MBUF considerations for commercial vehicles

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MBUF and Commercial Vehicles

Simple: easy to understand and to comply with

Robust: little scope for evasion and meaningful enforcement

Fair: everyone pays their fair share and gets fair value in return

Affordable: low cost to administer and high return on effort

Secure: Data quality and privacy protected from source, to storage, to service
Key considerations/recommendations

- A national approach is needed – state by state is not feasible
- Develop national electronic service provider and technology standards
- Establish a national compliance and enforcement framework
- Ensure fair and transparent rate setting
- Ringfence MBUF revenue to transportation
A national approach is needed
Motor carrier files return with base jurisdiction.

Jurisdictions are then taking care of distributing the taxes to the other jurisdictions through the IFTA clearinghouse.
European Electronic Toll Service (EETS)

One Vehicle. One Contract. One Invoice. One On-Board-Unit
Need for national Electronic Service Provider and technology standards
Since December 2017, every commercial vehicle over 10,000 lbs needs to be equipped with an ELD.

The ELD is used to electronically record a driver's record of duty status and to replace the paper logbook some drivers have been using to record their compliance with HOS requirements.

An ELD is not automatically fit for MBUF reporting e.g. system is required to report location data only once an hour if the vehicle is moving.

Self-certification process by technology provider.
Market-based delivery of eRUC services by commercial vendors

Government and telematics industry collaboration to develop authoritative standards and an industry Code of Practice

Self-certification with independent 3rd party verification to balance
National compliance and enforcement framework
US: Tolling

35 States with at least one tolled highway, bridge or tunnel

13 bn USD Toll revenue collected by US toll agencies in 2013.

6,188 Miles tolled in the US as of January 2017.

Source: FHWA and IBTTA
Automatic mechanism of exchange of information between Member States on toll offenders

• Exchange of information on the identity of the owners of vehicles for which a toll is suspected of not having been paid

• Using database that exists for road safety traffic offences

• Adopted in March 2019 – effective from October 2021
Fair and transparent rate setting
NZ: Cost Allocation Model

- Light vehicle <3.5 tonnes
- 2-axle truck 6-9 tonnes
- 3-axle truck <18 tonnes
- 3-axle prime mover with 3-axle semi-trailer
- 4-axle truck with 4-axle trailer
- 9-axle truck and trailer '50-Max' combo

Costs per 1,000km:
- HV costs
- Space
- Weight
- Road wear
- Common
- GST
EU: User pays / Polluter pays principle

‘User Pays’ Principle
• Weight of the Vehicle based on GVM or # of axles
• Congestion charge or variation based on time of day/week/season

‘Polluter pays’ Principle (introduced in 2011)
• External costs for air pollution based on (EURO) emission class
• External costs for noise pollution based on location and time of day

Surcharge possible for mountainous regions
Ringfencing of revenue
NZ: Hypothecation of RUC revenue to transportation

**Revenue**
- Fuel excise duty: $4,800m
- Road user charges: $3,500m
- Motor vehicle registration and licensing: $600m
- Sale of State highway properties: $200m

**Expenditure**
- State highways: $5,100m
- Local roads: $2,000m
- Road policing: $900m
- Public transport: $900m
- Other: $300m
Fuel taxes generally used for general funds

European Commission:
- recommends to allocate road charging revenue to transport
- mandates allocation 'mark-ups/surcharges' in mountainous regions to TEN-T projects

Enhanced reporting requirements (from 2021)
- On the amount and use of revenue
- On the quality of toll roads (level of service indicators)
US: Current State of MBUF for Commercial Vehicles
Weight Distance Tax for Heavy Vehicles in the US

**Weight Mileage Tax**
No fuel tax charged

**Weight Distance Tax**
In addition to fuel tax

**Highway Use Tax**
In addition to fuel tax
US: MBUF for Heavy Vehicles

1st Multi-State Truck Pilot (I-95 Corridor Coalition)
- October ’18 – March ’19
- 50 trucks / travel in 27 states
- 1.4 million miles

Oregon WMT Tax
- EROAD electronic WMT pilot in 2012/13
- ODOT approves 1st electronic system provider

California Road Charge Pilot
- July ’16 – March ’17
- 5,000 vehicles
- 55 trucks / 9 industries
MBUF revenue collected in the different jurisdictions

European Union:
> US$44 billion collected annually.

New Zealand:
NZ$1.55 billion collected in 2017/18.
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THANK YOU

Nina Elter  
SVP, Global Market Development  
EROAD  
971 303 3132  
nina.elter@eroad.com

Craig Marris  
EVP, CORETEX  
646 595 8482  
craig.marris@coretex.com