

Oklahoma Road User Charge (RUC) Task Force meeting

Meeting Minutes

Thursday, December 14, 2023

Call to Order

The Oklahoma Road User Charge (RUC) Task Force meeting was called to order at 1:01pm.

Roll Call

Task Force Members Present were Jessica Grogis, Jim Newport, Michael Lynn, Scott Minton, Mark Willingham (proxy for Todd Hiatt), Chris Schroder, Nathan Pumphrey, Sen. John Haste, Rep. Brian Hill, Rich Brierre, and Ashley Stuart. In addition, was Thomas Dow (proxy for Rich Brierre).

Task Force Members Absent were Jonathan Fowler, Mark Sweeney, and Mike Fina.

Approval of Minutes

Approval for the minutes from the November 9th, 2023 meeting.

ACTION: Mr. Newport moved and Sen. Haste seconded that the minutes be approved as presented.

MOTION: Carried by the following Vote:

AYES: Jessica Grogis, Jim Newport, Michael Lynn, Scott Minton, Mark Willingham (proxy-Todd Hiatt), Chris Schroder, Nathan Pumphrey, Sen. John Haste, Thomas Dow (proxy-Rich Brierre), and Ashley Stuart.

ABSTAIN: None

ABSENT: Jonathan Fowler, Mark Sweeney, and Mike Fina.

Review and Discussion of the Amendments to the Work-in-Progress Final Draft of the Task Force Legislative Report - Mr. Russell Hulin, Advisor and Mr. Kary Witt, HNTB

Mr. Hulin mentioned the fast pace of the project since the initial meeting September 30, 2021, and the first official meeting on November 16, 2021. Mr. Hulin thanked task force members for comments and suggestions at the November 9th meeting and stated all suggestions were incorporated into the final report. Mr. Hulin stated HB1712 was an important step in our state's research to address the reduction in fuel tax revenues and losses from inflationary increases in construction and maintenance costs in a fair and beneficial way. Future projections in the revenue decline are due to the increase in fuel efficient vehicles. State total tax revenues for transportation declined \$12 million dollars from the previous year.

Mr. Hulin specified substantial changes were made in the Legislative Options for consideration section (pp 14-15) and that interim options for consideration were made to help offset losses until a replacement is determined. Mr. Hulin reiterated the task force is not recommending one particular option, but providing several potential options. A request was made to better explain out-of-state traffic volumes (a significant issue for the PPM program) and the OCC made several good suggestions which were addressed and incorporated into the report. Some errors grammatical in nature were also corrected.

Mr. Willingham asked if changes could still be made. Mr. Hulin stated errors located in today's meeting would indeed be allowed and a contingency vote would allow for those. Mr. Willingham pointed out an error on Page 9 of the draft report in regards to a motor fuel special fuel tax assessment of 1-cent per gallon and was NOT dedicated to the replacement of leaky underground storage tank, but for environmental remediation.

Mr. Hulin acknowledged this correction would be made to the final report.

Ms. Sullivan made the task force aware that Chairman Gatz had joined the meeting.

Mr. Hulin introduced Mr. Witt for a presentation.

Mr. Witt stated that data was still being collected until November 30th, 2023 but won't change the final conclusions. Mr. Witt also mentioned that the \$1.9M provided from a STFSA grant requires a comprehensive project close out report (due in April). Oklahoma had the fastest moving pilot out of 44 STFSA Pilot Program RUC pilots. A notice to proceed was given in June 2022, and the Account Manager was brought on in June 2023. Mr. Witt presented several slides on results, conclusions and lessons learned. He spoke about Next Steps, the Road to Implementation, the Public and Stakeholder Educational Campaign, and the recommendations to the legislature that are being made.

Mr. Willingham mentioned a few more corrections found in the appendices and wanted to make sure the upcoming vote would be contingent on those changes/corrections.

Mr. Newport said he appreciated the team making themselves available and that his comments were heard.

Call for Approval of Task Force Legislative Report as Amended

Ms. Sullivan asked for a motion to approve the task force report and the recommendations for the Legislature to consider, with modification, to correct any scriveners' errors and additions, and any corrections to the appendices.

ACTION: Rep. Hill moved and Mr. Schroder seconded.

MOTION: Carried by the following Vote after a Roll Call.

AYES: Jessica Grogis, Michael Lynn, Scott Minton, Mark Willingham (proxy-Todd Hiett), Chris Schroder, Nathan Pumphrey, Sen. John Haste, Rep. Brian Hill, Thomas Dow (proxy-Rich Brierre), and Ashley Stuart.

NAYES: Jim Newport

ABSTAIN: None

ABSENT: Jonathan Fowler, Mark Sweeney, and Mike Fina.

Sec. Gatz expressed appreciation to the task force, pilot participants, and everyone involved. He stated a pilot is an imperfect process and a learning process, and an opportunity to generate meaningful information which will contribute to how our future transportation system and investment revenues are managed.

Open discussion

Sen. Gatz opened the floor for discussion.

Sen. Haste congratulated everyone involved considering tight deadlines and this was a starting point for the legislature to review, consider, tweak and edit rather than starting with a blank sheet a paper.

Rep. Hill followed up with his appreciation and stated it was a significant moment for our state and nation, and a good step forward. Our state has interesting dynamics with 40% of our traffic being from out-of-state and having tribal land and partnerships. He commended everyone as task forces are never easy. He thanked all for their commitment to making Oklahoma better, and is proud of what came from the pilot.

Mr. Willingham said it had been a great collaborative experience and appreciated the dialogue. He learned just how dire the fuel tax situation will be in the next couple of decades if nothing is done, and the report is

excellent at conceptualizing the issue. He expressed thanks for recognizing the out-of-state driver problem that every state deals with but being a crossroads state in particular. The IFTA compact was included in the Appendices and is a great model for a long-term solution 10-15 years from now. He said the OCC can provide information on how it is facilitated, operates and how it has served the commercial industry.

Mr. Newport echoed some of the comments and stated he appreciated the opportunity to serve on the task force with some tremendous professionals. The continuation and adequate funding of infrastructure is so critical and important and although he may not agree on how to get there, this was a great starting point and conversation. Mr. Newport said he appreciated Sen. Haste and Rep. Hill for their leadership.

Sec. Gatz thanked Mr. Newport and commented that we benefitted from his insight during the process and appreciated his participation.

Mr. Patterson pointed out the national exposure this pilot had. Mr. Witt commented on his recent attendance at the Mileage-Based User Fee Alliance (MBUFA) quarterly meeting and said Oklahoma is attracting national attention. There is tremendous interest in the interoperability between states and exploring leveraging the investment in tolling infrastructure. The pilot itself (and the tribal element) is very unique. He noted that Dawn Sullivan and Michael Lynn were both on a panel at the MBUFA meeting and represented Oklahoma very well, and to expect speaking engagement requests.

Sec. Gatz mentioned that the federal government is the beneficiary of the work states are doing. Comparing long term prospects for federal investment in the transportation infrastructure, the concerns are identical and even exacerbated because the highway trust fund that used to support 100% of the outlays for transportation infrastructure investment supported by motor fuel taxes are only covering about 60% of the outlays under the most recent Infrastructure Investment and Jobs Act (IIJA). That is an inherent problem that must be addressed nationally. The work our state is doing is contributing to consideration of solutions.

Sen. Haste stated that we are fortunate that the states are driving this point. If federal government was driving, it would be more challenging. The states are in a better position to show what can be done.

Mr. Lynn shared his appreciation and stated it had been an honor to serve on the task force from a tribal standpoint, and the Cherokee Nation's standpoint. State motor fuel tax revenues are important to Cherokee Nation as well as national highway trust fund revenues because that is how the majority of their federal program is funded. He further stated he looks forward to seeing where this goes. Sec. Gatz said he appreciated the insight and contributions made by Mr. Lynn.

Sec. Gatz again thanked everyone for their contributions to the report which will be prepared for advancement. He asked for a motion to adjourn the meeting.

ACTION: Sen. Haste moved and Rep. Hill seconded that the meeting be adjourned.

MOTION: Carried by the following Vote:

AYES: Jessica Grogis, Jim Newport, Michael Lynn, Scott Minton, Mark Willingham (proxy for Todd Hiett), Chris Schroder, Nathan Pumphrey, Sen. John Haste, Rep. Brian Hill, Thomas Dow (proxy for Rich Brierre), and Ashley Stuart.

ABSTAIN: None

ABSENT: Jonathan Fowler, Mark Sweeney, and Mike Fina.

Meeting adjourned at 2:11pm.

Approval of Minutes:

A handwritten signature in blue ink, appearing to read "Tim J. Gatz", is written over a horizontal line.

Tim J. Gatz, Chairman