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Reference: Funding for Transportation

Co-Chairs Gorsek and McLain and members of the Oregon Joint Committee on Transportation:

I write as cofacilitator of Southern Oregon Climate Action Now, an organization of some 2,000 Southern Oregonians who are concerned about the climate crisis and encourage state action to address it. As rural and coastal Southern Oregonians, we live on the frontlines of the warming, reducing snowpack, heatwaves, drought, rising sea level, and the increasing wildfire risk that these trends conspire to produce. Because of this, we pay close attention to what is happening statewide in terms of agency action and legislative proposals.

We are also very much aware that among the sources of greenhouse gas emissions assessed by the state Department of Environmental Quality (DEQ 2024), those from Transportation consistently appear among the leading sources. We urge the Joint Committee to promote Transportation programs that serve the states emissions reduction goals.

After reviewing issues related to transportation funding (e.g., Trovall 2023), we understand that Departments of Transportation across the nation are facing a funding crunch because of the increasing fuel efficiency of internal combustion engine vehicles, the transition from such vehicles to Plug-in Hybrid Electric and Battery Electric Vehicles, and the fact that gasoline taxes are not rising with inflation while the cost of road repair and construction is.

Several years ago, in discussions of similar funding problems confronting California, we learned that the main alternatives to the gasoline tax were: Flat Rate Fees, Indexing Fuel Taxes to Inflation, Funding Toll Roads; Imposing a Mileage-based User tax.

After reviewing the relative merits of these option, SOCAN recommends the following steps be taken:

- 1- Eliminate the proportion of the gasoline tax that is assigned to funding transportation thereby reducing that tax,
- 2- Impose a Mileage-based User Tax assessed on miles travelled in the state. We suggest that vehicle owners may be allowed either to maintain written records of their miles

- traveled in-state and out-of-state or purchase and install (as tax-deductible items) equipment to record this.
- 3- The fee charged should be inversely proportional to the miles per gallon equivalent as designated federally (e.g., Lozanova undated) for the make and model thus providing an incentive to purchase PHEVs and BEVs.
- 4- Since it might be appropriate to establish a fee scale separately for personal passenger vehicles and commercial vehicles we suggest this also might be considered.

As rural Oregonians ourselves, we are very mindful of (a) the reality that rural Oregonians tend to drive further than urban Oregonians on a daily basis to undertake their weekly errands, and (b) the option of public transit is simply unrealistic since it cannot exist as an economically viable option in sparsely populated areas. Nevertheless, in our judgment, the reality that rural Oregonians impose more pressure on the state's road system than urban Oregonians should not lead to the conclusion that a mileage fee should be imposed only on urban residents. Imposing a fee that favors those purchasing vehicles that achieve a high mileage per gallon equivalent (mpge – e.g., Ganz 2023) should encourage rural residents to consider electric vehicles. As a rational extension of a policy promoting EVs and PHEVs, we also urge the JCT to support the installation of EV charging stations in rural areas in addition to current plans promoting their installation on the major Interstate 5 and U.S. 97 corridors.

We also suggest consideration be given to an alternative approach that would incorporate, as a basic premise, recognition that all Oregonians use our roads indirectly through the necessary transportation system that brings our food and other goods to us. This premise could lead to acceptance of a general tax levy or percentage carve-out from income taxes being allocated to ODOT for road management.

Finally, we would like to offer brief comments on aspects of 2025 legislative transportation planning in Oregon that we feel deserve attention:

Since we are a grassroots climate organization, Southern Oregon Climate Action Now volunteers are inevitably very concerned that every effort should be undertaken to reduce the vast greenhouse gas emissions that result from the state's transportation sector as delineated in DEQ (2024). While the concept of Climate Friendly and Equitable Communities as developed by the state's Department of Land Conservation and Development (DLCD undated a) is designed for communities of 50,000 or greater, and, in rural Oregon only targets Bend in the Central region and Grants Pass and Medford-Ashland in Southern Oregon, we urge the JCT to consider encouraging those components of CFEC that can be incorporated into rural areas. This is particularly relevant for communities that are adjacent to the larger population centers for which CFEC is primarily designed. Nevertheless, as DLCD (undated b) urges, where practical: "Communities can reduce pollution by bringing land uses closer together; increasing the walkability of the built environment and mixing land uses. Communities can locate retail and commercial services near residential areas, shortening the distance residents must travel. This

means less driving, and allows Oregonians to take public transit, bike, or walk to where they need to go".

A general and entirely rational response to the climate crisis is to promote programs that reduce Vehicle Miles Traveled. One way to achieve this is to promote multi-modal transit. While there are clearly more opportunities to do this in dense urban areas, every effort should be made to provide rural communities with multi-modal opportunities where feasible. In particular, safe routes for reaching schools should be a priority.

In terms of reducing climate pollution from the transportation sector, we urge that the JCT focus attention on maintenance and safety of our current highways before planning new highway construction.

One suggestion frequently voiced in Southern Oregon comprises an interest in promoting passenger rail travel among regional cities from Ashland to Grants Pass, for example, and – indeed – beyond, to Eugene and Portland and south to San Francisco. We encourage the JCT to motivate ODOT to explore such options as a way to increase the ability of Southern Oregonians to travel within the region and also to visit larger urban areas without having to resort to polluting personal vehicles.

Respectfully Submitted

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