



A Practical Approach to Truck VMT Fees

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Federal and state finance mechanisms no longer provide sufficient funds to meet the demands for surface transportation investment. The reasons for this problem are both political and economic. For example, the federal tax on motor fuels has not been increased since 1993, despite inflation and continual growth in demand for highway construction and maintenance. Most state motor fuel taxes have also lagged well behind inflation and demand.

A truck-based VMT fee could replace existing truck highway user fees and offer a robust, long-term source of user-fee based revenues for highway investment. Data from the VMT system would make it possible to focus a portion of any net new funds on investments that would improve truck mobility. A truck-based VMT fee system has advantages over auto-based VMT fee proposals due to a proven low-cost technology and reduced concerns over privacy.

Any truck VMT-fee system should focus on several principles: simplicity, cost control (by using existing technologies) and an emphasis on the economic importance of an efficient trucking industry.

A truck-based VMT fee system offers the potential to generate additional revenues, whether by reducing under payments (currently more than \$200 million a year for the state of New York and \$1-3 billion nationally) or by increasing truck-based revenues. VMT fee systems that rely on location-based technology also generate data that will improve truck-related planning.

This study examined the feasibility of using existing GPS-based technology to implement a truck VMT system that could replace existing truck fees and taxes in New York State. Using data from several New York-based truck fleets, a VMT fee system was designed around the technology already installed in the trucks. These systems were sufficient to determine routes with enough accuracy to assess fees.

Several sets of fee structures were tested: flat rates by type of truck, variable rates by type of road, and variable rates by time of day. A preliminary assessment of the costs to implement a truck-based VMT fee system showed that collection costs would be higher than for motor fuel taxes (about one percent of collections), but significantly less than the costs to collect other transportation fees including registration fees and tolls, and less than the costs for the German truck toll system.

Truck-based VMT fees also offer other important benefits to the trucking industry and to the public sector. Near real-time data on truck travel would help to identify when and where truck bottlenecks exist and to help measure their severity. This information could help target the investment of any additional funds that the VMT fee might generate. This is an important argument for equity and efficiency – spending should match the needs of those who provide the funding. Data about trip origins and destinations and routes could support improved planning by the public sector.



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