

## Affinity-Grouped TROC Results: June 24, 2021

### TROC Input on MBUF

#### Coordinated Effort (3)

1. What we propose has to be done in conjunction with PA Legislature and also Federal DOT standards.
2. The transition to MBUF also has to be coordinated with the IFTA system so that truck apportionment happens accurately in all states and provinces.
3. Considering MBUF is a major portion of phase 3 revenue, we should coordinate with other states/federal government now. Highly speculative and a wide range of future readiness (between 7 and 20 years?).

#### Electric Vehicles (2)

1. Don't tie electronic vehicles solely to MBUF. Begin a fee sooner to help ensure these road users also contribute to the transportation network.
2. Revenue opportunities exist today... especially with EVs. Don't wait on MBUF. Look at existing vehicles and opportunities. Add TNCs and EVs to the mix of users paying into the [unrecognizable term] they use.

#### Other (1)

1. Long distance in rural areas must be considered so as not to hinder economic development, healthcare or education.

### TROC Input on Tolling

1. Is corridor tolling at odds with the potential 'select bridge' tolling on the PA Pathways plan?
2. Consistent with my prior answer on MBUF. Support from PA Legislature and consistent with Federal guidelines.
3. Congestion pricing is an integral balancing part of mileage-based user fees.
4. Toll avoidance on local infrastructure will dramatically increase local maintenance costs and cause huge safety concerns.
5. That is a very fair point but also there will be greater impact if those Interstate bridges are closed or posted due to lack of funding. What impacts does that have on secondary roads? There needs to be a balancing act.
6. Bus companies will be greatly impacted. We have been vocal about this. See my opposition letter submitted months ago on bridge tolling, for example.

## **TROC Input on Fees**

### **Alternate Vehicle Fees (2)**

1. Alternate vehicle fees must be equivalent to fuel tax saved...equates to usage...
2. Alternative fee vehicles bring other benefits. I think we should have a smaller fee to start until more vehicles are on the road. EVs support health and environment.

### **Other (2)**

1. Our final product should involve some feedback from all stakeholders. Not everyone will agree with it, but various aspects need to be considered. On taxes and fees, we need to be considered our current needs, updated TFAC projects and CPI measures.
2. We are already behind in funding transportation with the gas tax. We need to look at generating revenue for all modes. Staying status quo can't be an option.

## **TROC Input on Taxes**

### **Aviation (2)**

1. Jet fuel tax seems very modest even just to catch up on inflation's impact.
2. Airlines have been greatly helped by the public during Covid with emergency funding in the face of passenger decline.

### **Vehicle Sales Tax (2)**

1. An ad valorem tax would be viewed as inappropriate/unfair as the cost of a vehicle has nothing to do with the impact on the infrastructure.
2. Vehicle sales tax considerations should be graduated in a fashion similar to a luxury tax. Less expensive vehicles are often purchased by working class folks; versus more expensive vehicles which are often purchased as luxuries.

### **Other (4)**

1. Why don't we leave sales tax where it is and remove exempt items? Those exemptions can go to infrastructure with no need to backfill the general funds.
2. Impact on infrastructure is indeed a consideration - among others. Arguably if it were the only consideration trucks might have to pay much more based on impacts of truck weights on roads and bridges.
3. Not sure where to put thoughts on TNC and goods delivery, but both of these consume substantial transportation capacity and assets and their fiscal accountability must be a part of funding moving forward... and soon!
4. Agree - this is outside the realm of this commission's work.

## **TROC Input on PSP Funding**

1. Of all things we discussed, this is the most readily available funding for transportation. Must be aggressive now in pursuing this!
2. Particularly with increasing crime and the President's plan to commit additional LE resources to combatting gun crime there must be a plan to fund PSP.
3. Redirecting this out of transportation is timely, nay, urgent. Tapering out this funding from transportation sources should be aggressively scheduled and robustly followed through.
4. PSP funding could be totally returned to PennDOT when the legislature funds PSP from the GGO; which is where their funding should come from.

## **TROC Input on "Other" options**

### **CNG Vehicles (4)**

1. We continue to talk about electric vehicles but have not really addressed compressed natural gas (CNG) vehicles.
2. CNG powered vehicles are charged alternative fuel tax on a BTU-equivalent basis.
3. Rather than differentiating between EV and CNG, we should use alternate fuel vehicles that could cover both as well as future nonpetroleum based options (including solar).
4. Electricity is uniquely difficult to tax because of home charging stations, solar charging, etc. CNG does not present those challenges and are taxed at the pump.

### **Marijuana (3)**

1. Recreational marijuana will severely impact highway safety and any financial gains will be ill received.
2. Recreational marijuana profits will diminish after 18-24 months, and the unintended consequences begin to materialize after implementation.
3. Recreational marijuana negatively impacts highway safety and should absolutely not be considered as a source to fund highway improvements.

### **Value of Car (2)**

1. Just don't understand what the value of the car has to do with the impact on transportation infrastructure.
2. Do more expensive cars produce more wear and tear on roads? Sounds like an income tax.

## **Other (5)**

1. Matters of taxation are best left with the General Assembly.
2. How are we funding multimodal if gas tax is phased out? Each mode needs to identify a funding source.
3. Are cost savings or mandate relief for PENNDOT or other system owners that would reduce costs considered as negative revenue options which make current dollars go further with existing (or increased) resources?
4. Infrastructure impact is a valid factor in funding options development. There are others. Infrastructure impacts exclusively might raise questions of truck taxes and fees in relation to wear and tear on bridges and roads.
5. All options should be directly tied to the impact to infrastructure by any/all conveyances that utilize the infrastructure.

## **TROC Input on Local Solutions**

1. What prevents local governing bodies from implementing their own taxes/fees on roads, bridges, or vehicles?
2. It appears there is legislation to allow local law enforcement to utilize radar for speed enforcement. Apparently, there is a cap on the amount of money they can keep, and the excess is to the state. Can this excess be diverted to PennDOT?
3. Thank you, Dave for raising mandate relief and cost savings. This is an important part of the conversation that we haven't had a chance to consider.
4. If the PSP Municipal Funding Fee was placed on municipalities, the amount of funding diverted from PennDOT to PSP could be lessened.

## **TROC Input on Package Delivery**

### **End User Impact (5)**

1. Fees are taxes and eventually the public will pay for all of them. Legislation will become a nightmare in moving almost all of this forward.
2. No matter what fees/taxes are placed on package delivery and all other items/areas being considered; they all will ultimately be passed on to the consumer/public.
3. This end user tax is totally different from mid-stream warehouses near interstates.
4. Underserved communities will be further impacted.
5. Despite what many are saying, we ARE paying for the cost for those boxes to be at our door. The costs (fees, gas taxes), even if they "appear" free are absolutely baked in. This would be additional fee. That's ok, we just need to be honest about it.

### **Food/Necessities (3)**

1. Any such consideration should (in fashion similar to sales tax) exclude necessities such as food, clothing, etc.
2. Would this apply to local deliveries, like groceries?
3. Remove Sales Tax loopholes. Food should be charged a sales tax. It costs money to get that food to the stores.

### **Flat Fee (2)**

1. We need to charge a flat fee for every single package delivered. The Amazons of the world hide that "free shipping" cost and people need to know all those deliveries' impact our transportation system.
2. \$2 per package. #1 to the State and \$ to local/regional to only be used for transportation improvements.

### **Collect at Point of Sale (2)**

1. Administration would be most efficient and easiest if it's assessed on the website where the customer purchases it.
2. Would work best if it is collected at the point of sale, where sales tax is already collected. Even if it is a flat fee, this would be the most efficient way to collect the tax.

### **Good Idea (2)**

1. Good revenue generation option to provide for many modes of transportation.
2. I like the fee. It would be important to make it as easy for small businesses as possible.

### **Other (7)**

1. Perform an analysis of why the cost of doing business is so great for PennDOT, counties, and municipal entities which are responsible for maintaining roads and bridges (e.g., high per mile cost of resurfacing, high cost for small bridge replacements)
2. Associated fee timely and appropriate to bring this use of transportation assets into financial contribution for their consumption of these resources.
3. Municipalities need local authority for taxing or requiring fees for special user groups who do not currently contribute to the revenue stream(s) that supports transportation funding.
4. You can use the STC public input by region to say where those investments need to be made. We have a 2-plus year history of where the public wants funding to go towards.
5. All the packages are delivered on local roads and local liquid fuels funding will go away with the elimination of the gas tax, the first 500 million would only replace lost revenue. Packages will not be delivered to residents by train or buses.

6. Currently, the PennDOT multimodal fund is very limited and constrained by ACT89. This rpt should change the limits set in ACT89. Bike/Ped limited to \$2M a year is short-sighted and out of date.
7. I completely agree w Latham. Warehouses have a huge impact on Agriculture and the environment.

## **TROC Input on Maintenance Funding**

### **Cost (4)**

1. How much additional maintenance cost is included in the \$9B shortfall highlighted by PennDOT?
2. Same as prior answer. Estimated costs. Consider greater use of private contractors where appropriate who meet state and federal guidelines but also have a strong track record with PA and other states.
3. Many of these items are subject to sales tax which flows to the general fund even though it is for a PennDOT project, driving up the cost.
4. Do an inventory of existing vehicles and costs of both maintenance and replacement of such vehicles?

### **Needs of Local Governments (2)**

1. How do you expect local government to maintain their roads with less liquid fuel funds with outdated formulas?
2. Do we know the maintenance needs of local governments? How many maintenance crews to they have? Miles of roads and bridges to maintain? Vehicles, core equipment etc.? We need this information to tell the entire funding gap.

### **Other (4)**

1. An aside - indexing is a crucial part of transportation funding moving forward and should be an essential part of any recommendation as part of this process.
2. It seems the same areas of highways continue to be repaired within a few short years. Are we using inferior materials/workmanship? When travelling to adjacent states, with similar weather/traffic, the infrastructure/maintenance seems better.
3. NY has a P3 worked out for solar panels along interstates. I believe they raise revenue by selling electricity from them to the grid (and presumably use the power for roadway use). Has the P3 office ever looked at something like this?
4. The map seems to show an inequity of distribution in urban vs rural counties.

## **TROC Open Forum**

1. The more we hear from various subgroups, it seems that local components of the trans system have been overlooked and need to be included specifically in the strategic template moving forward.