

Road User Fee Task Force Meeting Minutes – February 14, 2003

Members Present: Representative Bruce Starr, Chris Bell, Mayor Jim Torrey, John Charles, Representative Alan Brown, Representative Joanne Verger, Commissioner John Russell (via teleconference), David Cox (ex officio).

Members Absent: Roger Hinshaw, John Watt, Laura Pryor, Commissioner Randy Pape, Senator Gary George.

Staff Members Participating: James M. Whitty, Jack Svadlenak, Rachel Knowles, Chuck Larsen, Benny Sexton.

A quorum present, Chair Bruce Starr called the meeting to order.

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Public Testimony

Public testimony was received by William Cook, Alicia Bowers Johnson, and William Proudfoot of the Springfield Homesource Speech Class.

Public testimony was also received by Charles Albright of Transcore.

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Presentation of RUFTF Report to the Legislative Assembly. James Whitty presented a draft version of the final report to the legislature. Task force members, ODOT staff and members of the attending public discussed the following topics relating to this draft.

Electronic Odometer Technology

Shelley Reed (Springfield Homesource Teacher), a member of the public, asked the task force, “It was unclear to me in working with the kids on this issue if in essence you are creating a database that is housed within the car?”

Whitty answered, “Yes.”

Reed further asked, “Isn't that database comprised of latitude [and] longitude and then it speaks to a software that gives an address and calculates in essence a cumulative mileage and then calculates based on the type of the road ultimately based on congestion management? What is uploaded then is the summary of those roads traveled. So how long does the data, meaning the latitude and longitude address, how long does that exist in the computer on board the car?”

Larson responded, "The technical details are yet to be worked out but I believe that the way it will work is that the actual location will not be kept at all. [The device] it is going to [keep] track [of] miles, whether they are in Oregon or out of Oregon or in a congestion zone or out of a congestion zone. That is what is transmitted back to the collection center."

Reed asked, "But the car computer doesn't hang on to that information."

Larson answered, "Maybe for a few seconds, to get the point to point to determine the mileage, but no longer than that."

Phasing of Mileage Fee

Charles said, "I am a little hesitant to use the term 'the task force accepts the 20 year phase in period for a mileage fee as a practical necessity,' for the same reason that I am hesitant to make any predictions about the future extending very far into the future. I don't know what the phase in will or should be. I don't know the extent to which all of these technologies become as ubiquitous as e-mail is today which I never would have predicted as recent as 1994, I never would have guessed that would have happened in such a short period of time. I think I would just say that there is a likely to be a phase in period that could be in the range of 20 years. I think we should be a little less locked in at 20 years and maybe say 10 to 20 years."

Privacy

The task force discussed the following italicized clause in the following statement of the draft report,

"The task force also recommends legal safeguards be built into any GPS-based mileage fee to prevent anyone other than the vehicle owner/operator from knowing the vehicle's movements, other than those with whom the vehicle owner/operator contracts or otherwise consents to obtain this knowledge."

Torrey asked what legislator attitudes were to the media activity surrounding the issue of privacy. Starr said, "Maybe I am the wrong person to ask because I am so familiar with this, but I don't know that most legislators are focusing on this particular issue and most legislators may not even have seen or heard what was in the newspapers or on the radio. I haven't had members come to me with lots of concern about it."

Brown said, "I would say the same thing. I haven't heard any comments from anyone else. My first reaction was with the privacy concerns. Not having the background that you people have in how this works, [I made assumptions] that probably aren't right, but once you learn and get a better insight into how the system works it alleviates those concerns."

Torrey said, "If you left [the ability to allow tracking of vehicle movements] completely out, [thinking about the person with] the person with the medical need, are you precluding [the ability to allow voluntary vehicle tracking] in the future, if in fact the legislature or the public decides that they want it? Do you have to bring it up in order to protect the opportunity to have it in the future?"

Whitty replied, "Well, the task force was quite explicit that we didn't want anyone to know the movement of the vehicle."

Torrey said, "I know what you are trying to make available but aren't you creating more of a problem for what we are trying to get an opportunity to at least test by saying but you can do this and they say, 'I told you they could do that?'"

Cox said, "I agree. It is not the purpose we are trying to do. Right now there are private sector devices that would allow you to do that."

Torrey said, "I think we should take [the parenthetical] out."

Starr said, "Let's take it out."

Whitty said, "The language after 'movements,' 4th line, 32nd page, will be removed."

Revenue Neutrality

Charles said, "In the executive summary, current version, page 2, last bullet, 'design will be revenue neutral except for . . .'. Why would we go through all of this trouble to be revenue neutral? I don't think this is necessary. The legislature itself will determine whether it is revenue neutral or not. People should pay the cost to maintain the road. If it is more, then they should pay more. If less, then less. If we think the current system is not generating enough revenue, then we should stay with the same system, so I would leave that bullet out."

Starr said, "... which was the reason to stay at revenue neutral and allow the legislature to make that decision."

Whitty said, "This is not a new revenue idea, it is a system change idea and the rate is up to the legislature."

Charles said, "We should be on the side of a user fee system where people pay the costs and that is over the long term unlikely to be revenue neutral if your benchmark is an unsustainable gas tax."

Torrey said, "I don't think it was intended to be revenue neutral in light of the fact that we have a lot of efficient vehicles out there that we are not capturing and that is why we are going into this thing in the first place. If it is revenue neutral, we are still not taking into

consideration what we are capturing as it relates to those efficiency vehicles that we are now capturing.”

Starr said, “I don't want the work that we are doing here perceived to be a group of folks working to create a new system of tax that is going to be added on and can be perceived as a new way to separate Oregonians from their money in addition to what they are already paying as a tax increase. We are not talking about an increase in the tax. We are talking about the way we collect the tax. That is the hesitancy I have when talking about revenue neutrality. If we could flip the magic switch that changed from a fuel tax to a mileage-based tax, at the point that that switch was flipped, [the rate] ought to be the same from our perspective. Ultimately, it is the legislature that will decide the rate of the mileage fee. Our goal here is to recognize that the fuels tax isn't going to work long term. We need to find a new system. That is why I have been adamant about not talking about any new taxes or tax increases.”

Torrey said, “Even for the efficient vehicle?”

Starr replied, “That is where the user fee idea comes in. People that use the system need to pay for it and pay their fair share of the system. Under the system for folks today that drive a hybrid vehicle, do they pay their fair share of the system? [The answer is,] ‘Yes.’ If we took the [bulleted language] out, it would probably be okay.”

Relationship of Fuel Efficiency to Fuel Tax Revenues

Charles said, “Under context and history, page 6, 1980's, it says here ‘the efficiency of reduced gasoline purchases and correspondingly fuel tax revenues as well,’ not in absolute terms. Personally I don't want to imply that we are responding to a crisis caused by efficiency because in absolute terms in both gallons of gas purchased and total revenues we are steadily increasing through the 80's. Our task force report is really aimed at the problem likely to be encountered in 2014. Revenues and VMT and fuel purchase were all increasing in absolute terms during the 80's.”

Whitty said, “I would rather rephrase it and add the word ‘relative’ or something.”

Effect of Oil Supply

Charles said, “Page 14, paragraph number two ‘projected gasoline price increase.’ There is a whole school of thought that some people subscribe to the running out of fuel theory. I don't believe that any of that is necessarily true. That is all speculation. I don't think it is necessary to talk about it. People have been predicting that we will run out of oil and gas and prices will be dollars more. In my view, there is a cult following of people that believe that and they keep waiting for this to happen and it hasn't. That day is likely to be way, way out into the future and it doesn't really matter because all we are doing is looking to finance the roads.”

Whitty replied, "Actually, I consider it relevant because if reduced oil supply does result in gas prices going up and we have supply problems, then we will have the need for greater fuel efficiency and that is what this all about. There is an economic pressure coming pushing toward fuel efficiency."

Charles said, "It may be in the next ten years, prices of gas at the pump continue their long term decline, which, because it is cheap, people end up driving a lot more, purchasing more, even though their vehicles are more efficient it doesn't matter, and we continue to have a lot of revenue floating into the system. That is a possibility. It is also possible that with whatever happens in Iraq in the next year, some other things might happen, we don't know any of that, so this whole notion to me is speculation and I don't consider that fact."

Cox offered, "Maybe some qualifiers [could be added] that say, 'Experts estimate, if true this means ...' A few qualifying words might help."

Starr said, "I agree the world isn't going to end. We just need to qualify the statement."

Official Actions. [Note: Commissioner John Russell joins meeting via teleconference.]

Torrey moved to approve the November 15, 2002 meeting minutes. The motion was seconded and the November minutes were approved.

Russell moved adoption of the report to the 72nd Legislative Assembly, as amended by the task force. The motion was seconded and the report to the 72nd Legislative Assembly was adopted.

Starr announced, "Official action is complete."

Pilot Programs. Chuck Larsen and Benny Sexton of ODOT presented a status report on development of the pilot test program.

Legislation Sponsored by the Road User Fee Task Force

Whitty said, "Senate Bill 83 [the pilot program for congestion pricing] passed out of the Senate Transportation and Economic Development Committee, as amended, and should now go to the Senate floor. House Bill 2139 [the studded tire use permit] is in the House Transportation Committee. It will probably stay there."

May 9th is the next meeting.

Adjournment