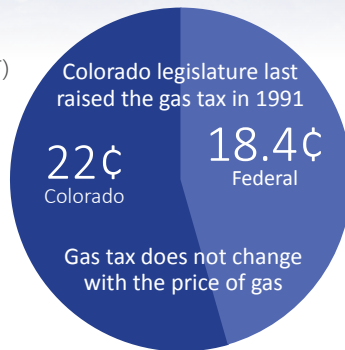


Colorado Road Usage Charge

What is a Road Usage Charge (RUC)?

- Assesses charges based on vehicle miles traveled
- Treats roads like utilities (pay for what you use)
- RUC is also known as Mileage-based User Fee (MBUF) and Vehicle Miles Traveled (VMT) Fee
- Replaces the gas tax which is the main source of funding for our roads



What is the problem with the current funding model?

Increased Vehicle Fuel Efficiency

New fuel economy standards mandate that new vehicles in 2016 have an average fuel economy of 35.5 mpg and by 2025 that standard increases to 54.4 mpg. In addition to these new standards, alternative fuel vehicles are becoming more prevalent. Alternative fuel vehicles include full electric, hybrid, compressed natural gas, liquid natural gas, and propane. All of which pay little or no gas tax. Since the current funding model relies on fuel consumed, these new standards and alternative fuel vehicles result in less money to fix the roads.

Declining Purchasing Power

Currently, Colorado transportation revenues come from a 22¢ per gallon tax on gasoline. This is a fixed amount that does not fluctuate with the price of gas (indexing). The gas tax rate was last raised in 1991. \$1.00 in 2016 is worth approximately 57% less than in 1991.

Increase in Population

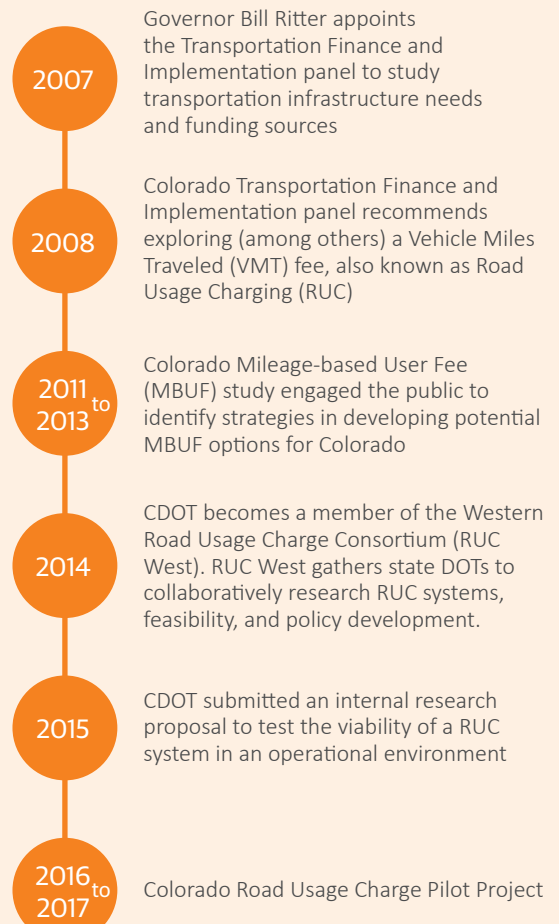
Vehicle miles traveled is the metric used to gauge the number of vehicles on the road and how many miles they are traveling. As the number of people in the state increases, so does the number of vehicle miles traveled as well as wear and tear on our roads. However, with increased vehicle fuel efficiency, less gas is being purchased therefore, the revenue is going down.

How will RUC address the funding problem?

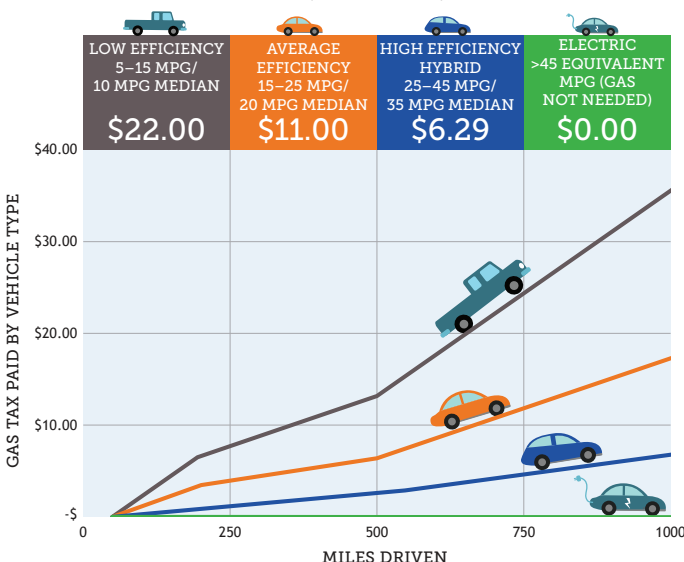
RUC charges drivers for what they use versus the gas tax which currently charges more for less fuel efficient vehicles and charges nothing for alternative fuel vehicles. Under a road usage charge, all types of vehicles pay an equal amount for the same miles traveled, which captures revenue not currently being collected under the gas tax.

History of RUC in Colorado

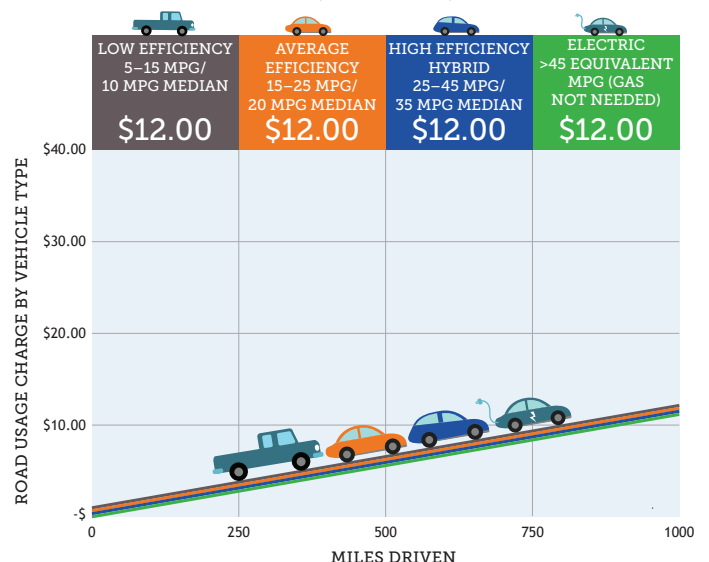
Colorado is exploring a number of ways to have sustainable funding for roads. The timeline below shows how the concept of RUC in Colorado has progressed over time.



GAS TAX PAID
(AVERAGE MONTHLY)

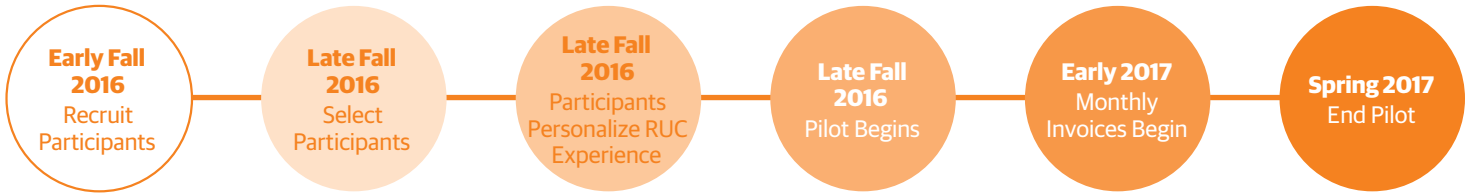


ROAD USAGE CHARGE PAID
(AVERAGE MONTHLY)





How the Colorado RUC Pilot Program will work:



CDOT RUC Pilot Program Goals

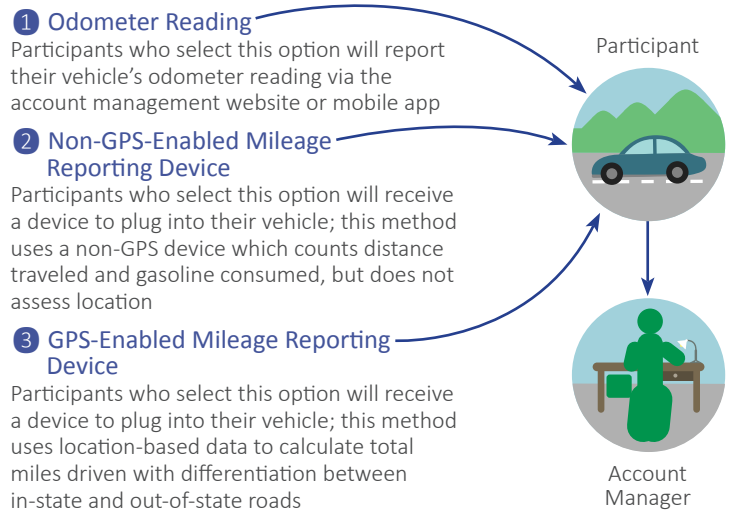
1. Demonstrate an operational RUC;
2. Identify and evaluate issues;
3. Test the feasibility of various mileage reporting options; and
4. Solicit feedback and ideas.

Colorado RUC Pilot Program (RUCPP)

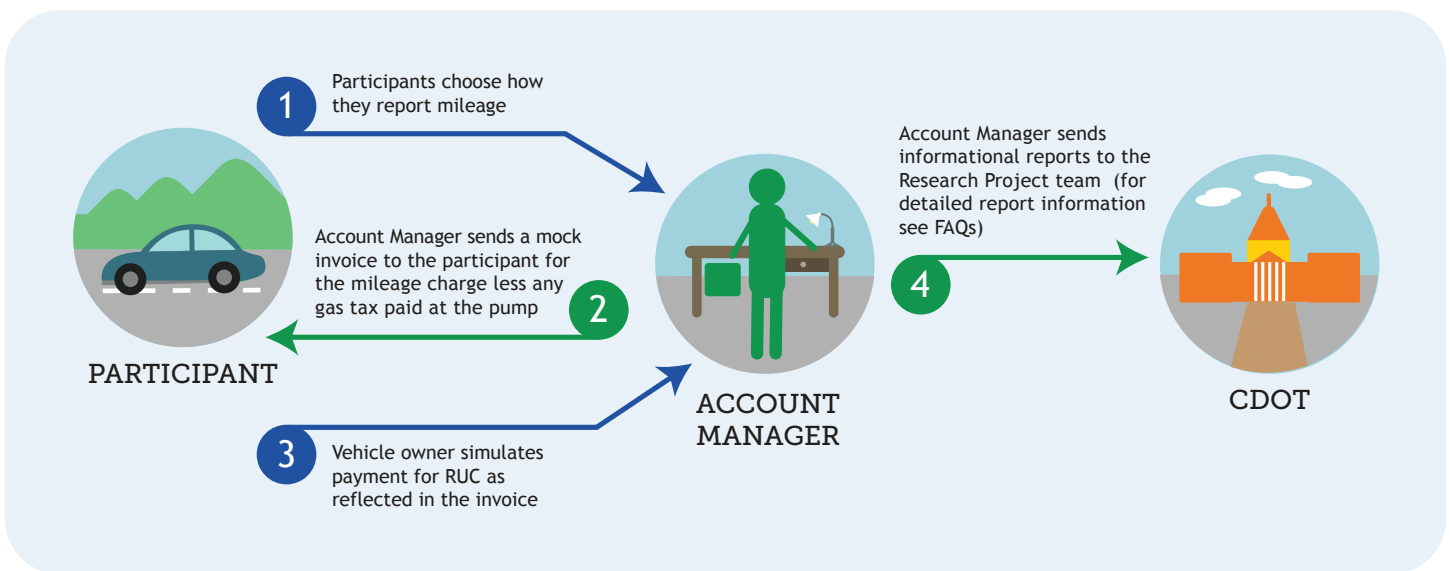
- 4-month statewide pilot (December 2016 - April 2017) evaluating RUC for passenger vehicles
- 100 participants consisting of legislators, transportation leaders/officials, media, and general public
- Participant mix will include geographic (urban/rural) and vehicle (MPG) stratification
- A final report will summarize the findings of the pilot, lessons learned, and identify future recommendations

Mileage Reporting Options

Participants will be provided their choice of mileage reporting options. Some of these options include a mileage reporting device to be installed in the vehicle and one option provides the no technology choice involving self-reporting.



How does RUC work?



For more information please visit ruc.codot.gov



**Road Usage Charge
Pilot Program**