

Financial Impacts of Road Usage Charge Drivers in Rural and Urban Households



Client

Western Road Usage Charge Consortium
(RUC West)

Facts

Period 2017

Project Country United States

For the Western Road Usage Charge Consortium (RUC West), EBP (formerly EDR Group) developed the data, research, and analysis necessary to assess the financial impacts of moving from a fuel-based tax to a mileage-based fee system. The project included identifying fuel consumption and vehicle types in use by urban and rural households, and determining the mileage driven for all households in each setting. Using estimates of vehicle miles driven by geographic area, vehicle type information from motor vehicle registrations, and gas tax revenue information for each of the participating states, EBP determined the “revenue-neutral” equivalent mileage-based road usage fee rates that would be required to replace current gas tax revenues in each state.

One of the key concerns was whether there would be disproportionate impacts on rural drivers due to the greater travel distances. This has been of significant concern for policy-makers in western states as they assess equity in the context of converting to a road usage charge (vehicle mileage fee-based) system. EBP’s analysis showed that due to the combination of travel characteristics, mileage driven and current vehicle fuel consumption characteristics, rural drivers would actually pay less in terms of total dollars spent each year under a mileage-based fee system than with the current fuel-based tax system. The project also included development of a Excel tool allowing other states to perform a similar analysis, and presentations to meetings of the RUC West Board of Directors.

The original study round covered seven states including Arizona, California, Idaho, Montana, Oregon, Utah and Washington. EBP later extended the analysis to include Colorado, Hawaii, and Texas for a total of 10 states. In September, 2017 EDR Group’s Stephen Fitzroy presented the findings at the Road User Charge Forum in Salem, OR.

In follow up to the financial impacts study, EBP performed a second study for RUC West. For the [Parameters of a Road Usage Charge](#) study, EBP investigated additional dimensions of the RUC rate structure.



Financial Impacts of Road User Charges on Urban and Rural Households



Prepared for:
Western Road User Charge Consortium (RUC West)



In cooperation with
Oregon Department of Transportation
355 Capitol Street NE, MS 11, Salem, OR 97301-3871



Prepared by:
Economic Development Research Group, Inc.

Contact Persons