

Oklahoma Road User Charge (RUC) Task Force

Meeting Minutes

Tuesday, January 25, 2022

Introduction/Opening

The Oklahoma Road User Charge (RUC) Task Force was called to order at approximately 12:32 pm on Tuesday, January 25, 2022 by Chairman Tim Gatz. A roll call was done and introductions were made.

Task Force Members Present on Zoom

Rep. Brian Hill	Caden Cleveland	Chris Schroder
Jessica Grogis	Jim Newport	Sen. John Haste
Jonathan Fowler	Lyle Walters	Eric Pollard (Mark Sweeney)
Michael Lynn	Mike Fina	Rich Brierre
Scott Minton	Todd Hiatt	

Joining via Zoom

Sec. Tim Gatz	Dawn Sullivan	Russell Hulin
Montie Smith	Terri Angier	John Sharp
David Machamer	Kary Witt	Mike Patterson

Welcome and Announcements

Secretary Gatz stated we will adhere to the open meetings act and those requirements and thanked everyone for participating virtually. Sec. Gatz notified the group about the ability for anyone to sign up for the RUC topic updates on the Dept. of Transportation website through the Gov-delivery system.

Approval of the Minutes from November 16th, 2021 Meeting

Sen. Haste moved for approval. Mr. Rich Brierre motioned for a 2nd. Motion carried.

Presentations

Mr. Russell Hulin presented on Alternative Transportation Funding Laws enacted to date in other states. He indicated that 30 states had enacted Electric Vehicle (EV) and Hybrid vehicle fees to bridge the transition to funding alternatives. In 2019-20 at least 19 States considered 34 pieces of Road User Charge legislation and 7 states enacted laws. Oregon was the 1st state to implement RUC pilot programs and has conducted several pilot studies. Since 2013, at least 10 states have completed pilots. Currently, Oregon and Utah are the only states that have an active RUC program actually collecting money - both are voluntary. Oregon's rate is currently 1.8 cents per mile and Utah's is 1.52 cents per mile.

Questions & Open Discussion

Mr. Scott Minton asked how much is being collected and the number of drivers participating. Mr. Hulin stated that there were approximately 2,500 participants in Oregon and approximately 5,000 in Utah in their RUC programs. In the Utah model, they only charge up to a flat fee so it never goes over the total registration fee, which presumably helps with electric vehicles participation, especially those who don't drive much. While it's voluntary, there are incentives for people to join.

Sen. John Haste asked about money being collected on electric vehicles driving through our state, perhaps at charging stations. Mr. Hulin stated some studies have been done on this in various states. The EV fees

being collected at registration are not capturing any out of state vehicles so Oklahoma's pilot will attempt to address that concern with coordination with OTA to obtain statistics to see what kind of impact it may have on our program. Our state is an intersection of interstate highways has a significant amount of pass-through traffic. Sen. Haste asked if anything is being looked at related to charging stations. Sec. Gatz stated HB 2234 has a provision geared towards a kilowatt tax at the charging station in the future. There is a build out of the EV charging stations in the network as part of the Infrastructure Investment and Jobs Act, working with the private sector to figure out how to develop the charging infrastructure, which the utility companies will be part of. Mr. Scott Minton (representing On Cue Express) stated it's fairly easy to add a kilowatt hour tax to the software for a charging station. Mr. Eric Pollard (ACOG) said it's at .03 a kilowatt hour so right now, the average battery sizes, maybe 50 kilowatt on an electric vehicle and that's going to go up, but so \$1.50 if you go zero to 100 a charging session.

Mr. Jim Newport (Oklahoma Trucking Association) shared that the American Transportation Research Institute has done some thorough investigations about the equivalent of taxation whether fossil fuel or electric and that it's very doable. A lot of people consider it fair and inexpensive so it may be worth looking at. Sec. Gatz thanked Mr. Newport and stated that this information will be shared with the group.

Guest Presentation

Randal Thomas, RUC West Administrator gave an overview of RUC Pilots, Studies and Demonstration Projects across the United States. He provided pilot recommendations and lessons learned. After the presentation, the presenter opened it up for questions.

Questions & Discussion

Mr. Eric Pollard asked for talking points about the concerns of capturing stakeholder information. Mr. Thomas stated that Oregon is not collecting location-based information, just aggregated data for the time period someone drove was X number of miles. A private entity is chosen to be the account manager to collect the information, aggregate the data, destroy the location-based information, and then it is sent to the state for the billing work. It doesn't seem to be a problem for younger folks who are not concerned because they have location-based cell phones. But for those over 40 it tends to be the main concern. For future meetings or for some research, it was suggested to invite the manager of the Oregon RUC program to talk about some of the technology and how it works. Hawaii and Washington are other resources to get information on how they conducted their pilots.

Sec. Gatz stated that the Oklahoma Turnpike Authority is in the process of converting tolling booths and using some of the same groups as the administrator of some of the RUC programs. A lot of fast moving development is occurring almost organically and there will be an overlap which should help with a broader and faster acceptance of these concepts. The task force has to be very forward thinking because new non-traditional revenue investments and revenue generation are needed for our transportation infrastructure.

Discussion of Procurement Subcommittee and next Meeting

Sec. Gatz stated that Mr. Hulin had been working closely with a few task force members to prepare for our procurement of service providers for the pilot project. Those who volunteered from the Task Force are Mike Fina-OML, Michael Lynn-Tribal Nations, Chris Schroeder-ACCO and Mark Sweeney-ACOG will help with the procurement and bring recommendations back to the task force so a service provider can be selected. Good progress is being made. For the next task force meeting (which will be in March) a survey will be sent out so the best date can be chosen for the group.

Update from Dawn Sullivan, Deputy Director

At the Transportation Research Board (TRB) Annual Meeting in D.C. earlier this month we had the opportunity to meet with U.S. DOT to talk about the upcoming new national pilot that's being proposed in

the new federal infrastructure bill. There's a lot of interest in the RUC states to make sure that we build off of the knowledge that the RUC states have gathered. Mr. Thomas added that it was very successful because of representation from every state who has done a pilot. It was important to have states there who understand and have operated a pilot so it's not just a bunch of political appointments. Ms. Sullivan said that not every state had a successful legislative session that enabled a RUC pilot. Thanks to the leadership of the legislators here on the task force that was done in the state of Oklahoma. We are participating in the rural study that Randal mentioned sharing Oklahoma specific data to try to get a handle on the rural urban charge and look at what the effects are.

Legislative Update & More Discussion

Sec. Gatz stated that there was lots of good progress at the state and national level. He called attention to the struggle that is going on right now in Washington DC with getting a full appropriations bill passed. Some of the discretionary programs that might bring some grant dollars to help with the pilot may be a little slower in materializing than expected but we're prepared to advance this initiative regardless. We are going to stay diligent and not going to wait on that process to complete before starting. We're going to advance our procurement and we're looking at March to bring that recommendation back to the task force.

Rep. Brian Hill said that he and Rep. Hilbert will be running bills to address small issues for hybrids. A gentleman with an older 2012 model later in its life cycle needs new batteries due to greatly reduced range (6 miles) converting over to gas/combustion, but was assessed an \$84.00 additional fee because of it being classified as a hybrid. A long term solution for some of the nuances with hybrids is needed. The hybrid today and the one 10 years ago is not the same hybrid. Much like the EV today compared to the EV of tomorrow. Just some things needing to be fixed as we're moving forward. Mr. Hulin stated there is one state (possibly California) that actually put in legislation to start with a certain year model forward. Mr. Scott Minton added there might be a point where a car older than a certain year won't get taxed but maybe lower the tax for cars more than 10 years old. Not many of them are on the road but those batteries do become less efficient and hold less storage.

Sec. Gatz added the real solution to the challenge being discussed is a road user charge. It's the great equalizer and the person/situation described and is probably the ideal candidate for our pilot. Somebody like that should be encouraged to be a participant because that's the purpose of a road user charge - equity and fairness - across all modes and all types of vehicles.

Rep. Brian Hill told the group he recently had an unhappy caller but after a great conversation about the overall goal of the task force and the fact he has an opportunity to participate, the caller was appreciative about what we're trying to accomplish. This demonstrates that communication is going to be a huge aspect, especially for us in the Capitol who will continue to get these types of phone calls. The hybrid issue is something that has to be looked at and also how quickly the older batteries are going out.

Closing Remarks

Sec. Gatz said he appreciated both the perspective and the work of the task force, and believes this group is a real leader in this space. He said to look for an invitation soon to continue our work and to get ready for the March meeting to advance our procurement. We will continue to work hard to learn more and more of this information, public facing so the public can have better insight into the work of the task force and what we're trying to advance so look forward to some of those opportunities to share information. He thanked everyone and their participation and closed the meeting.

Meeting adjourned at approximately 1:54 pm.

Attachment(s):

Presentations:

The Fuel Tax and States Actions to Begin the Transition to Other Funding Sources

New Paths to Road Funding

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

02/08/2022

Date