ASTSWMO Mid-Year Meeting
Tanks Webinar

April 27, 2021

Logistics

Audio

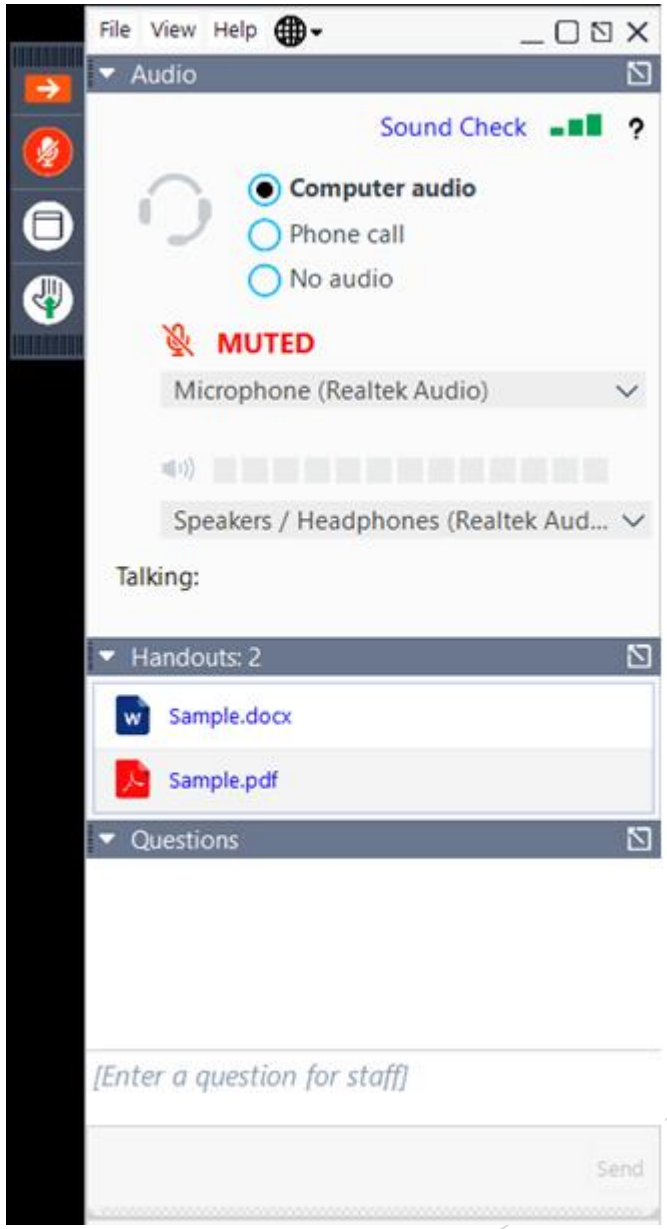
If you cannot hear us speaking right now or hear an echo, make sure your audio settings are configured correctly →

Handouts

Presentations and references available to download here→

Questions Tool:

Submit questions at anytime using this tool →



Agenda

Session Speakers:

- Jake Varn, National Governors Association
- Matthew Metz, Coltura

Planning For State Transportation Revenue In A Coming Era Of Electric Vehicles

Jake Varn
Policy Analyst, Infrastructure

NATIONAL GOVERNORS ASSOCIATION

About NGA

Founded in 1908, the National Governors Association (NGA) is the collective voice of the nation's governors. Our members are the governors of the 55 states, territories and commonwealths. NGA provides governors and their staff with services that range from representing states on Capitol Hill and before the Administration to developing and implementing innovative solutions to public policy challenges through NGA's Center for Best Practices.

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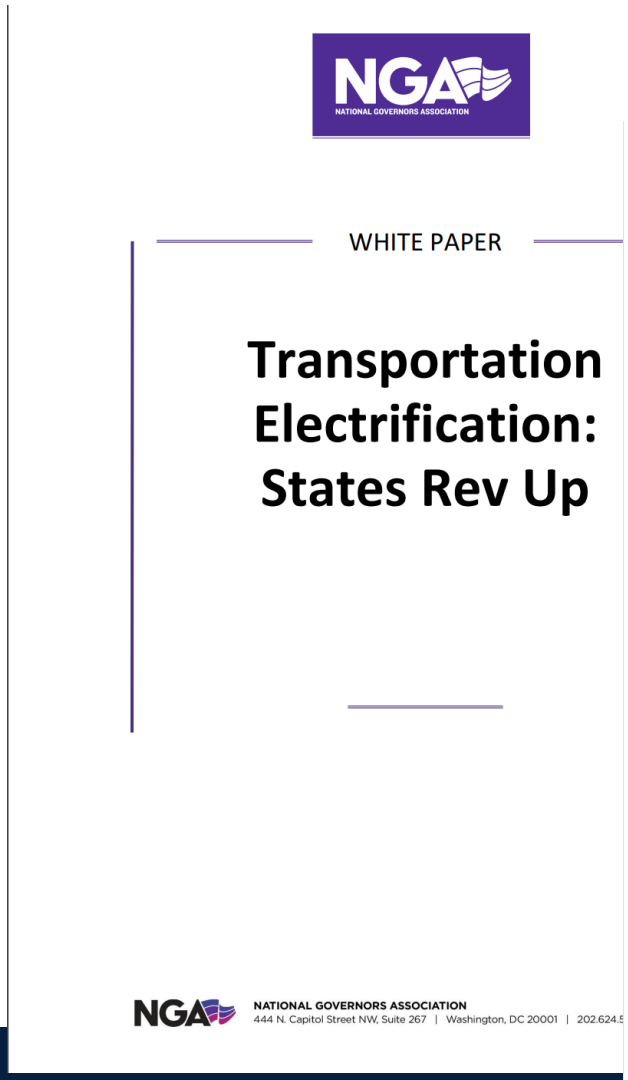

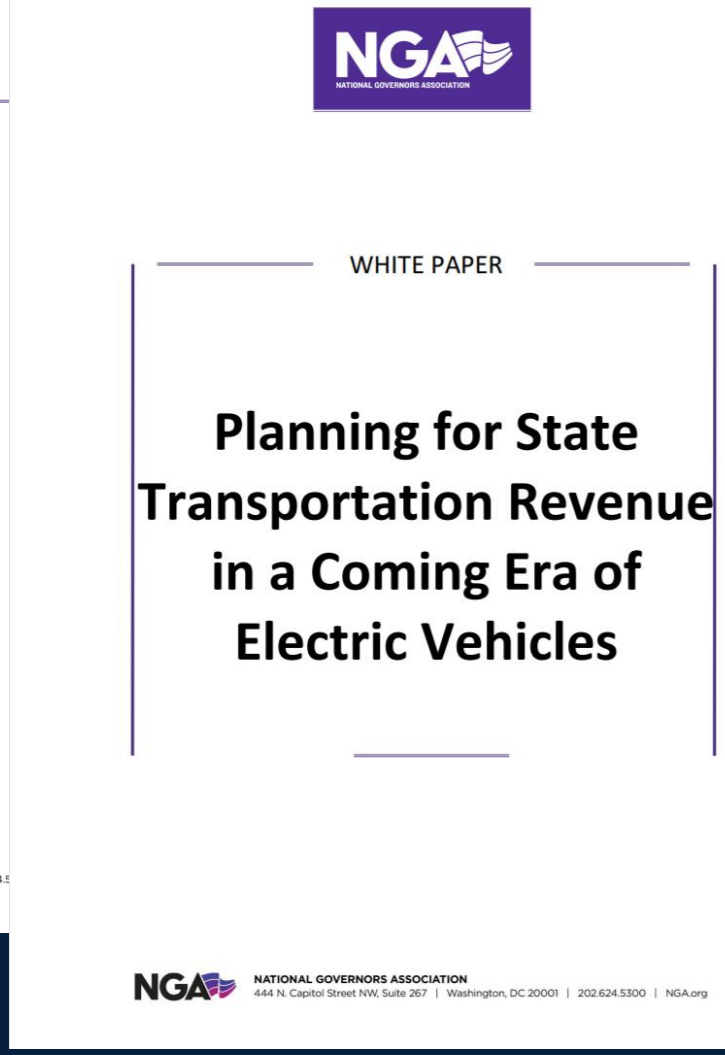

EV Reports

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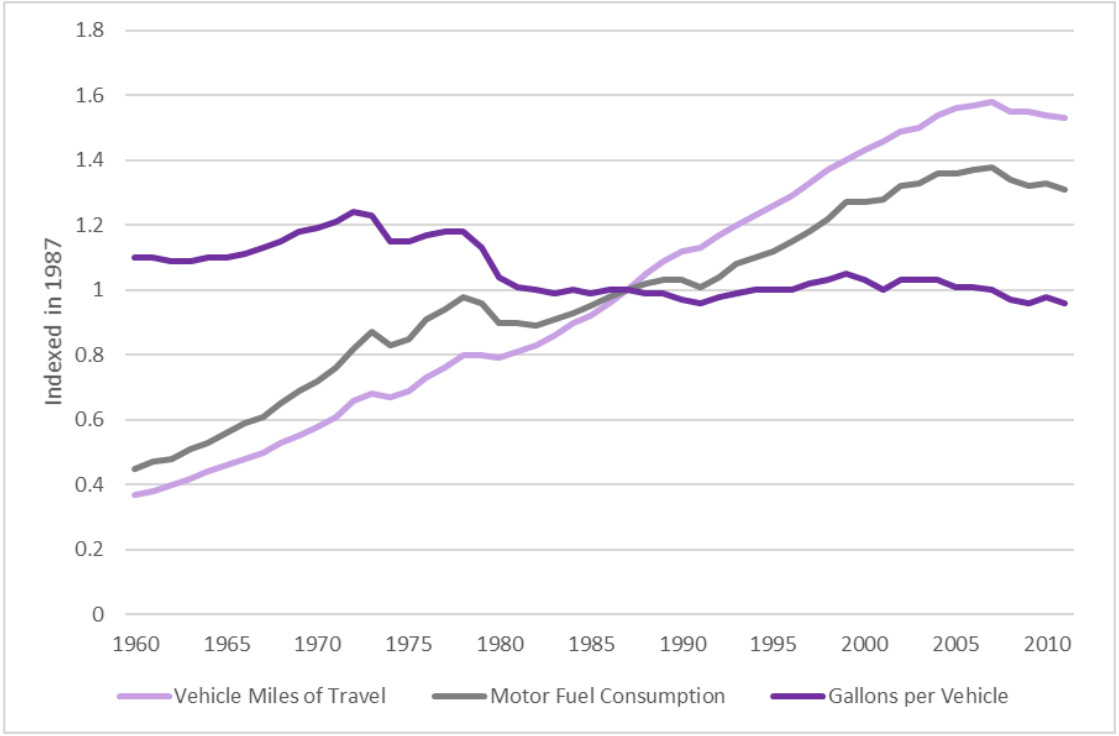
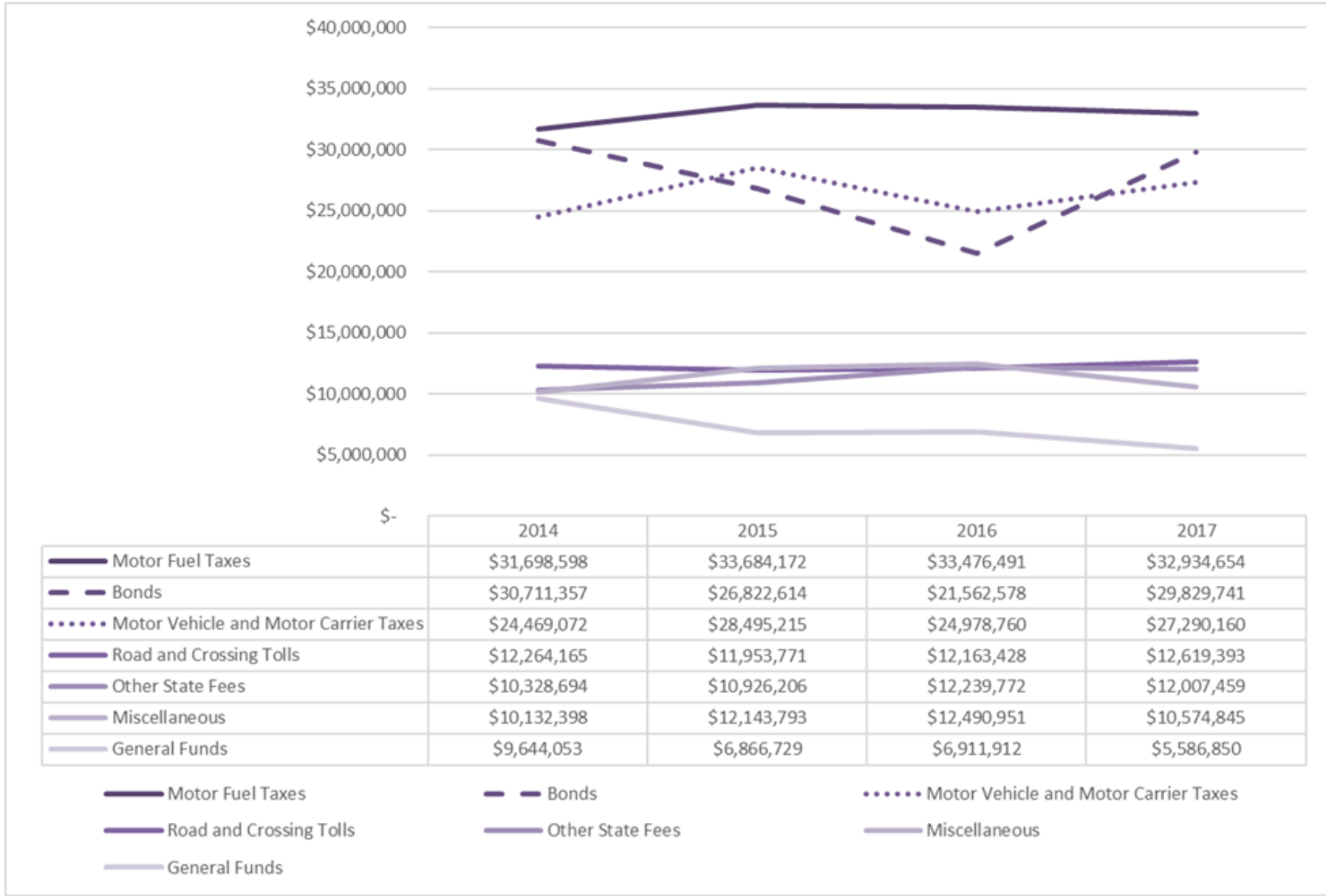
Transportation Funding Challenge

- Widening funding gap - $1.4 trillion by 2025
- Shifting state-federal cost share – 1980 = 63% state & local to 36% federal. Today = 78% to 22%
- Increasing cost drivers and weakening revenue sources: Inflation, fuel efficiency, VMT

Fuel Consumption, Vehicle Efficiency, and VMT





	2014	2015	2016	2017
Motor Fuel Taxes	$31,698,598	$33,684,172	$33,476,491	$32,934,654
Bonds	$30,711,357	$26,822,614	$21,562,578	$29,829,741
Motor Vehicle and Motor Carrier Taxes	$24,469,072	$28,495,215	$24,978,760	$27,290,160
Road and Crossing Tolls	$12,264,165	$11,953,771	$12,163,428	$12,619,393
Other State Fees	$10,328,694	$10,926,206	$12,239,772	$12,007,459
Miscellaneous	$10,132,398	$12,143,793	$12,490,951	$10,574,845
General Funds	$9,644,053	$6,866,729	$6,911,912	$5,586,850

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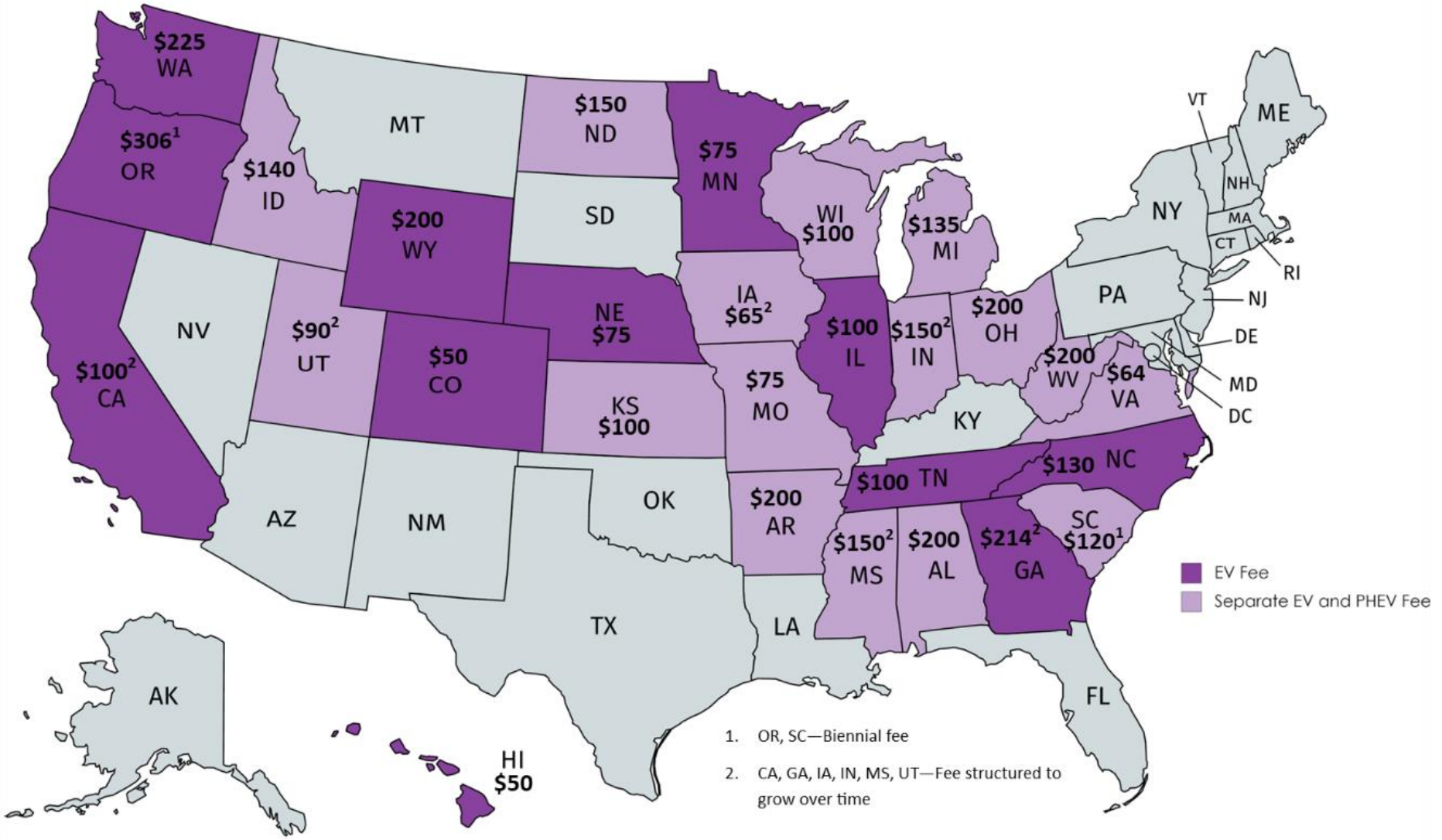
Annual EV Registration Fees by State



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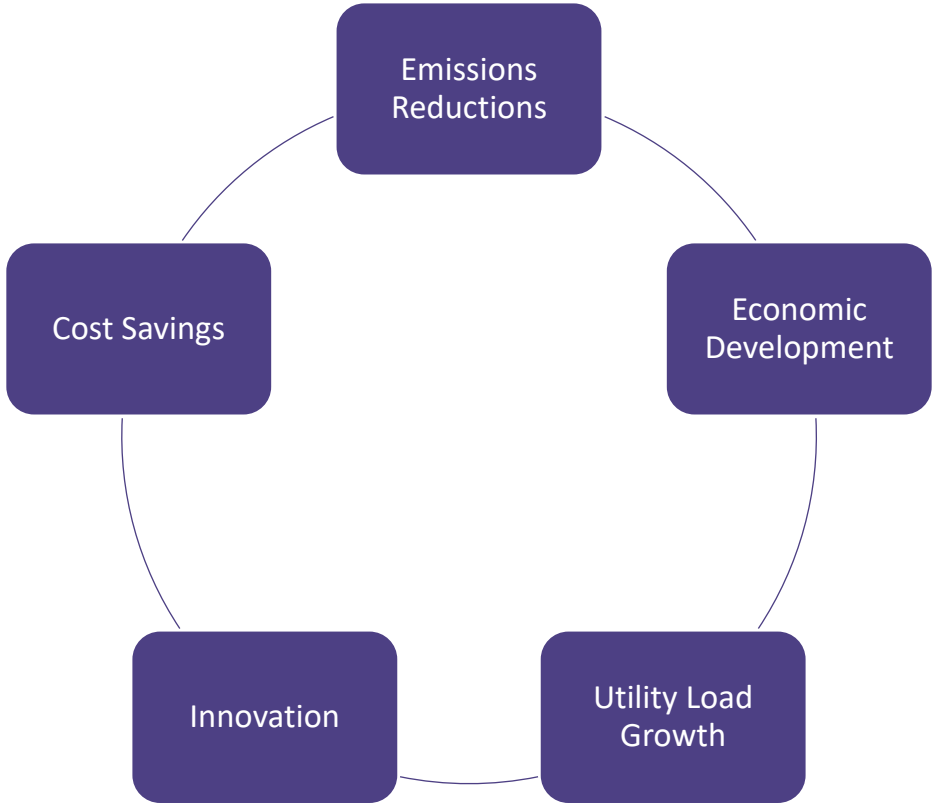
Governors' Priorities Supporting Transportation Electrification



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Matrix of Transportation Revenue Policy Options

	Motor Fuel Tax	Mileage-Based User Fees	General Registration Fees	Sales Tax	Fuel Neutral Fees or Taxes	Electric Vehicle Fees
Usage and Mileage	Accounts for usage and mileage.	Accounts for mileage.	Does not account for usage and mileage.	Does not account for usage and mileage.	Can account for usage, requires specific design to account for mileage.	Does not account for usage and mileage.
Fuel Efficiency	Encourages fuel efficiency.	Requires specific design to encourage fuel efficiency.	Requires specific design to encourage fuel efficiency.	Does not consider fuel efficiency.	Encourages fuel efficiency.	Requires specific design to encourage fuel efficiency.
Cost Distribution	Costs are spread over time.	Costs are spread over time.	Costs are upfront.	Costs are disassociated and spread over time.	Costs can be spread over time.	Costs are upfront.
Policy Considerations	Susceptible to inflation and long-term trends in fleet efficiency and electrification.	Majority of states have not studied how to enact an MBUF system.	Annual upfront fees affect the affordability of car ownership for lower-income households.	Obscures connection to transportation systems and competes with other policy objectives that rely on sales taxes.	EV charging fees require further testing to account for usage and avoid fare evasion.	Discourages EV adoption and requires additional design to support EV-specific infrastructure.

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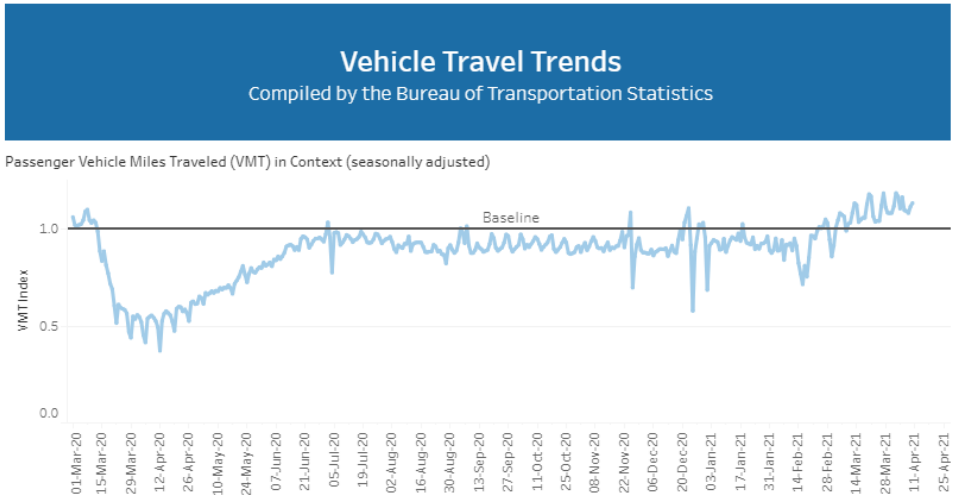
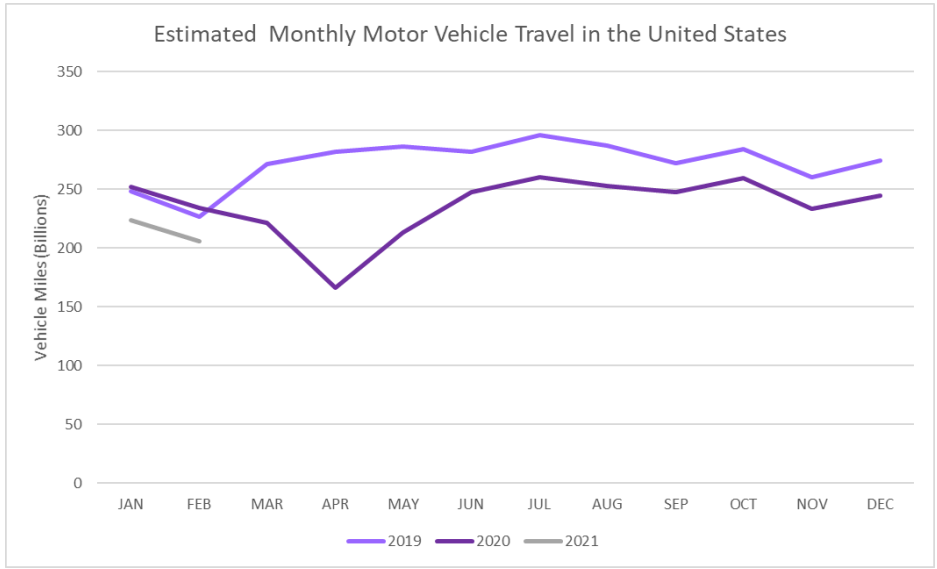
COVID Impacts & Latest Developments

Daily Vehicle Travel During the COVID-19 Public Health Emergency





U.S. SENATE COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS

On Wednesday, April 14, at 10:00 AM ET, the Senate Committee on Environment and Public Works (EPW) held a hearing entitled, "Long-term Solvency of the Highway Trust Fund: Lessons Learned from the Surface Transportation System Funding Alternatives Program and Other User-based Revenue Solutions, and How Funding Uncertainty Affects the Highway Programs.

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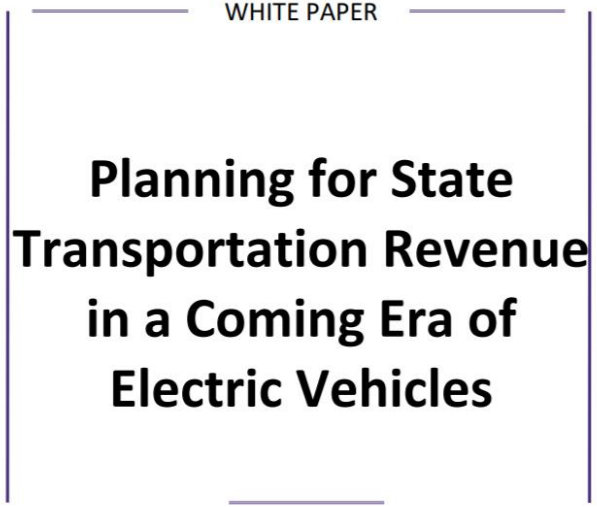

Thank you!

jvarn@nga.org

@JakeVarn

Paper Citation:
Varn, J., Eucalitto, G., & Gander, S. (2020, February). *Planning for state transportation revenue in a coming era of electric vehicles.* Washington, DC: National Governors Association Center for Best Practices.

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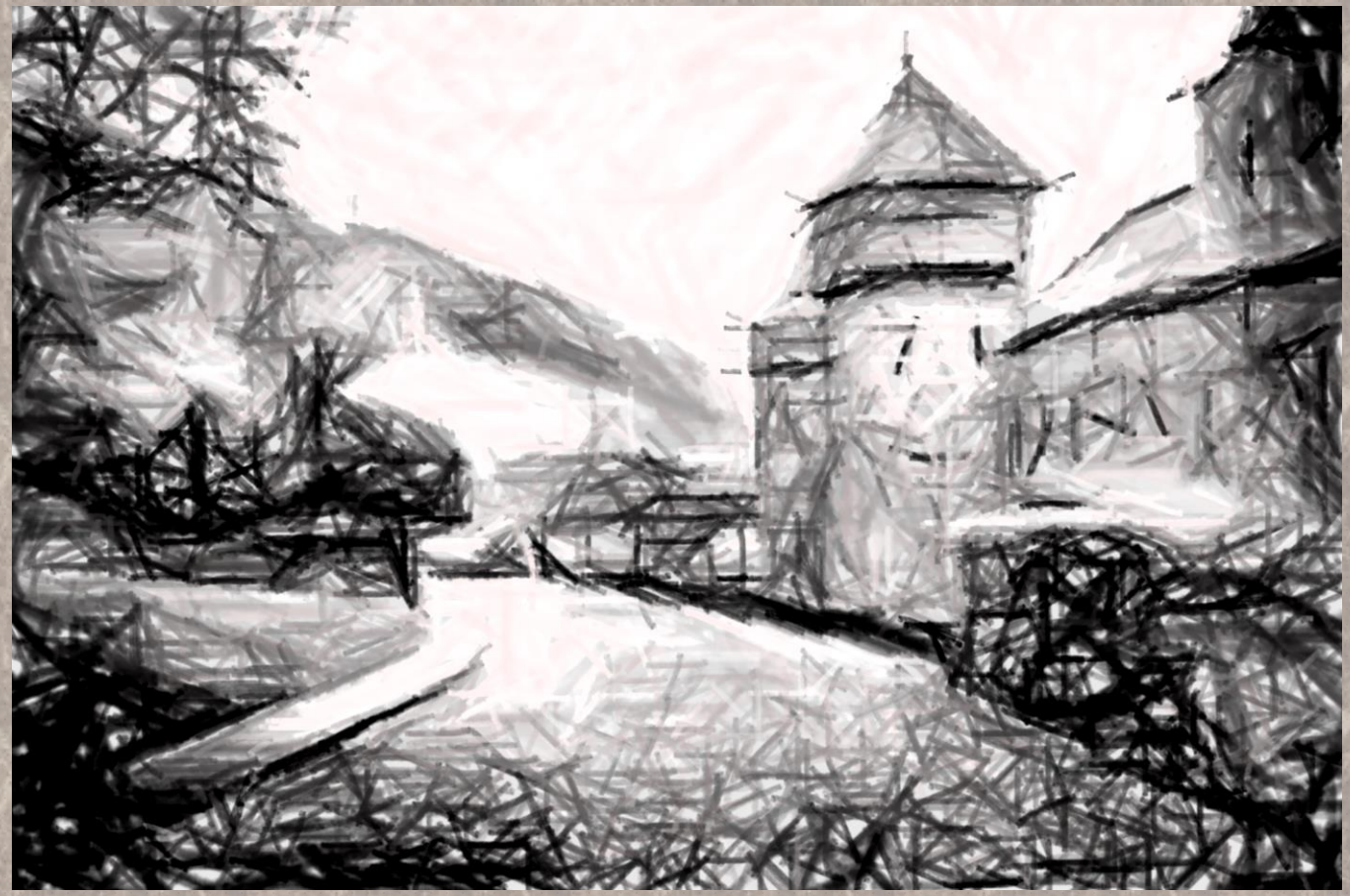
Leading the Quest:
Navigating Tanks Through the EV Revolution



Matthew Metz

COLTURA

Four Threats to Gas Station & Tank Fund Finances

- Rise of Electric Vehicles
- More Mega-Retailers Selling Gas
- Aging USTs
- Increasing Regulatory Pressure

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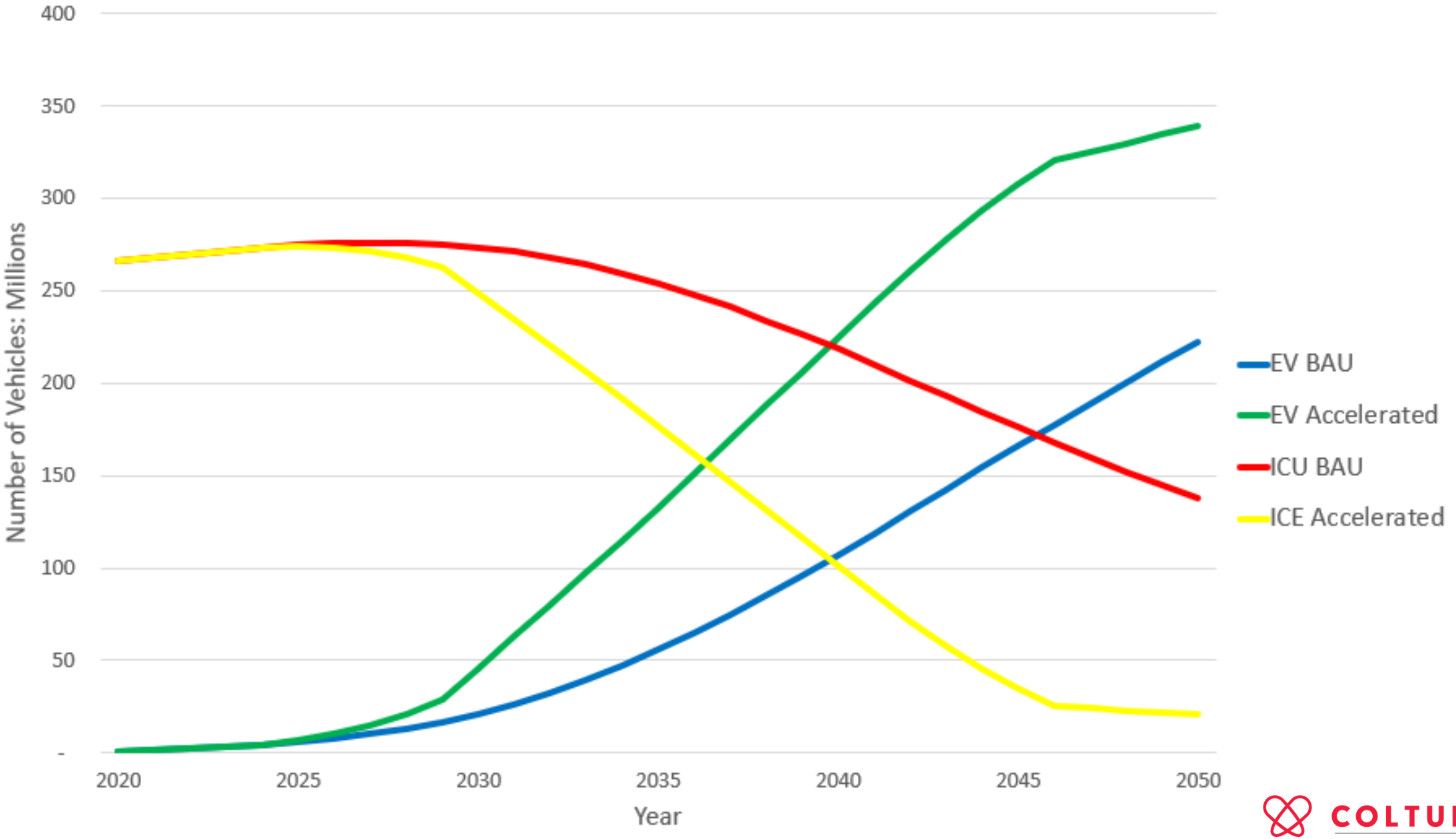
Rise of Electric Vehicles



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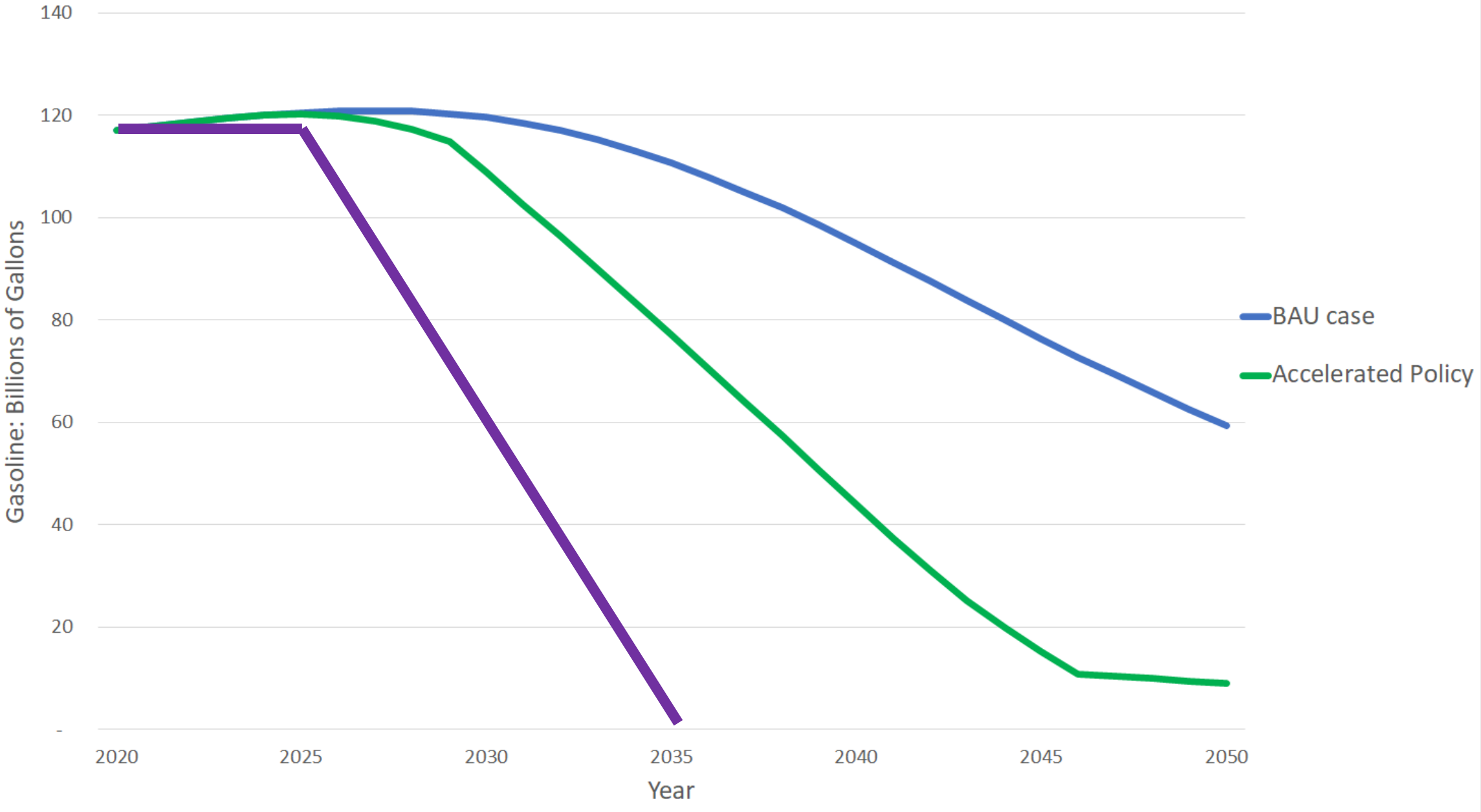
Declining Gasoline Consumption



Competition from Major Retailers

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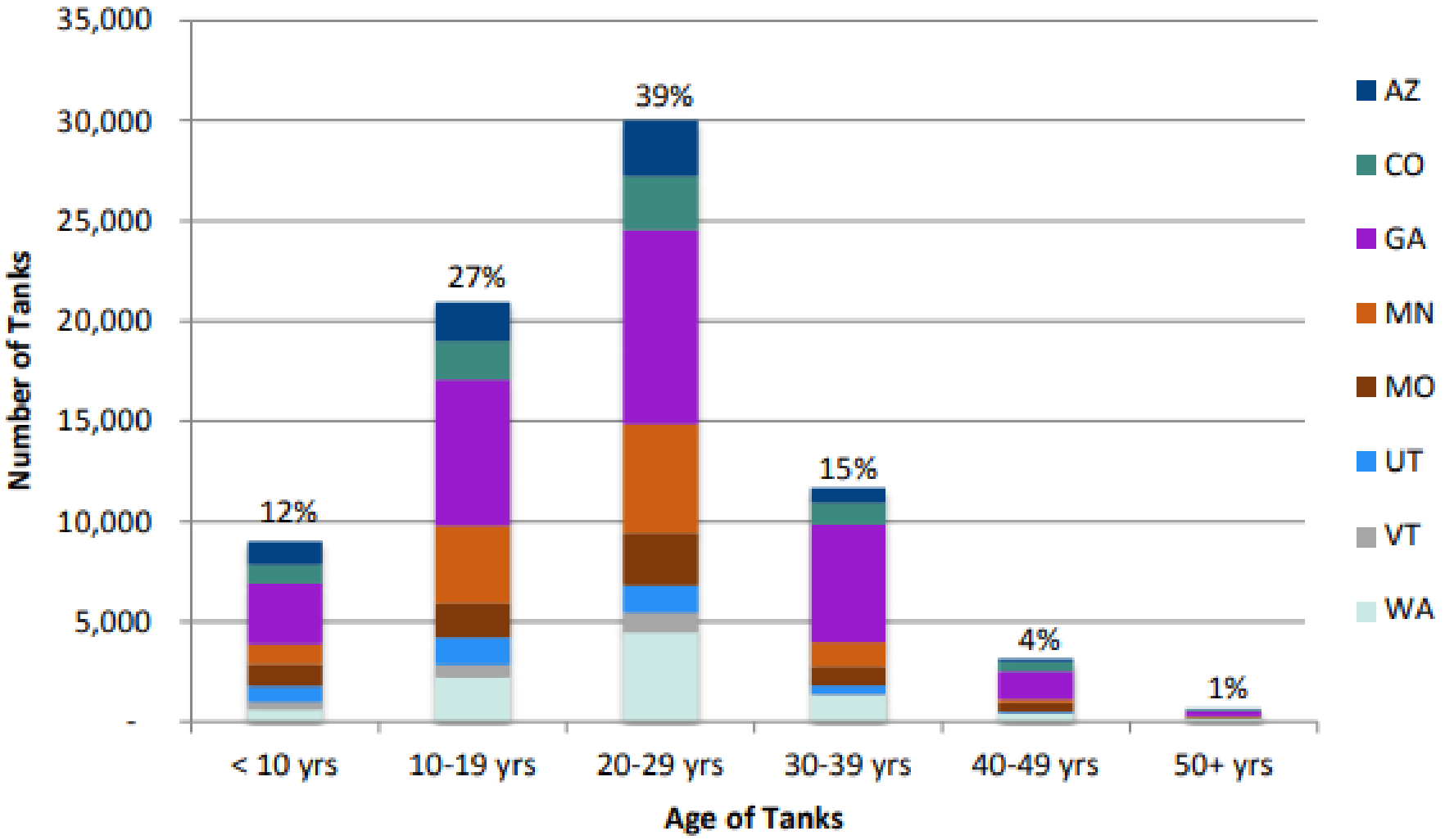
Aging Tanks



Source: ASTSWMO 2015 Data

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Public & Regulatory Pressure

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Environmental Justice Concerns

- Black and low-income communities in South Carolina much more likely to be located near LUSTs
- Majority black communities 44% more likely to be located near a gas station.

Sources: Sacoby Wilson, et.al. (NCBI);
Andre Perry, Brookings, et.al.

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Gas Station Economics

Sales Volumes ↓

Margins ↓

Tank Replacement & Regulatory Costs ↑

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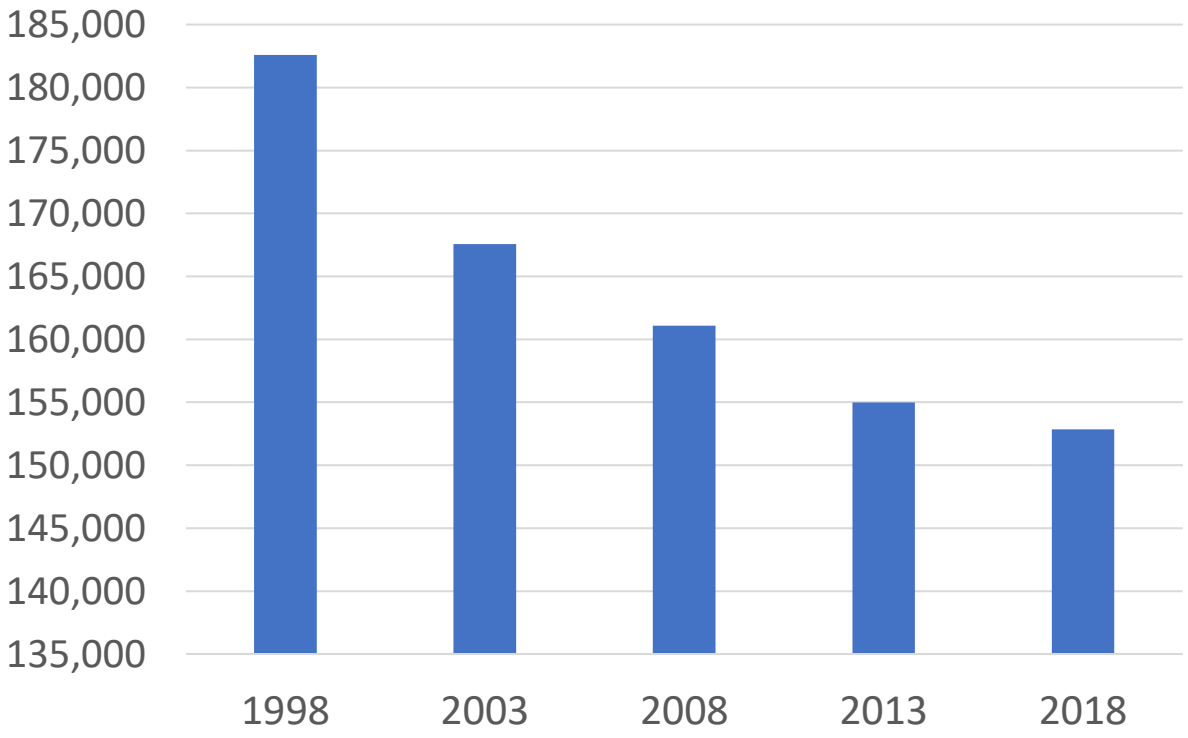
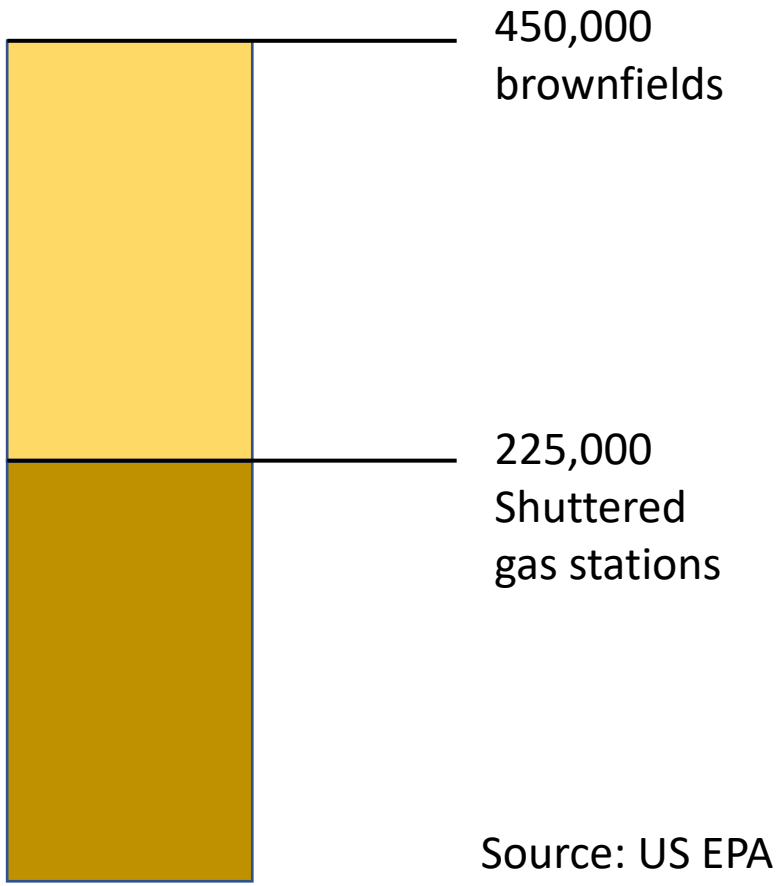
Closed Gas Stations



Gas stations in USA



Brownfields in USA

Source: NPN, NACS

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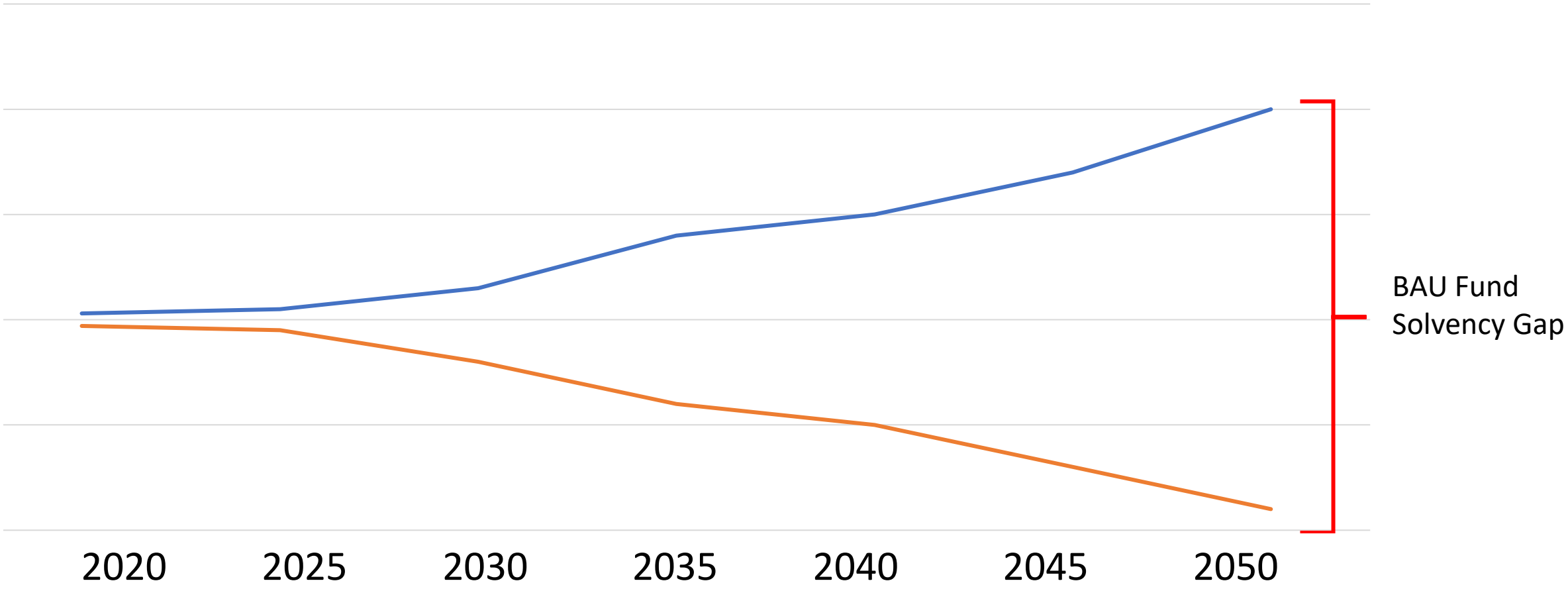
UST Fund Economics



Source: Coltura Forecast

The Quest for a Clean & Solvent Future

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Pathway to the Holy Grail

Cleaned up station sites and a solvent fund

- Spread News of Threats to Fund
- Early Planning for Gas Station Phaseout
- Shift to Risk-Based UST Insurance Pricing
- Expedited Cleanup of Oldest & Dirtiest Stations

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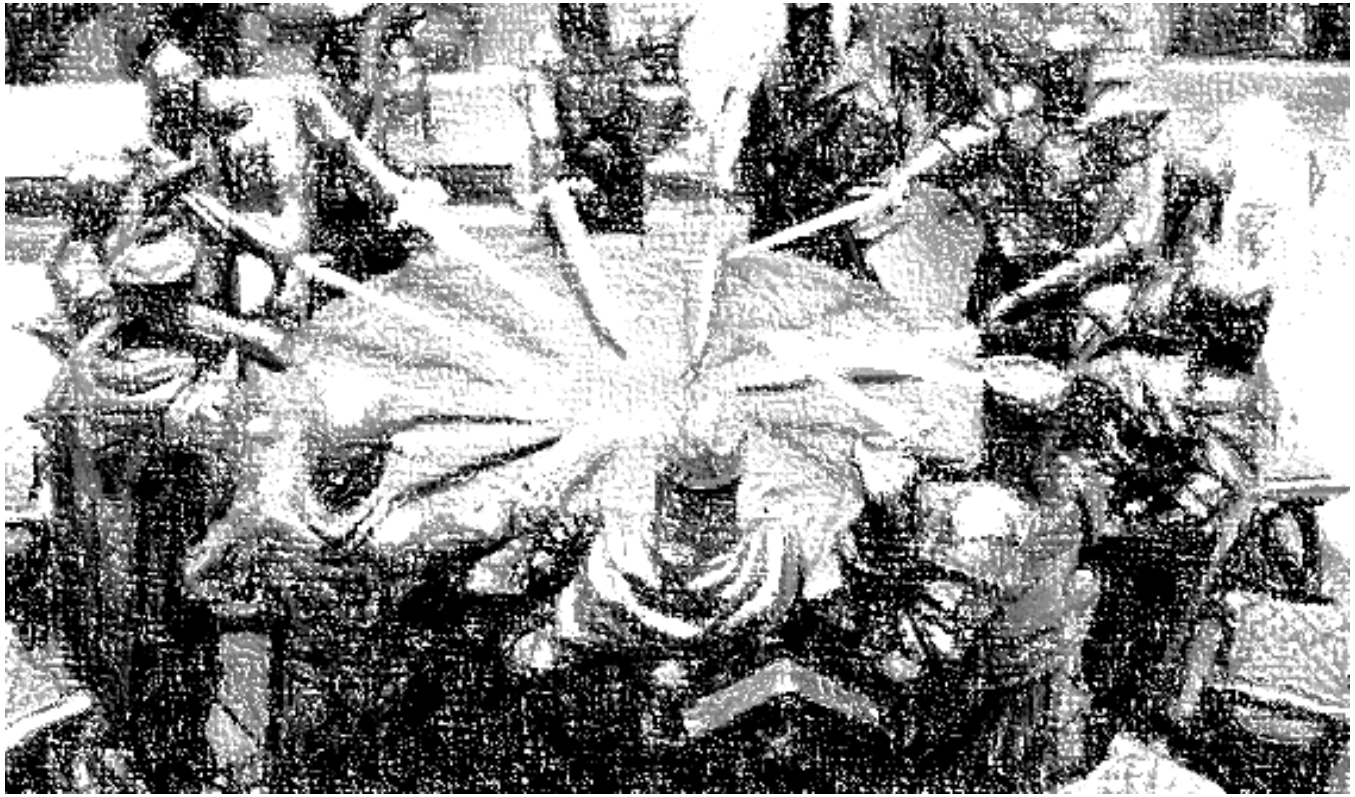
Herald the News

Make a Plan

- Plan Now for Mass Phaseout of Gas Stations
- Involve Electeds Early



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Risk-Based Pricing for UST Insurance

- Reduce Moral Hazard
- Force Reckoning for High-Risk Tanks
- Reduce Fund Liabilities

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Expedited Cleanup of Oldest & Dirtiest Stations

- Require replacement of single-walled & 30+ year old tanks
- Require prompt cleanup of known polluted sites

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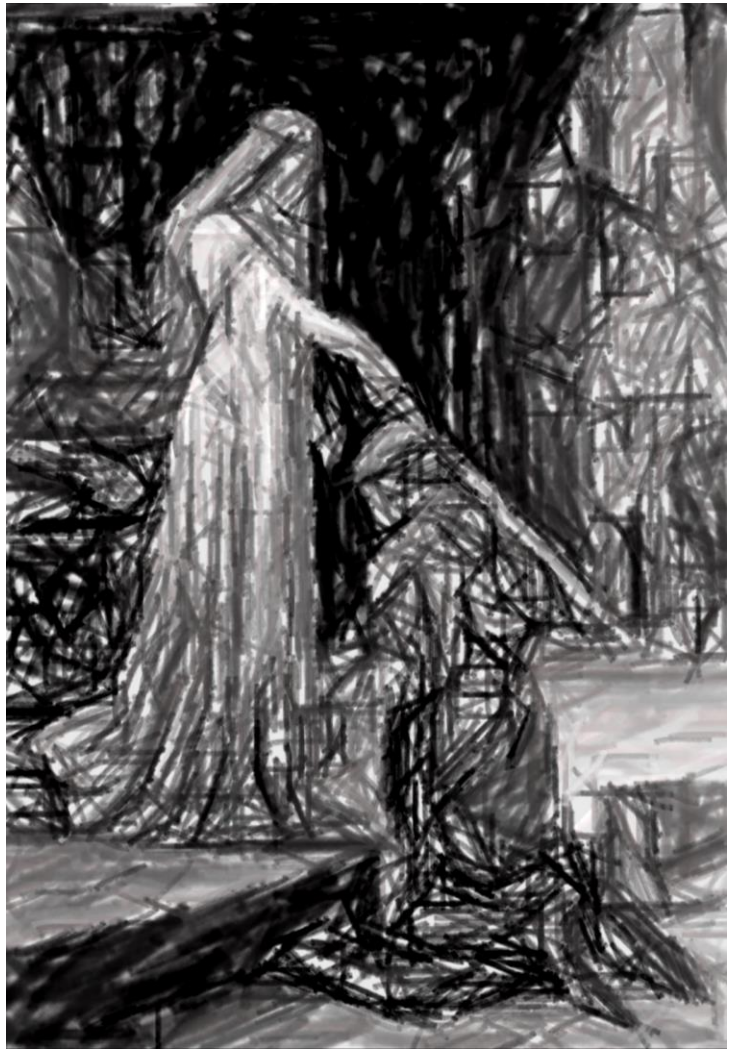
Valiant Quest

- All Gas Station Sites Clean
- Solvent Tank Fund



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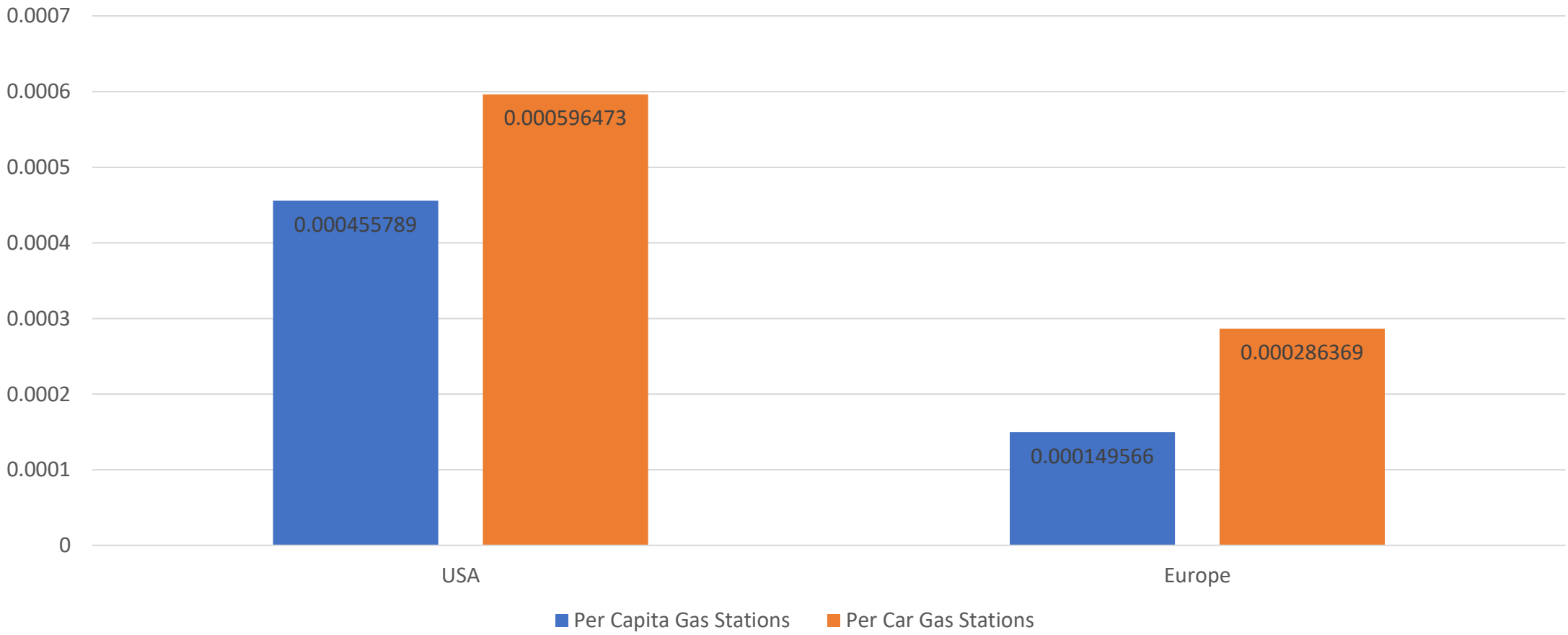
US Gas Station Density Double Europe's



Sources: NACS, U.S. Census, Bureau of Transportation Statistics, FuelsEurope, European Union

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Thank you

Recordings from the ASTSWMO Mid-Year will be available at: http://astswmo.org/category/webinar/

For contacts and information about the ASTSWMO Tanks Subcommittee visit: http://astswmo.org/tanks/

Please complete the evaluation after exiting the webinar.