

RUC 101

The intersection of RUC and Tolling

An aerial photograph of a multi-lane highway curving through rolling green hills. The sky is bright blue with scattered white clouds. A white truck and a smaller car are visible on the road. The hills are covered in lush green grass, and the overall scene is bright and clear.

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.

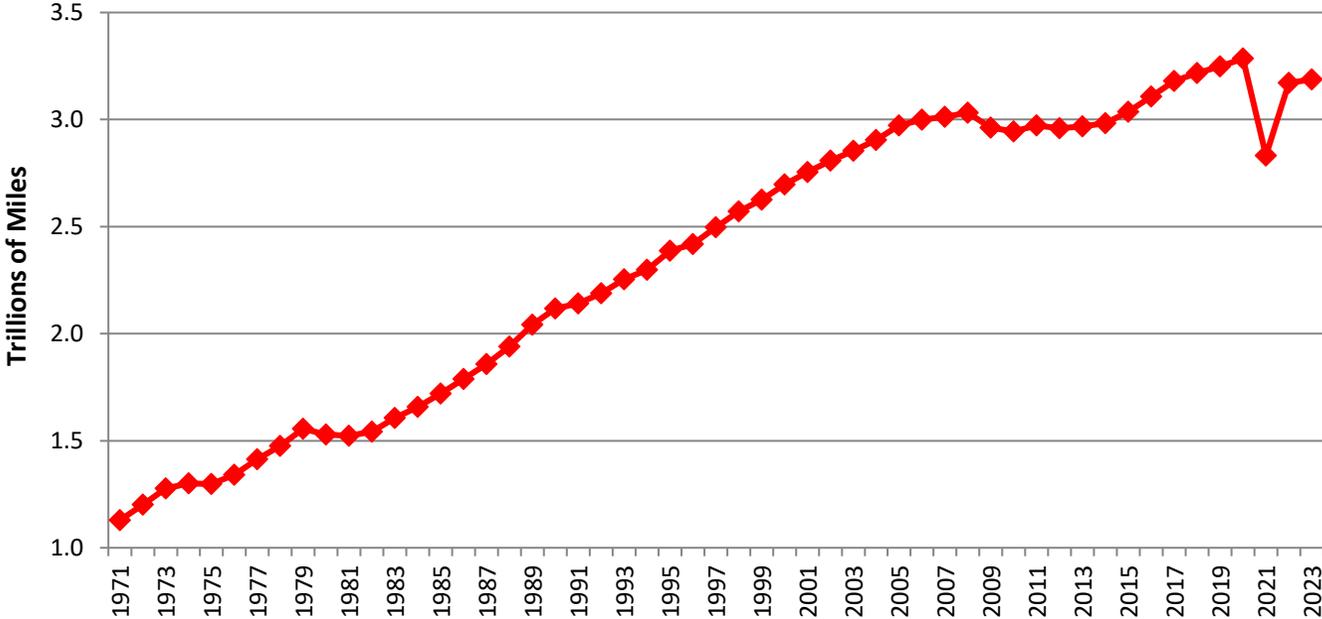
Net Decline in Gas Tax Revenue

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

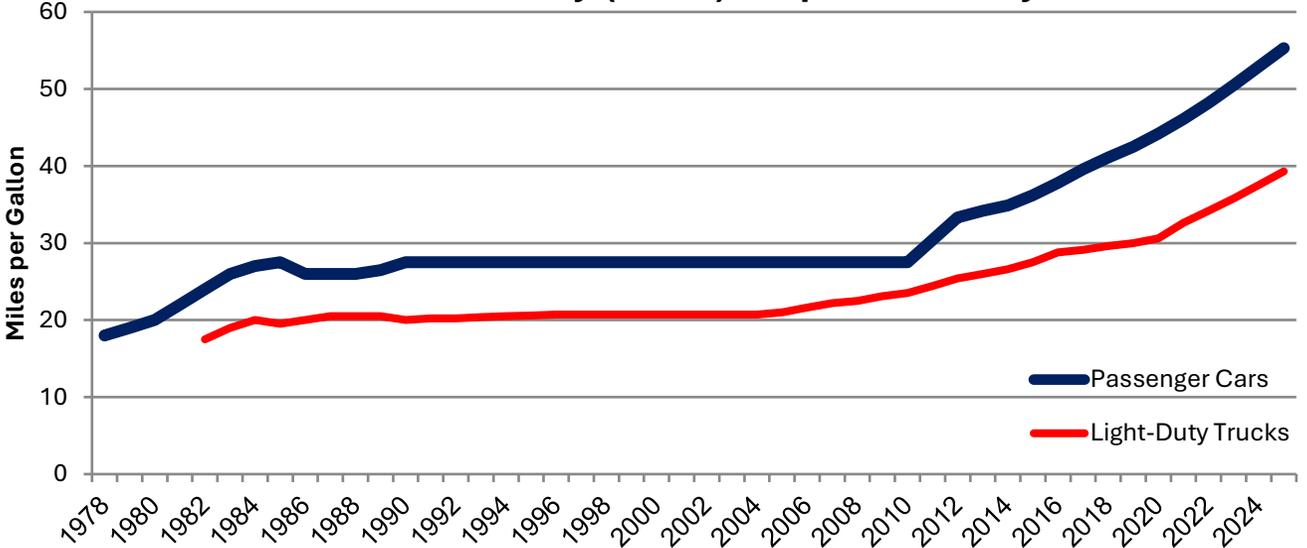
RUC Can Create Sustainable Revenues

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

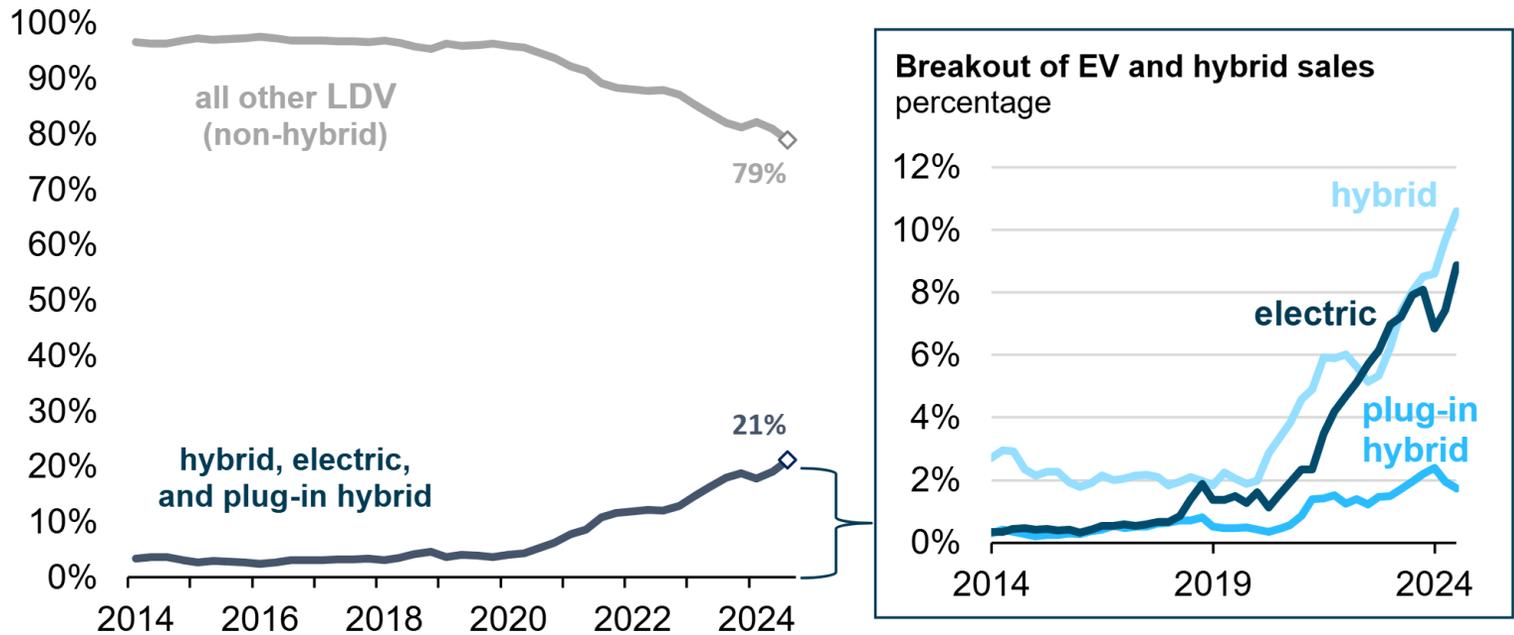
Federal gas tax last raised in 1993

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

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



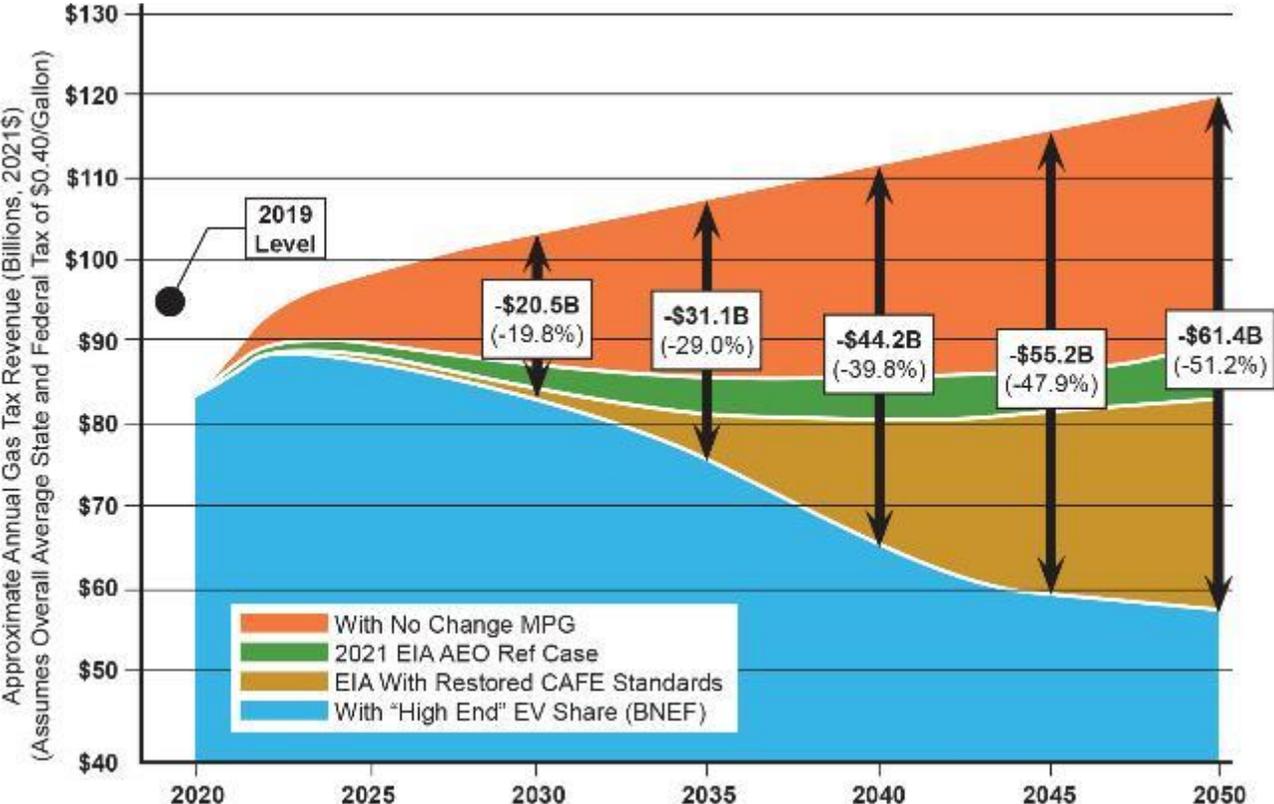
Raising fuel taxes and indexing to inflation will not be enough to maintain current conditions



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



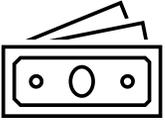
Source: US Energy Information Agency

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



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>

A silhouette of a heron standing on a log in the ocean surf. The heron is positioned on the left side of the frame, facing right. The background consists of the ocean with gentle waves breaking. The lighting is soft, creating a high-contrast silhouette of the bird against the lighter water. The text 'Getting Started with RUC Guide' is overlaid on the right side of the image.

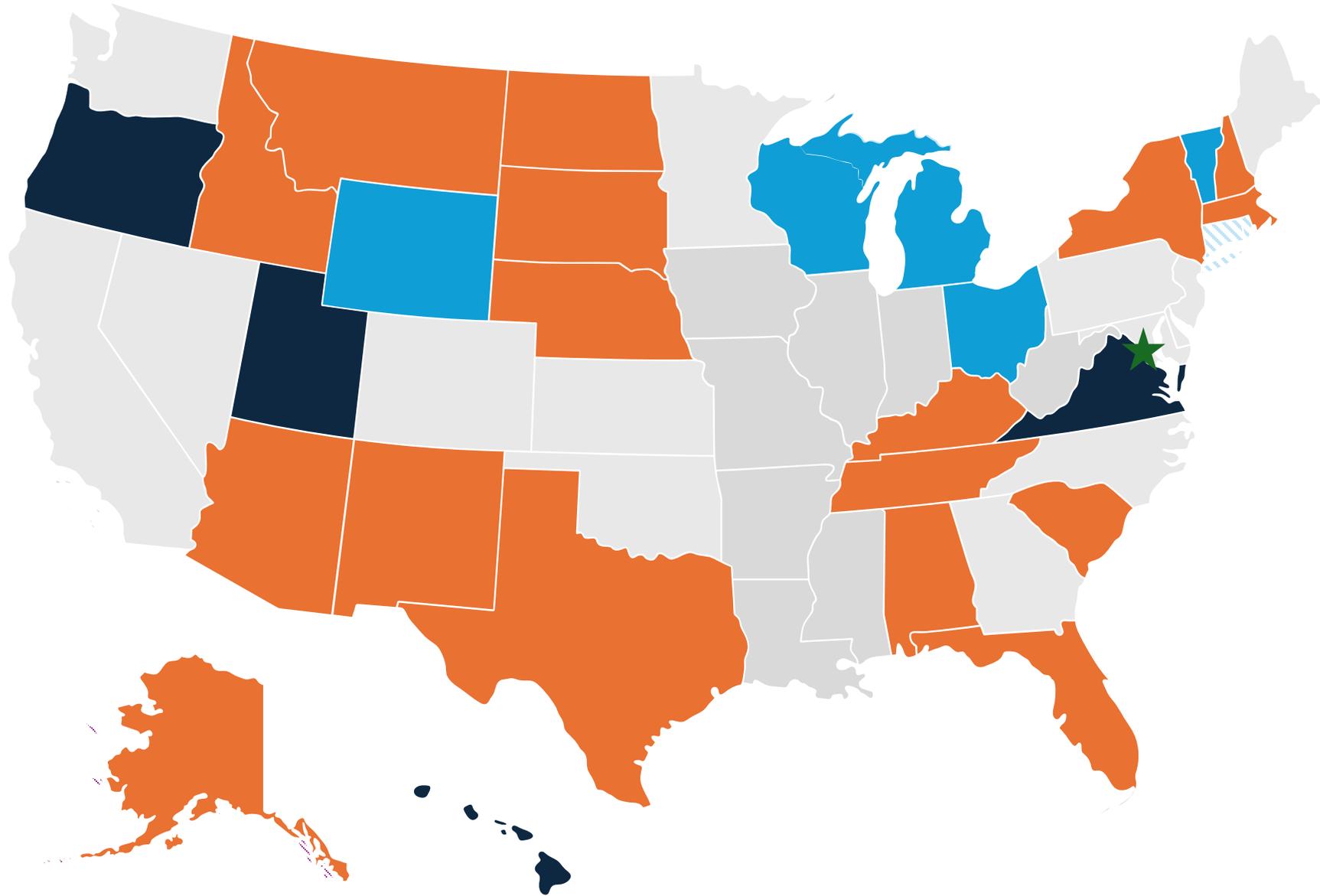
Getting Started with RUC Guide

There are many paths being taken to implement RUC/MBUF



National Road Usage Charge Activities

2025



4

Enacted Operational Program

14

Pilot

5

Research

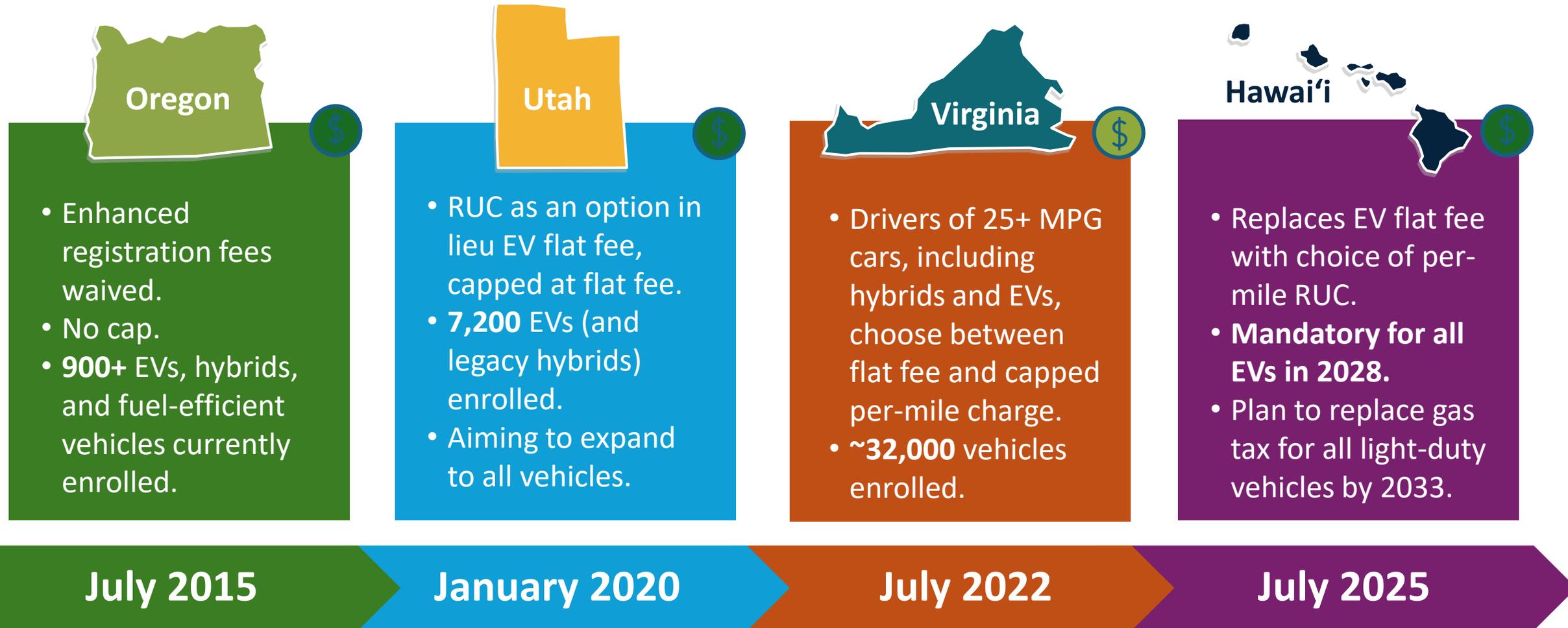
17

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?

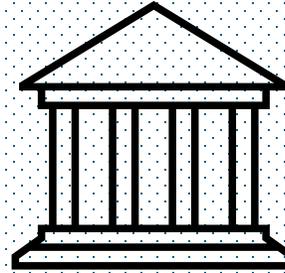
To evaluate and present viable paths and strategies for implementing RUC at the state, multi-state, and regional levels that generate revenues that could supplement and/or replace motor fuel taxes as the primary funding source for surface transportation.



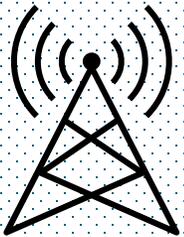
Resources for Every User



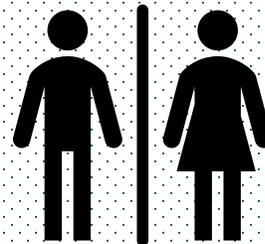
Lead RUC Agencies



Policymakers

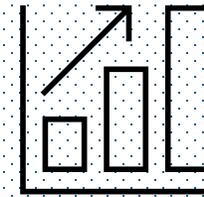
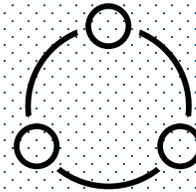
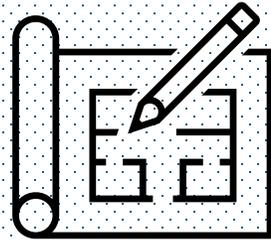
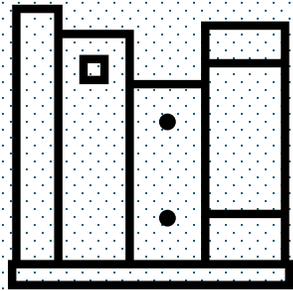


Communications
Professionals



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