



To: Members of the Joint Committee on Transportation  
From: Shannon Walton-Clark, Senior Policy Manager  
Date: May 8, 2023  
RE: House Bill 3297

Co-Chair McLain, Co-Chair Frederick, Co-Vice Chair Boquist, Co-Vice Chair Boshart Davis and Members of the Committee:

My name is Shannon Walton-Clark and I am the Senior Policy Manager of Forth, a nonprofit trade association that advocates for the advancement of electric, hydrogen, shared, smart, and connected mobility. Forth has nearly 200 members, including electric vehicle charging suppliers, environmental organizations, utilities, governments, auto manufacturers, and non-profit organizations.

We strongly believe that Oregon needs a 21st century transportation finance system. However, this legislation is not there yet. We do have some suggestions for improving HB 3297 and appreciate the Committee giving consideration to our recommendations below. Simply put, this bill would undercut Oregon's climate goals, as well as its stated intention under SB 1044 and the Advanced Clean Cars II decision to transition our state to zero-emission vehicles.

HB 3297 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 3297 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 3297 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 3297 also does not 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 would like to see at a minimum consideration and incorporation of these changes:

1. Ensure that the RUC applies to all vehicles starting with the 2028 model year, and not just the most fuel-efficient vehicles
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.

These suggestions are 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.

In closing, Forth very much appreciates the hard work of Rep. Lively in bringing this legislation forward. 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.