

Oklahoma Road User Charge (RUC) Task Force
Meeting Minutes
Wednesday, June 15th, 2022

Introduction/Opening

The Oklahoma Road User Charge (RUC) Task Force was called to order at approximately 10:00am on Wednesday, June 15th, 2022 by Chairman Tim Gatz. A roll call was done and a quorum was indicated.

Task Force Members Present virtually on Zoom

Caden Cleveland, Scott Minton, Jim Newport, Jessica Grogis, Lyle Walters, John Sharp (proxy for Mark Sweeney), and Mark Willingham (proxy for Todd Hiatt)

Joining virtually on Zoom

Sec. Tim Gatz (Chair), Sen. Michael Bergstrom, Dawn Sullivan, Russell Hulin, David Machamer, Terri Angier, Mike Patterson, Kary Witt, and Joel Skelley

Welcome and Announcements

Secretary Gatz welcomed everyone and announced that the special legislative session created conflicts for two of our legislators on the task force and the recording of the meeting will be shared with those members not in attendance.

Approval of the Minutes from March 28th, 2022 Meeting

Sec. Gatz requested for a motion to approve the minutes. Mr. Walters moved for approval and Mr. Willingham motioned for a second - motion carried.

Pilot Program Update

Mr. Hulin stated that the contract was finalized between ODOT and HNTB, the consultant managing the pilot. He emphasized that the pilot will be specific to Oklahoma and the goal is to bring good information and a final recommendation as to what is best for our state, and not what is best for other states. Oklahoma has many unique aspects and those will be addressed and to the benefit of our citizens. Mr. Hulin then introduced our first speaker/presenter.

Presentation

Mr. Kary Witt, RUC Pilot manager from HNTB presented on the Oklahoma Road User Charge Program and HB1712. He indicated that by end of 2023, a set of recommendations will be provided to our legislators for a path forward and a charge to seek available federal funds for studies and demonstration of projects or pilots. HNTB assisted with the submittal of the STSFA grant and are now waiting on approval from the U.S. Secretary of Transportation. Mr. Witt mentioned that federal funding should pay for about half of the pilot work for the next two years. The remainder of the presentation was about the project objectives, components, and schedule. HNTB will provide a monthly progress report to the department. For the next meeting there is a plan to do a deeper dive. Mr. Witt concluded his presentation and Mr. Hulin asked the task force members for any questions.

Questions & Open Discussion

Mr. Newport asked Mr. Witt how the program is different from other states other than using the Oklahoma Turnpike Authority (OTA) as a 3rd party collector, how the state is the “crossroads of America”, and the tribal aspect. Mr. Witt responded that 30-40% of the project is going to be leveraging the studies being done in other states but ones specific to Oklahoma identified are California, Oregon and Washington. A diverse test group is being put together including urban vs. rural and high income vs. low income. Studies will be done on whether a tolling back-office or private company can efficiently process collections while comparing the costs to collect. Also included will be the acceptability of the participants. The federal government funds these state pilots because the more states doing a pilot, the wider body of knowledge.

Mr. Newport mentioned that in the document/study he obtained and sent to the task force members on February 23rd, the vehicle mileage tax is 300 times greater than federal fuel tax collection. He stated that assurances should be made that dollars generated from taxation are actually going to infrastructure and not the cost of data collection.

Mr. Gatz stated that Mr. Newport’s input is valued and appreciated. He reiterated that we are looking for a recommendation for the legislature as we gather information in the pilot, while asking what the future looks like and making an effort to look at all of the different methodologies. He noted for example that Oklahoma was the first state to implement a kilowatt hour tax at a charging point.

Mr. Lyle Waters asked about the document mentioned that was shared in February as he wasn’t sure he had received it. It was decided that it would be resent to the group.

Mr. Newport stated the article was worth repeating, that the premise we have the capability and technology for fuel equivalency in place whether at the electric meter or at a gas pump, CNG, or even hydrogen in the future that we tax the “fuel” at the source in an equivalent manner.

Sec. Gatz stated that how we fund transportation now and in the future is extending beyond our motor fuel tax which is far from needed funding levels and traditional funding.

Mr. Newport emphasized his passion on infrastructure and restated his opposition to copious amounts of money going to 3rd party data collectors instead of infrastructure.

Mr. Minton added that they too are staunch advocates for funds going strictly to roads and bridges and not for collection of additional researches.

Mr. Willingham offered that OCC has a program called the International Fuel Tax Agreement (IFTA) and they have access to out of state commercial carrier vehicle information for miles driven in Oklahoma and the Corporation Commission would be happy to work with HNTB on providing that information.

Mr. Witt thanked Mr. Willingham for the offer and said the information would be very beneficial.

Presentation

Ms. Dawn Sullivan, Deputy Director (ODOT) shared some interesting and robust data from a RUC study on financial impacts of RUC on urban and rural households. Phase II should be out at the end of September which will include Oklahoma individually and compared to other states.

Questions & Open Discussion

Mr. Gatz said we have never been able to get this granular before with this data which empowers us to make a lot of different analyses. He said one reason motor fuel tax is such a challenge is that it has been the perfect transportation revenue stream for more than 100 years. Very few taxes have served us in that capacity like the fuel tax which started to change in the 60's-70's with fuel efficiency.

Presentation

Mr. Joel Skelley, Director of Policy, and RUC Manager at the Kansas Department of Transportation, did a presentation on "Bringing a Midwest voice to the National RUC conversation". Only three (3) enacted programs have a usage fee being charged, ten (10) public pilots/demonstrations, six (6) in research, and nineteen (19) participating in research only via RUC West or the Eastern Transportation Coalition. A joint legislative task force in 2019 looked at transportation issues and at transitioning into alternative revenue streams due to motor fuel tax declining because of technology and efficiencies to get ahead of the game. KDOT applied for an STFSA grant which was awarded in 2021.

Mr. Skelley stated their study and approach has three (3) phases. Outreach (September 2021- June 2022) which will focus on rural communities, agriculture industry, and commercial trucking; the Design (July 2022-June 2023) which is mainly volunteer-driven research and user-design experience; and Test (June 2023-June 2024) with their demonstration pilots. The four (4) research themes noted about KDOT's RUC program are trust, fairness & equity, comprehension & acceptance, and implementation preference.

Questions

Sec. Gatz thanked Mr. Skelley for his presentation and opened the floor up for questions from the task force.

Ms. Sullivan asked Mr. Skelley how KDOT was recruiting the commercial vehicle participants. His response was they are partnering with the Kansas Motor Carriers Association.

Closing

There was discussion about the next meeting potentially being in August where more information will be shared on the progress of the pilot program. Sec. Gatz then thanked everyone for their attendance.

Meeting adjourned at approximately 11:28am.


Attachment(s):

Presentations:

- Oklahoma Road User Charge Program – Kary Witt, RUC Pilot Manager - HNTB Corporation
- RUC West Research Update – Dawn Sullivan, Deputy Director - Oklahoma Dept. of Transportation
- Bringing a Midwest voice to the National RUC conversation – Joel Skelley, Director of Policy - KDOT

Documents:

- New ATRI Analysis Explores How Electric Vehicles Could Contribute to Highway Trust Funds
- Tax Foundation Fiscal Fact – Who Will Pay for the Roads?

Signed by: 

Tim J. Gatz

07/20/2022

Date