

Transportation Infrastructure  
Revenue Subcommittee  
Gallup, July 5, 2022



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## NEW PATHS TO ROAD FUNDING

RUC AMERICA is a leading authority on road usage charging in the United States. The membership includes 19 state transportation organizations who share resources to investigate road usage charging as an appropriate revenue collection method for their respective state.

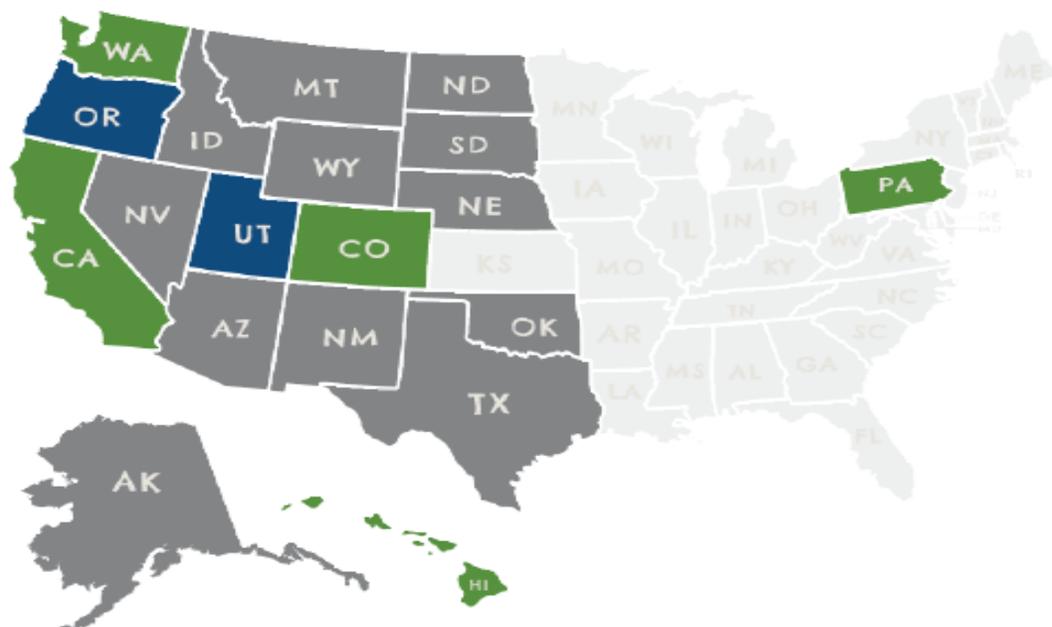
The group formed to grow agency expertise, increase preparedness and collaborate on projects of mutual interest. RUC AMERICA offers participating agencies the opportunity to achieve economies of scale in their road usage charging projects or research by offering joint testing and evaluation over wide territories.

With a wealth of cooperative research, case studies and best practices, RUC AMERICA serves as central host for the latest information on road usage charging.

### AREAS OF WORK

- ✓ Technical research and development
- ✓ Legal and policy issues
- ✓ Research of fiscal and economic issues
- ✓ Standards and certifications
- ✓ Administrative and operational issues
- ✓ Inter-jurisdictional concerns
- ✓ Stakeholder outreach and communications
- ✓ Platforms and operations for state or regional pilots

## RUC AMERICA MEMBER LEGEND



### OUR MEMBERS

**Tier 1:** Actively promoting road usage charging as an equitable road-funding solution (implementing a program)

- ❖ Oregon
- ❖ Utah

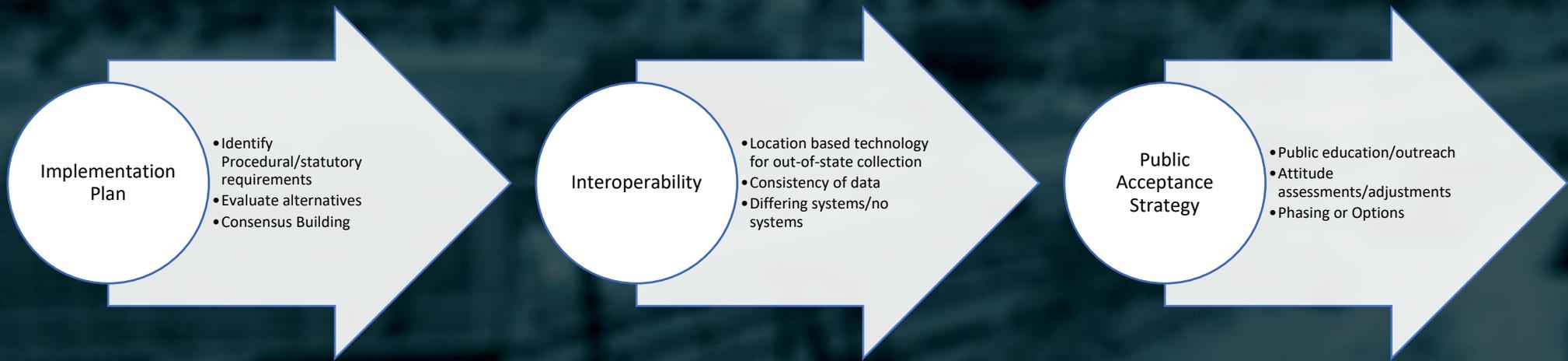
**Tier 2:** Conducting Research Pilot Projects for a RUC

- ❖ California
- ❖ Colorado
- ❖ Hawaii
- ❖ Pennsylvania
- ❖ Washington

**Tier 3:** Monitoring transportation trends (evaluating the road usage charge environment)

- ❖ Alaska
- ❖ Arizona
- ❖ Idaho
- ❖ Montana
- ❖ Nebraska
- ❖ Nevada
- ❖ New Mexico
- ❖ North Dakota
- ❖ Oklahoma
- ❖ South Dakota
- ❖ Texas
- ❖ Wyoming

# Factors in Developing a Program



## Options for recording and paying in a RUC system

- **Time permits:** Similar to a vehicle registration fee, the participant purchases unlimited road use for a specific period of time.
- **Mileage permits:** The participant pre-pays to drive a certain number of miles.
- **Odometer charge:** The participant pays a fee per mile based on periodic odometer readings.
- **Automated mileage reporting without general location data:** Vehicles have equipment that measures and reports mileage automatically to an account manager—either provided by a state agency or a private company. The account manager periodically (monthly or quarterly) sends the motorist an invoice for their individual road use.
- **Automated mileage reporting with general location data:** In-vehicle equipment reports mileage traveled to a third party account manager which invoices the participant. The equipment also provides general location data so the participant is not charged for travel out-of-state or on private roads. These options include in-vehicle telematics, smartphone apps, and plug-in devices for the vehicle's on-board diagnostics (OBD-II) data port.

## Oregon

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First in the US to adopt road usage charge program

- Per-mile fee instead of fuel taxes: receive a credit for fuel used
- Use of vendors which may offer incentives
- Pilot project: July 1, 2015

- No more than 5,000 cars & light-duty trucks
- No more than 1,500 vehicles rated at less than 17 mpg
- No more than 1,500 vehicles from 17 to less than 22 mpg
- Use of vendors
  - Provide a VIN, odometer reading and license plate
  - Serve as account manager
  - Create accounts online
  - Devices sent by mail
  - Plugged into vehicle
  - Miles monitored online by user and vendor
  - 1.7 cents per mile
  - In-state miles only: GPS enabled devices

## Utah

- Sole focus on alternative fuel vehicles
- Inclusion of flat-fee option
- Annual cap tied to flat fee amount
- Enrollment and enforcement in registration process
- Started January 1, 2020

- Electric vehicles: \$60 increasing to \$120 over 3 yrs
- Plug-in hybrids: \$26 increasing to \$52 over 3 yrs
- Gas hybrids: \$10 increasing to \$20 over 3 yrs
- 1.52 cents per mile up to flat fee
- Use of third-party vendors
  - Collects and reports miles driven
  - Embedded telematics or in-vehicle technology
  - Participants place a credit card on file; deducted periodically
  - Payments stop if flat-fee amount is reached
  - Vendor provides phone app for odometer photo readings
  - Privacy concerns addressed by offering short-term data retention or paying flat fee

# Bipartisan Infrastructure Law

NMDOT

## ***Sec. 13001 – Strategic Innovation for Revenue Collection***

- 5-year, \$75M grant program for States, groups of States, local government or groups of local governments, and MPOs...
- 80% match for new entities / 70% match for previous
- Allows for program implementations

## ***Sec. 13002 – National Motor Vehicle Per-Mile User Fee Pilot***

- 5-year, \$50M program, for passenger and commercial vehicles from each of the 50-states, Washington D.C., and Puerto Rico
- Establishes the Federal System Funding Alternative Advisory Board for scope, structure, and methodology for the pilot program

## How does RUC impact Rural Households?

In general, rural households currently pay more gas tax per mile driven because they tend to own vehicles with lower fuel efficiency than urban and suburban households. Under a road usage charge system, they would potentially pay the same amount per mile driven as owners of higher MPG vehicles so the cost to pay for roads could be spread among all drivers more equitably. In every state, the impact on individual households would depend on their particular circumstances.

## Why not just raise the gas tax?

Raising the gas tax offers only a short-term solution to funding roadway maintenance and repair, as revenues will continue to decline on a per-mile basis as vehicles continue to become more and more fuel-efficient. Vehicles are now getting more miles per gallon or are using alternate fuels and electricity where no gas tax is charged.



Thank you!

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