



MEDIA RELEASE

EROAD selected to participate in mileage-based user fee pilot

Transportation management software provider to take part in an I-95 Corridor Coalition truck pilot exploring the feasibility of a multi-state MBUF approach

Auckland – 21 November 2017 EROAD, a global technology provider of fleet management, electronic tax reporting and safety compliance solutions for the transportation industry, today announced it has been selected to participate in the first multi-state truck pilot to explore the feasibility of a Mileage-Based User Fee (MBUF) along the United States' eastern seaboard.

"This is an extremely significant opportunity for EROAD as it's the first truck pilot in the US to explore the feasibility of a Mileage-Based User Fee across multiple states," said Steven Newman, EROAD CEO. "It will highlight our ability to demonstrate a highly flexible, feasible and cost-effective way to introduce road charging across jurisdictions without needing an intrusive and expensive roadside infrastructure, while also reducing the reporting burden on motor carriers."

The I-95 Corridor Coalition truck pilot, slated to begin next year, will include 50 vehicles equipped with EROAD in-vehicle hardware for a period of six months. The EROAD system will record accurate mileage data and apply applicable formulas for a truck-based MBUF as prescribed by the programme's Steering Committee, which includes the American Trucking Associations. EROAD will produce dummy invoices, demonstrating payments to appropriate agencies within the I-95 Corridor Coalition.

The pilot area, running from Maine to Florida, is a critical freight corridor in the US economy. Over 5 billion tons of freight, representing almost 40% of the country's GDP, moves annually across the area's 1,917 miles of roads, approximately 20% of all US roadways. Average daily truck traffic in the region includes over 10,000 vehicles with peak daily traffic averaging over 31,000 units. Looking to the future, the amount of truck traffic in the corridor is expected to more than double by 2035.

For the \$1.6 million pilot programme, the I-95 Corridor Coalition has partnered with the Delaware Department of Transportation to explore the feasibility of replacing fuel taxes with a mileage-based user fee approach in a multi-state environment. Previous mileage-based usage approaches have primarily focused on a single state.

Patricia Hendren, executive director of the I-95 Corridor Coalition, said trucks were an important component of exploring the feasibility of a mileage-based user fee approach. "Commercial vehicles have a long list of reporting requirements, they are heavy users of the system and they are heavy payers," she stated. "Our goal is to look at the data that commercial vehicles are currently required to submit and ask 'within that framework, what would a mileage-based approach look like?'"

"EROAD has significant experience providing technology solutions that address International Fuel Tax Agreement (IFTA), International Registration Plan (IRP), Hours of Service (HOS) and Electronic Logging Device (ELD) requirements," Hendren added. "We need their knowledge and understanding of the reporting challenges the freight industry faces in order to truly assess the feasibility of a usage fee approach across multiple jurisdictions."



The I-95 Corridor Coalition is a partnership of transportation agencies, toll authorities, public safety officials, and related organisations along the east coast. The pilot is partially funded through the US DOT (Department of Transportation) Surface Transportation Funding Alternatives programme established to explore alternative mechanisms for road funding to fuel taxes. The federal fuel tax was last raised in 1994 and is not indexed to inflation. Combined with the increasing adoption of fuel-efficient and electric vehicles, motor fuel revenues are not keeping pace with demands on an aging infrastructure.

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About EROAD

EROAD modernises road charging and tax compliance and health and safety compliance for road transport by replacing paper-based systems with easy-to-use electronic systems that also improve fleet management. The company is headquartered in Auckland, New Zealand, and listed on the New Zealand Exchange (NZX). Its US business is based in Portland, Oregon, serving customers with vehicles operating in every US mainland state, growing outward in concentration from the Northwest. In 2009 EROAD introduced the world's first nationwide electronic road user charging (eRUC) system in New Zealand and, in 2017, more than 50% of heavy transport RUC is expected to be collected electronically, representing a rapid transition to e-commerce on a voluntary, industry-led basis, due to the cost-savings and benefits to customers. EROAD is also a leading provider of health and safety compliance services, including vehicle management and driver behaviour and performance measures.

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