

# TRANSPORTATION REVENUE OPTIONS COMMISSION

PA



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# Presentation Objectives

- To provide background information on the TROC's charge, composition, and approach.
- To discuss the scope and scale of the transportation funding gap.
- To consider the consequences of underinvestment.
- To present TROC's strategic funding proposal.

# Why Was TROC Established?

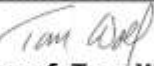
Rate of Inflation

MLF Revenue

The Commission  
for additional

## Executive Order

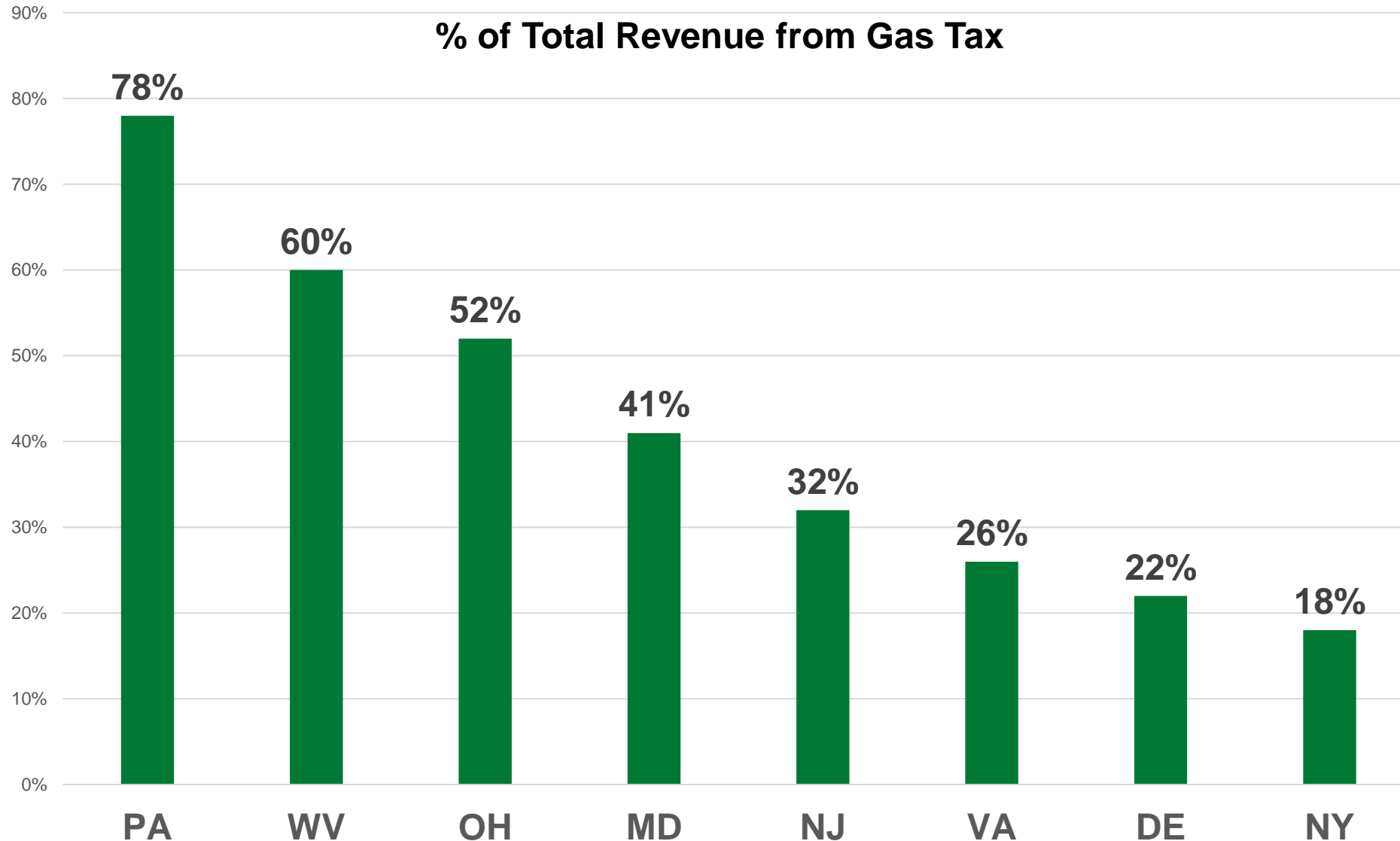
Commonwealth of Pennsylvania  
Governor's Office

<b>Subject:</b> Governor's Transportation Revenue Options Commission	<b>Number:</b> 2021-02
 <b>By Direction of:</b> Tom Wolf, Governor	<b>Date:</b> March 12, 2021

- WHEREAS, The Commonwealth of Pennsylvania, through the Department of Transportation (PennDOT) manages nearly 40,000 miles of roads and more than 25,400 bridges, key components of a transportation system that is vital to the economic well-being of Pennsylvania; and
- WHEREAS, the local governments of Pennsylvania manage over 77,000 miles of roads, more than 6,400 locally owned bridges and approximately 14,000 traffic signals, while facing significant funding challenges for the maintenance of their systems; and
- WHEREAS, the Commonwealth's 35 fixed transit route operators, which provide more than 300 million rides annually to the people of Pennsylvania, along with the Commonwealth-supported Amtrak services in the state, face operational and capital impacts if funding commitments of Act 44 of 2007 and Act 89 of 2013 are altered to remove stable funding; and
- WHEREAS, Pennsylvania has aggressively assisted private sector operators in enhancing their systems, since effective use of rail freight corridors significantly eases congestion, especially on interstates, yet operators continue to need and seek support from state and federal governments

proposal  
sylvania.

# Why Was TROC Established?

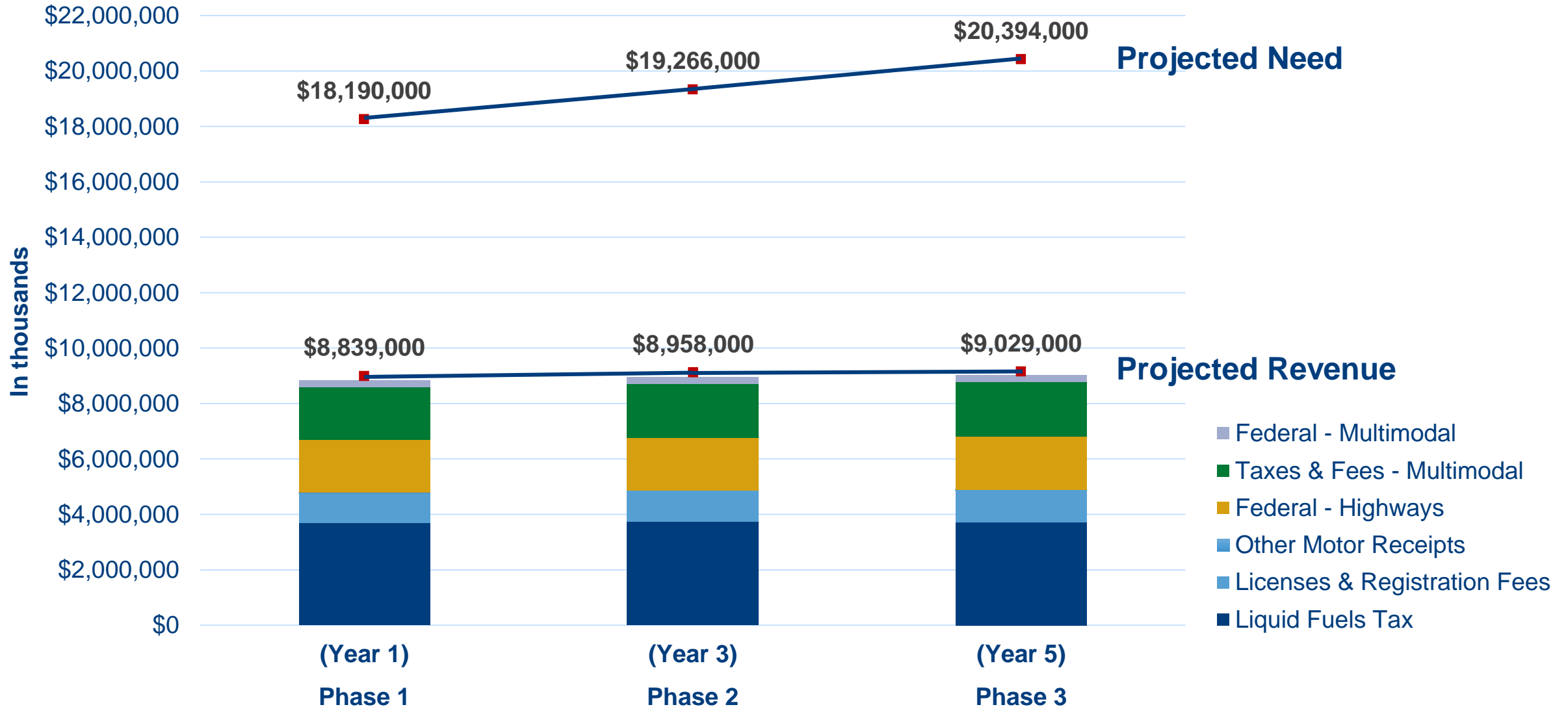


# Why Was TROC Established?

Recognition that now is the time to fundamentally change the Commonwealth's transportation funding strategies:

- Align revenue with the costs of sustaining the multimodal transportation system.
- Fairly share costs among those who directly and indirectly benefit.
- Modernize and restructure transportation funding for the long term, while rapidly adopting near- and medium-term changes.

# Why Was TROC Established?



# TROC Membership

- TROC membership represented:
  - Transportation industry (public and private)
  - Regional planning organizations
  - State agency leadership
  - Business community
  - Human services organizations
  - Multimodal agencies
  - Labor unions
  - Local government
  - Education
- Leaders of the Senate and House Transportation and Appropriations Committees
- TROC was chaired by Secretary of the Pennsylvania Department of Transportation Yassmin Gramian.

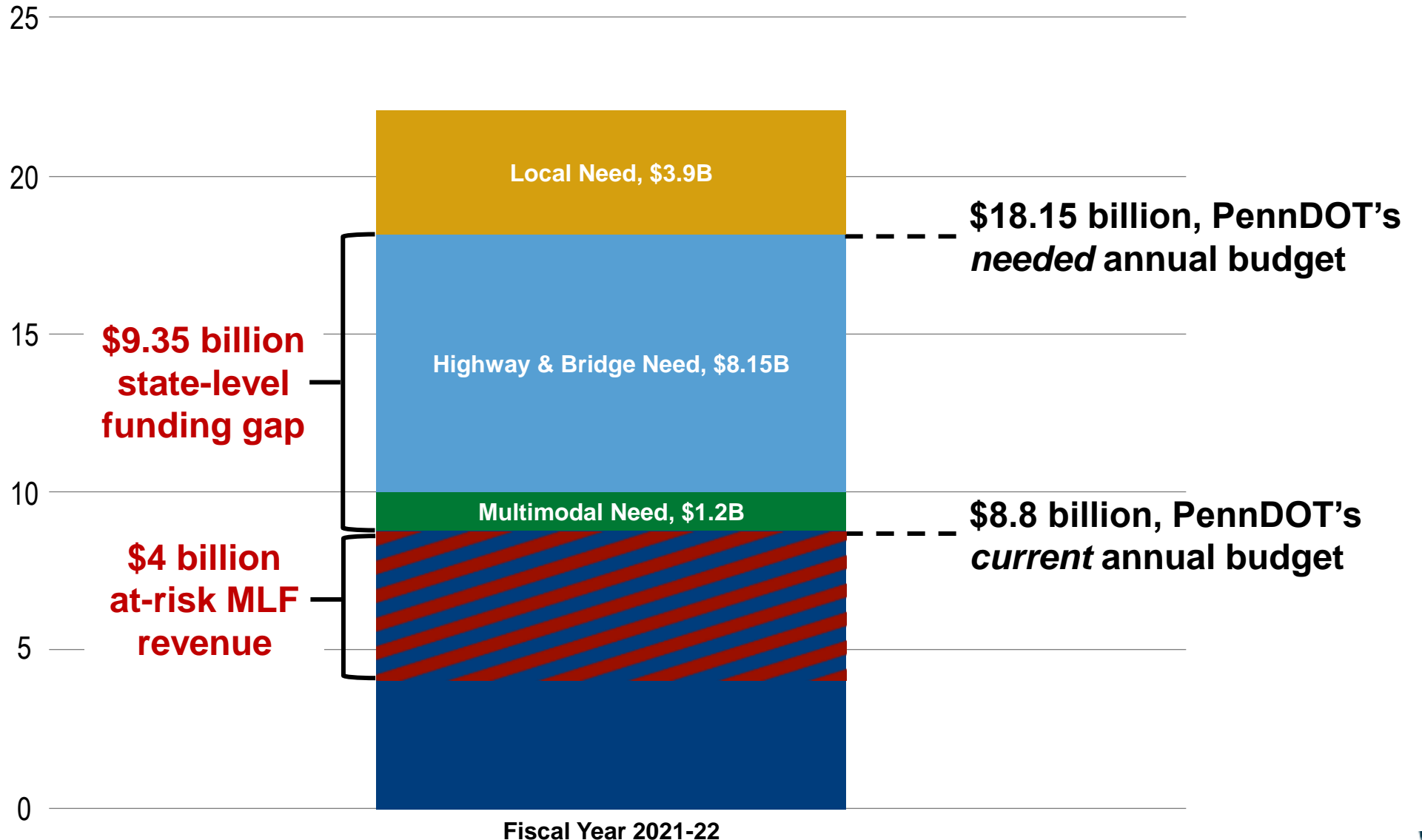
# TROC Process

- Nine TROC meetings
- Eight work group collaborations
  1. Multimodal Revenue Sources
  2. Transit Revenue Sources
  3. Mileage-Based User Fees
  4. Vehicle Registration Fees
  5. Tolling Scenarios
  6. Taxing and Other Revenue Scenarios
  7. Local Solutions
  8. Pennsylvania State Police Funding
- Intensive work group leader deliberations





# Funding Needs Now and into the Future



# Consequences of Inaction



Greater Congestion



Closures and Detours



Impacts on Reliability



Deferred Maintenance

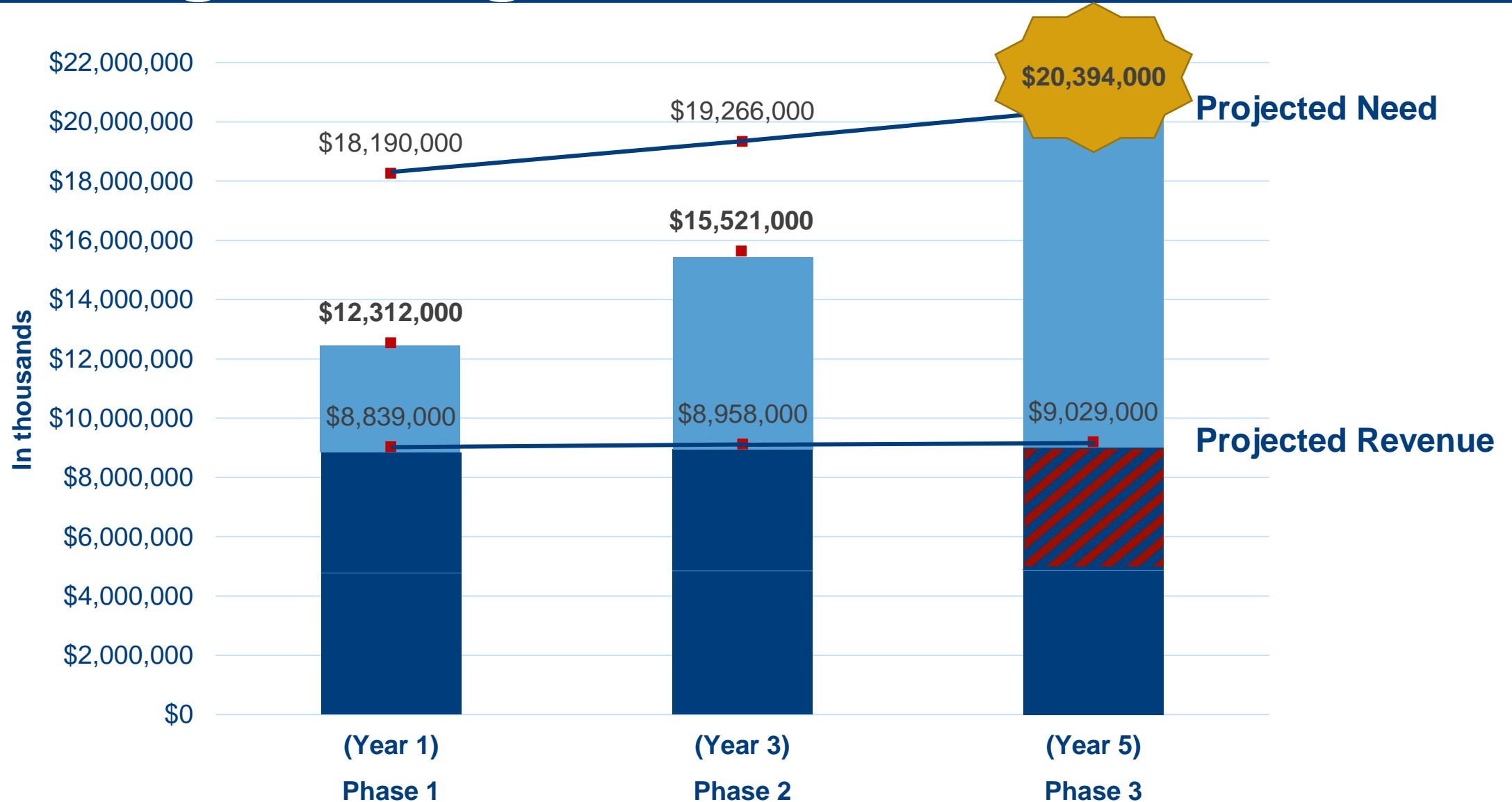


Decreased Competitiveness



Diminished Quality of Life

# Funding Strategies



# Long-Term Strategy

## Mileage Based User Fee

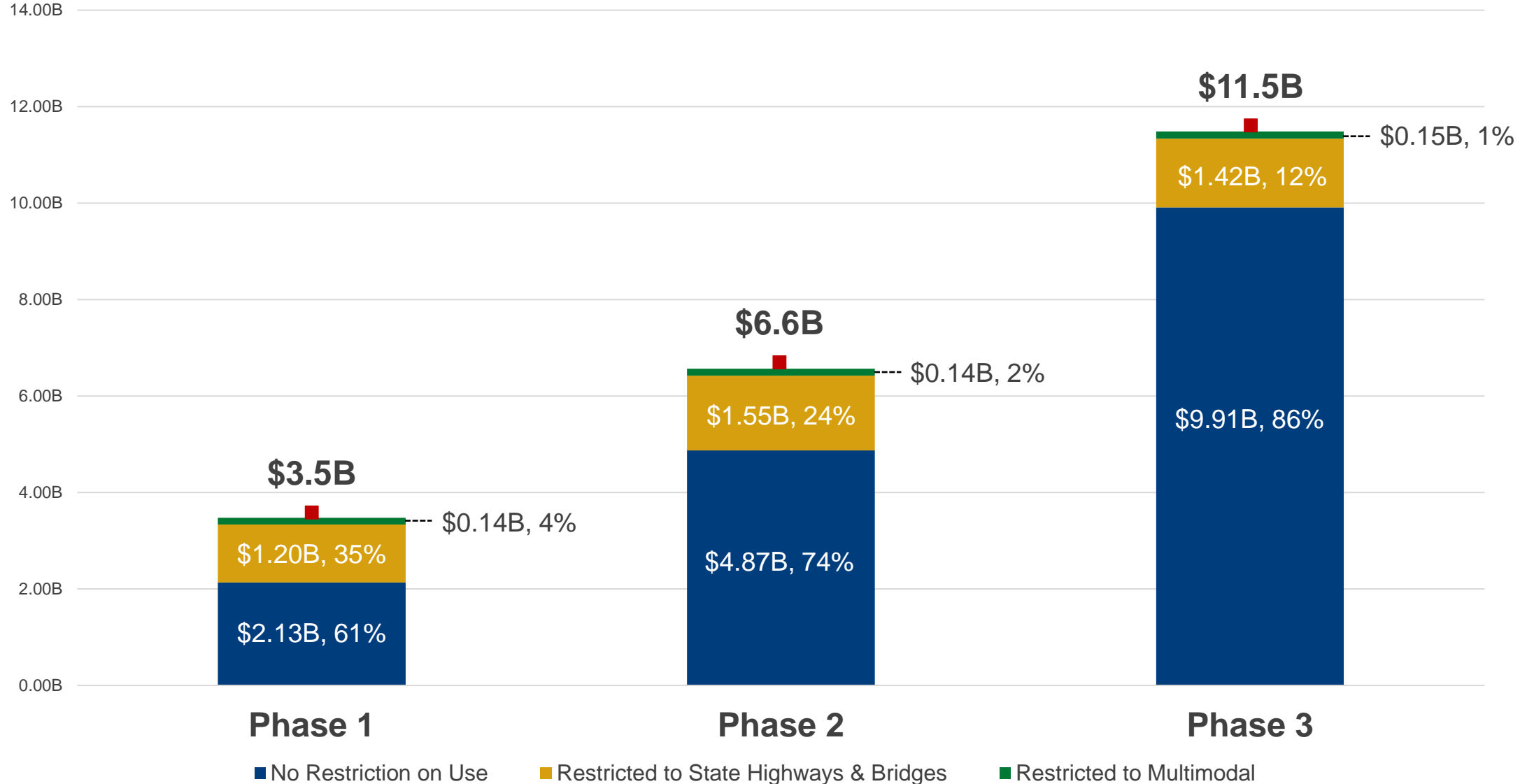
- A likely national long-term direction.
- Logical replacement for gas tax as MBUF is also usage based.
- Provides needed flexibility.

TROC's Strategic Funding Proposal is structured to strategically prepare for MBUF.

# Near- and Mid-Term Strategies

- Proposes a combination of revenue sources to begin to close the funding gap.
- Largely relies on user-pays principle.
- Starts to align revenue with user changes such as electric vehicles and door-to-door package delivery.
- Recognizes the need to avoid the greater costs of deferring needed improvements.
- Supports adequate multimodal funding with flexible sources.
- Recognizes that building the capacity to deliver a larger program must be phased in.

# Funding Flexibility



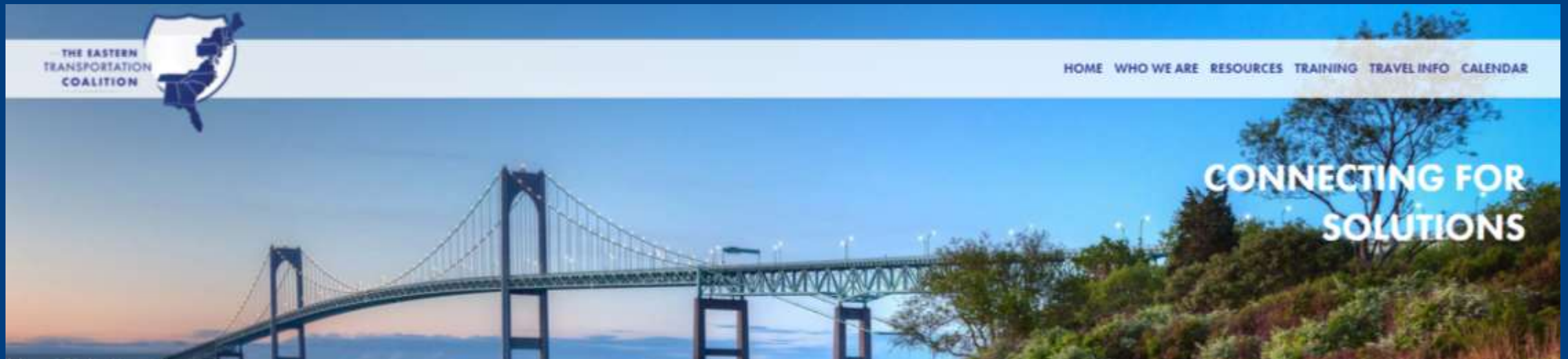
# Closing

The TROC proposal will position Pennsylvania to benefit from the long-term mobility and access necessary to support:

- Economic prosperity
- Public safety
- High quality of life



# Eastern Transportation Coalition Insights

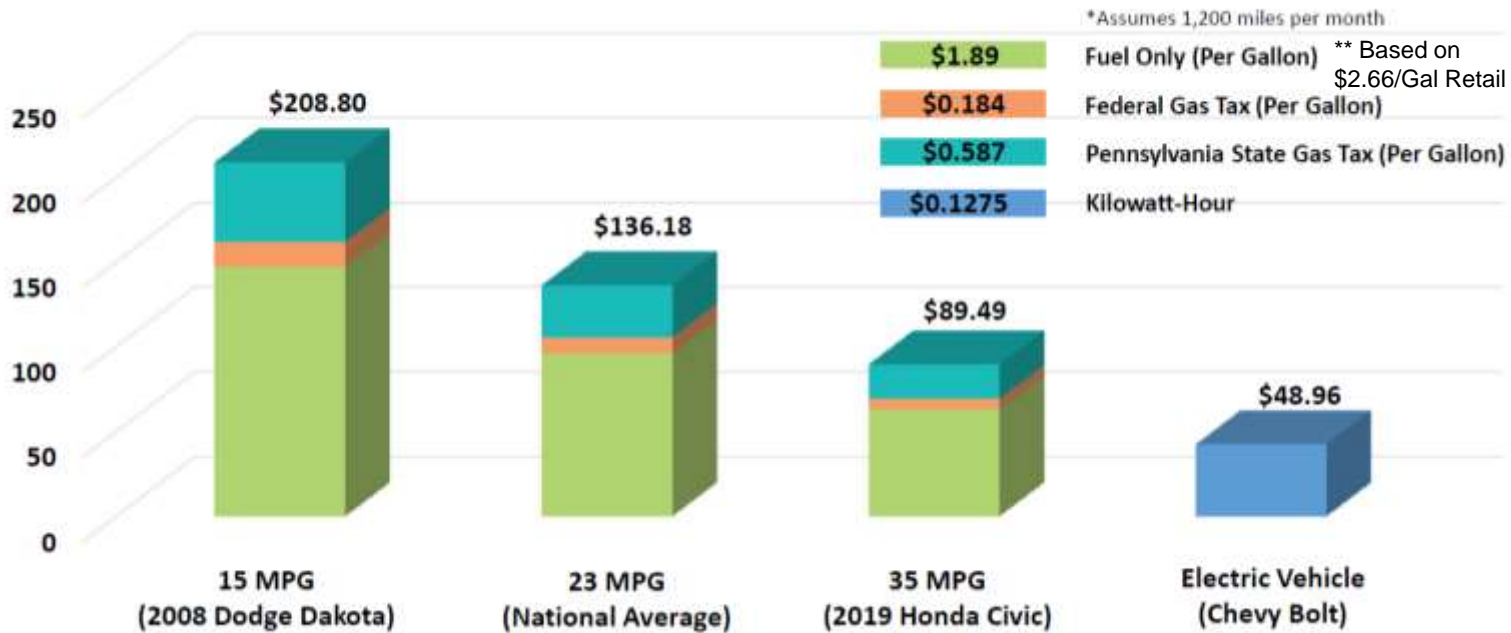






“Pay for what you use” resonates.

**62%**  OF PENNSYLVANIANS  
BELIEVE EACH DRIVER  
**PAYING THEIR FAIR SHARE**  
IS A GOOD REASON TO SUPPORT MBUF

Fuel is the primary operating cost.



PA GOAL: **25%**  
REPLACE  
OF PASSENGER CAR FLEET BY  
**2025**



## 2022 Ford F-150 Lightning

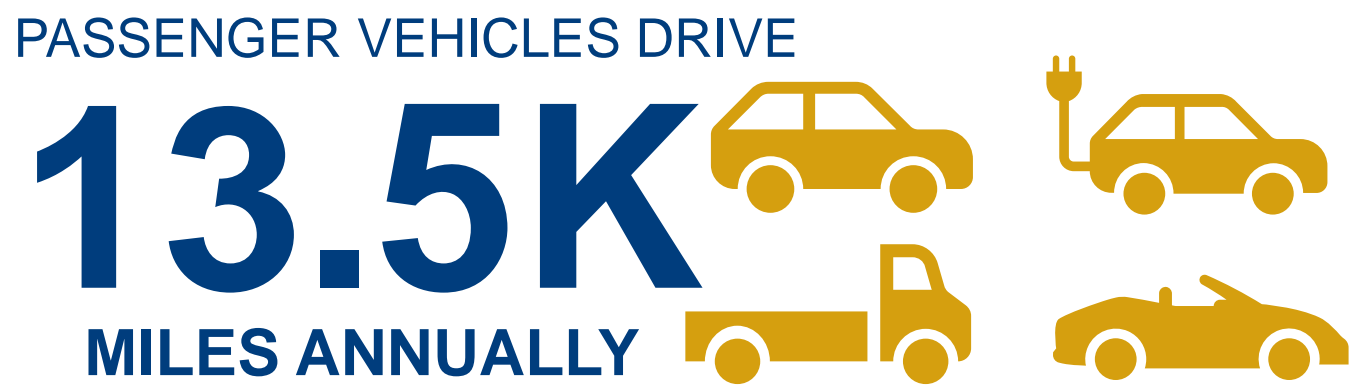
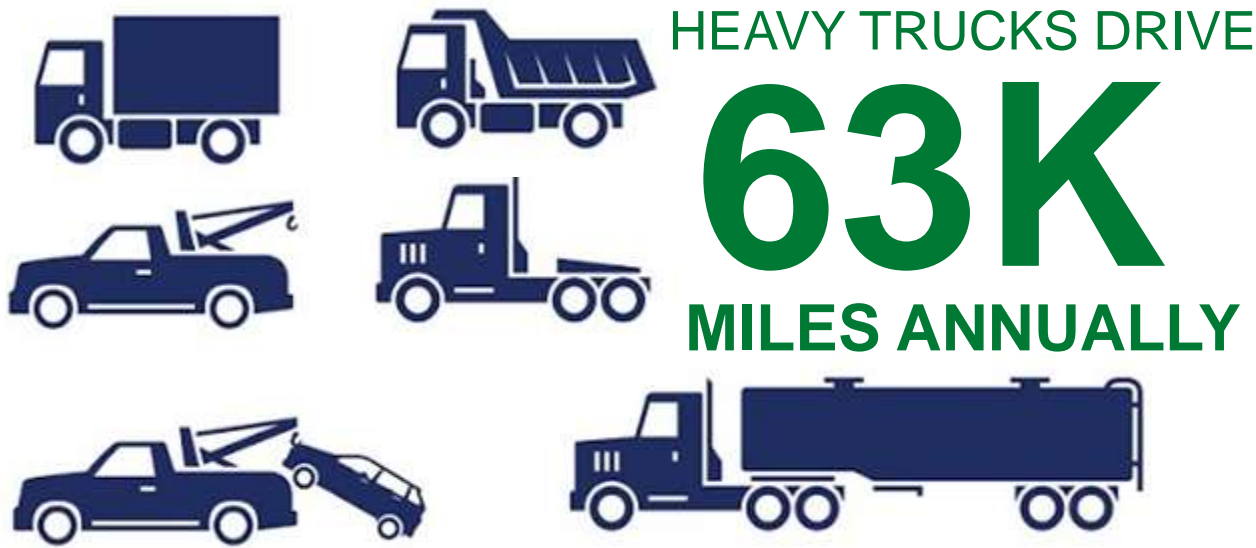
Up to 300 miles / charge  
10,000-pound towing capacity

\$40,000 MSRP

**\$0 Fuel Tax**



JOHN ROE *Car and Driver*



Trucks cannot simply be treated as big cars.

Pennsylvania  
**529,208**  
miles travelled in  
in National  
Truck Pilot

# A transportation funding approach must address all road users.



# Approach to MBUF Moving Forward

- TROC did NOT analyze rate setting
- TROC approached from a needed revenue approach (average)
- Much work remains to how rates would be set
  - Passenger car rates
  - Other vehicle types
  - Initial rates vs. future rates
  - High efficiency vehicles (beyond just EVs)
  - Future facing – but implementable
- Options will be important, manual, plug-in, Telematics

# Approach to MBUF Moving Forward

- Potential for Initial Pilot Considerations
  - Need to get started in MBUF Space
  - Proposed Legislation
    - ◆ Representative Carroll
    - ◆ Senator Langerholc DriveSmart
  - Ease of implementation
  - Vehicle types to be included
  - Privacy considerations
  - Options for consumer
  - Equitable



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