TRANSPORTATION REVENUE OPTIONS COMMISSION (TROC)

APRIL 15, 2021
NAVIGATING ZOOM

Click to mute or unmute your audio.

Click to Start/Stop your video.

Click "Chat" to open the group chat panel.

Click "Participants" to open the participants panel.

Use these buttons to participate. Click "more" to populate the second set of buttons.

Click "Chat" to open the group chat panel.

Click "Reaction" to open and share your reaction or raise your hand.

Click "Raise Hand" to raise your hand.

Click to switch from "Gallery View" to "Speaker View"
MATERIALS YOU HAVE RECEIVED

- Draft March 25, 2021, Meeting Minutes
- Affinity Grouping of Commission Members’ Mentimeter Input
- Chat Q&A Responses
- Other States’ Transportation Funding Practices
- PennDOT Efficiencies Report
- Meeting Agenda
AGENDA

1. Meeting Objectives
2. Commission Chair’s Opening Remarks
3. Schedule/Milestone Review
4. Meeting 1 Recap (March 25, 2021)
   • Benefits of Transportation
   • Consequences of Inaction
   • Major Considerations
   • Approaches to the TROC Charge
   • Guiding Principles
   • Q&A Responses
5. TROC Survey Results
   • Response Rate
   • Priorities for Potential Solutions
   • Alternative Funding Options
   • Scenarios and Initial Evaluation
6. Meeting Summary and Public Comments
7. Commission Chair’s Closing Remarks
To review the data received from the Commission survey on alternative funding options.

To initially assess the level of support and impact of various funding options and scenarios.

To engage Commission members in determining the funding options with the greatest potential for success and the steps necessary for further evaluation.
**March**
Initiate strategic proposal and establish the need

**April**
Generate and evaluate options

**May**
Identify initial recommendations

**June**
- Complete recommendations and rationale
- Complete other sections of strategic proposal

**July**
- Review, revise and finalize report
- Submit to the Governor by August 1st

Tentative May Meeting Dates: May 13 and 27
MEETING 1 RECAP
(MARCH 25, 2021)
BENEFITS OF TRANSPORTATION

- Accessibility (9)
- Economic Growth (8)
- Community Connection (7)

- Safety (7)
- Passenger Transit (5)
- Jobs (5)
BENEFITS OF TRANSPORTATION

- Commerce (4)
- Environmental Impact (3)
- Products (3)
- Tourism (3)
- Quality of Life (2)
- Mobility (2)
CONSEQUENCES OF INACTION

- Economic Impacts (12)
- Infrastructure Deterioration (9)
- Loss of Independence/Community Connections (9)
- Businesses Impacts (6)
- Lost Jobs (6)
- Safety Impacts (6)
CONSEQUENCES OF INACTION

- Access to Medical Care (4)
- Diminished Services (4)
- Increased Congestion (4)
- Inability to Compete (4)
- Decreased Quality of Life (3)
- Policy and Funding (2)
MAJOR CONSIDERATIONS

- Equitability (9)
- Sustainability (6)
- Benchmarking (4)
- Economic Considerations (4)
- Electric or Unmanned Vehicles (3)
- Development/Planning (3)
- Public Perceptions (3)

- Federal Assistance (3)
- Trucking and Freight (3)
- PennDOT Operations/Structure (3)
- Fuel Tax (2)
- Through Traffic (2)
- Multimodal Opportunities (2)
Other than mode-by-mode approach:

- Funding Streams (2)
- Regional (2)
GUIDING PRINCIPLES

- Utilize Input (7)
- Impact on Citizens (5)
- Cost (2)
- Sustainability (2)
<table>
<thead>
<tr>
<th>Commenter</th>
<th>Member/Public</th>
<th>Comment</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rob Latham</td>
<td>Member</td>
<td>It may be a matter of semantics but, as opposed to a charter, should we develop a Mission Statement?</td>
<td>The Executive Order 2021-02 established the Commission’s mission. Develop a comprehensive, strategic proposal for addressing the transportation funding needs of Pennsylvania. The charter would build on the mission and discussions from the first meeting (e.g., guiding principles).</td>
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<tr>
<td>Jerry Sweeney</td>
<td>Member</td>
<td>How our competitive position [Response to member question - What would be the consequences of not addressing this challenge in transportation funding?].</td>
<td>Included in member responses.</td>
</tr>
<tr>
<td>Brock Myers</td>
<td>Member</td>
<td>We will lose our skilled workforce to States with more robust infrastructure programs [Response to member question - What would be the consequences of not addressing this challenge in transportation funding?].</td>
<td>Included in member responses.</td>
</tr>
<tr>
<td>Amy Rosmar</td>
<td>Member</td>
<td>Clarification is this just the tax on those or total cost [In relation to slide 12.1].</td>
<td>The graphic represents the total cost of the other utilities/services, compared to the gas tax. The price is hypothetical.</td>
</tr>
<tr>
<td>Laura Chu Wiens</td>
<td>Member</td>
<td>This is presuming that households have cars - [In relation to slide 12.2].</td>
<td>When using this slide in the future we will clarify this point.</td>
</tr>
<tr>
<td>Jeff Barman</td>
<td>Member</td>
<td>Accessibility for all land, air and sea transportation options. [Response to member question - What concerns or opportunities must be considered?].</td>
<td>Included in member responses.</td>
</tr>
<tr>
<td>Jeff Barman</td>
<td>Member</td>
<td>I appreciate the revenue comparisons [charts]. [Response to member question - What is PA has as well as some other states, unless PA considered, I didn’t see a comparison on what PA pays for as compared to other states. Think that’s an important comparison. For a future meeting, can we provide that information too? Thanks.].</td>
<td>Other states fund transportation in many, very different ways. They also have vastly different state and locally owned transportation systems. We will continue to evaluate the different sources and uses of revenue among other States.</td>
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</table>
Survey Response Rate

36
MILEAGE-BASED USER FEE

- Mileage-Based User Fee $3.8B - $8.4B
- New road user charge of 3.16 cents (current gas equivalent) to 7 cents per mile

Level of Support 3.63
Accelerated PSP Funding Reduction from Motor License Fund
$32M - $673M

Use General Fund in lieu of MLF to pay for Pennsylvania State Police

Level of Support 4.30
THREE MAJOR REVENUE SOURCES

- Full Tolling $1.8B - $2.9B
  Statewide tolling of interstates and expressways (federal authority required)
  $3.13

- Vehicle Registration Fee
  $750M - $1.5B
  100% - 200% increase
  $3.50

- Congestion Pricing $525M - $900M
  Toll interstates and expressways in Philadelphia, Pittsburgh, Harrisburg and Allentown
  $3.84
MID-RANGE REVENUE SOURCES

- **Vehicle Sales Tax**: $450M - $500M, 1.93% - 2.14% increase to address Act 44/89 sunset in 2022
- **Excise Tax on Goods Delivery**: $300M - $500M, 0.10% increase
- **Personal Income Tax**: $350M - $450M, 0.25% increase (based on current structure)
- **Sales Tax**: $350M - $450M, 0.25% increase
- **Limited Tolling**: $290M - $450M, statewide bridge tolling and tolling of new capacity as express lanes
- **Accelerate PSP Funding Reduction**: Funding from Motor License Fund $32M - $673M, Use General Fund in lieu of MLF to pay for Pennsylvania State Police
- **Corporate Income Tax**: $300M, 1% increase
- **Real Estate Transfer Tax**: $215M - $265M, 0.50% increase
REMAINING REVENUE SOURCES

- **Real ID Fee $125M**
  - Beginning October 1, 2021, raise fee from $30 to $60 to break even for next three years

- **Vehicle Lease Fee $100M**
  - 3% increase from 3% to 6% of lease payment

- **Gas Tax $122M**
  - 2% to 3% increase per year, indexing to inflation

- **Transportation Network Companies Fee $80M**
  - New fee of $1 per trip

- **Vehicle Rental Fee $80M**
  - $2 increase from $2 to $4 per rental

- **Emission Sticker Fee $57M**
  - New $8 fee, same as inspection sticker

- **Tire Fee $12.5M**
  - $1 increase from $1 to $2 per tire

- **Electric Car Fee $5.5M**
  - $150 to $200 general fee (including hybrid charge)

- **Driver's License Photo Fee $6.6M**
  - Raise fee $2 from $9.50 to $11.50 to break even for next eight years

- **Aircraft Registration Fee $250K - $350K**
  - New fee based on aircraft weight
MILEAGE-BASED USER FEE

- Mileage-Based User Fee $3.8B - $8.4B
- New road user charge of 3.16 cents (current gas equivalent) to 7 cents per mile

Level of Support 3.63
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ACCELERATED PSP FUNDING REDUCTION

- Accelerated PSP Funding Reduction from Motor License Fund
  $32M - $673M
- Use General Fund in lieu of MLF to pay for Pennsylvania State Police

Level of Support 4.30
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PRIORITIES FOR POTENTIAL SOLUTIONS

Top 10
$3,278,950,000

Top 5 total
$1,364,850,000

- Congestion Pricing $712,500,000
- Vehicle Sales Tax $475,000,000
- Vehicle Rental Fee $80,000,000
- Transportation Network Companies Fee $90,000,000
- Electric Car Fee $7,350,000

6-10 Total
$1,914,100,000

- Limited Tolling $370,000,000
- Excise Tax on Goods Delivery $400,000,000
- Vehicle Registration Fee $1,125,000,000
- Drivers License Photo Fee $6,600,000
- Tire Tax $17,500,000
<table>
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**User Fees**
- Luxury vehicle tax
- Vehicle property tax
- Increase to truck and tractor trailer registration fees
- Increase the Heavy Vehicle Use Tax
- Assess over-speed [and overweight?] trucks fines more commensurate with damages they cause
- Carbon tax (also submitted as tax targeting diesel trucks and older cars)

**Commonwealth**
- Transportation Climate Initiative (TCI)
- Taxes generated from legalization of marijuana
- Uncollected revenue (e.g., any lawsuits, fuel or registration revenues [unpaid] by vehicle users)
- Collaboration with other programs
- Highway Patrol Fee (like in California)

**Private Sector**
- Corporate head tax
- Distribution center container and Amazon parcel tax
- Commercial warehouse dock door fee dedicated to county roads
- Social Media Advertisement Fee (like in Maryland)
- Service Use Tax (SUT) [Relates to TNC]

**Local/Regional**
- Regional Transportation Tax (RTT)
- Increase tax on inner city parking lots (to promote public transit usage)
- Enable metropolitan and rural planning organizations as divisions of local government to raise revenue
- Increase local and county government tools/Options for Raising Revenue
Individual
- Wealth tax
- Mobile device connectivity fee
- Statewide infrastructure fee on all bought goods (including online sales)
- E-commerce delivery tax

Federal
- Covid relief monies received from the federal government
- American Rescue Plan
- Surface Transportation Act has substantial additional funding

Transit
- P3 for area mass transit systems (e.g., regional rail lines may be profitable if right-sized and priced appropriately)
- Raise cost of public transit ridership to match expenditures

Aviation
- Aviation user fee
- Aircraft registration
MEETING SUMMARY AND PUBLIC COMMENTS

- Opportunity for Public Comment
  - Limit remarks to three minutes maximum
  - Questions and comments will be recorded for Commission consideration

- A Look Ahead
  - April 29th Presentations: PEL and ARTBA
  - Future Presentation: MBUF by the Eastern Transportation Coalition
  - Further Evaluation of Revenue Alternatives

- Other Commission Member Input
  - Information Requests
  - Potential Future Presentations
  - Other Items
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COMMISSION CHAIR’S CLOSING REMARKS

Secretary of Transportation,
Yassmin Gramian
TRANSPORTATION REVENUE OPTIONS COMMISSION (TROOC)