

# **DISTANCE-BASED ROAD USER FEE PILOT PROGRAM**

**Susan Martinovich, Director**

Nevada Department of Transportation

&

**Derek Morse, Interim Executive Director**

Regional Transportation Commission

# INTRODUCTION

- Why?
- What will the pilot program evaluate?
- Who will participate?
- What is the timing?

Nevada has been funding highways from fuel taxes since Calvin Coolidge was president

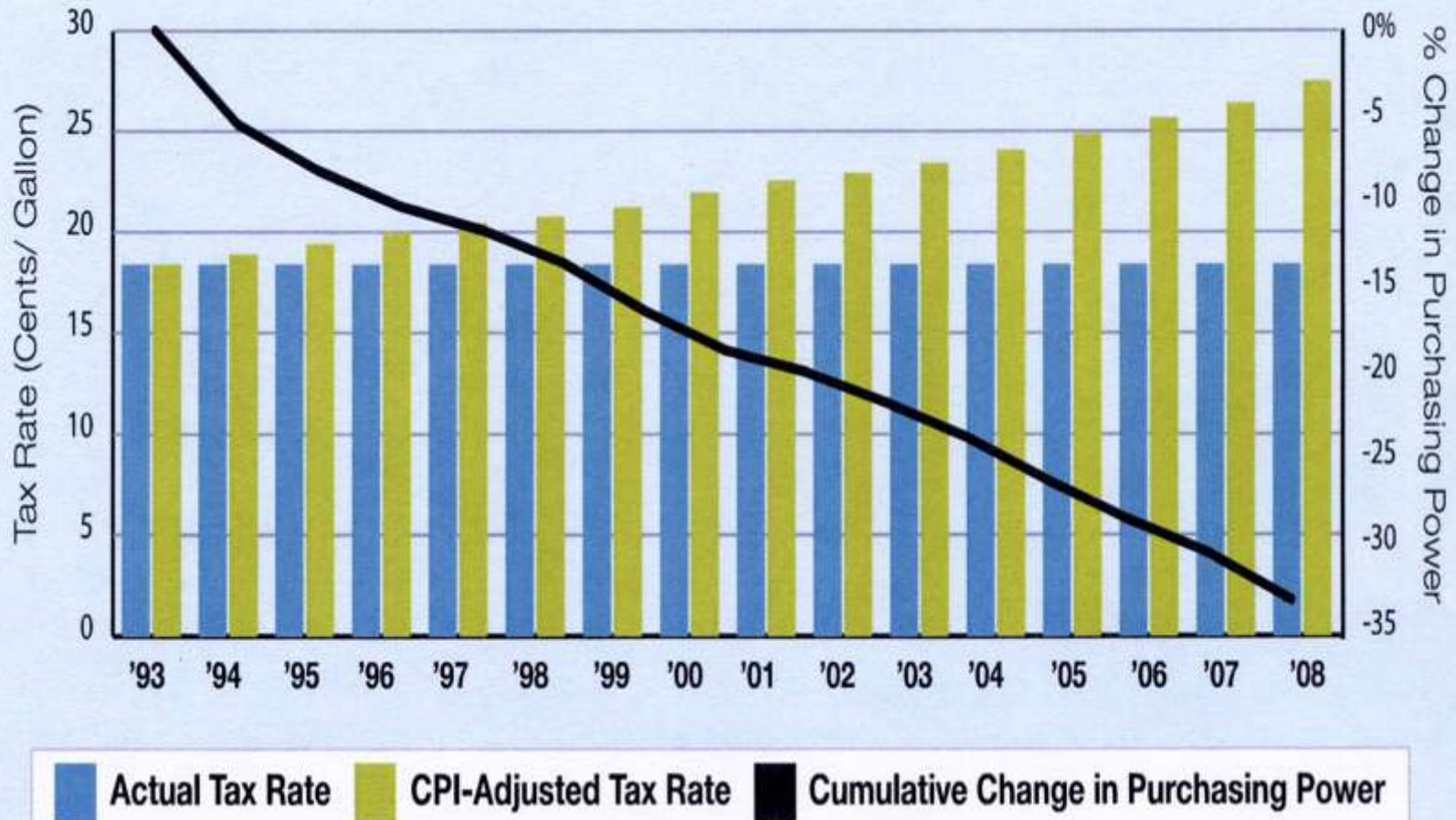


# Federal Highway Trust Fund from fuel taxes established by President Eisenhower



- State and Federal fuel taxes has not been increased since 1992/1993
- Fuel tax revenue per gallon the same regardless of price
- Construction Inflation has eroded the purchasing power over 60%
- The use of alternative fuels has increased and will accelerate
- Federal fuel efficiency standards are being increased (will reduce revenue even more)
- Fuel tax revenue replacement is necessary

# Federal fuel tax has not been increased since 1993



# Alternative fuels use has increased and will accelerate (Hybrid)



# Alternative fuels use has increased and will accelerate (Electric)



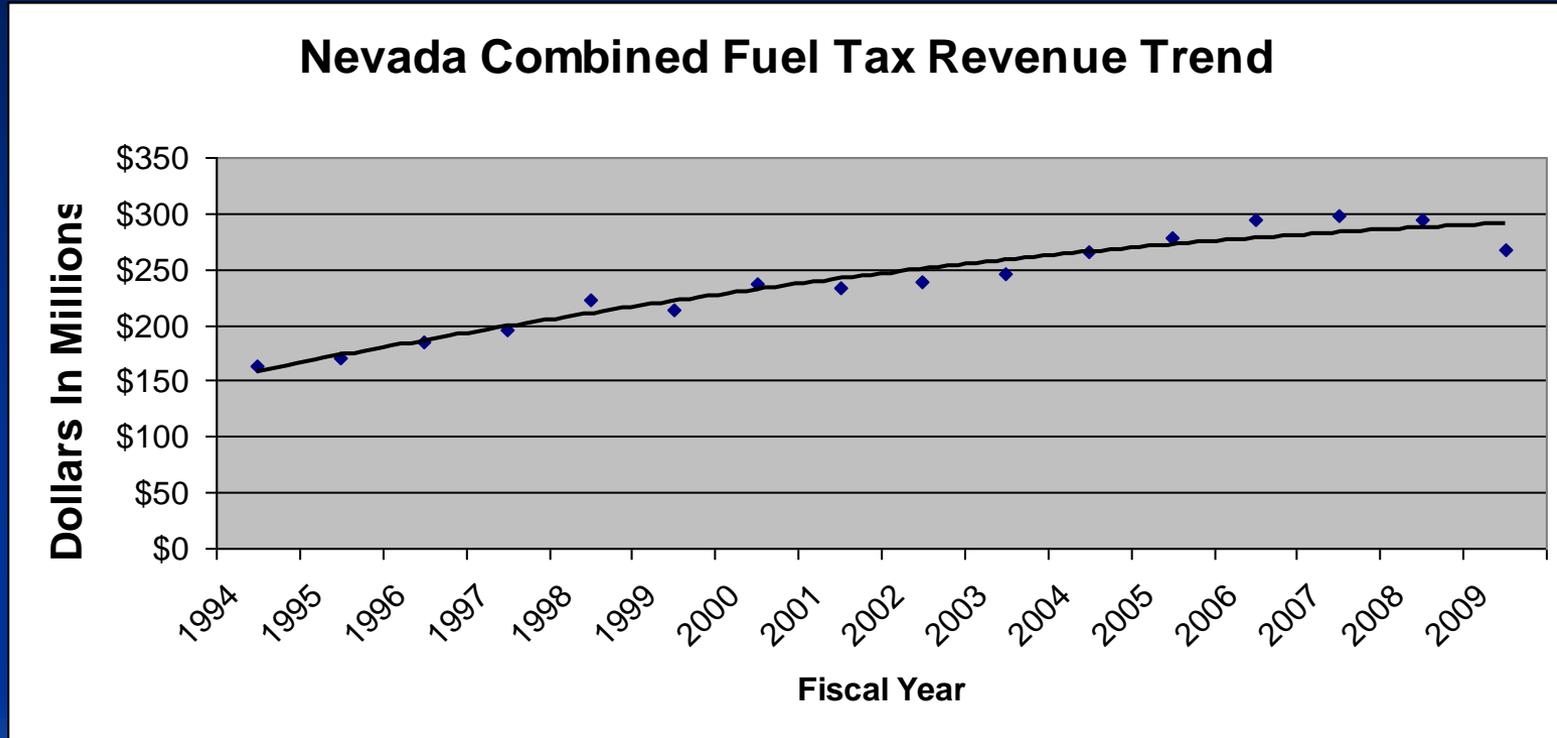
# Alternative fuels use has increased and will accelerate (Solar Electric)



# Alternative fuels use has increased and will accelerate (Compressed Natural Gas)

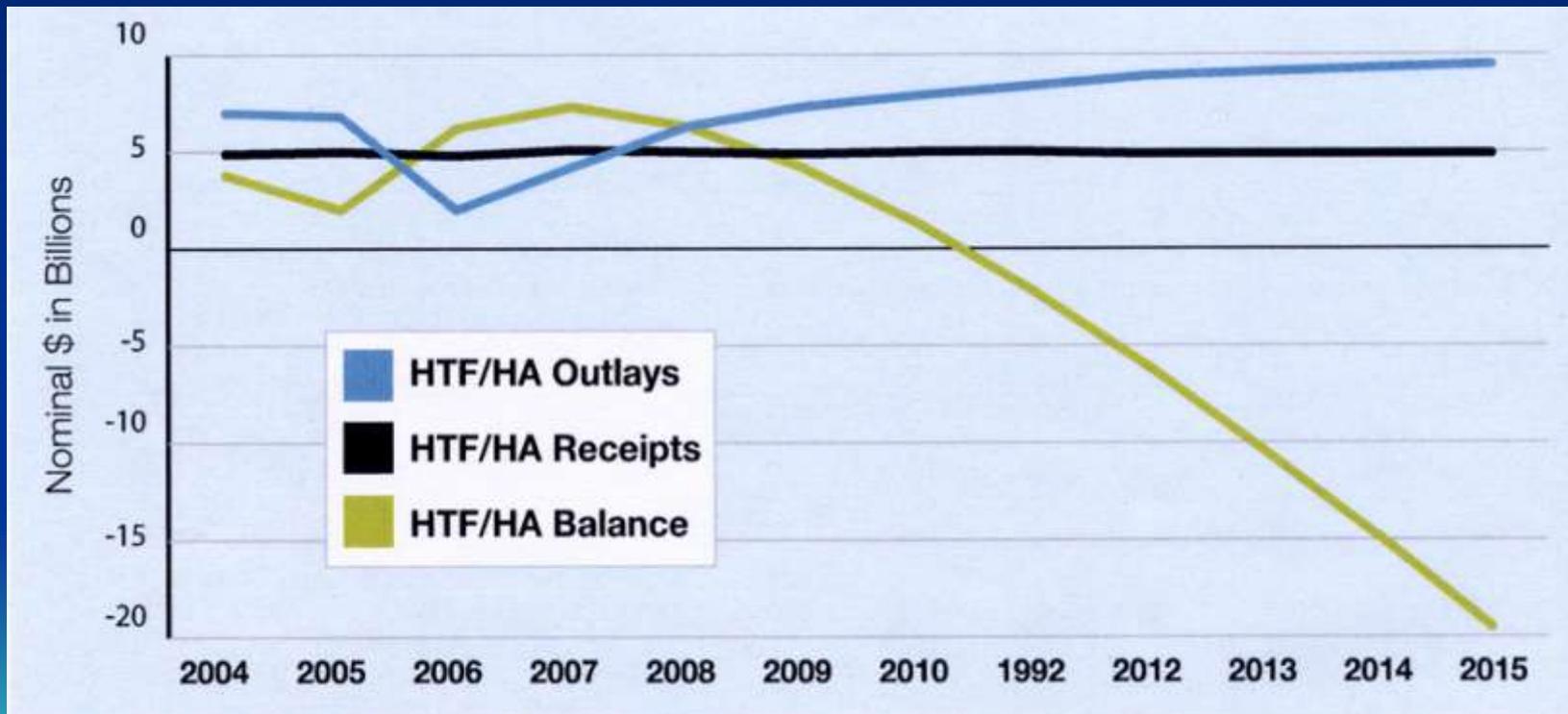


# State fuel tax revenue is declining



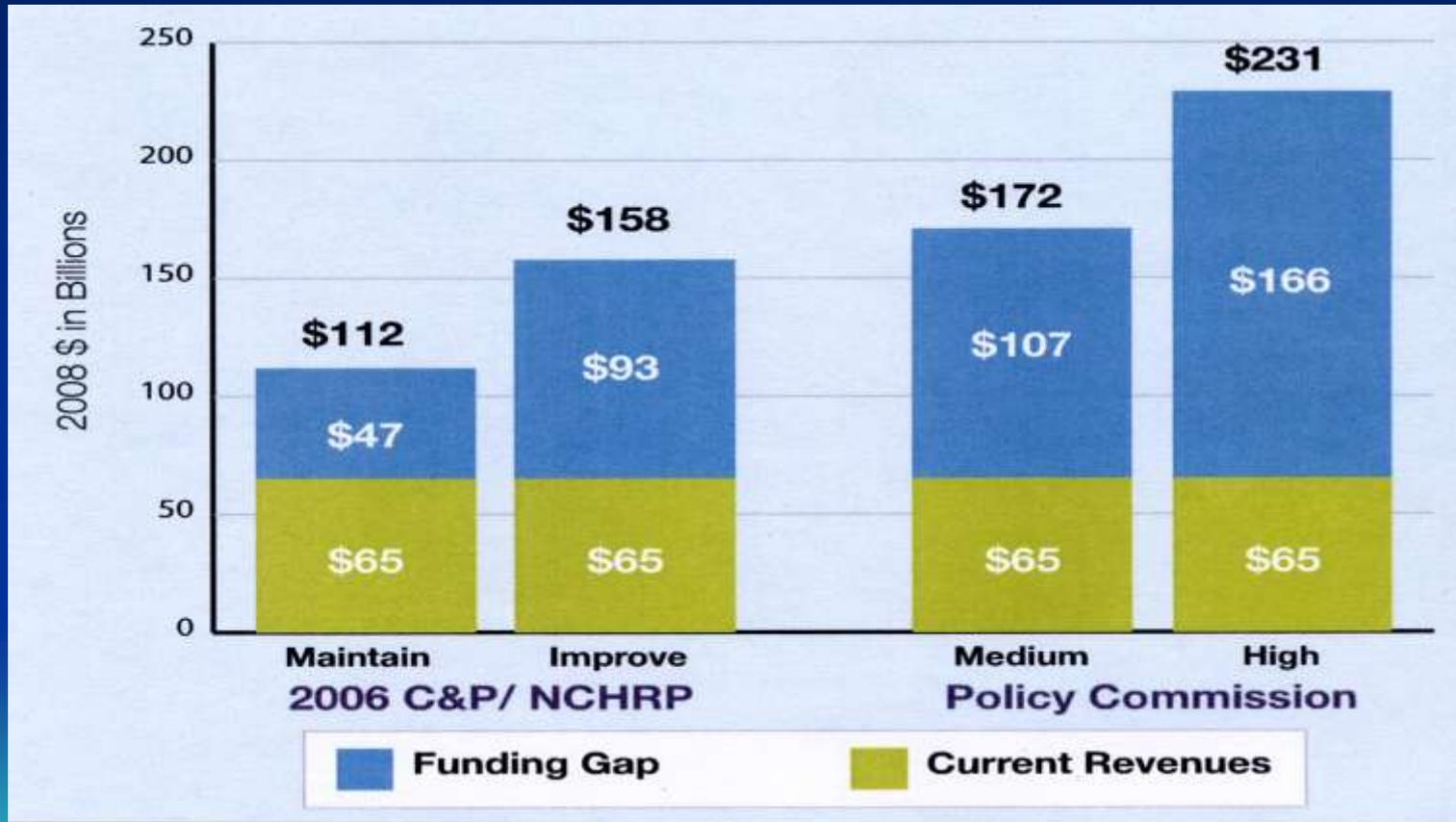
# Federal Highway Trust Fund Is Insufficient

Current trends for Highway Trust Fund (HTF) / Highway Account (HA)



Source: Forecasts made by AASHTO using its federal HTF funding model and based on assumptions contained in the Midsession Review of the FY 2009 Budget.

# 2008 Highway Funding Gap All Levels of Government



# U.S. Policy & Environmental Initiatives will have Significant Impacts on Transportation

- Global Warming
- Greenhouse Gases
- Climate Change
- Oil Independence
- Cap and Trade

Green, Green, Green



# Consequence of No Action!



# What are possible Revenue Alternatives?

- Increase General Obligation Bonding
- Increase Vehicle Registration Fees
- Increase Sales Tax
- Increase Property Tax
- Increase Development Impact Fees

# What are possible Revenue Alternatives?

- Impose Tolls on Roads, Lanes and Bridges
- Initiate Public-Private Partnerships
- Initiate Distance Road User Fee
- Initiate Distance-Weight Road User Fee

# Distance-Based Road User Fee Pilot Program

- What will the pilot program evaluate?
- What is the timing?
- Who will participate?
- What will be done with the results?

# What will the pilot program evaluate?

- A range of options for public consideration based upon degrees of data collection
  - Benefits
  - Costs
  - Public policy implications
  - “What ifs?”

# What will the pilot program evaluate?

*A spectrum of data collection from*

- Simple: distance (odometer reading)  
*to*
- Multifaceted: distance, location, time of day, speed, path of travel, vehicle load, delay at intersections

# What will the pilot program evaluate?

- Public policy issues
  - Privacy
  - Equity among users
  - Setting/updating fee rates
  - Point and timing of payment by user
  - Transition from existing collection systems
  - Institutional/Administrative

# What will the pilot program evaluate?

- Technologies
  - Interoperability
  - Reliability
  - Integration
  - Security
  - Cost

# What is the timing?

- Phase 1 – Design Pilot Program  
2009
- Phase 2 – Test technology/Study Processes & Solicit Participants  
2010
- Phase 3 – Conduct, Evaluate, and Report  
2011 & 2012

# Who will participate?

- Citizens
- Privacy groups
- Environmental groups
- Tax payers
- Public officials
- Elected officials
- Businesses
- Construction industry
- Trucking industry
- Businesses
- Researchers
- UNR students
- Volunteers
- Sponsoring agencies
- Legislature
- Every interested

# What will be done with the results?

- Used for further public information and outreach
- Presented to the Nevada Legislature and other elected officials
- Made available nationally to further dialogue

# SUMMARY

- Fuel taxes are increasingly inadequate for collecting revenue from users of the road system
- Transitioning to other mechanisms will probably take a decade or more but must start now
- Technology is not the primary issue
- Public understanding and acceptance of any new mechanism is the key to success

# Failure to act has enormous consequences

Condition



Congestion



Economy



Air Quality



Safety



**THANK YOU!**

*Questions?*