

AGENDA ITEM #22: VAMPO LETTER ON NEW STATE TRANSPORTATION REVENUE SYSTEM
John Mihaly, HRTPO

The Virginia Association of Metropolitan Planning Organizations (VAMPO) has drafted a letter (attached) to Virginia Secretary of Transportation Shannon Valentine expressing concern about the sustainability of the State's current system for generating revenue for funding transportation projects due to the system's reliance on gas taxes. In the letter, VAMPO requests that the State conduct a study of alternative systems for generating revenue for transportation improvements.

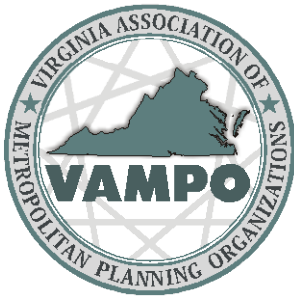
VAMPO is seeking support for the letter and study request from Virginia's MPOs.

Mr. John Mihaly, Senior Transportation Planner, will brief the TTAC on this item.

Attachment 22

RECOMMENDED ACTION:

For discussion and informational purposes.



June 1, 2018

Honorable Shannon Valentine
Secretary of Transportation
Commonwealth of Virginia
1111 East Broad Street
Richmond, VA 23219

RE: Request for State to Study Developing a New State Transportation Revenue System Not Based on Gas Taxes

Dear Secretary Valentine:

We are writing because we are concerned with the future sustainability of our existing state transportation revenue system because of its reliance on gas taxes. We feel that the existing level of transportation funding is inadequate to meet statewide needs. The last round of Smart Scale had over \$9 Billion in project requests competing for only about \$1 Billion in available funding.

As the existing vehicle fleet continues to transition to more fuel efficient, hybrid, electric, and other vehicle types which do not use gas, our gas tax revenues are expected to decrease significantly relative to usage of our transportation system as measured by metrics such as Vehicle Miles Traveled (VMT), transit ridership, etc. According to a study by Forbes, at the end of 2016, electric vehicles accounted for less than 1% of the U.S. Market share, but this is projected to grow to between 8% and 11% by 2025 and between 25% and 38% by 2030. If the current transportation funding system is left unchanged, this transition will cause the amount of transportation funding available for Smart Scale and other State funding programs to decrease significantly in the coming years. We appreciate the work the Commonwealth has done to develop the Smart Scale system for prioritizing the use of scarce transportation funding, but it will be of limited use in the future if there is little to no transportation funding to prioritize.

Nationally, several states have studied this issue, e.g., California, Illinois, Oregon, Washington, etc., and are considering alternative systems for raising transportation revenues not based on gas taxes, e.g., mileage-based fees. The Commonwealth has been a leader in transportation innovation nationally for many years in many areas including the Virginia Automated 20xx statewide strategic

Member Organizations

Bristol Metropolitan Planning Organization ● Central Virginia Metropolitan Planning Organization ● Charlottesville-Albemarle Metropolitan Planning Organization ● Danville Area Metropolitan Planning Organization ● Fredericksburg Area Metropolitan Planning Organization ● Hampton Roads Transportation Planning Organization ● Harrisonburg-Rockingham Metropolitan Planning Organization ● Metropolitan Washington Council of Governments ● New River Valley Metropolitan Planning Organization ● Richmond Area Transportation Planning Organization ● Roanoke Valley Area Transportation Planning Organization ● Staunton-Augusta-Waynesboro Metropolitan Planning Organization ● Tri-Cities Metropolitan Planning Organization ● Winchester-Frederick Metropolitan Planning Organization

planning effort that is studying the transition to autonomous vehicles. This issue is another opportunity for the Commonwealth to be a leader. We request that the Commonwealth conduct a study of alternative systems for raising transportation revenues, which could include potential ways to shift from a transportation revenue system based on gas taxes to a new alternative transportation revenue system not based on gas taxes that can provide a sustainable way to fund transportation in the 21st century, among other alternatives. We would appreciate your consideration of this request.

Sincerely,