



Road User Fee Task Force and Pilot Project

The 2001 Oregon Legislature, recognizing that the fuel tax — unadjusted since 1993 — is a declining revenue source, established the Road User Fee Task Force to review options for generating new funds for the state's road system.

In 2005, the Task Force's findings led to designing a pilot project aimed at testing the group's recommendation that a "mileage fee" might be the best revenue source to replace the fuel tax. The resulting Road User Fee Pilot Project is in full swing in the Portland area during 2006 – 2007.

Background

- For nearly 100 years, fuel taxes on gasoline have been the principal way of financing Oregon's roads.
- Inflation erodes the buying power of fuel tax revenues.
- The introduction of more fuel-efficient vehicles, which pay less tax for using the roads because of their energy efficiency, is further reducing fuel tax revenues.
- Revenues are expected to level off during the next 10 years and then drop permanently.
- The Road User Fee Task Force, made up of citizens, elected officials and transportation experts, came up with several possible revenue sources: mileage fee, congestion pricing, and new facility tolling.

Road User Fee (or Mileage Fee) Pilot Project

- In this scenario, a vehicle owner/operator is charged a fee based on distance traveled. There are more than 250 volunteers participating in a one-year pilot in the Portland area, beginning in late spring 2006.
- An electronic mileage-counting device is placed in the volunteer's vehicle. The device counts how many miles are traveled inside and outside of Oregon as well as inside and outside of "peak zones," or highly congested geographic locations and times (such as Interstate 405, 4 p.m. – 6 p.m.).
- Payment is made at gas stations, where the device in the car sends a secure radio transmission to a device on the gas pump. When the purchase is totaled, the mileage fee is added, and the Oregon fuel tax is deducted. In the future, payments could also be made at Driver and Motor Vehicle offices or other specified locations and/or through electronic billing.
- The peak zone, or congestion zone, information is being collected on the pilot because the federal government, in paying for most of the pilot project, requested it. Other states, as well as the federal government, are interested in Oregon's pilot project results because nearly everyone is facing dwindling revenues for roads.
- When the pilot is complete, ODOT will present the findings to the Oregon Legislature.
- Any implementation of such a revenue-generating program is years away, and the specifics of a mileage fee, such as the rate and whether certain energy efficient vehicles would pay less per mile, would be set by lawmakers and voters.



Road User Fee Task Force and Pilot Project (continued)

Other possibilities

- Congestion pricing
 - Drivers who use certain roadways during periods of high congestion would pay a special rate. This charge would apply only to urban areas with the most congested roads.
 - Congestion pricing could be implemented as a rate adjustment to the mileage fee or as a stand-alone fee.
 - Implementation of congestion pricing depends on the technology and type of pricing chosen.
- New facility tolling
 - Although they are common in other states and nations, Oregon currently has no toll roads and only two toll bridges.
 - The Task Force concluded new facilities should be paid for, at least in part, through tolling.
 - Tolls would be set for new roads, bridges or extended lanes, to help pay for construction, maintenance and operation.

To keep up-to-date on the Road User Fee Pilot Project, visit www.oregon.gov/ODOT/HWY/OIPP.



Jill Pearson explains the pilot project during a television interview. The Road User Fee Pilot Project was the subject of several newscasts as the testing got under way. The study has drawn interest from around the globe.