



Dear Senate President Wagner, Speaker Fahey, and members of the Joint Interim Committee on Transportation Funding,

Climate Solutions is a regional clean energy nonprofit organization and a founding member of Move Oregon Forward, a statewide coalition of more than 50 organizations advocating for transportation solutions that improve safety, address climate change, ensure equitable funding, and strengthen accountability.¹

We appreciate the Legislature's efforts to prevent transportation service cuts and layoffs through the proposed transportation funding stopgap bill (LC 2). While we remain neutral on the bill, we want to emphasize that this proposal risks moving Oregon backwards on climate and clean air, and urge course correction and future legislative action to remedy these concerns. Specifically, we urge the Legislature to:

1. **Recalibrate the Road Usage Charge (RUC)** so that electric vehicle drivers pay their fair share without being disproportionately penalized; and
2. **Commit to funding proven clean transportation programs**, including zero-emission trucks, buses, and charging infrastructure, in future sessions.

Oregon faces a pivotal choice. As the federal government dismantles decades of clean air protections and rolls back historic clean energy investments, Oregon must step up to defend our values, protect public health, and keep climate progress moving forward.

Transportation as a lever for clean air & climate progress

Transportation is Oregon's largest source of climate pollution—and also one of our most powerful levers to deliver cleaner air, lower costs, and stronger economic growth. Accelerating the transition to clean, electric vehicles, trucks, buses, and charging infrastructure is not only about meeting climate goals. It's about:

- Protecting public health, especially for communities disproportionately impacted by diesel pollution;
- Reduce fuel and maintenance costs for families, school districts, and small businesses;
- Creating and sustaining good-paying jobs in manufacturing, installation, grid upgrades, and maintenance; and
- Keeping Oregon competitive with our West Coast neighbors in growing clean energy markets.

¹ [Move Oregon Forward](#)

This work is even more urgent given unprecedented federal rollbacks: We are facing unprecedented attacks on our clean air and climate action through targeted executive action, at times illegal. These have manifested in attacks on the ACT program, funding whiplash for programs like NEVI and other electrification programs, illegitimate use of the Congressional Review Act to undo state protections in the Clean Air Act, and now, the wholesale dismantling of the EPA's underlying ability to protect clean air by undoing the decades-old endangerment finding from the EPA.

With national leadership faltering, Oregon must step up to defend our values and keep climate and clean air progress on track.

Concerns with the Road Usage Charge (RUC)

Climate Solutions believes that electric vehicles should pay their fair share for road maintenance. However, as currently structured, the RUC in this bill risks **disincentivizing EV adoption** by making electric driving pay more than its fair share, with no clear rationale or methodology.

- **Perverse incentive:** The RUC sets rates as if EVs were 20-MPG gas cars. That means driving an EV would be taxed more per mile than driving many fuel-efficient gas cars—a backwards incentive that discourages adoption of zero-emission vehicles.
- **Lack of parity:** By our analysis, an average Oregon driver would pay almost \$100 more per year in road taxes if they drive an EV under this RUC, compared to if they drove an average gasoline car – and a rural EV driver (who tends to drive more miles) could pay \$150–200 more annually. That is not parity—it's a penalty.

We urge you to recalibrate the RUC to reflect the actual fleet average (30–40 MPG)², by setting the rate at 2.5–3.33% of the motor fuels tax instead of 5%. If that cannot be done in LC 2, the Legislature should commit to correcting this in the upcoming short session before implementation of the RUC in 2027.

The narrative that EVs are bankrupting our transportation system is simply not supported by the data: EVs are just 1-2% of vehicles on the road³, while fuel efficiency gains and stagnant gas taxes explain the lion's share of revenue loss.⁴ Setting a national precedent that punishes EV drivers would undermine Oregon's own climate commitments, consumer choice, and economic competitiveness.

Other issues with the RUC we are tracking:

We appreciate that the committee has already taken steps to address two other RUC-related concerns raised during the 2025 session.

² [The Best and Worst States for Fuel Efficiency and Hybrid/EV Adoption - iSeeCars.com](#)

³ [More EVs, Less Gas Tax Revenue Create State Transportation Budget Issues | The Pew Charitable Trusts](#)

⁴ [Closing the Road-Funding Gap: 2024 Update](#)

- **Plug-in Hybrid “Double Taxation”:** First, thank you for acknowledging the issue of **plug-in hybrid electric vehicles (PHEVs)** being double-charged under a RUC, and your commitment to address that through rulemaking language. PHEVs use both gasoline and electricity; without adjustment, they could have been paying the gas tax at the pump *and* the full per-mile RUC. The bill’s directive for ODOT to establish a rulemaking to create a **dynamic deduction or credit system** for PHEVs is a wise solution, but we still worry this might overcharge some groups if not structured correctly. We will work through the rulemaking process before raising this issue further.
- **Delivery RUC (which was removed from the bill):** Second, we support an ongoing conversation related to **delivery trucks and vans**. The past Delivery RUC (as applied in HB 2025 and earlier LC2 frameworks) was singularly applied to electric delivery trucks (and notably not diesel delivery vans), meaning it was neither a delivery RUC nor a medium-duty electric vehicle RUC. Oregon needs more zero-emission delivery vehicles, not fewer, and the original Delivery RUC rollout did not adequately apply to all delivery vehicles. Thank you for addressing this concern – we look forward to continued engagement on making the Delivery RUC program workable for all vehicle types.

The Need for Future Investment

Legislators have repeatedly acknowledged the need to help businesses transition to cleaner trucks and to build out Oregon’s charging network. Yet LC 2 includes not a single dollar for zero-emission trucks, buses, or charging infrastructure. That is not just a missed opportunity; it is a failure of follow-through.

Oregon does not lack data, studies, or plans. What we lack is legislative commitment to fund proven programs like:

- The zero-emission truck and bus incentive fund;
- Community charging grants;
- Electrification programs prioritizing communities most impacted by diesel and climate pollution.

Our state agencies have already developed several comprehensive plans, studies, and collaborative initiatives to guide us. I encourage this committee to leverage the wealth of information from reports such as the Transportation Electrification Infrastructure Needs Analysis (TEINA, 2021), Transformational Integrated Greenhouse Gas Emissions Reduction (TIGHGER, 2023), Biennial Zero Emission Vehicle (Bi-ZEV, 2023), and the Oregon Energy Strategy (2025 Draft Report). These reports all reinforce a consistent message: we save money, improve outcomes, and absolutely can meet our climate goals with wise policy and investments. This includes an integrated system that enhances our grid, generates abundant green power, improves air quality, and facilitates transportation for people where they need to go. The backbone of this all is electrification, and Oregon is already falling behind some of our key clean transportation goals.

Going forward, we need the Legislature to commit to funding these proven programs at the scale necessary to meet Oregon’s climate and clean air goals.

Moving Forward

Oregon can absolutely solve the climate and transportation puzzle. We know the recipe: reduce driving, electrify everything and power it with clean energy, and use clean fuels for the rest. Oregon agencies have already mapped out the pathways. Now we need legislative leadership to follow through.

We urge the Legislature to:

- 1. Recalibrate the EV RUC rate or commit to fixing it before implementation.**
- 2. Make clear commitments to fund zero-emission truck, bus, and charging programs in upcoming sessions.**
- 3. Ensure future transportation packages deliver cost savings, cleaner air, and job growth—not higher costs and new barriers for clean vehicle adoption.**

Climate Solutions and *Move Oregon Forward* remain committed to working with you to build a transportation system that is safe, fair, sustainable, and future-ready. Thank you for your consideration.

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Submitted on behalf of Climate Solutions.