



# Innovative Transportation Funding and the Role of ODOT

A reflection on challenges, solutions, and the future

My name is Tony B. Sutton and since 2007, I have contributed extensively to the Oregon Department of Transportation (ODOT), gaining insight into the agency's multifaceted operations and the critical role it plays in shaping the lives of Oregonians. The scope of ODOT's influence extends beyond drivers, cyclists, and public transit users, deeply impacting all residents. Whether it's ensuring safe road assistance during emergencies or regulating the movement of goods across the state, ODOT's work resonates in the everyday lives of Oregon's citizens.

## The Changing Landscape of Transportation

The advent of fuel-efficient vehicles and the emergence of AI-controlled transportation systems have brought about significant changes to roadways. These technological advancements simultaneously present opportunities and funding challenges for state transportation agencies. Anticipating these changes, ODOT projected potential funding issues years ago and worked proactively to address them.

## Innovative Funding Measures

One of the most notable initiatives authorized by the legislature is the Road Usage Charge (RUC), a pioneering program designed to address the challenges posed by passenger vehicles with high fuel efficiency. As the first program of its kind in the nation, RUC exemplifies Oregon's forward-thinking approach to transportation funding. Additionally, the legislature has tasked ODOT with exploring tolling in high-traffic areas, aiming to alleviate congestion and generate essential revenue.

## A National Challenge

The funding problem is not unique to Oregon—transportation agencies across the United States face similar hurdles. The need for new, sustainable sources of revenue for maintaining and improving highway systems has become a pressing concern for policymakers nationwide.

## Creative Solutions: A Bold Idea Is Needed

During a training session with representatives from other states, the discussion turned to potential solutions for funding the system. Among the ideas shared was a novel concept: instead of taxing gasoline for state residents, transportation-related taxes could be tied to car insurance policies. This system would incorporate a flexible rate based on vehicle type and weight, addressing the disproportionate wear and tear caused by heavier vehicles. For uninsured drivers, fines could include back taxes owed, ensuring fair contributions to the system.

For out-of-state drivers, taxes could still be collected at the pump. By leveraging zip code requirements already in place for credit card transactions, this method could become a simple yet effective way to ensure all road users contribute equitably.

While the concept of tying transportation-related taxes to car insurance policies may seem unconventional, it represents the kind of out-of-the-box thinking required to address complex funding challenges. It's not about committing to any single idea but rather fostering an environment where diverse perspectives can ignite meaningful discussions and generate potential pathways forward. Ideas like these remind us that innovation is not just about technology but also about redefining the systems we rely on to serve the public effectively.

## Looking Ahead

As ODOT continues to adapt to the evolving transportation landscape, it must remain committed to exploring innovative solutions like RUC, tolling, and insurance-based taxation. Research is essential to ensure that the solutions being considered produce a favorable outcome. Any initiative should address immediate funding issues while also establishing a foundation for a sustainable future that benefits the residents of Oregon. The conversation sparked during the training session underscores the importance of collaboration and creative thinking in tackling complex issues—principles that will undoubtedly guide ODOT's efforts in the years to come.

## Conclusion

Transportation funding requires both innovative solutions and careful planning. This challenge cannot be addressed effectively by reducing staff and services alone. Reducing resources can only go so far before it significantly affects the foundation of operations. By embracing bold ideas and proactive measures, ODOT and other transportation agencies nationwide can ensure that the highways and infrastructure integral to daily life remain robust and reliable, even amidst rapid technological changes.