



Road usage  
charging:  
Why? What is  
the problem?

Taxing fuel is no longer a  
reliable, fair source of  
funding



# Road Usage Charging Basics

- User pays is still viable
- Fuel taxes isn't sufficient
- RUC/MBUF is a solution

# Oregon has a history of blazing trails when it comes to transportation revenue

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

2025

1919

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

1947

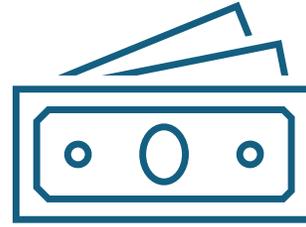
Congress Approves  
Last Federal Fuel  
Tax Increase

2015

Oregon passes  
legislation creating a  
mandatory RUC  
program

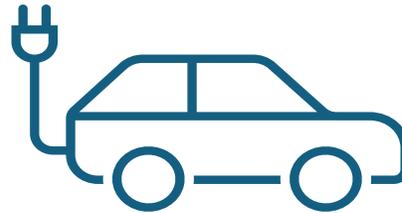
# Why is the current funding model unsustainable?

1



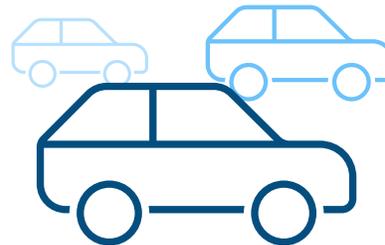
Declining purchasing power due to inflation.

2



Increased fuel efficiency – particularly with passenger vehicles.

3



More people.  
More vehicle miles traveled.

# Why Road Usage Charging (RUC) or Mileage-Based User Fees (MBUF)?

**Increasing VMT / gallon**

*We're driving more but using less fuel.*

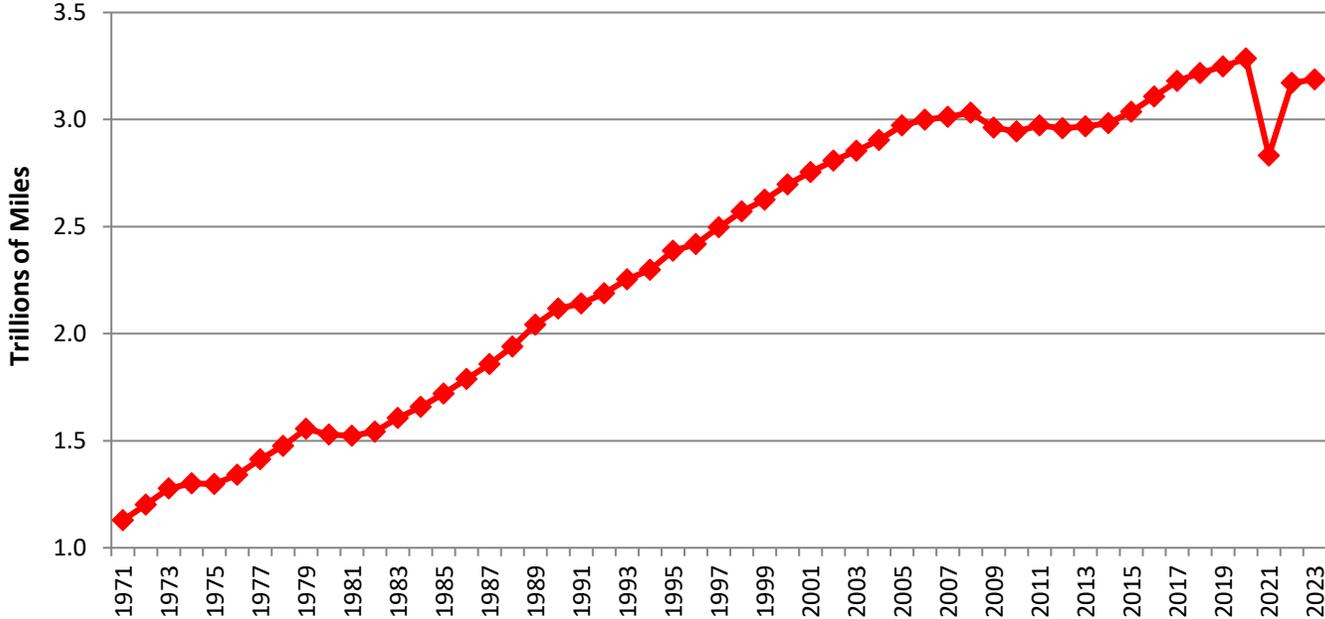
**Net Decline in Fuel Tax Revenue**

*Higher average fuel efficiency corresponds with declining net fuel tax revenue.*

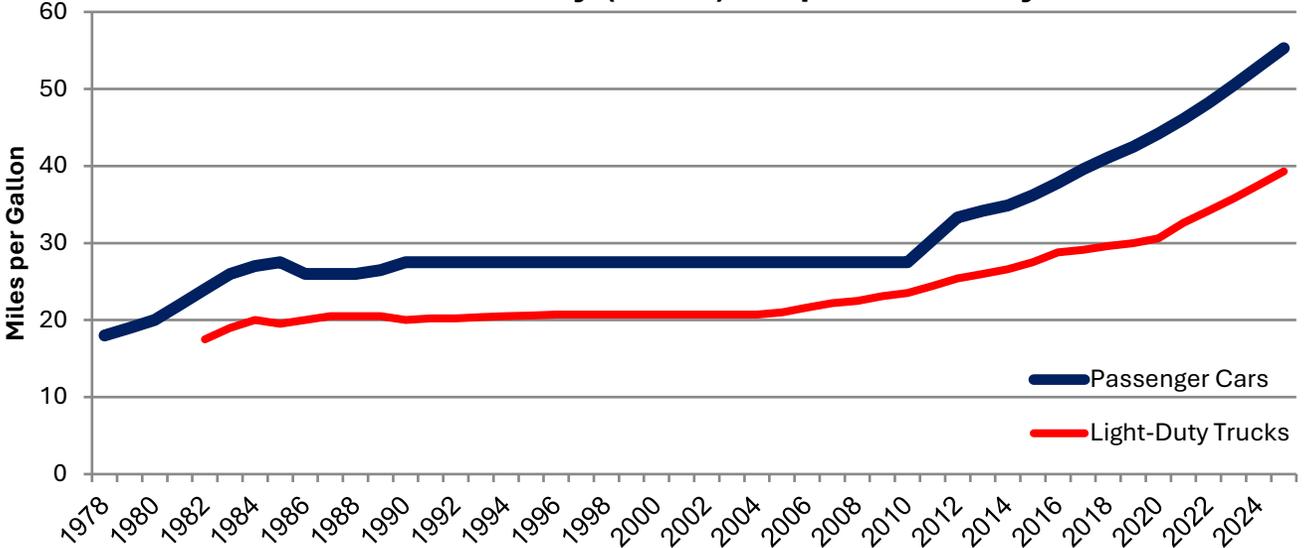
**RUC Can Create Sustainable Revenues**

*Sustainable support for capital construction, maintenance, safety improvements, and long-term rehabilitation.*

Annual Vehicle Miles Traveled in the United States



Vehicle Fuel Efficiency (CAFE) Requirements by Year



# Funding is only going to become scarcer...

## Vehicle Sales are also focusing on higher fuel economy

*CAGR (2024-2028) of 11.89%, resulting in a projected market volume of 339.60k vehicles (US\$16.5B) by 2028.*

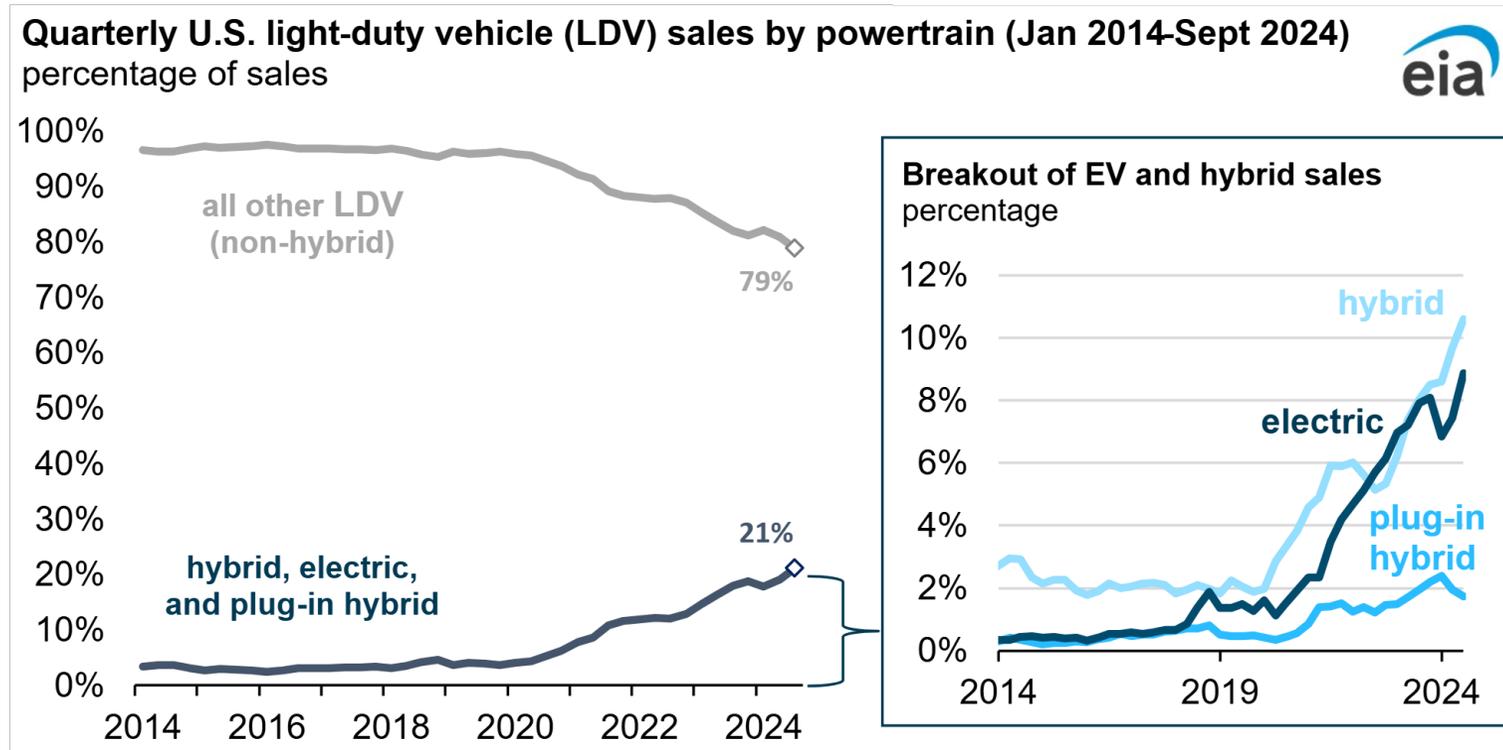
## Fuel taxes are not being raised

*Federal gas tax last raised in 1993*

*Most states' fuel taxes are not keeping pace with inflation*

## RUC maintains the user-pays principle

*Under RUC, all vehicles pay for use of infrastructure, regardless of their fuel type.*



# Two Cars: Two *Very* Different Fuel Tax Payments

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**2009 TOYOTA CAMRY**



**25 MPG**

**\$198 State fuel tax paid**

**2023 TOYOTA CAMRY HYBRID**



**52 MPG**

**\$95 State fuel tax paid**

# A Projected \$61B shortfall in the Federal Highway Trust Fund is anticipated by 2050...



Motor fuel tax will no longer be a sustainable, long-term funding source for transportation



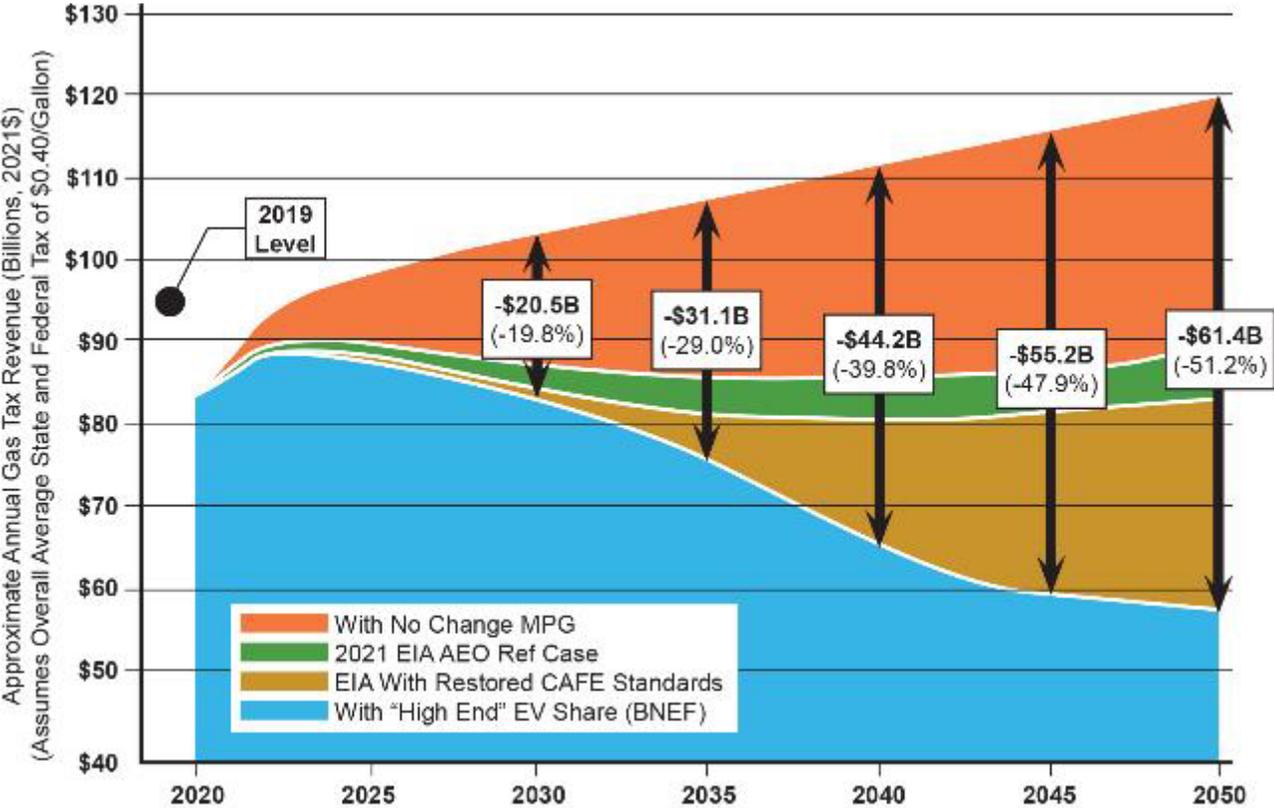
Raising fuel taxes and indexing to inflation will not be enough to maintain current conditions



Feds have yet to move fast enough to help states deal with shortfalls



User-pays principal is viewed as more fair than other taxation schemes



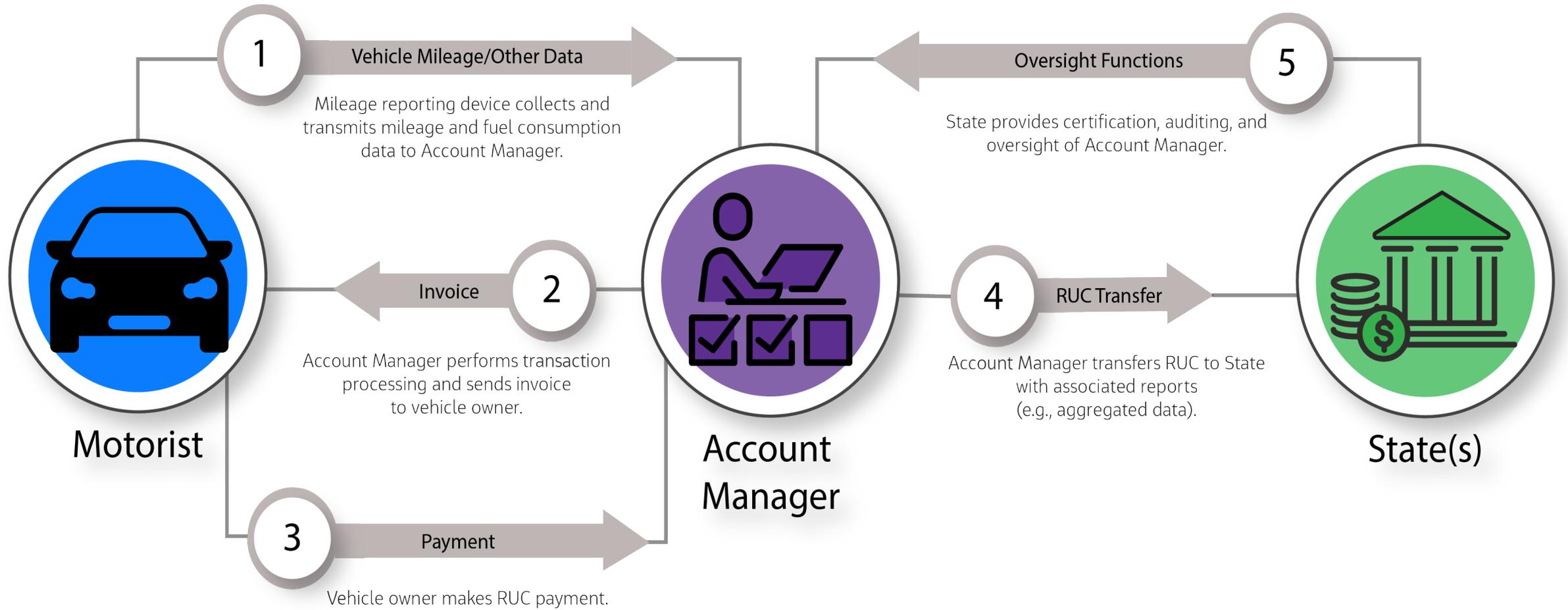
Source: US Energy Information Agency

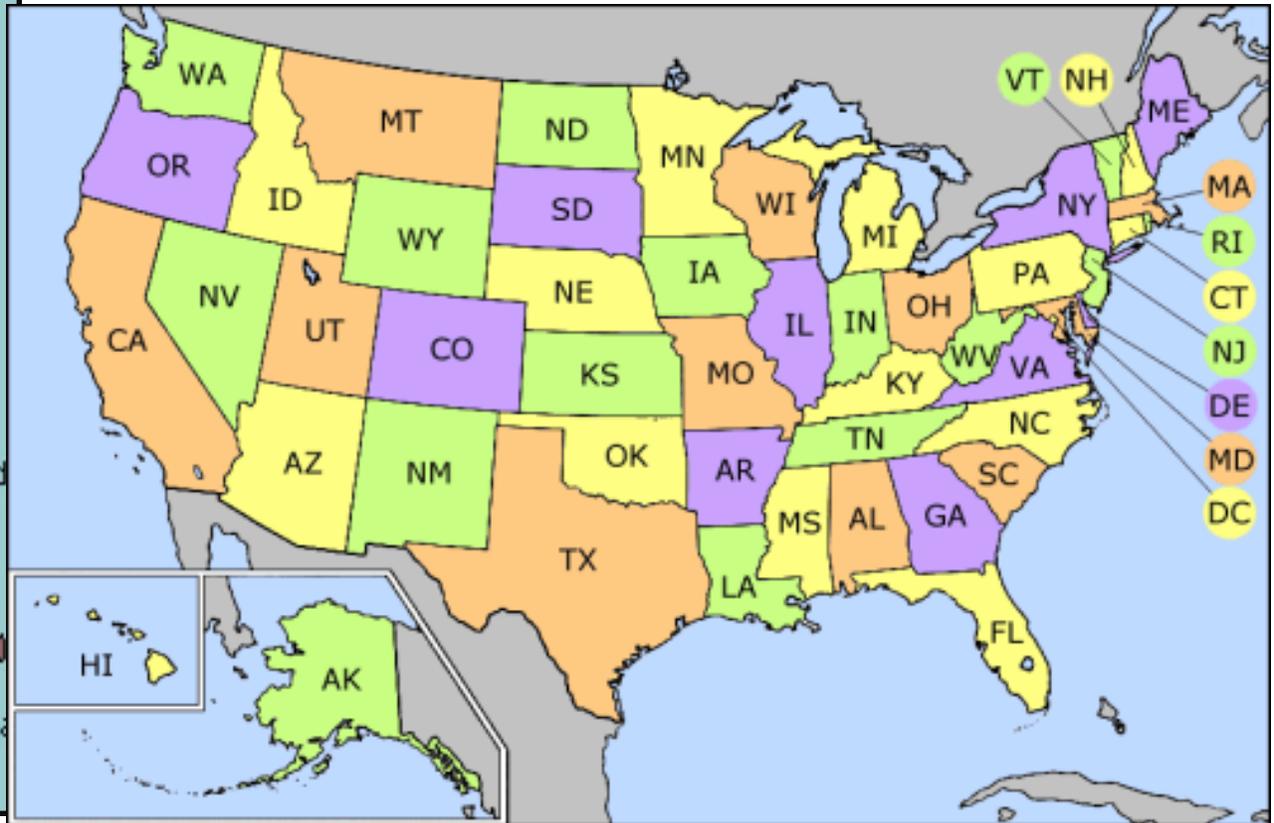
# Why RUC?

- RUC is a modernized “user-pays” model
  - Pay by the mile rather than by the gallon
  - Drivers pay for what they use
  - Viable, long-term funding solution

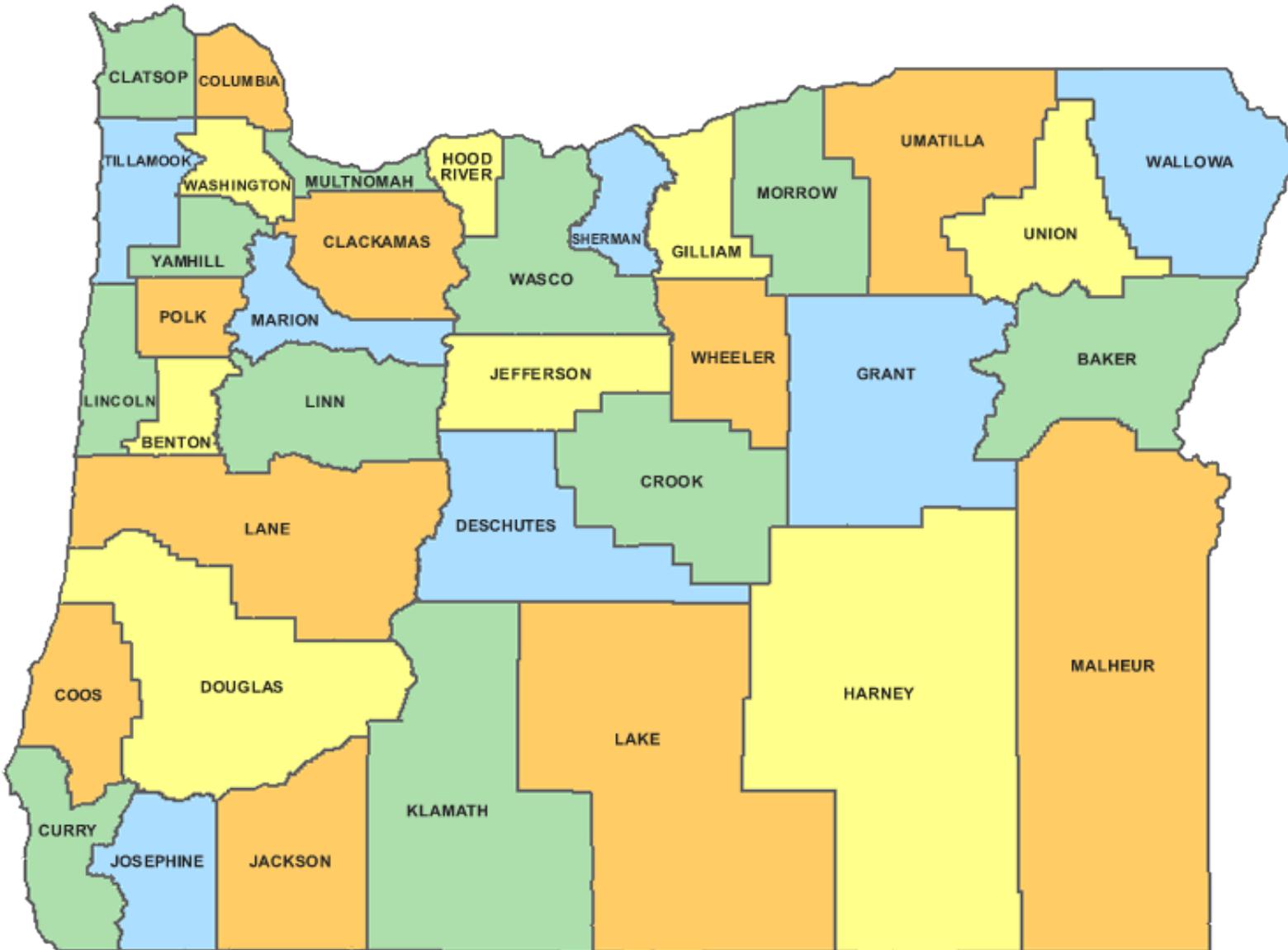


# How it works:





Jurisdiction ID – an identifier for each state or province in North America, with boundaries defined by GPS coordinates



Jurisdiction subrule Id – an identifier for a political subdivision, such as a county or city

Zone Rule ID – another layer for reporting travel data, applying different rates depending on day/time/location



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# What about privacy?

- Senate Bill 810 (2013)
  - Requires choices
    - How to report miles
    - To whom
    - At least one option must not have vehicle location technology
  - Travel pattern data is not accessible to law enforcement
    - Absent a judicial warrant
  - Once the account is settled, data is destroyed within 30 days

# Highway Cost Allocation Study



## Purpose

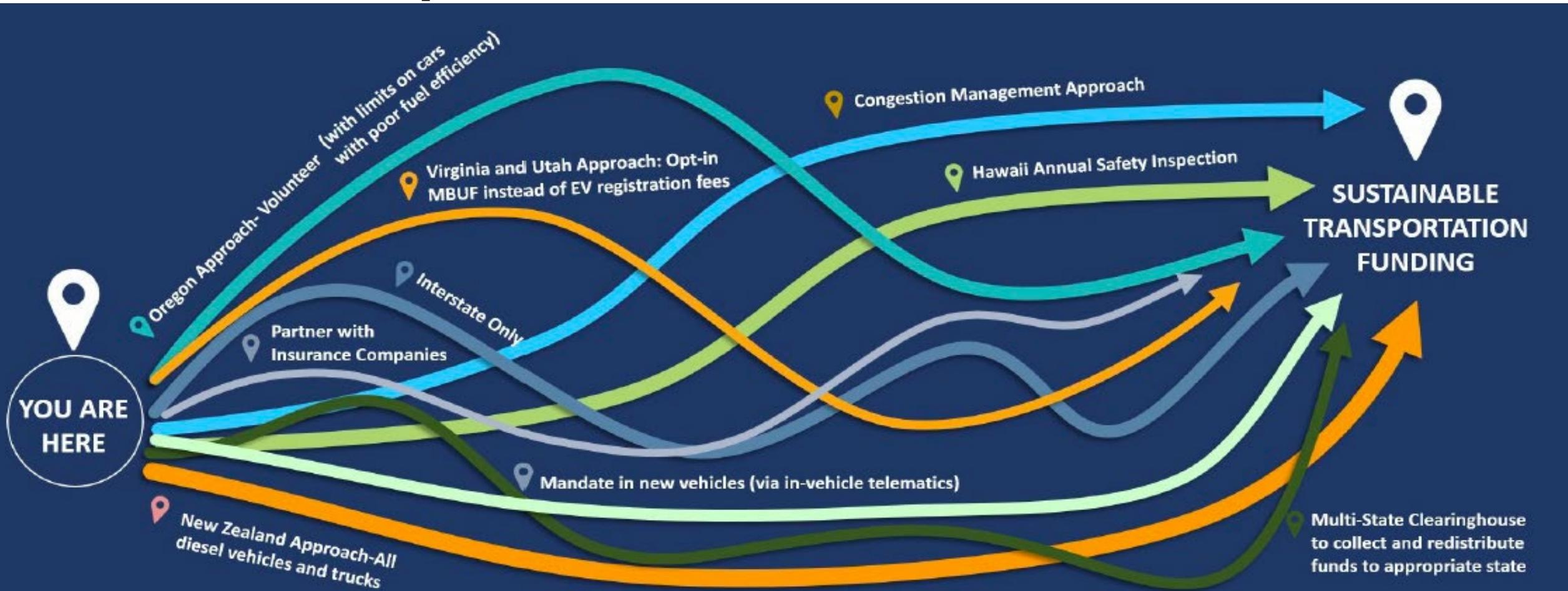
- Determine the share each class of road users should pay based on their respective share of costs
- Recommend adjustments to existing tax rates and fees

**See** Oregon Constitution, Article IX, Section 3a (3). Oregon voters ratified the principle of cost responsibility in the November 1999 special election.



# Getting Started with RUC Guide

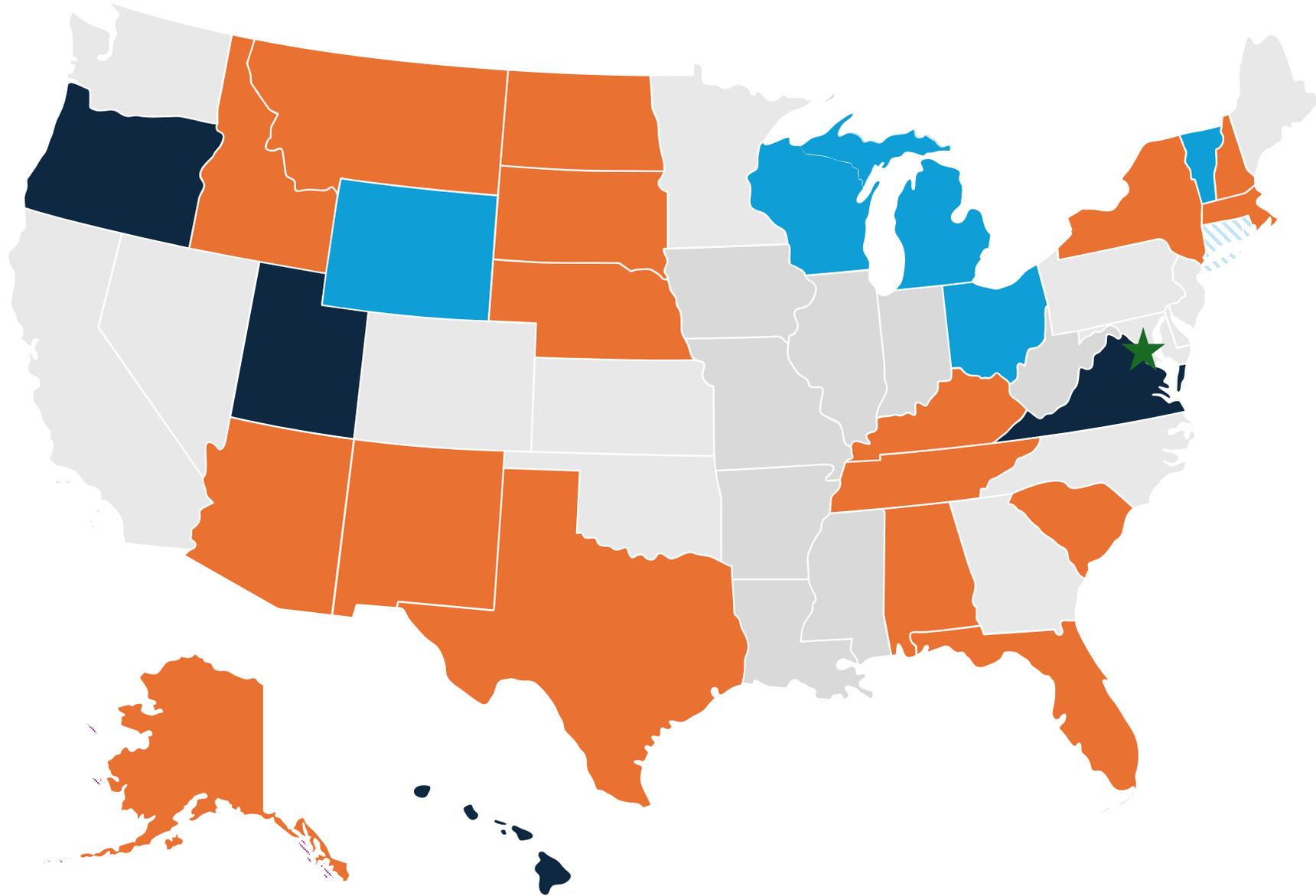
# There are many paths being taken to implement RUC/MBUF





# National Road Usage Charge Activities

2025



4

Enacted Operational Program

14

Pilot

5

Research

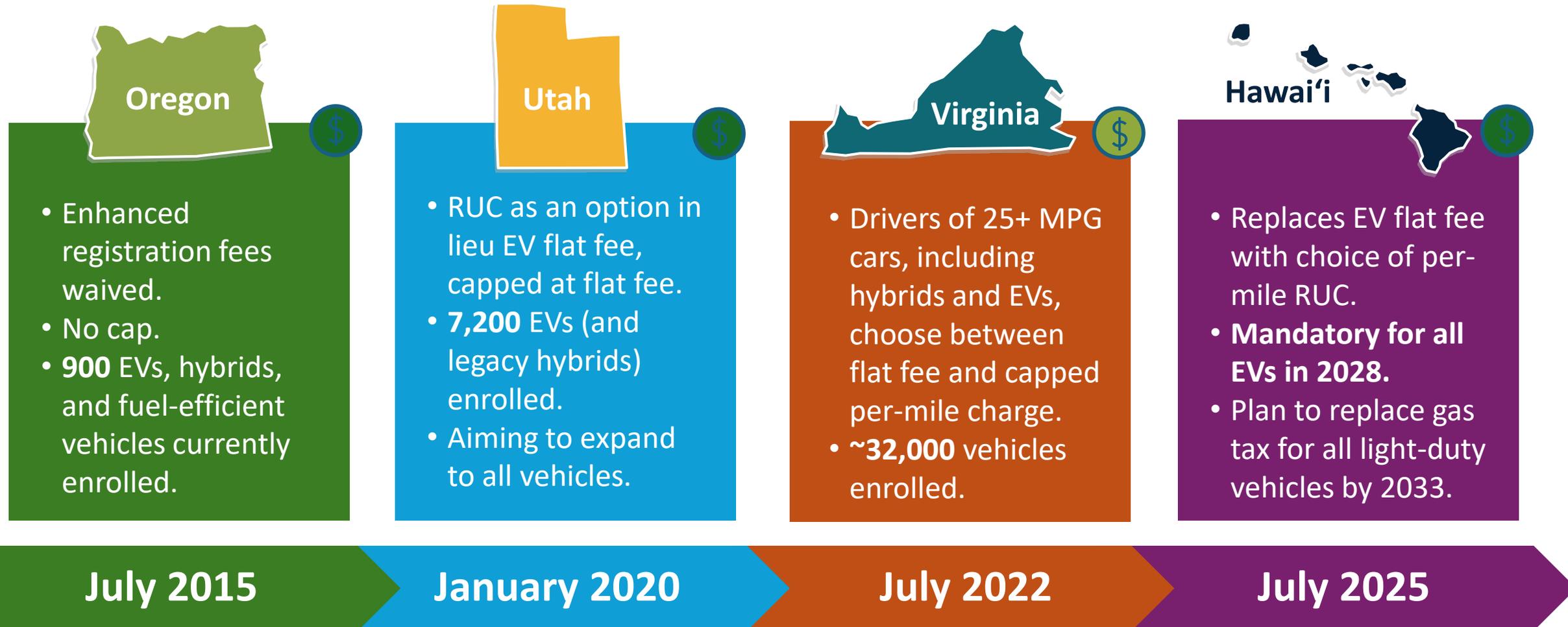
17

Research as part of a multi-state consortium



National RUC advisory committee and pilot

# Four States with Enacted RUC Programs



 Revenue dedicated to highway purposes (constitutionally in OR, UT)

 Statutorily dedicated to transportation purposes.

There is help to help you get started ...  
National Cooperative Highway  
Research Program Guide

Purpose of the Guide?

To evaluate and present viable paths and strategies for implementing RUC at the state, multi-state, and regional levels that generate revenues that could supplement and/or replace motor fuel taxes as the primary funding source for surface transportation.

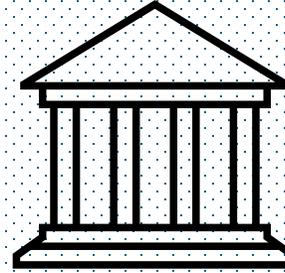
<https://crp.trb.org/nchrpwebresource2/>



# Resources for Every User



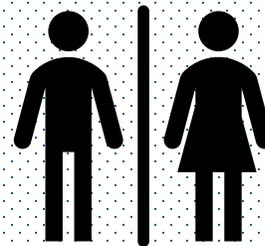
Lead RUC Agencies



Policymakers

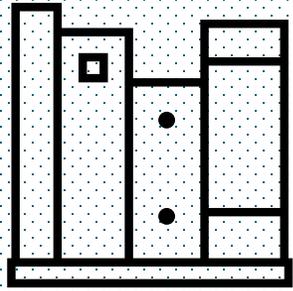


Communications  
Professionals

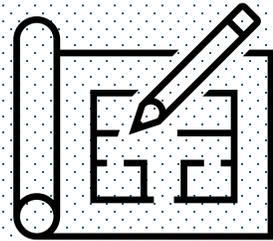


Transportation  
Professionals

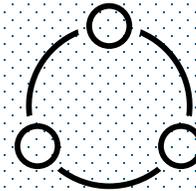
# Resources for Every Stage of Development



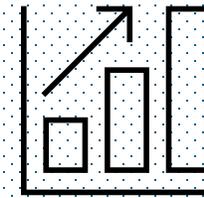
Research &  
Planning



Setup



Ongoing  
Operations



Transition &  
Growth



# ROAD USAGE CHARGE GUIDE

<https://crp.trb.org/nchrpwebresource2/>

# What can you do?

- Use the RUC Guide to raise awareness
- Share the RUC Guide at a lunch & learn
- Share it with friends, family, and colleagues
- **Other ideas?**



# Discussion & Wrap Up