

July 2022 Newsletter



More States Look to Usage-Based Revenue

Pennsylvania is not alone in examining a Mileage-Based User Fee (MBUF) or a Road User Fee (RUF) as a reliable source of transportation funding as fuel taxes become a less reliable way to pay for our highways and bridges.

Other states across the country face similar challenges with funding. Since Oregon first began to study Road User Charges (RUCs) two decades ago, **a number of states have followed suit** in studying and/or implementing MBUF, RUF and RUC initiatives, including Oregon's OReGO program and an MBUF program in Virginia for electric vehicles and hybrids.

MBUF and similar programs charge drivers for the use of roadways through an annual fee or based on the number of miles they travel (using technology such as GPS or manually reported mileage). See the **[Mileage-Based and Road User Fees page](#)** on the **[PennDOT Pathways website](#)** for more information.

Pennsylvania was among four states that participated in an MBUF pilot program led by **[The Eastern Transportation Coalition \(TETC\)](#)** which found that user fees can be a viable alternative to the pay-at-the-pump fuel tax. See the **[May PennDOT Pathways newsletter](#)** for more about that pilot and a report TETC published on its results.

The Federal Highway Administration is encouraging states to consider MBUF and other user-pay approaches through its Surface Transportation System Funding Alternatives (STSFA) program, which in 2021 announced \$18.7 million in grants to eight projects. They include:

-  **Delaware Department of Transportation** and **TETC** will demonstrate and test paths for MBUF in seven states, including Pennsylvania.
-  **Ohio Department of Transportation** will obtain data for a large-scale outreach program geared towards educating the public about RUC.
-  **California Department of Transportation (Caltrans)** will evaluate the viability of GPS technology to determine which roads are part of a public network and may be subject to a fee.
-  **Kansas and Minnesota Departments of Transportation** will participate in a joint effort to explore the impacts of implementation in the Midwest, with focus on rural and agricultural populations and intrastate and interstate commercial freight and supply chain operators.
-  **Hawaii Department of Transportation** will investigate the current state and completeness of digital mapping data to determine which roads are part of a public network and may be subject to a fee.
-  **Oregon Department of Transportation** and **RUC West** will host a summit to explore opportunities and barriers to interoperability, expand knowledge about RUC and foster new partnerships

[The Mileage-Based User Fee Alliance](#) notes that the MBUF approach has already been implemented in several European countries and New Zealand as awareness grows that “the sustainability of the current transportation funding system is in doubt.”

Pennsylvania and other states must find new sources of revenue to maintain our highways and bridges and keep our transportation infrastructure safe and reliable.



PennDOT is Delivering Results

Each year, PennDOT invests in Pennsylvania's approximately 120,000 miles of state and local highways and 32,000 state and local bridges. PennDOT is directly responsible for nearly 40,000 miles of highway and 25,000 bridges, a system first established in 1911.

According to the agency's **[recently published 2021 Annual Report \(PDF\)](#)**, PennDOT last year preserved, replaced or repaired **465** state-owned bridges and improved **5,637** miles of roadway. So far this year, **122** construction contracts for highway, bridge and other improvement projects were completed statewide through PennDOT's private-sector partners. Across the state, **1,749** projects are underway or expected to start or go out for bid this year, with a total value of **\$8.8 billion**.

See more details on the results of our ongoing work at the **[PennDOT Results web page](#)**.

Transportation Trivia

Pennsylvania's state-maintained road system is comparable in size to the system in:

- a. New York
- b. New Jersey
- c. New England
- d. New York, New Jersey and New England combined

[Answer found here](#)

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