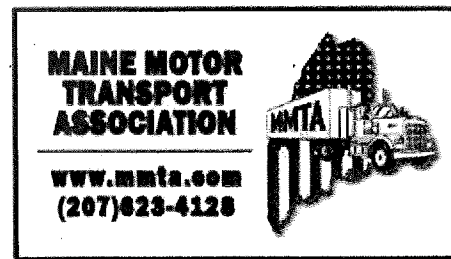


**TESTIMONY OF  
Timothy Doyle  
L.D. 1194, "An Act to Phase Out Vehicle  
Excise Taxes and Implement a Fee for  
Infrastructure Funding Based on a Vehicle's  
Annual Mileage"**



Good afternoon, Senator Nangle, Representative Crafts, and members of the Committee on Transportation. My name is Tim Doyle and I am the Vice President of the Maine Motor Transport Association and a resident of Leeds. The Association is comprised of more than 1,870-member companies, whose employees make up a large portion of the almost 34,000 people who make their living in the trucking industry in Maine.

We are here today to testify in opposition to LD 1194.

Maine Motor Transport Association is familiar with the concept of a Vehicle Miles Tax (VMT), but not in the context of replacing the State's excise tax. There have been discussions in Maine and other jurisdictions with a VMT as an alternative to the gas and diesel tax, and VMT has been implemented in Oregon, as an example.

This bill seeks to replace the state's excise tax and replace it with the VMT to create the Maine Transportation Fund. I will leave it to others why creating this fund which will be used for both municipal and state highway funding may or may not be a good idea. I would like to focus my testimony on why MMTA is generally opposed to VMT as a concept.

A vehicle miles tax has a number of potential problems, which is why MMTA has never been willing to support this type of tax. First, VMT can have a high rate of evasion. As written, the number of miles travelled would determine the amount of excise tax one pays. In order to determine the number of miles to tax, the mileage on the odometer would be reported as the vehicle is inspected or through a digital reporting system attached to the vehicle. This sort of reporting can easily lead to manipulation of the data, causing under reporting or evasion. There are also privacy concerns with the technology that could be attached to a vehicle, allowing government or others to track one's movements. Additionally, the American Transportation Research Institute (ATRI) has estimated that the cost of providing dongles to

all 272 million Americans would be \$13.6 billion dollars. If you translate that cost to an estimate of 600,000 vehicles in Maine, the cost would be \$30 million.

Secondly, the creation of a fund that would have to be audited annually would create the hiring of a number of auditors and likely enforcement officials to administer and enforce the collection of data. This would be also be expensive and would detract from the funds to be used for roads and bridges.

VMT is generally regressive and would cost rural residents more because they have further to travel for essential services. Similarly, commercial vehicles have no discretionary travel miles. Our members travel where they must in order to deliver goods and services out citizens require.

The replacement of the current method of collecting excise, with a VMT, would likely hurt municipalities that currently register a lot of commercial vehicles the hardest. Communities like Bangor, Scarborough, Hampden, Gardiner and others would likely lose revenue now enjoyed by those governments to fund their local roads.

Replacing excise tax based on purchase price with a VMT would also impact how commercial excise tax is collected for commercial vehicles that travel in Interstate Commerce. These vehicles are subject to the International Registration Plan (IRP) which shares excise tax with all of the states that trucks travel in, based on an agreement. VMT would toss a wrench into how IRP is calculated and we are not sure what the impact would be.

In short, VMT is not ready for prime time and we believe this bill is fraught with problems.

Thank you for your consideration and for allowing us to testify today. I would be happy to answer any questions the Committee may have now or at work session.