

An aerial view of a multi-lane highway in a city, with a grid overlay of white lines on a blue background. The highway is filled with cars, and a city skyline is visible in the background.

# **ITS AMERICA**

# **ROAD USAGE CHARGE**

# **PROGRAM PRINCIPLES**

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## ITS America Road Usage Charge Program Principles

### Introduction

The Intelligent Transportation Society of America (ITS America) believes that the U.S. Department of Transportation (USDOT) should develop a federal Road Usage Charge (RUC) Program to offset the loss of revenue collected for the Highway Trust Fund (HTF), which funds the maintenance and repair of highways and mass transit across the country. Spending on roads and highways is funded by federal, state, and local governments, with the federal government accounting for about one-quarter of all public spending on roads and highways through the HTF.

The HTF is funded by various excise taxes, with 84 percent of revenue from taxes on gasoline and diesel fuels. However, as adoption of light-, medium-, and heavy-duty alternative-fuel vehicles becomes widespread, there will be a significant and growing reduction in fuel tax revenue for the HTF. In order to sufficiently fund the HTF, the source of HTF revenues must be changed.

A RUC system is a generally agreed upon strategy to replace the existing fuel tax system, and in fact several states have already begun to study and pilot RUC Programs, and a couple states have begun program implementation to replace state fuel tax revenue.

ITS America has identified the following principles to help guide the development of a federal RUC program.

## Principle Recommendations

### **1. USDOT should create a Road Usage Charge Advisory Committee of road users, experts, and practitioners to provide recommendations for the development of a RUC Program.**

#### **The Committee should:**

- Define questions that need to be answered through studies and pilot projects.
- Consider all aspects of standards setting and provide recommendations for what should be standardized as well as what those standards should be.
- Consider all aspects of an education campaign and provide recommendations for how to work with other public and private entities to create a nationwide road user education campaign.
- Consider the creation of a national pilot program that would:
  - Build on previous state experience and lessons learned.
  - Create venues to consult with road users to ensure the pilot and a future RUC Program cultivates a positive user experience.
  - Define the purpose of a national pilot including what question(s) a national pilot would be used to answer.
  - Design the pilot structure and related activities (e.g. timeline, outreach and recruitment, and an evaluation process).

### **2. USDOT should lead a nationwide public education campaign to support the development and public acceptance of a RUC.**

- A national public education campaign is critical to the success of implementing a RUC system.
  - The RUC Program structure needs to be developed before a complete education campaign can be designed, though certain aspects of an education campaign should be implemented earlier.
  - The campaign's topline messaging should be flexible enough to encompass varying viewpoints of different populations and various successful communication methods.
  - The education campaign should:
    - Explain why a RUC system is necessary.
    - Highlight the benefits of a RUC system as compared to a fuel tax, including that a RUC system is more equitable than the current system.
    - Explain what is currently funded by the HTF.
    - Address how data privacy and security would be protected in a RUC system.
    - Provide consumers with tools to estimate how their financial contribution might change under a RUC system.

**3. USDOT should encourage the development of certain guidelines for technology and best practices to support the development of standards. Any standards developed for RUC should:**

- Establish acceptable standards for high-tech and low-tech tracking technologies and services, as well as for a no-tracking option.
  - Consider customer service standards to ensure fair collection methods and burden of proof standards, among other issues.
- Define standards for various payment methods for all road users, including the unbanked and the underbanked.
- Define technologies that are able to achieve the precision needed to distinguish between public and private roads, state lines, and other geographic boundaries.
- Ensure that all standards support a safe, reliable, and user-friendly customer experience.

**4. The Surface Transportation System Funding Alternatives (STSFA) Program should be modified to encourage progress toward implementation of a RUC Program.**

- The STSFA federal match should be raised to 80 percent, while providing sufficient funding to ensure there is no reduction in the number or breadth of pilot projects supported.
- The STSFA should include broad eligibility for program implementation costs (e.g. public messaging, outreach, and IT conversions).

**5. USDOT should promote the development of interoperability standards to create a seamless user experience.**

- There are two broad areas in which interoperability needs to be addressed: technical and stakeholder.
  - Technical interoperability should have an open system architecture, in-vehicle technologies and services, and back-end systems.
  - Stakeholder interoperability includes intergovernmental agreements among states, between states and the federal government, and among international governments.
    - This includes how collected funds are allocated among and transferred to stakeholders.
    - The federal government should take responsibility to develop standards for international interoperability.
    - Standardize RUC system interoperability across both states and international borders.
    - Support the flexibility to enable interoperability with other road user fees such as tolls, weight mile, etc.

**6. USDOT should promote the development of standards for both actual and perceived risks of data use, security, and privacy.**

- National standards should be developed with the input of stakeholders to determine who owns the data collected, and how it is stored, used, and exchanged.
- Data security standards should be flexible to allow the RUC Program to adapt and evolve based on current best practices and security developments.
- Personally identifiable information required by the RUC Program and programs with which it is interoperable should only be acquired and retained if necessary for the operation and maintenance of those programs.

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