

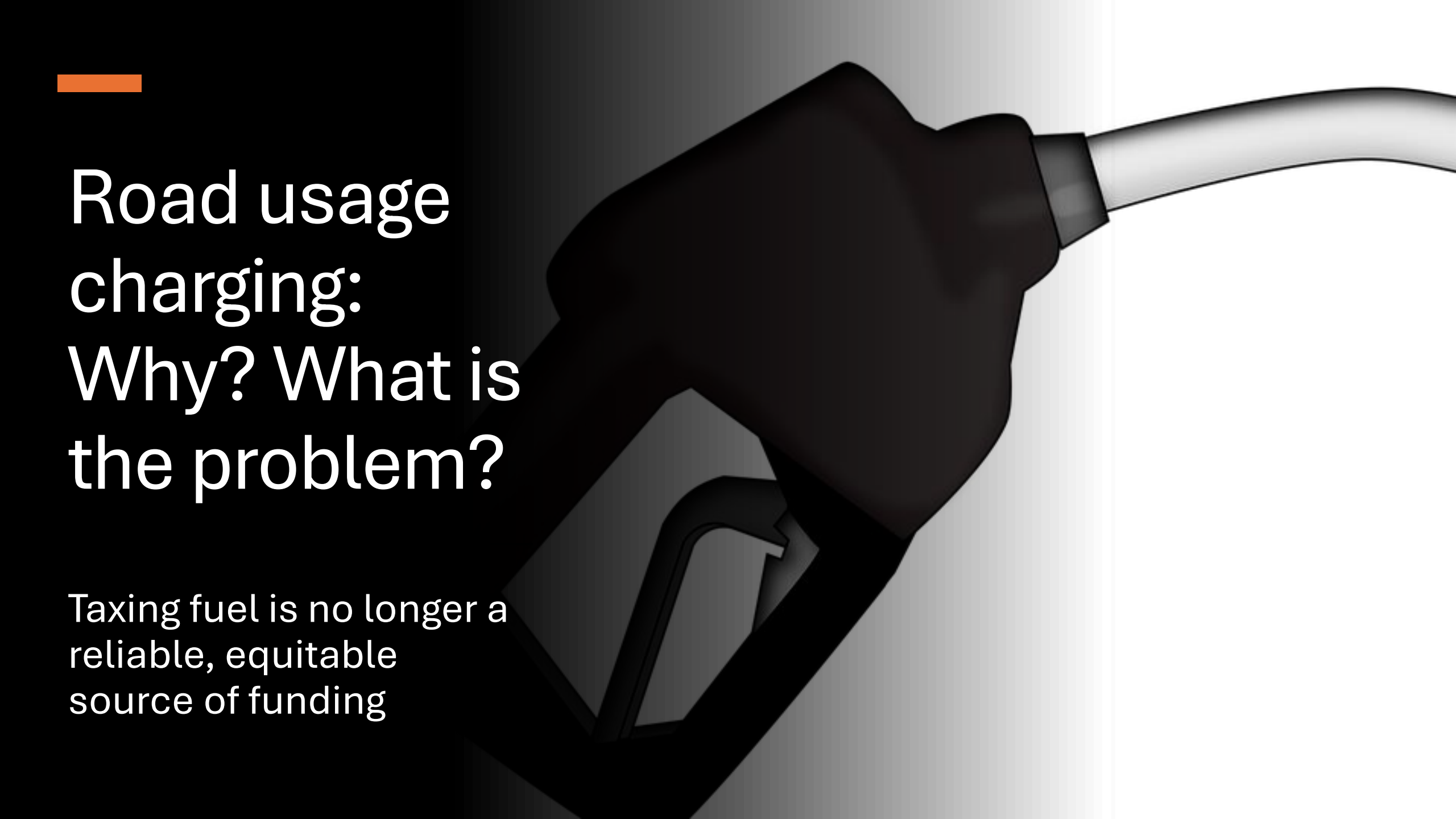
# RUC 101

The intersection of RUC and Tolling



# Topics


- Introductions
- Road Usage Charging Basics
- Getting Started with RUC Guide
- Discussion & Wrap Up



# Road usage charging: Why? What is the problem?

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





# Road Usage Charging Basics

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



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

## Increasing VMT / gallon

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

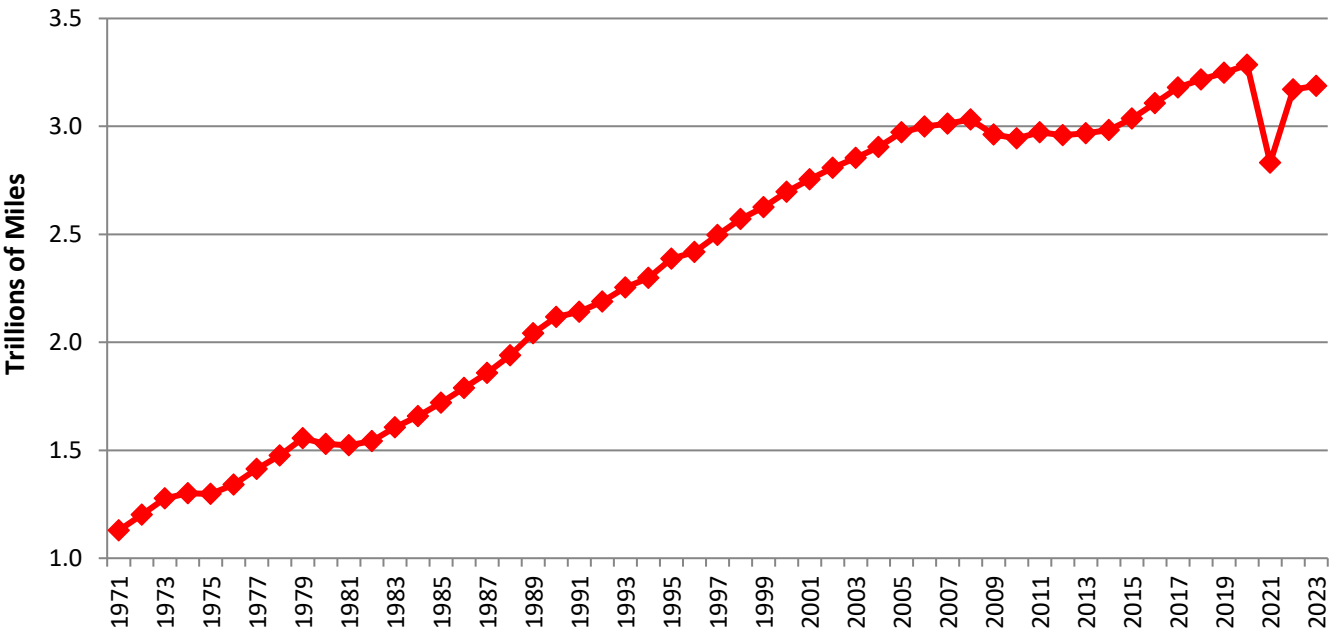
## Net Decline in Gas Tax Revenue

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

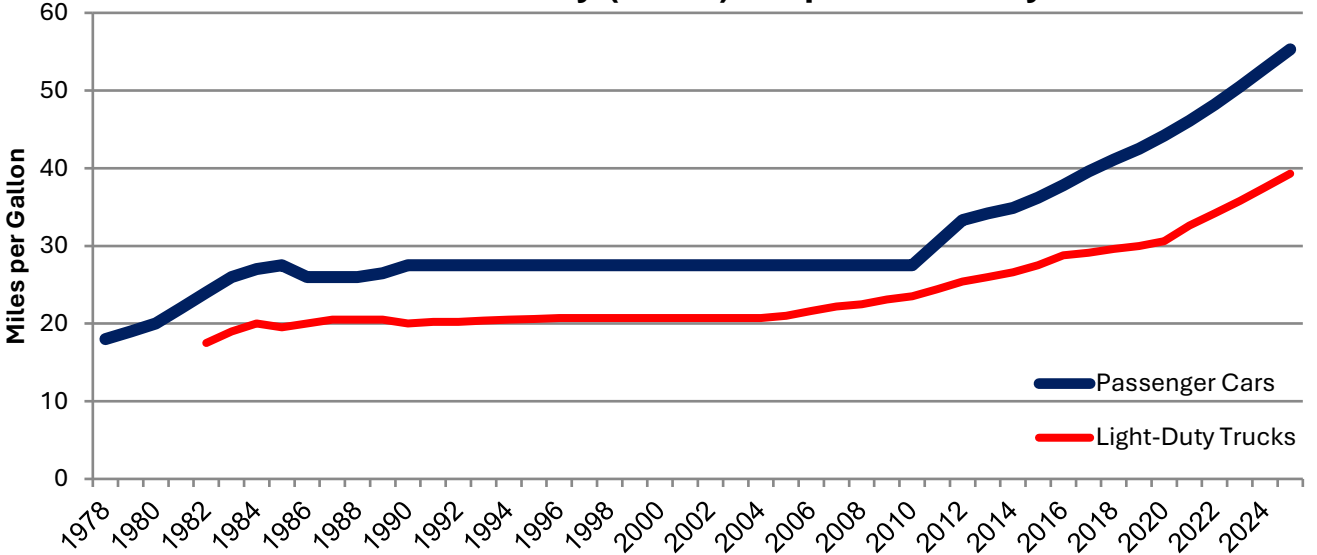
## RUC Can Create Sustainable Revenues

*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

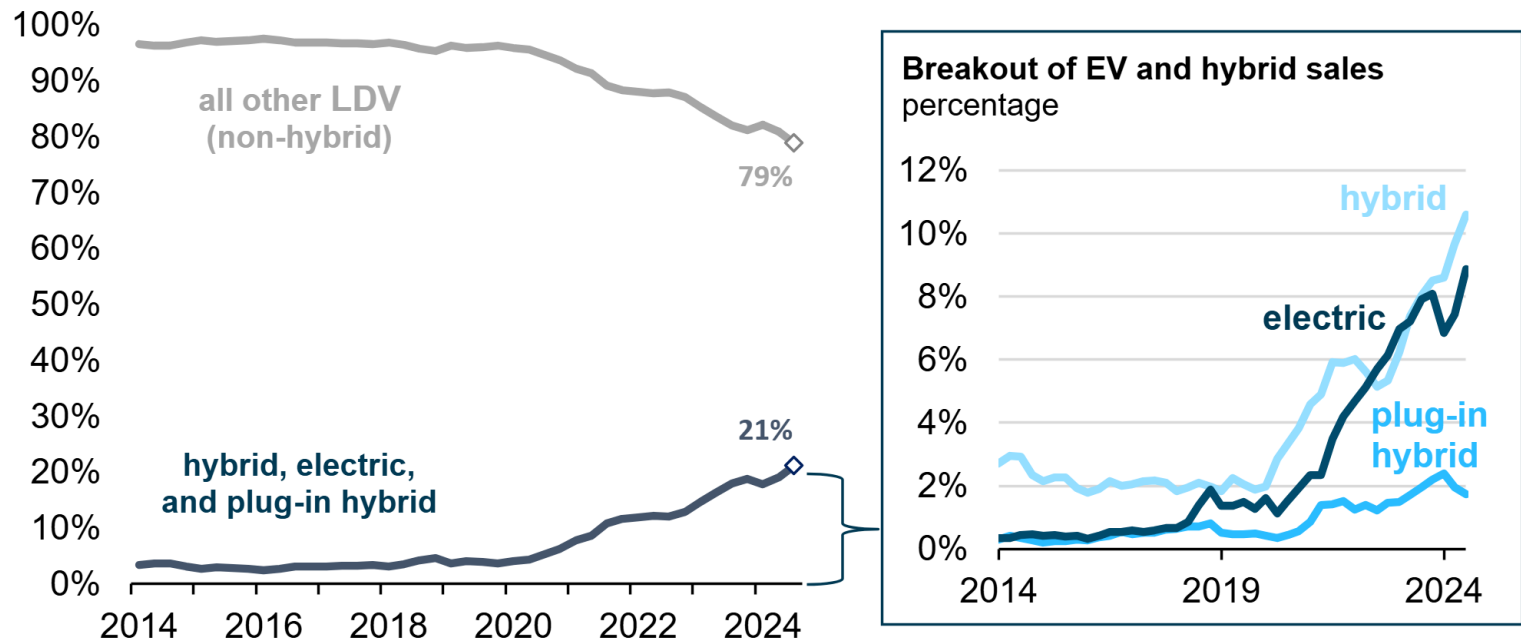
*Federal gas tax last raised in 1993*

*Most states 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.*

Quarterly U.S. light-duty vehicle (LDV) sales by powertrain (Jan 2014-Sept 2024)  
percentage of sales



Source: US Energy Information Administration, Annual Energy Outlook 2024

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

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**2009 TOYOTA CAMRY**



**25 MPG**

**2023 TOYOTA CAMRY HYBRID**



**52 MPG**

# 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



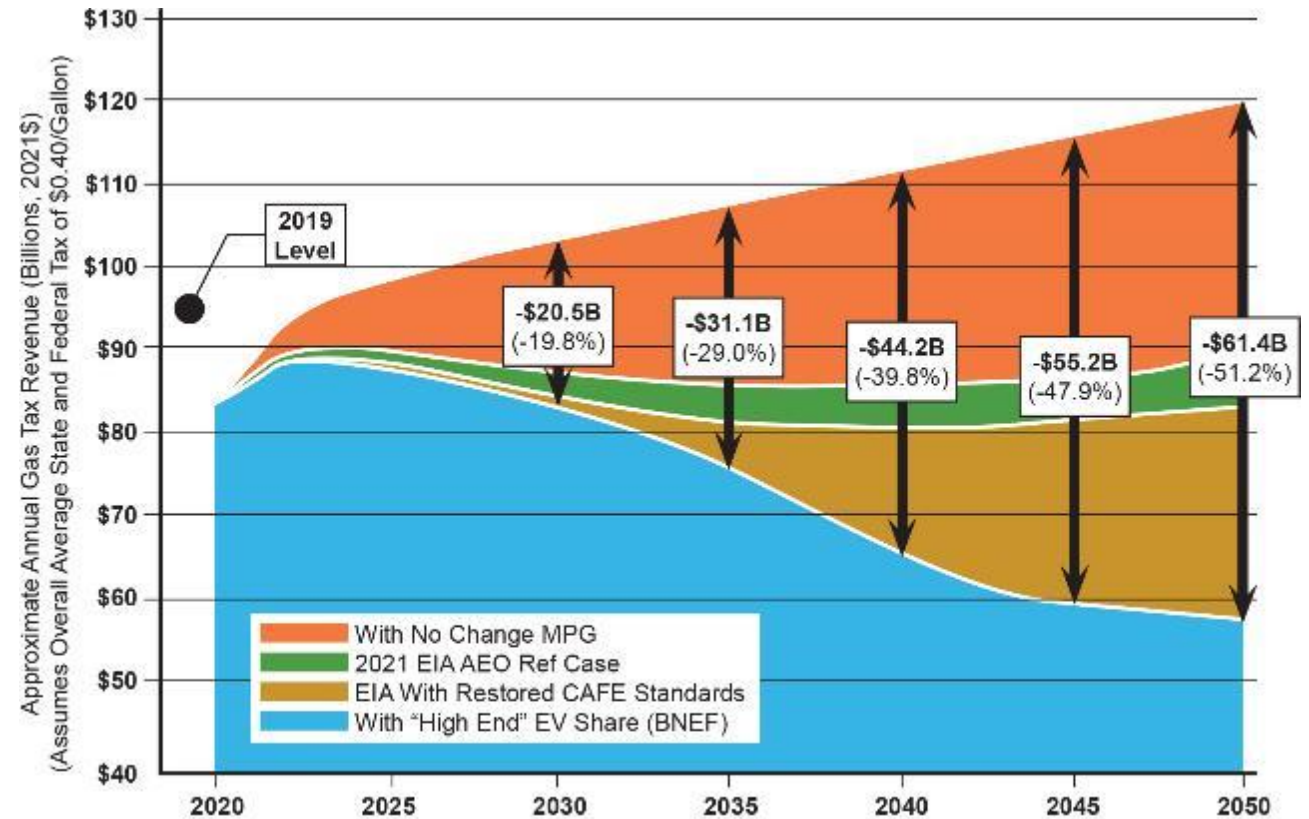
Raising fuel taxes and indexing to inflation will not be enough to maintain current conditions



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



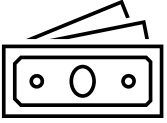


# Why RUC?

- 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



**What does road usage charging (RUC) mean for Oregonians?** Paying by the mile brings greater fairness to transportation funding. RUC preserves the user-pays, user-benefit funding approach and gives all drivers a way to contribute based on how much we use roads.



**No double taxation** – if you are paying fuel tax, it is treated as a prepayment of your road usage charge and credited back as you drive. In other words, you are receiving a fuel tax credit on the fuel you use to drive taxed miles.



**A reliable source of funding** – you are contributing your fair share for use of the roads and helping develop a reliable funding source that doesn't rely on consuming fossil fuels.



**Privacy** – you have choices about how to report miles; your travel pattern data is not accessible to law enforcement; once you pay for your miles, your data is destroyed within 30 days.



What is an example? Under a fuel tax model, with fuel tax at \$0.40/gallon, a hybrid that has a fuel efficiency rating of 50 mpg and drives 1,000 miles during a month, pays \$8 a month. A vehicle with a fuel efficiency rating of less than 20 driving the same number of miles will pay \$40, and an electric car pays no fuel tax.



Under a RUC model, any vehicle with a fuel efficiency rating above 30 mpg would pay \$20 a month for a trip of 1,000 miles.



In other words, while electric vehicles and hybrids would pay slightly more, everyone pays about the same for their usage of the roads and bridges that take them to all the great places Oregon offers.

Want more information? <https://www.oregon.gov/odot/orego/Pages/default.aspx>





# Getting Started with RUC Guide

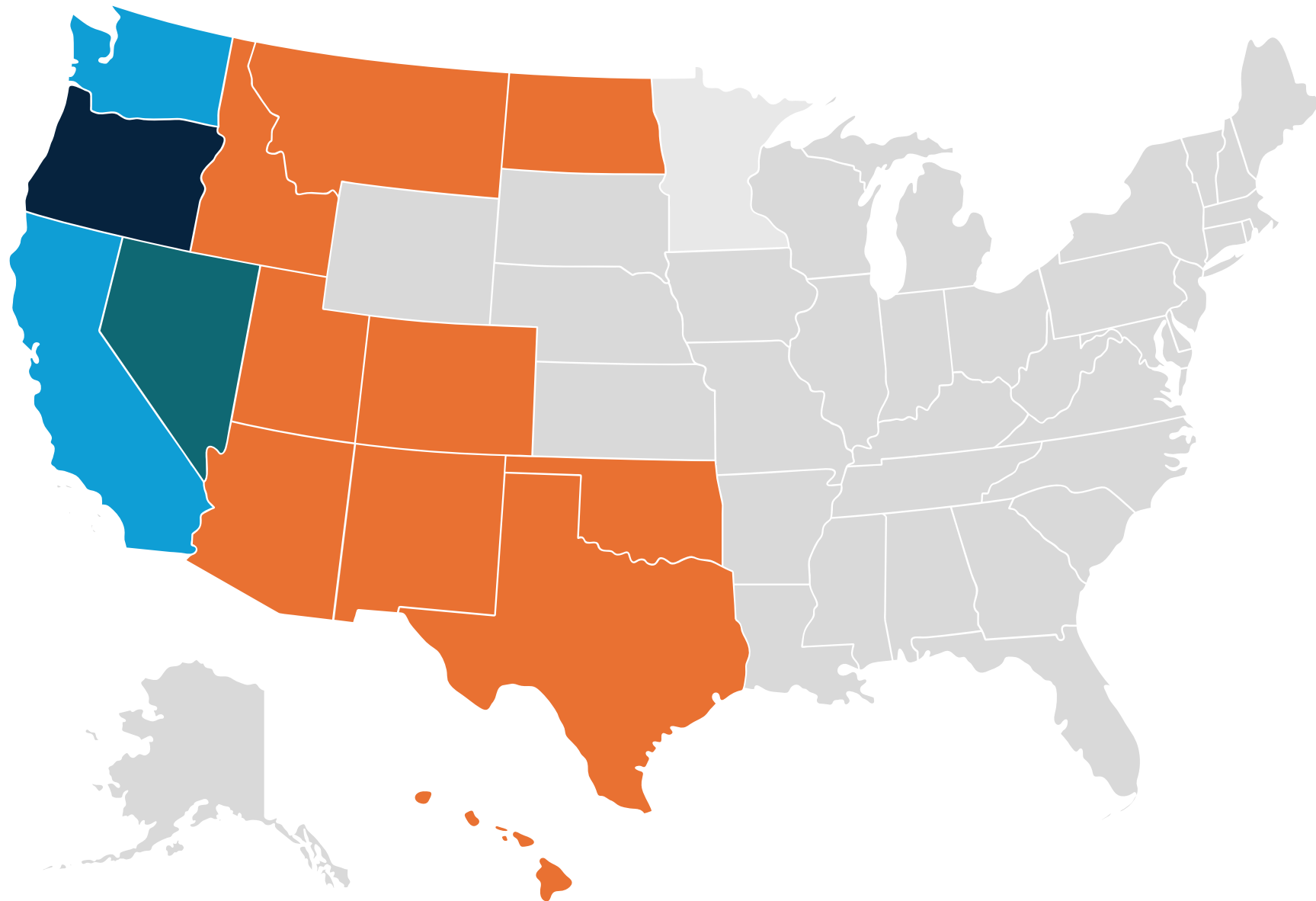


# There are many paths being taken to implement RUC/MBUF



# National Road Usage Charge Activities

2015



1

Enacted Operational Program

2

Pilot

2

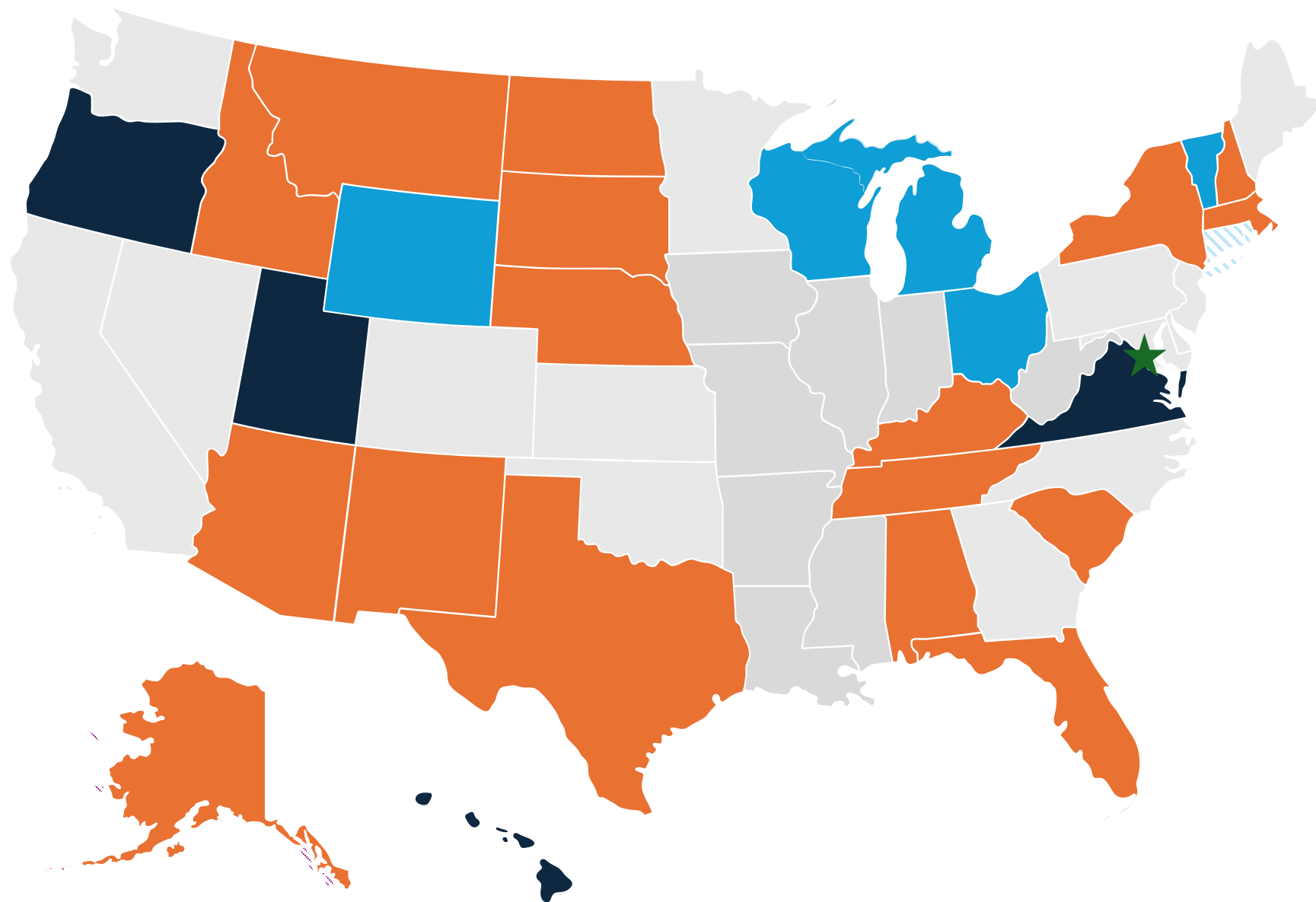
Research

9

Research as part of a multi-state consortium

# National Road Usage Charge Activities

2025



4

Enacted Operational Program

14

Pilot

5

Research

17

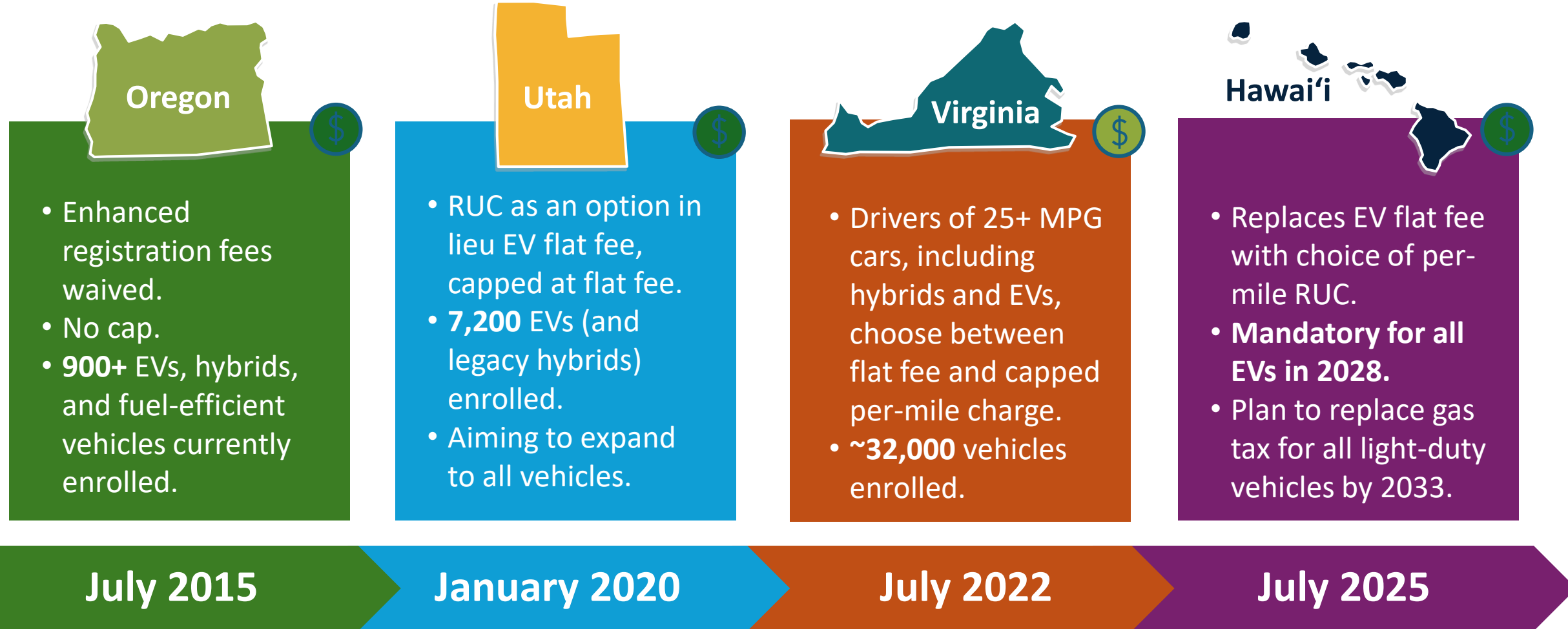
Research as part of a multi-state consortium





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.



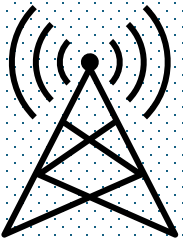
# Resources for Every User



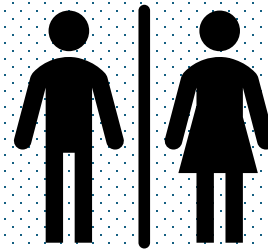
Lead RUC Agencies



Policymakers



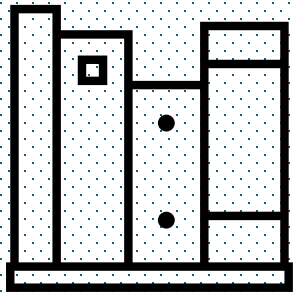
Communications  
Professionals



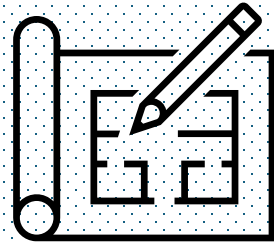
Transportation  
Professionals



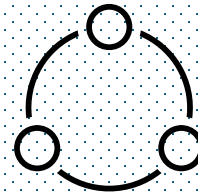
# Resources for Every Stage of Development



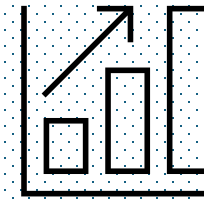
Research &  
Planning



Setup



Ongoing  
Operations



Transition &  
Growth



# ROAD USAGE CHARGE GUIDE

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

# Discussion & Wrap Up