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SYMPOSIUM ON MILEAGE-BASED USER FEES: TECHNOLOGY WORKSHOP

Session 1: Implementation Pathways: Research Initiatives and Demonstrations

Speaker 1: Alauddin Khan, Nevada DOT (NDOT)

“Alternative Transportation Funding”

Mr. Khan is Chief of the Strategic and Performance Management Division at the Nevada Department of Transportation and discussed his perspectives on public outreach, road blocks and lessons learned in developing the Nevada field test. He expressed his hope that national and international dialog on MBUF implementation can continue to grow and expand.

Slide 3 – Financing Our Way Out Is Not the Solution

When discussing MBUF with policy makers, NDOT stressed the difference between financing and funding, because the two differing issues tend to get combined. Having a good funding source can lead to good financing practices and can attract private investors. However, policy makers tend to want to look at financing solutions to the state’s transportation problems, such as public-private partnerships, and don’t understand why the DOT would be looking at MBUF and other funding mechanisms.

Slide 4 – Focus of VMT Fee Research Study

The overall objective for MBUF should be to replace the fuel tax funding mechanism, which does not necessarily require sophisticated technology. Nevada initially looked at a variety of technology and fee assessment options for MBUF, but due to public concerns, ultimately chose a simple and easy technology solution. The Nevada public had significant concerns about “tracking” with GPS, and were most open to a simple on-board diagnostic (OBD) device that did not collect location data. Once GPS was taken out of consideration, participants became more accepting of MBUF.

Nevada collaborated with Oregon and Washington on their studies and will be looking at MBUF issues from a non-DOT perspective. Partner agencies need to be engaged on this topic, which is something that does not happen a lot. MBUF development should not focus solely on DOT needs, goals and objectives. Up to \$3 million will be added to the third phase of the study to comprehensively examine an array of policy and technology issues.

Slide 5 – Reaction of Media

Media reaction to the Nevada study often incited vocal opposition from the public. When drivers see headlines such as, “With tracking devices, the miles you drive may get to be taxing,” they react with concern about their privacy and contact elected officials. After encountering negative press, Nevada DOT sought to engage the media as well as the public and policy makers. Nevada DOT learned that it is important to contact editorial boards from all the major newspapers early on to make relationships and inform them about the study.

Slide 6 – Reasons for Public Outreach

One of the biggest reasons for undertaking public outreach efforts on this topic is to provide information on how much money is really needed for transportation investment. Figures can be expressed per mile, per gallon or total money going into the system. The news media has many different ways of communicating so different messages and outreach methods need to be used.

Slide 7-8 – Extensive Strategic Political Involvement

The Nevada DOT did not have legislative approval to implement MBUF, so NDOT's efforts have focused on research. In the current phase NDOT is engaging four levels of constituents: 1) the political policymakers and legislators, 2) influential bodies in banking, finance and taxation, 3) private sector stakeholders, and 4) the public. These interactions will provide significant input for future policy making and will help reduce political risk. Most of NDOT's outreach efforts are taking the form of one-on-one meetings.

Slides 9-12

One of the primary reasons Nevada legislators opposed the MBUF concept is their concern over managing administrative costs. NDOT examined the state's Department of Motor Vehicles (DMV) systems and databases and determined that support of an MBUF system in Nevada would run 20-25 percent. However, Nevada legislators want administrative costs capped at 5 percent.

Nevada's state highway fund is constitutionally protected and this same protection will need to be extended to MBUF revenues if they are implemented. The federal government should consider similar limitations on the use of future MBUF revenues.

Another major issue that needs to be addressed is the allocation of revenues among multiple states. Many are interested in looking at how out-of-state drivers would pay for their road usage under an MBUF system.

Nevada legislators wanted to know what other innovative solutions NDOT was considering besides MBUF, but there really were none. There is a need to show that there are indeed numerous options for meeting revenue needs and that they all are thoroughly assessed. This requires that states and other transportation entities come together to collaborate on research, identify the most pertinent issues and determine why there has been no significant improvement in the last 20 years in the way we pay for transportation.

Slide 13 – Underlying Dilemma – Core Strategic Missteps

It is important to articulate a direct benefit to the public from implementing MBUF. Public and political support can be generated if benefits are emphasized.