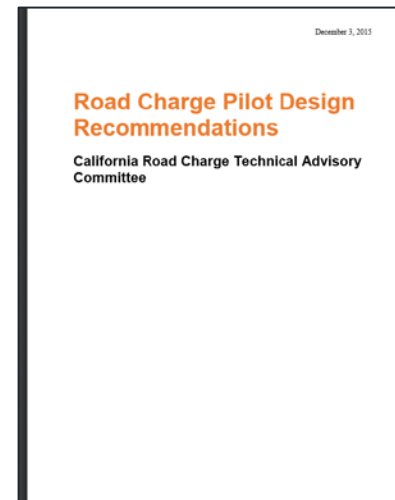
1. Public Meetings
2. Road Charge Work Group
3. Initial Program Website
4. Focus Groups
5. Telephone Surveys
6. Stakeholder Conferences & Workshops



TAC Recommendations (2015)

Pilot Design Recommendations

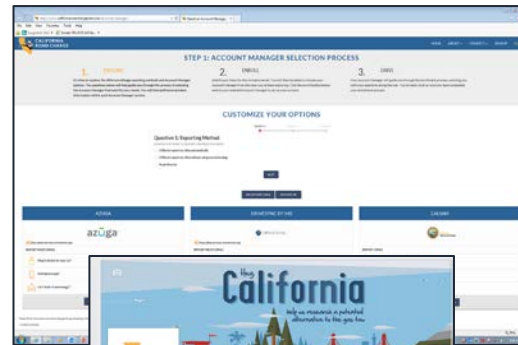
- 5,000 Participating Vehicles Statewide
- 9-Month Demonstration
- Commercial Trucks Included
- 5 Mileage Reporting Concepts
- 10 Data Security Features
- Privacy Protection
- Independent Evaluation



Phase 2: Public Outreach During Recruitment

Volunteer Recruitment Outreach Included:

1. An Updated Program Website
2. Digital Marketing Campaign with Facebook
3. DMV Insert
4. Public Service Announcement (English & Spanish)
5. Ongoing Newsletters



Californian's expressed high interest in being involved!

- Goal = 5,000 volunteers
- Signed-up = **over 7,800** volunteers

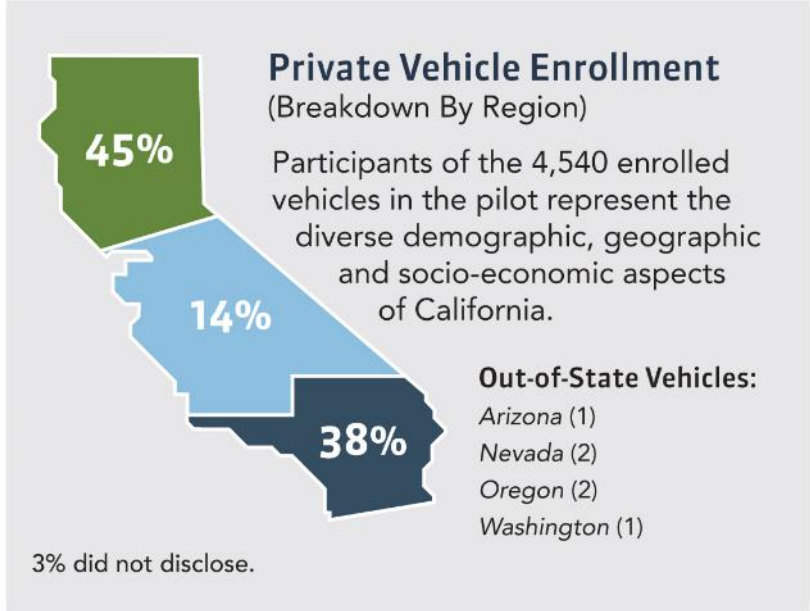
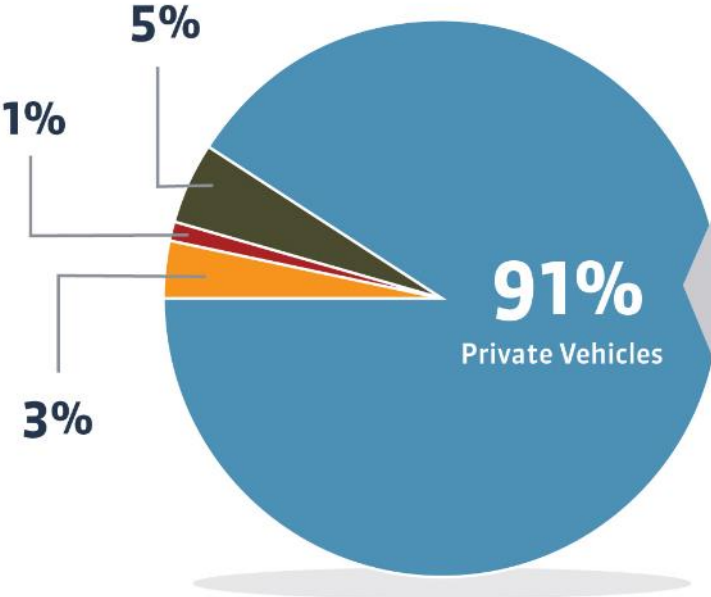
Public Service Announcement



Mid-Pilot Update

ENROLLMENT OVERVIEW

The chart below represents the breakdown of the 5,014 total vehicle enrollments by category:



- **Private Vehicles:** 4,540 (91%)
- **Light Commercial Vehicles:** 259 (5%)
- **Heavy Commercial Vehicles:** 55 (1%)
- **Other (out-of-state, etc):** 160 (3%)

All information is current as of December 2, 2016

What Do Participants Think?

Ease of Participation



Increased by **5%**

Overall Satisfaction



Increased by **14%**

Mileage Reporting Option



Increased by **18%**

Fairness of Road Charge



Increased by **5%**

Unsure About Road Charge

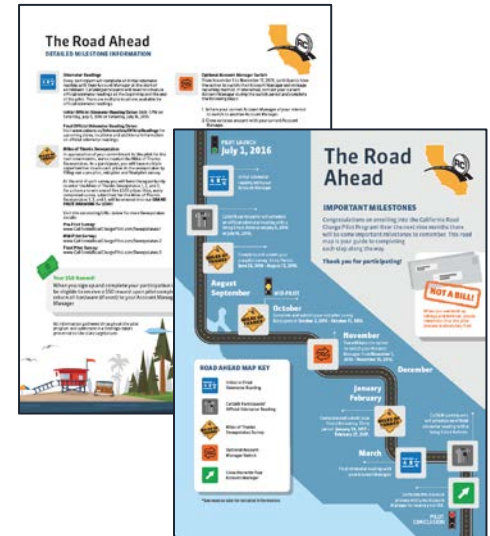
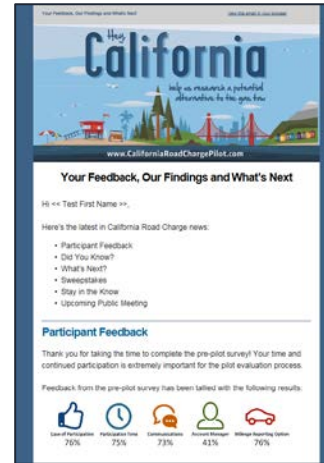


Decreased by **6%**

Phase 3: Continued Public Outreach

Live Pilot Outreach Includes:

1. Monthly Email Communications
2. Program Website Updates
3. Participant Facing Landing Pages
4. Participant Surveys (3 total)
5. Incentives and Rewards



Phase 4: Final Report Outreach

Final Report Outreach will Include:

1. Building on the success of stakeholder engagement
2. Message Development
3. Media Outreach
4. Media Tracking and Monitoring
5. Elected Officials Engagement



The final report includes:

- Insights and findings from the pilot
- Pilot participant experiences
- Stakeholder input

Live Pilot Demonstration Next Steps

November 1-15,
2016 Optional
Account
Manager/Reporting
Method Switch



January/February 2017
Final Pilot Survey



End of March – April 2017
Account Manager Closeout



**April, 2017 start the final
findings report** due to the
legislature in June, 2017



FAST Act Grant – California Enhancement

FAST Act Grant – California Enhancement

A More Robust Education & Outreach Program focusing on:

1. How we currently pay for our road maintenance and operations
2. Why the current funding mechanism is insufficient
3. Why Road Charge would be a more viable alternative to the gas tax



WHAT YOU PAY AT THE PUMP

During fiscal year 2016-17, Californian's will pay an average of 58.83 cents in combined taxes on each gallon of gasoline purchased.



State, Local and Federal taxes
58.83¢ per gallon

This money is used to maintain and improve state and local roadways and transit systems.



Conclusion – Questions?

