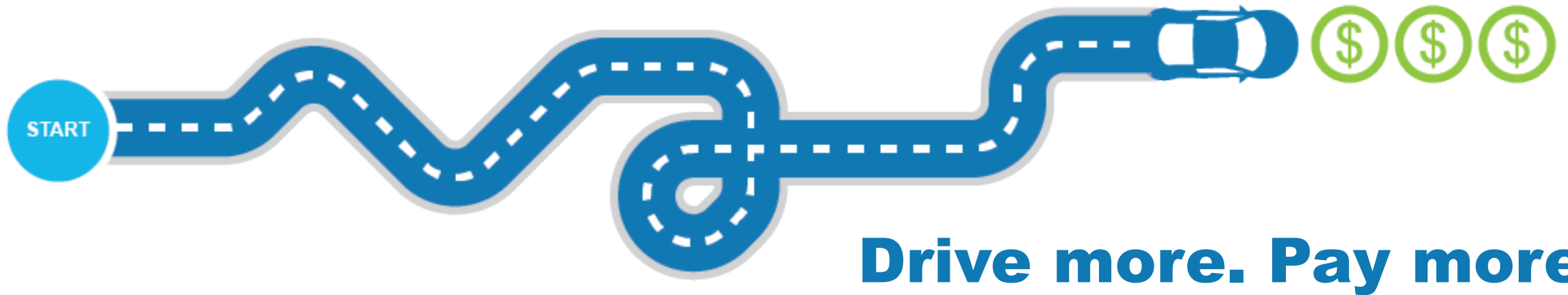


Why a RUC and why now?

Road User Fee Task Force, April 2022

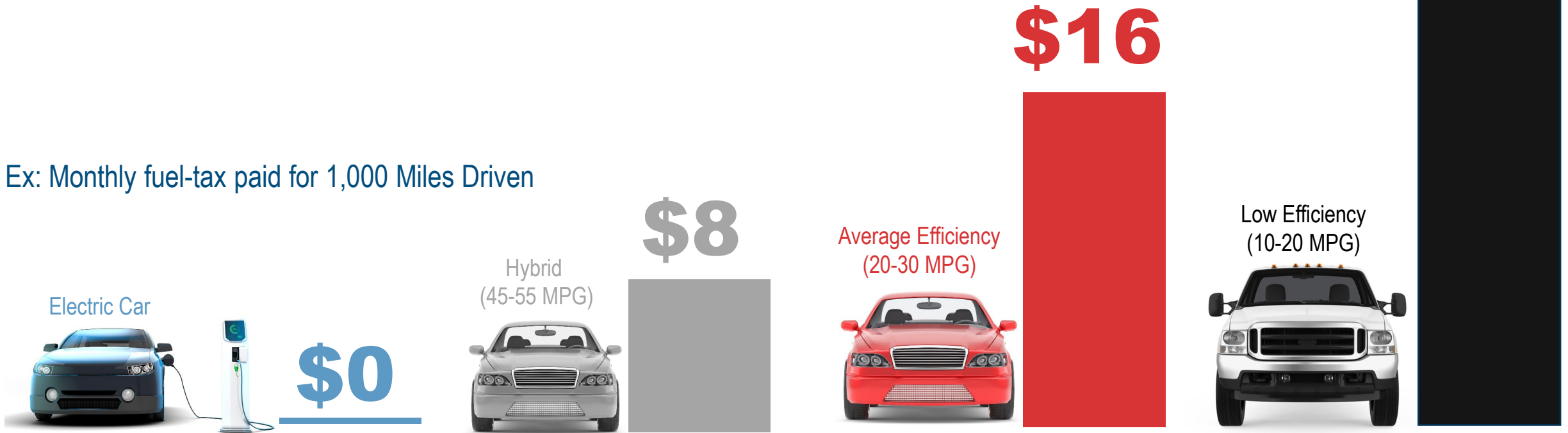
Daniel Porter

A road usage charge is a pure user pay approach to taxation



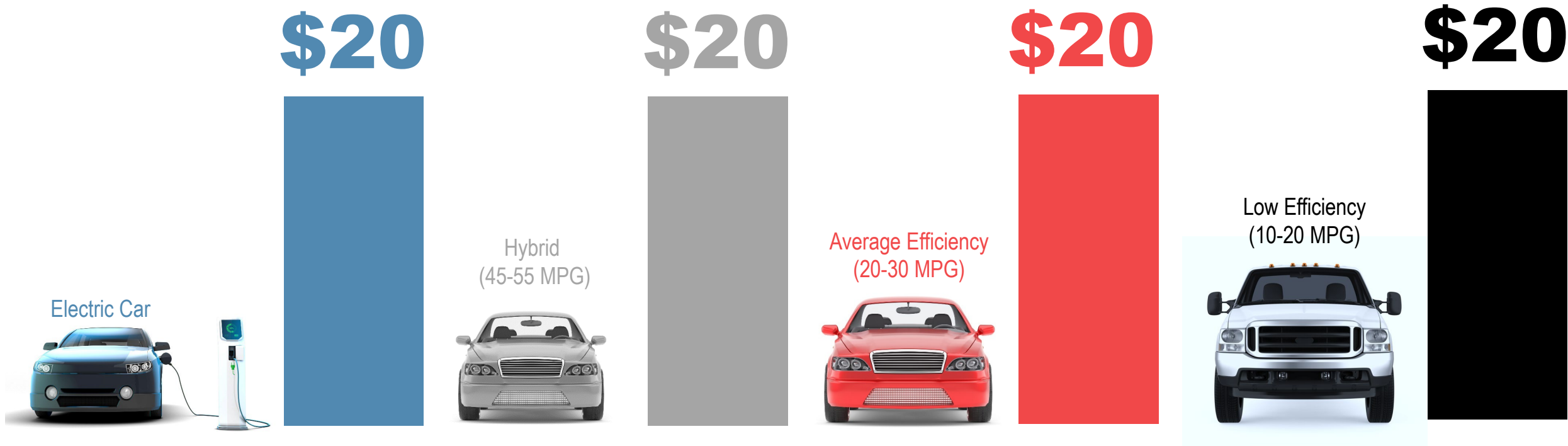
The fuels tax is also a user pay approach but is not as equitable (tax equity)

Ex: Monthly fuel-tax paid for 1,000 Miles Driven

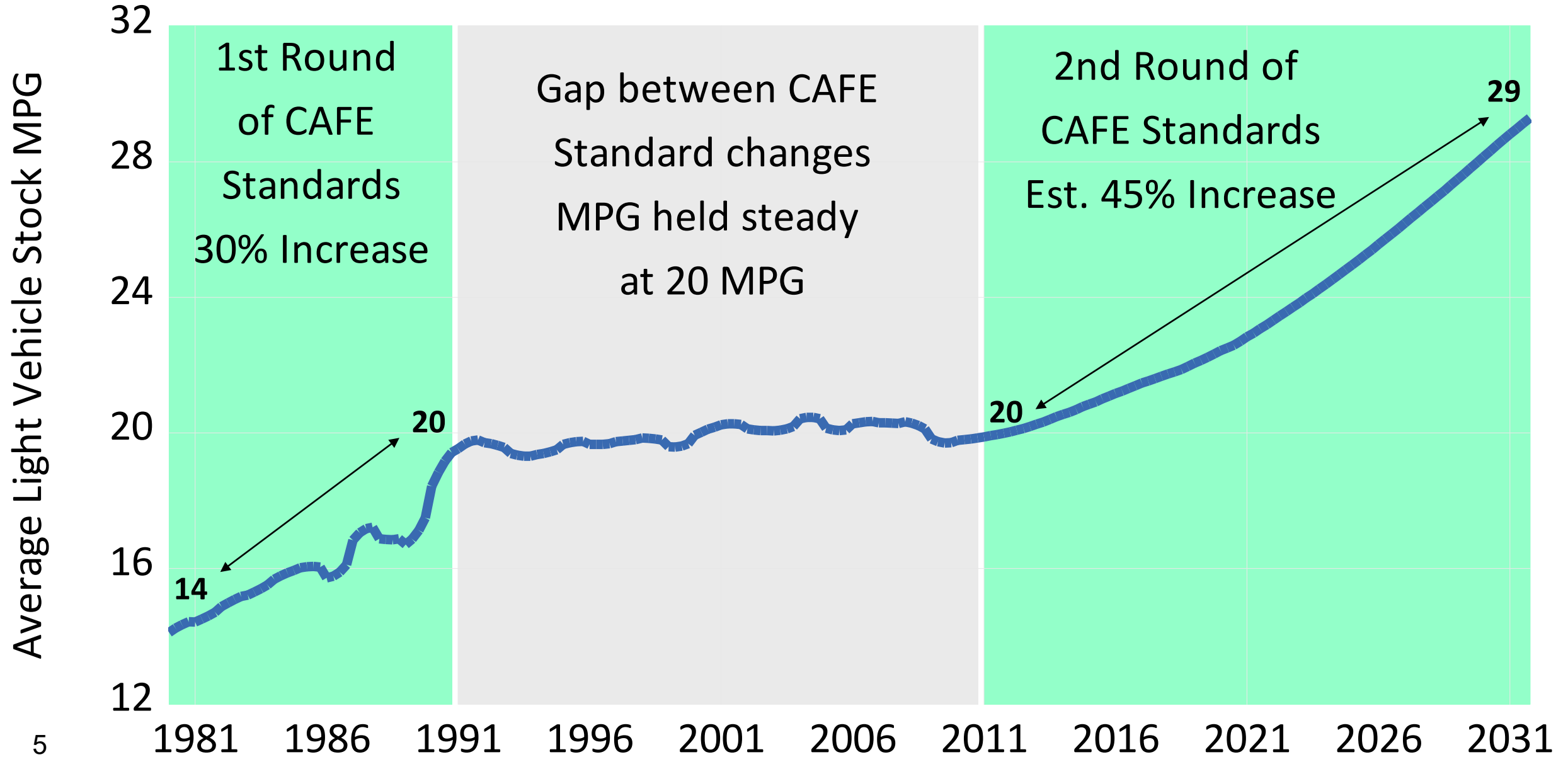


RUC Model: **Pay for what you use.**

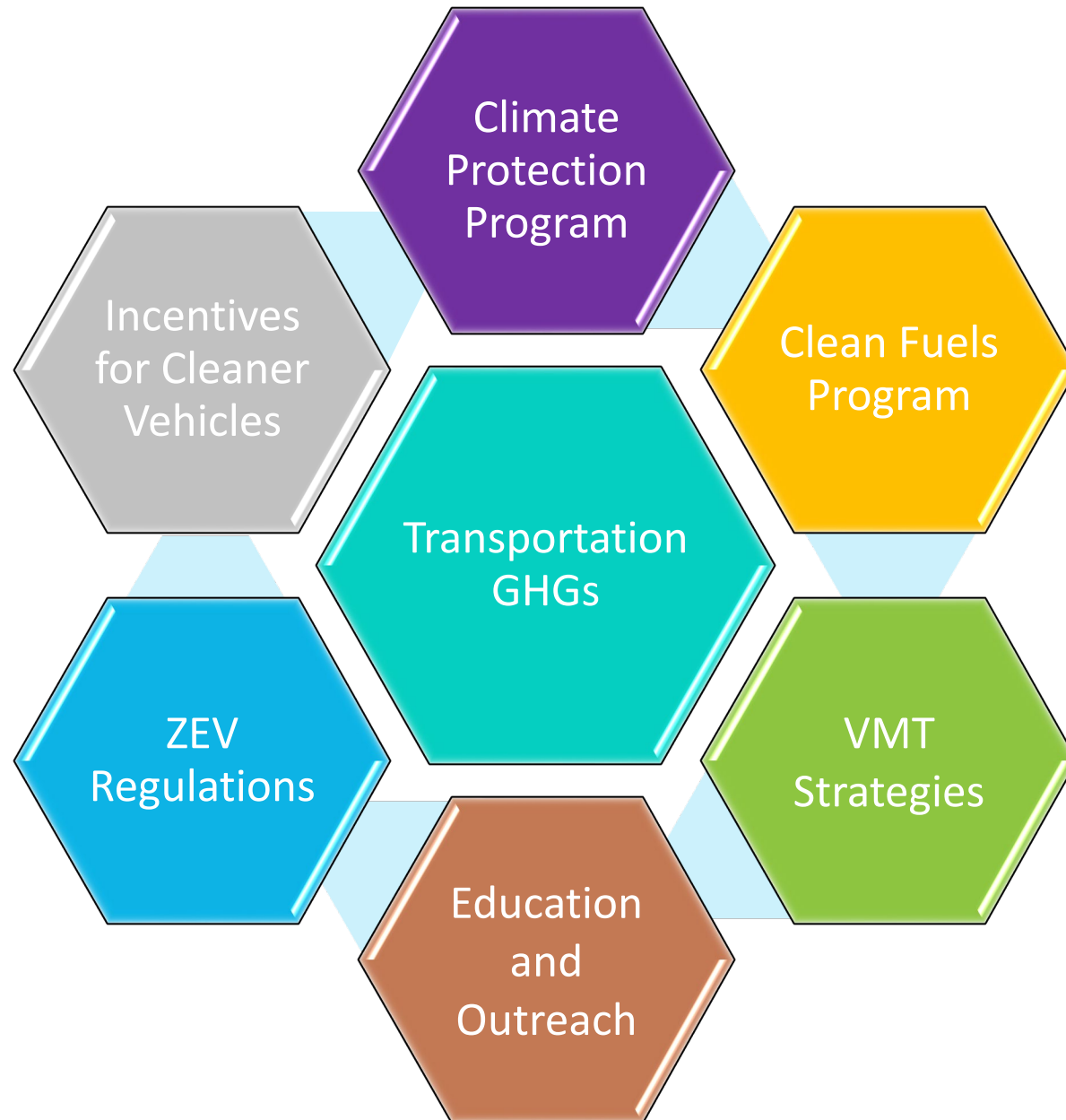
Ex: Monthly RUC paid for 1,000 Miles Driven



Light Vehicle Stock MPG is Increasing

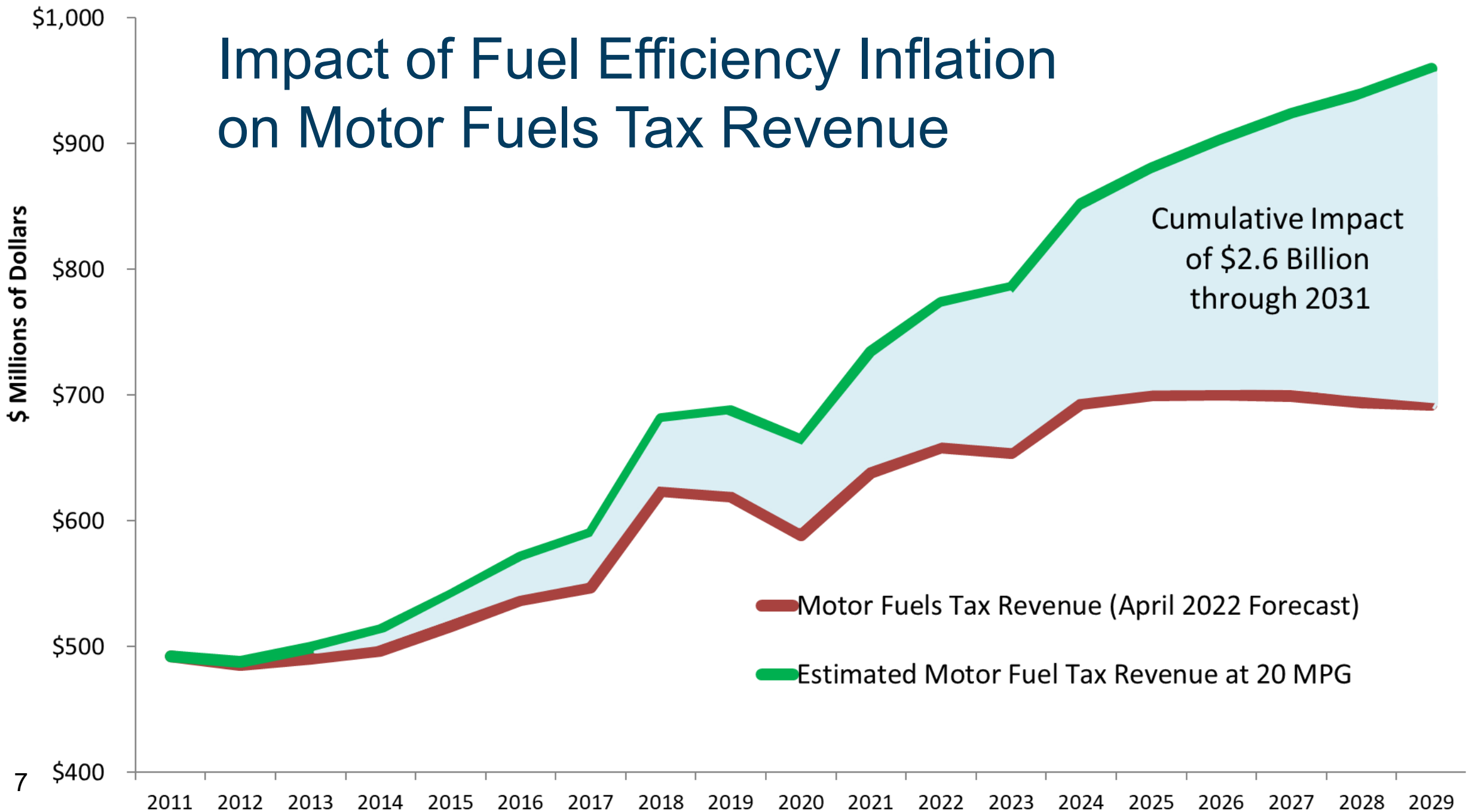


Decarbonizing the Transportation Sector



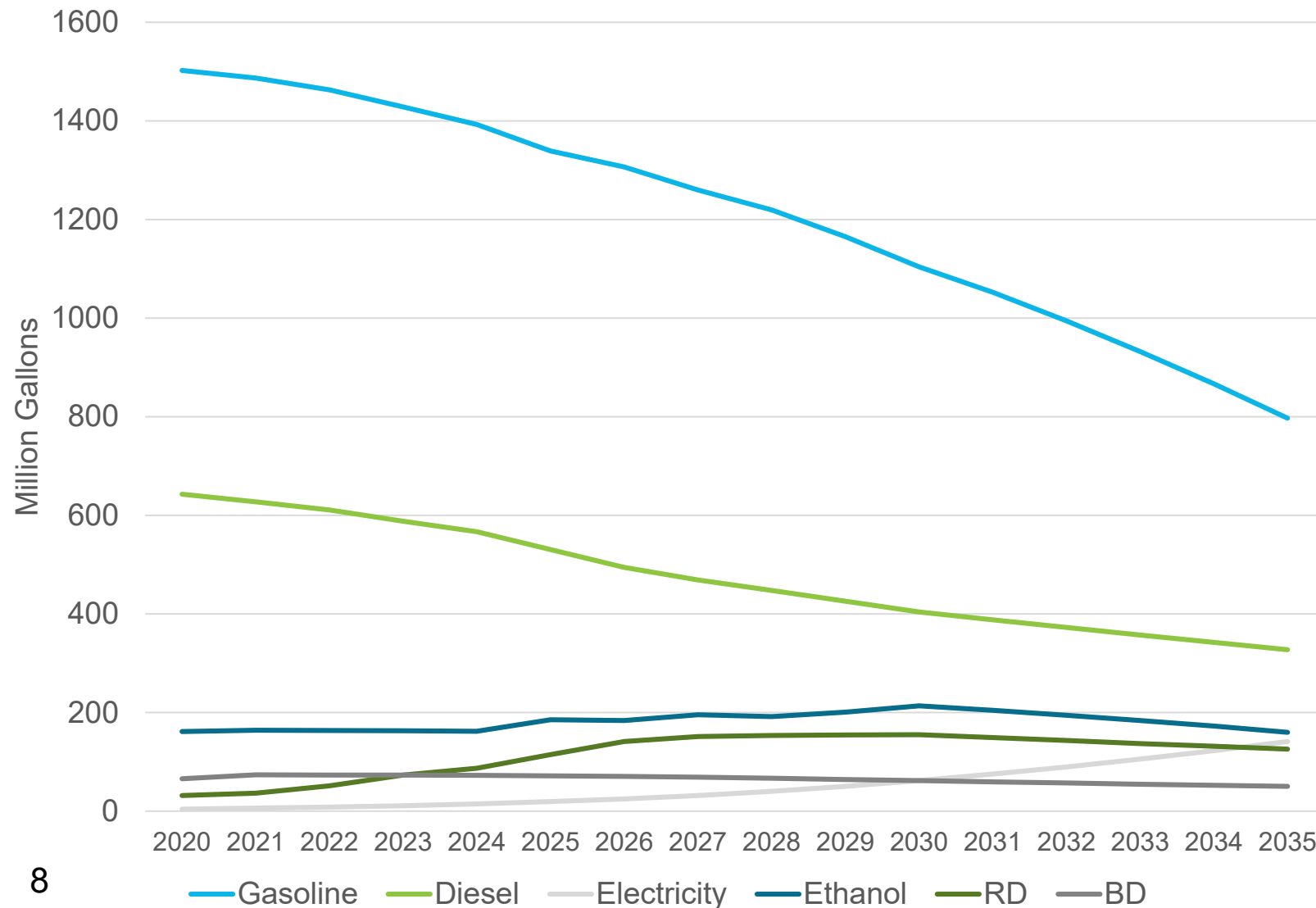
- Some climate strategies will reduce transportation revenue regardless of tax method
- Other climate strategies will preserve transportation revenue under a RUC tax method
- Cleaner fuels (ethanol, renewable diesel) will benefit both user tax methods

Impact of Fuel Efficiency Inflation on Motor Fuels Tax Revenue



The Future of Gasoline and Diesel

Impact on Fuel consumption from expanded Clean Fuels Program



By 2035:

- Gasoline consumption will decrease by about 47%
- Diesel consumption will decrease by about 49%
- Biofuels play a declining role since they are typically blended with gasoline/ diesel or used as replacements, but they are still needed until electricity takes over
- Renewable diesel blend rate peaks at 25% but higher blends are probable