

May 5, 2004

To: Metropolitan Policy Committee
From: Tom Schwetz
Subject: Item 4c: Road User Fee Task Force Pilot Project

Action Requested: None. Information only. Presentation from Jim Whitty of ODOT and Mark Ford of HDR

Issue Summary

The Oregon Legislature created the Road User Fee Task Force (RUFTF) through HB 3946, passed by the 2001 Oregon Legislature. It's mission has been to design a new revenue system to ultimately replace the fuel tax on gasoline. Specifically, it's charge was to develop a revenue collection design funded through user pay methods, acceptable and visible to the public, that ensures a flow of revenue sufficient to annually maintain, preserve and improve Oregon's state, county and city highway and road system.

With highly fuel-efficient vehicle propulsion systems entering the marketplace, such as hybrid electric engines, the legislature became concerned that gas tax revenues will flatten and drop by the end of the decade. The Governor, House Speaker and Senate President made appointments to the RUFTF in November 2001. From the local area, Mayor Jim Torrey, Senator Susan Castillo and Oregon Transportation Commissioner Randy Papé serve on the RUFTF.

The Road User Fee Task Force examined more than 25 options for a new revenue system and decided the gas tax ought to be replaced with a true user fee. The Road User Fee Task Force believes the best user fee is based on the amount of mileage driven. The way a mileage fee would work is every passenger vehicle in Oregon would be equipped with an electronic means to calculate miles driven over specific time periods. A device would transmit the number of miles driven since the last reading to a reader at a central location or a service station.

As required by law, ODOT is undertaking a pilot test of the task force recommendations. The objective of the pilot project is to develop, integrate, test and document specific technology configurations that incorporate multiple concepts for on-vehicle devices, fee calculation and collection. The purpose is to demonstrate the feasibility of an electronic revenue collection system to gain further understanding of the actual Pros and Cons of various concepts.

ODOT is carrying out the Mileage Fee Pilot using a variety of funding sources, including a Federal Highway Administration Planning and Research Funds. The project team includes ODOT Staff, Oregon State University Engineering Department for technology development and HDR Engineering for project design and management. The Pilot is in the final stages of technology development and the project team has begun designing a detailed implementation plan.

Several hundred volunteers would be recruited to test the technologies associated with mileage fees over a multiyear period. Because of its size and relative isolation from other urban areas, the Eugene-Springfield area is considered the primary candidate for this pilot project. Jim Whitty, ODOT's Public-Private Partnerships Manager and Mark Ford with HDR Engineering will provide an overview of the pilot project at MPC's May meeting.

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