

# 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.

## Pilot project

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 operated in the Portland area during 2006 – 2007, with more than 250 volunteers.

- An electronic mileage counter was placed in the volunteer's vehicle. The device counted how many miles were 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 was made at one of two participating gas stations, to which the device in the car sent a secure radio transmission. When the purchase was totaled, the mileage fee was added and the Oregon fuel tax was 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 was 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 and other countries, are interested in Oregon's pilot project results because nearly everyone faces insufficient revenues for roads.
- The pilot results, released in Nov. 2007, show the Oregon Mileage Fee Concept is feasible as an alternative revenue collection system for replacing the gas tax as the fundamental way the state pays for road work.

- The report indicates that more work needs to be done to refine the prototype technology used in the pilot program so that it is commercially viable for statewide implementation.
- 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.

## 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 learn more about the Road User Fee Pilot Project, visit [www.oregon.gov/ODOT/HWY/OIPP](http://www.oregon.gov/ODOT/HWY/OIPP).

The pilot project showed the mileage fee concept is a feasible alternative to Oregon's gas tax.