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
Presentation outline

A. Study methods

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

C. Summary and policy implications
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
Presentation outline

A. Study methods

B. Findings

1. The quantity of research & media coverage on MFs that is available

2. Public knowledge about MFs and current transportation taxes/fees

3. Support levels for MFs

4. Reasons for concern

5. Reasons for support

C. Summary and policy implications
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
Presentation outline

A. Study methods

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

C. Summary and policy implications
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?
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?

And the answer to both is ....
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?

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
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
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
A. Study methods

B. Findings
   1. The quantity of research & media coverage on MFs that is available
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   3. Support levels for MFs
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   5. Reasons for support

C. Summary and policy implications
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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A. Study methods

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5. Reasons for support

C. Summary and policy implications
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

A. Study methods

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

C. Summary and policy implications
<table>
<thead>
<tr>
<th>Findings</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relatively little research on public opinion of MFs</td>
<td>Value in collecting more high-quality public opinion data</td>
</tr>
<tr>
<td>Support is low, but may be rising.</td>
<td>Over time, public will likely grow more comfortable with MFs.</td>
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<td>Higher support among pilot participants</td>
<td>Running more pilots may raise public awareness and support</td>
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<tr>
<td>People object to the perceived complexity of a MF program</td>
<td>Public more likely to support MF programs with a simple structure</td>
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### Findings & implications, cont.

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


Email: asha.weinstein.agrawal@sjsu.edu
      hilary.nixon@sjsu.edu
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?
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
- Report findings by June 2018
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
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%)

Participants of the 4,540 enrolled vehicles in the pilot represent the diverse demographic, geographic and socio-economic aspects of California.

Out-of-State Vehicles:
- Arizona (1)
- Nevada (2)
- Oregon (2)
- Washington (1)

3% did not disclose.

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%

*Percentages reflect the responses from Survey 1 to Survey 2*
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 form 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

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, Californians 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?