



To: Members of the Joint Committee on Transportation
From: Jeff Allen, Executive Director
Date: April 20, 2021
RE: House Bill 2342

Co-Chairs McLain and Beyer and Members of the Committee:

My name is Jeff Allen and I am the Executive Director of Forth, a nonprofit trade association that advocates for the advancement of electric, hydrogen, shared, smart, connected, and autonomous mobility. Forth has nearly 200 members, including auto manufacturers, electric vehicle charging suppliers, industry partners, utilities, governments, and non-profit organizations.

I helped pass the legislation that created the Road User Fee Task Force some 20 years ago, and I have been serving on the task force for the last few years. We strongly believe that Oregon needs a 21st century transportation finance system. However, this legislation is not there yet, and I regret that I must come before this Committee today to state that Forth cannot support HB 2342 as it is currently constructed. Simply put, this bill would undercut Oregon's climate goals, as well as its stated intention under SB 1044 and Governor Brown's Executive Order 20-04 to transition our state to zero-emission vehicles.

As you know, HB 2342 continues Oregon on its path toward a comprehensive road user charge (RUC). Forth does believe that transitioning to a road user charge makes sense in order to maintain a stable revenue source for transportation as we look to a decarbonized future in which less gas is sold every year. But if we are going to make that transition, it needs to be done carefully and thoughtfully.

The gas tax, when priced correctly, creates an incentive for people to use less fossil fuel by inherently charging less fuel efficient vehicles more per mile traveled. House Bill 2342 eliminates this incentive by making the RUC applicable only to the most fuel-efficient vehicles, and by charging the same flat per-mile rate for all vehicles regardless of efficiency. As written, HB 2342 would actually *increase* the operating costs for vehicles that burn less fossil fuel per mile. If we are going to align our transportation system's funding with the state's climate and transportation electrification goals, the RUC must apply to all vehicles and include an additional fee that accounts for vehicle efficiency.

HB 2342 also does nothing to ensure that replacing the gas tax with a road user fee does not increase the cost of transportation for low-income Oregonians. The pandemic has weighed heavily on communities that are already cost-burdened by transportation, and who are dependent on a personal vehicle because of longstanding underinvestment in an equitable and

comprehensive transit system. The current gas tax is regressive, and we can and should do better for Oregonians when making this transition than the creation of a new, regressive funding approach. In the interest of addressing historical and systemic inequities in our transportation system, the RUC should be structured to lessen the burden on our most vulnerable citizens.

For these reasons, Forth and its allies have introduced the -4 amendment to HB 2342. The amendment is imperfect, and we want to be clear that it should be viewed as a starting point for further discussions on how best to incorporate vehicle efficiency, air pollution, and equity into Oregon's Road User Fee program. As written, the -4 seeks to do three main things:

1. Ensure that the RUC applies to all vehicles starting with the 2027 model year, and not just the most fuel-efficient ones
2. Ensure that the RUC accounts for the climate and health impacts of vehicle emissions by assessing an emissions fee on top of the road user fee
3. Ensure that the RUC upholds our state's equity values and does not adversely impact low-income Oregonians.

In closing, Forth very much appreciates the hard work of Rep. Lively and the other members of the Road User Fee Task Force in bringing this legislation forward. While we do not believe HB 2342 should pass as written, we are hopeful that this committee will continue working to improve the bill and pass a version that will move Oregon toward a more sustainable, equitable, and forward-thinking transportation funding system.

Thank you very much for the opportunity to provide this testimony today. If we may be of further assistance to the committee, do not hesitate to reach out to Rhett Lawrence at rhettl@forthmobility.org.

FORTH

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