



**OREGO**

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## Oregon's Road Usage Charge Program

# Our transportation funding system is old. *Really* old.

Oregon Introduces  
1<sup>st</sup> State Fuel Tax  
in U.S.

1932

Oregon Levies 1<sup>st</sup>  
Weight-Mile Tax

1993

Oregon Begins  
Nation's 1<sup>st</sup>  
RUC Program

2021

1919

U.S. Institutes 1<sup>st</sup>  
Federal Fuel Tax

1947

Congress Approves  
Last Federal Fuel  
Tax Increase

2015

13 States Introduce  
RUC Legislation

# Strategic Action Plan Outcomes

- 1. Increase workforce **diversity**.
- 2. Implement a social **equity** engagement toolkit.
- 3. Reduce our **carbon** footprint.
- 4. **Electrify** Oregon's transportation system.
- 5. Improve **access** to active & public transportation.
- 6. Reduce **congestion** in Portland region.
- 7. More dollars to **BIPOC, women-owned** businesses.
- 8. Implement **transformative** technologies.
- 9. Implement large-scale **road usage charging**.
- 10. Achieve sufficient **funding**.



ODOT's vision for RUC  
*The OReGO program ensures sufficient, reliable and sustainable funding and...*



Uses pricing to encourage efficient use and operations of the system.



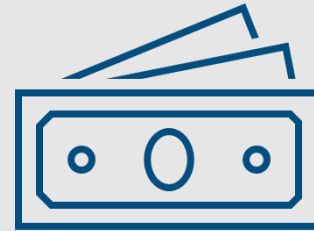
Preserves and enhances equity, including socioeconomic equity, horizontal and vertical equity, and urban/rural equity.



Supports decarbonizing the transportation system through adoption of high-efficiency vehicles.

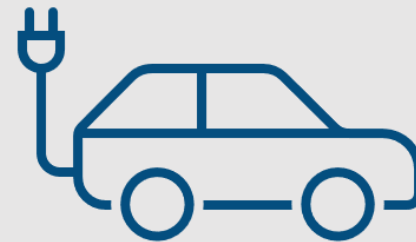
# Why is the current funding model unsustainable?

1



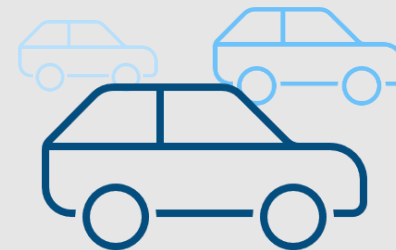
Declining purchasing power.

2

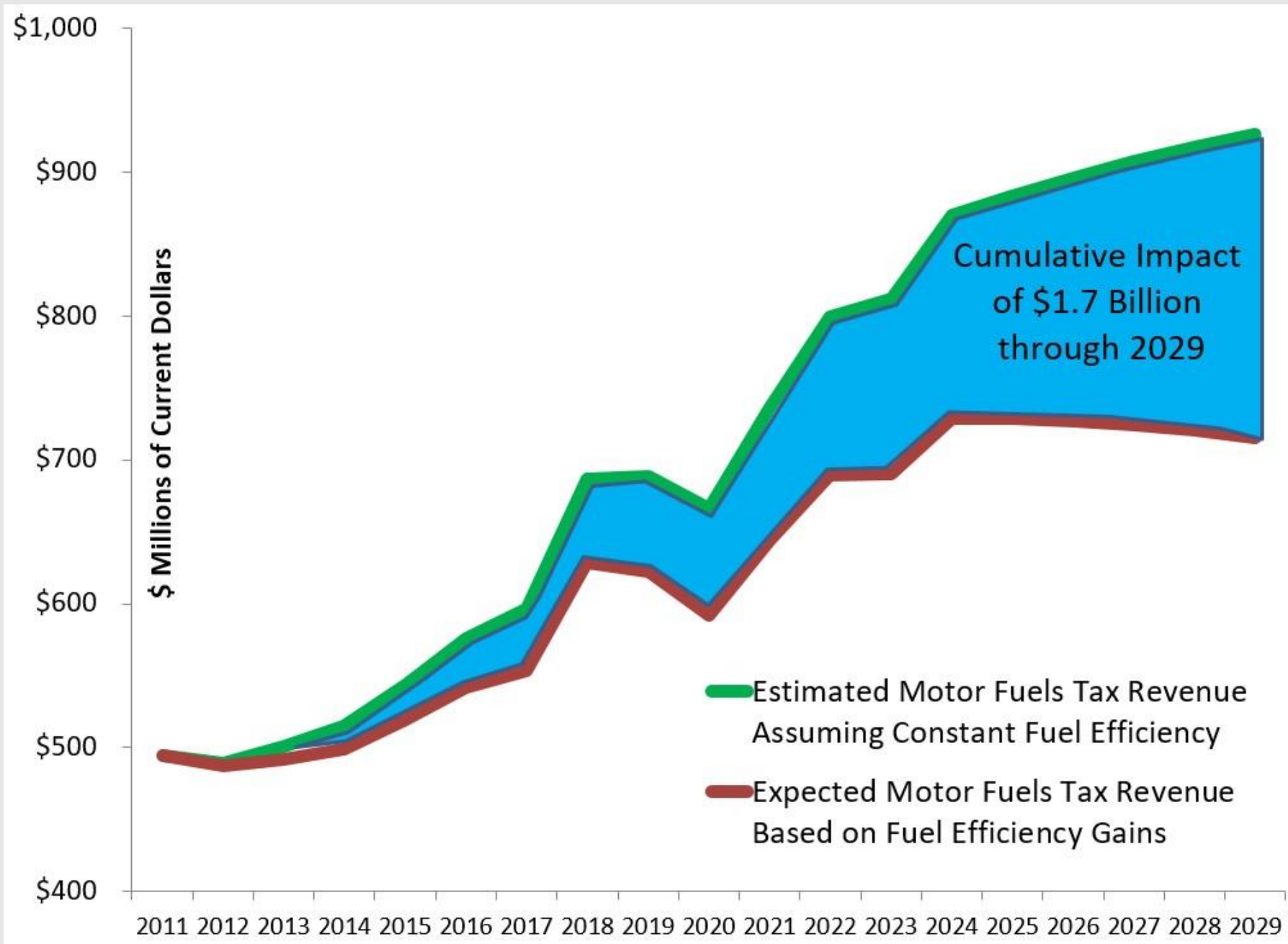


Increased fuel efficiency.

3



More people.  
More VMT.



# Road User Fee Task Force

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The Oregon Legislature created the Road User Fee Task Force in 2001 when members recognized that hybrid and electric vehicles were becoming widespread. Because these vehicles consume little or no fuel, their owners pay little to no fuels tax for their use of the road. **The task force was charged with finding a viable alternative to the state gas tax that could generate sustainable funding for Oregon's transportation system.**



# SB 810 (2013) - OReGO

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- With RUC chosen by RUFTF, ODOT conducted two pay-by-the-mile pilots in 2006-2007 and 2012-2013
- Pilots proved that RUC was viable and paved the way for legislation to establish a permanent program
- SB 810 created OReGO, and the program launched on July 1, 2015



# SB 810 (2013) - OReGO

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- Required ODOT to provide participants with choice in technology for reporting miles & how they manage and pay their RUC
  - ODOT engaged account managers to provide services
  - One option had to have NO vehicle location technology
- Capped participation at 5,000 volunteers
- Provided a refund/credit of Oregon state fuels tax paid
- Included privacy protections and data security
- Built the system on an open architecture platform
- Directed ODOT to work with other states to further explore RUC

# SB 810 (2013) – OReGO Privacy

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- Privacy protections
  - Personally identifiable information is required to be destroyed within 30 days after account settlement
  - Law enforcement must get a warrant to get driving information
  - Account set up and administration is done by third party, private sector entities
- Data security
  - SOC 2 audits
  - PCI DSS

# HB 2017 (2017)

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- Comprehensive transportation funding legislation
- Implemented an enhanced registration surcharge for certain vehicles
  - Electric vehicles
  - ICE vehicles with a combined 40+ mpg
- Included provision that electric vehicles are not subject to the enhanced surcharge if enrolled in OReGO

# HB 2881 (2019)

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- Indexed the RUC rate to 5% of the prevailing state fuels tax rate
- Eliminated eligibility for vehicles rated 20 mpg or less
- Exempted vehicles with a rating of 40 mpg or more from paying enhanced registration surcharge **if** enrolled in OReGO
- Created a non-refundable credit for fuels tax paid

# HB 2342 (2021)

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- Joint Transportation Committee referred to full chamber with ‘do pass’ recommendation
- Would have mandated enrollment in RUC program
  - For vehicles model year 2027 or newer
  - Rated at 30 mpg or greater
  - Beginning July 1, 2026
- Required ODOT to study implementation, equity, and climate
- Eliminated tiered title fees in favor of a flat title fee

# 2023 Legislative Concept (As Currently Proposed)

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- Would mandate enrollment in RUC program
  - Starting with model year 2029 vehicles
  - Rated at 30 mpg or greater
  - Beginning July 1, 2028
- No sunset of opt-out provision
- Includes consideration of weight-mile tax for medium-duty vehicles
- Requires ODOT to study implementation, equity, and climate
- Eliminates tiered title fees in favor of a flat title fee

# Policies Underlying Statutes

Passenger vehicles pay either RUC or fuels tax

RUC rate is 1.9 cents/mile regardless of weight or mpg (fuel tax rate is \$0.38/gal)

Fuels tax will be credited, but not be refunded

Medium duty vehicles continue to pay the fuels tax for now

RUC rate is indexed to fuel tax rates



# Pilot Projects Completed

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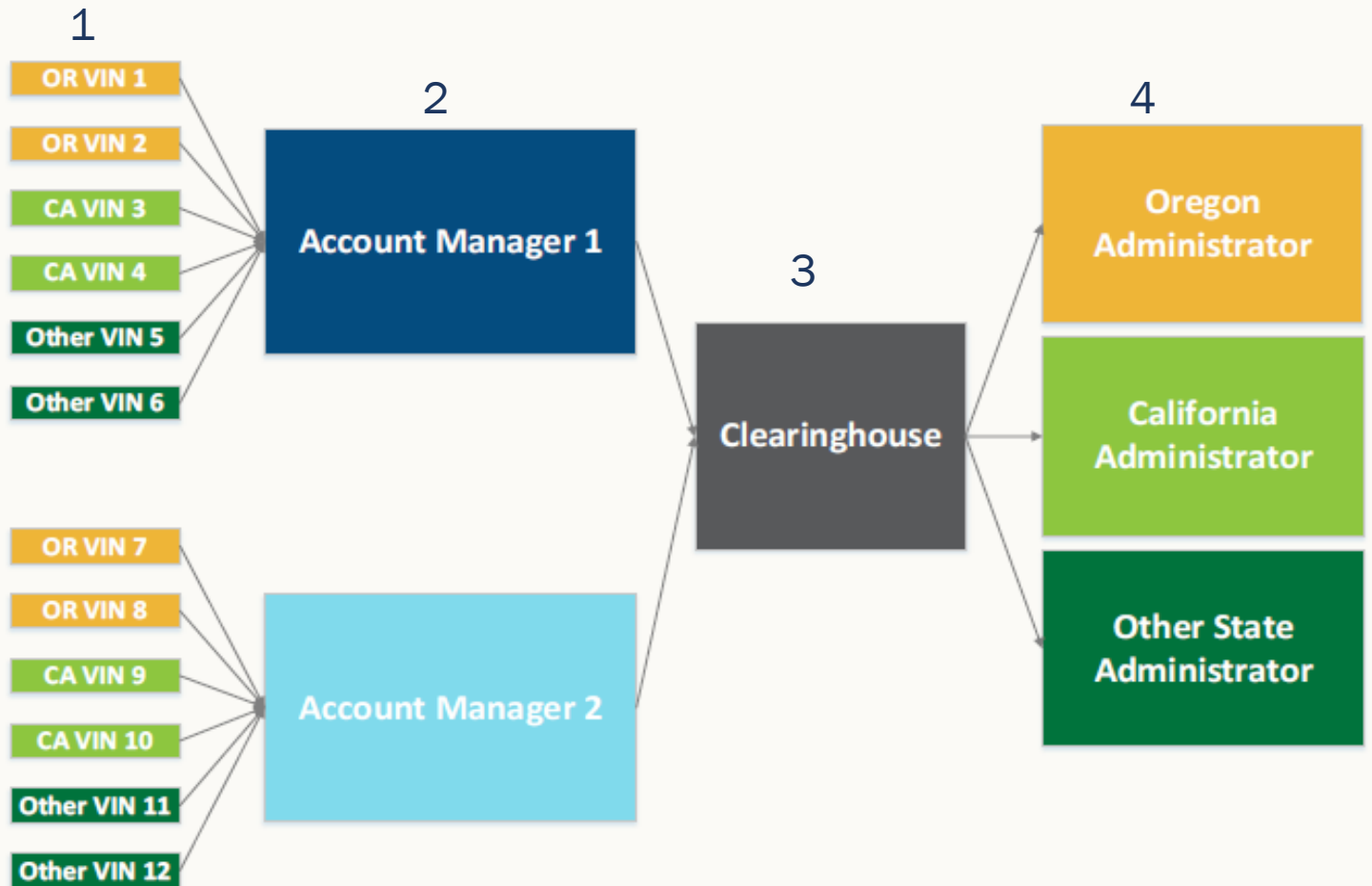
- Keep Oregon Connected education campaign
- Clearinghouse demonstration project (RUC West)
- Interoperability pilot – one with WA and one for RUC West
- Local area pricing project
- Manual reporting implementation
- Alternative reporting technologies (e.g. cell phone apps)



# Interstate Interoperability

## Data Flow

1. From the Participant/Vehicle
2. To the Account Managers
3. To the Clearinghouse
4. To the Administrators



# Oregon's Local Option Pilot – Key Findings



- People want more RUC information.
- Time, experience = understanding.
- Many found the cost of RUC affordable.

*Participants were demographically representative of study area.*



- Many would not change behavior due to inflexibility of trips.
- 25% would change behavior based on variable pricing.

*People like contributing to Oregon's future & were comfortable sharing data.*



- Education changes opinions about fairness.
- Support for variable tolling is mixed.

*Barriers: don't want two devices, confusion about pricing, difficulty installing devices.*

# RUC vs Fuel Taxes: Equity

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1. Each vehicle class pays its share based on share of costs.
2. Those in similar economic circumstances face a similar tax burden.
3. Fair access to transportation services (rural/urban, etc.).



# Work Plan – 2022 through 2025



2022

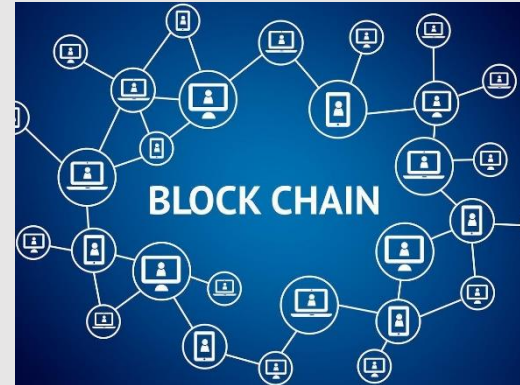
- *Manual reporting \**
- Collaborate on CVE
- *Finalize local pricing pilot \**
- Start point of sale enrollment project

*\* Project is completed.*



2022-2023

- Dealer education
- Point of sale enrollment pilot
- Medium duty study (RUFTF)
- Continue public education



2023-2024

- Evaluate blockchain for clearinghouse
- Prepare CVE-RUC pilot
- Evaluate payment options
- Evaluate new tech, update requirements



2024-2025

- Identify, address gaps
- Implement point of sale enrollment
- More public education
- Integrate with tolling
- Work on interoperability



## Lessons learned

- Transportation is important to the public
- Education matters
  - Public
  - Private sector
  - Political
- Public expects seamless delivery if possible
- Emerging technologies are disruptors
- Standards are being developed that enable road usage charging