

DAILY COMMERCIAL NEWS

AND CONSTRUCTION RECORD

June 28, 2010

Gas-tax revenue worries led Oregon to pilot mileage fee program

VINCE VERSACE

staff writer

How to pay for Oregon's road infrastructure if gas-tax revenues erode drove the state to pilot a mileage fee program, Ontario transportation stakeholders recently heard.

Bruce Starr, an Oregon senator and former construction company owner, recently spoke at **Transport Futures** in Toronto, to explain the state's highly regarded Mileage Fee Concept and Road User Pilot Program.

The pilot project was initiated in 2002 a year after members of the Oregon House Transportation Committee were shown a collection of alternative fuel vehicles, explained Starr.

The legislators also got to examine early versions of hybrid electric vehicles and cars fueled by natural gas, bio-fuels and an assortment of other alternative fuels.

"That was the generator in my mind that we had a problem," said Starr. "What will happen when these cars are on our highways and road systems and they do not use gasoline?"

If Oregonians started using these vehicles, in large numbers, the state's heavy dependence on gasoline tax revenues would suffer. Gas tax revenues are vital to help maintain and modernize Oregon's transportation infrastructure.

The Road User Fee Task Force was struck and it aimed to explore the burden each particular user places on the road system and how they should pay for that use. Eventual pilot project criteria concluded that the amount paid by a road user would be a user levy such as a vehicle miles travelled fee.

Starr noted that the idea is not to create a huge government bureaucracy to oversee an eventual mileage fee system.

"As policy makers moving forward what we need to figure out is how we combine the expertise and innovation of private sector, with specific guidelines to protect the public without a massive bureaucracy," he explained.

Oregon has a population of 3.8 million people and it has three million licensed drivers and 3.4 million registered passenger vehicles. There are 8,000 miles of state highway and over 26,000 miles of county roads.

A pay-at-the pump model was developed for the program. When a pilot GPS-enabled vehicle refueled at participating program gas stations, the number of miles driven since the last refuel was recorded. This data was collected with a high priority on efficiency, transparency, privacy accuracy in mind, to help ease public concerns, added Starr.

At the program's conclusion it was evident that a mileage fee implemented statewide, after initial start -up

costs, would eventually start generating higher revenues than an eroding gas tax.

“For this reason, the mileage fee acts as a stop loss on the erosion of road revenues for reasons of vehicle fleet fuel efficiency improvements,” said Starr.