

# RUC America

## Organizational Charter

*(Revised & Approved for rebrand 6/06/2022)*

### 1.0 Introduction

This Organizational Charter provides the basis for broad, multi-jurisdictional coordination, organized around a common agenda and facilitated through a cooperative support structure.

#### 1.1 Mission

The Consortium is a voluntary coalition of state Departments of Transportation and provincial Ministries of Transport that are committed to collaborative research and development of a potential new transportation funding method that would collect a road usage charge (RUC) based on actual road usage.

### 2.0 Vision

Through the leadership of the Consortium, member states and provinces will have the research, technical expertise, operational understanding, and member support to be poised to initiate an effective interoperable RUC system investigation, demonstration, or implementation, if and when desired.

### 3.0 Purpose of RUC America

The primary purposes for forming the Consortium include the following:

- **Expertise:** Transportation agencies must be prepared for an eventual supplement or replacement of fuel taxes as the primary transportation funding revenue source, whether this transition happens sooner (prior to 2025) or later (say, after 2025). Elected officials will decide whether to implement a RUC, and if so, how it will be applied. *Expertise and preparedness* for a new funding system must be developed within and among transportation agencies, separate from the political and policy considerations, so that transportation agencies can inform policymakers during legislative processes and efficiently implement the system if legally authorized.
- **Resource-sharing:** Several agencies acting together can accomplish more than several agencies acting alone. Resource-sharing and interagency financial contributions will allow the Consortium to fund research efforts, projects, and other matters of mutual benefit. Coordination and sharing amongst Consortia Members will also conserve precious state funding by avoiding duplicative work. Project costs may be allocated proportionately or on an ability-to-pay basis, where one or more Members are the sponsor and majority funder, and the other jurisdictions contribute a lesser amount to the project to help offset the marginal cost of their participation. Minority funding may be based on the portion of work requested or benefit derived from overall study effort. Except for officially-designated Pooled Fund work plan tasks which will be shared proportionately, additional opportunities for resource sharing will be determined on a case-by-case basis and to the mutual agreement of the participating Consortia Members.

- **Economies of Scale:** Implementation of a new transportation revenue collection system – regardless of the method – will be complex, and the administrative cost of collections will likely be higher than the current fuel tax system. Having several jurisdictions that share common approaches and collection standards creates the ability to jointly share the implementation and collection costs among a much larger user base than if jurisdictions implement a RUC system on their own. Thus, a multi-jurisdictional approach can lead to cost savings through economies of scale and avoidance of duplicative handling and administrative overhead.
- **Joint Testing:** Testing and piloting a RUC system is best conducted over the entire territory where vehicles potentially travel. Participating jurisdictions in North America will benefit from pilot projects that test issues such as interoperability, policies and methods for the exchange of data between entities and remission of revenues to the proper jurisdiction. Additionally, regional agreement on technology standards will allow certification by a single entity to be recognized amongst the Consortia Members and participating jurisdictions thereby providing greater efficiency, cost savings and consistency.
- **Best Practices:** As Consortium Members examine RUC systems and conduct demonstrations or systems tests, their discoveries and lessons learned can be recorded and shared with other members as part of a community of practice. Value can be derived from multiple jurisdictions participating in a common research project or systems test, as well as from their diverse solo activities that are consistent with the goals of the Consortium.

#### 4.0 Goals

The primary purpose of a road usage charging system is to generate revenue to fund roadway maintenance and improvements. Members are free to determine if or how they wish to implement road usage charging systems—they are not required to adopt or advocate the system(s) used by other Members. When developing a road usage charging systems, some of the objectives to consider are an open system to foster competition in the market for providing RUC services; choice in how a road usage charge would be assessed and paid; and the compatibility with readily-available and affordable consumer products and technologies.

Although not all Members may be interested in implementing a road usage charging system, there are some common goals among all Members investigating and researching this alternative funding mechanism.

The Consortium Members share the following goals:

- Explore the technical and operational feasibility of a multi-jurisdictional road usage charge system.
- Investigate public and key decision maker criteria for acceptance and share experience and lessons learned to foster positive outcomes.
- Develop standards and protocols for how road use charges could best be collected and remitted among the various jurisdictions.
- Develop preliminary operational concepts for how a multi-jurisdictional road usage charge system could be administered.
- Develop a model for cooperation and interoperability that can be used across North America.
- Engage the automotive manufacturing and technology sector to encourage the ability for mileage reporting to occur in conjunction with other products and services the sector provides in the marketplace.

- Share knowledge to maximize the preparedness for and efficiency of policy and program development for road usage charging among the members.

## 5.0 Guiding Principles

The following Principles guide the creation of this Charter; the Organizational Structure, Governance, Duties, and Operating Procedures of the Consortium; and the implementation of a Transportation Pooled Fund Program to facilitate its activities:

- Consortium Members will develop and be guided by a common agenda, as initially reflected in this Charter;
- Consortium Members will develop shared measurement systems to measure and report success;
- Consortium Members will undertake a common work plan, and share information and lessons learned from their separately sponsored (but mutually reinforcing) activities;
- Consortium Members commit to continuous communication and active participation in all workshops, meetings and activities;
- Consortium Members will develop and provide adequate organizational support;
- Consortium Members will pool their time, talent and financial resources to achieve common goals.

## 6.0 Organizational Structure

### 6.1 Membership Requirements

Membership will consist of states that meet the following three criteria: (1) states that are members of the American Association of State Highway and Transportation Organizations (AASHTO); (2) states that commit to joint funding (through interagency agreements or through financial participation in a Transportation Pooled Fund Program created to facilitate the Consortium), in at least the minimum Funding Requirement outlined in Section 6.3 below; and (3) states that adopt this Charter, which is evidenced by participation as a member of the Board of Directors as provided in Section 6.4; or by signature of the Charter, or other written intent to join the Consortium signed by the jurisdiction's transportation agency at the highest level of executive authority.

Additional Consortium Members may be added subject to Board approval.

### 6.2 Membership Expectations and Requirements

The Consortium is envisioned as a cooperative effort where each state's or province's time, talent and funding is committed to the good of the whole. Consortium Members are expected to contribute to the costs of the identified Work Plan, Tasks, Orders and Deliverables to the greatest extent possible. Some jurisdictions may be asked to provide staff and administrative support as well as contractors, as appropriate, in order to sustain the Consortium and its work.

Each Consortium Member is expected to contribute to any general administrative costs of the Consortium through modest funding allocations to be approved at meetings of the Consortium's Board of Directors. The Consortium will strive to keep such costs as reasonable as possible, relying on in-kind contributions of Members to the greatest extent practicable. Annual contributions to the Transportation Pooled Fund may serve as the primary funding mechanism for any shared support costs.

### **6.3 Funding Requirement**

Minimum funding contribution of \$25,000 per year is required to be eligible for Membership. Member contributions will fund the Consortium's activities, including but not limited to: Consortium administrative and operational costs; Board, Steering Committee and other subcommittee or similar Consortium-related meeting costs; and projects and tasks identified in the Work Plan to be jointly funded.

If the Board establishes a Transportation Pooled Fund arrangement that utilizes State Planning and Research (SP&R) funds, uniform treatment of funding is assured under existing FHWA mechanisms for such pooled fund projects. Non SP&R funding that is made available through interagency agreement will also be treated uniformly.

Regardless of the source of Membership contributions, any jointly-pledged funding will be expended concurrently and proportional to each agency's contribution share. Upon approval of the Board of Directors, exceptions to concurrent and proportional expenditures may be made to leverage other funding opportunities or for other good cause shown.

### **6.4 Board of Directors and Annual Meeting:**

For the purpose of taking formal action, including adoption of any subsequent Operating Procedures, each Consortium Member will be represented by the Director, Secretary, or Minister of Transportation for that state or province, or his/her designee. These Members constitute the Board of Directors for the Consortium. The Board of Directors must meet at least once annually.

## **7.0 Governance**

### **7.1 Adoption of Operating Procedures**

The Board of Directors will adopt Operating Procedures that further define policies and procedures as deemed appropriate, including selection of the Chair and Vice-Chair of the Board and establishment of any subcommittees of the Board.

### **7.2 Voting Rights**

Each Member organization shall have one voting seat on the Board of Directors. Board Members may vote by proxy, subject to at least 24 hours advance notice to the Board Chair.

### **7.3 Steering Committee**

Each Board Member shall designate a person to represent the Member organization on the Steering Committee. The purpose of the Steering Committee is to develop the Consortium's annual budget, oversee the adopted Work Program, participate in periodic workshops and meetings, and conduct other project management and policy development activities. The Steering Committee is responsible for organizing itself, establishing an Executive Committee, establishing operating procedures and conducting business with a quorum of members.

The Steering Committee shall be presided over and directed by a Chairperson, who shall be a representative of one of the Consortium's Member organizations. The Chair and Vice-Chair shall be elected by a vote of the Steering Committee members.

The Steering Committee must meet at least twice per year, and may meet quarterly or more frequently as circumstances may require.

#### **7.4 Amendments**

This Charter may be amended by a *majority* vote of the voting membership. If a quorum is not present the entire membership shall be polled.

### **8.0 Duties**

#### **8.1 Work Plan and Budget**

Each year the Steering Committee will develop a Program Work Plan. In consultation with the Program Administrator who serves as fiscal agency for the Consortium's funds and expenditures, the Steering Committee will prepare a budget to support the Work Plan.

#### **8.2 Program Administration**

A single Member state shall be designated as "Program Administrator" and shall serve as the fiscal agent for the Consortium. If a Transportation Pooled Fund (TPF) Program is established, the Program Administrator shall also serve as Sponsor of the Transportation Pooled Fund (TPF) Program pursuant to Federal Highway Administration rules.

#### **8.3 General Support**

The Administrator will be responsible for: managing the Member contributions including any contributions made pursuant to a TPF Program; ensuring the timely payment of vendors and consultants; providing appropriate reimbursements for Members' authorized expenditures; and providing all required reports, including any TPF Program reports to FHWA and TPF participants.

#### **8.4 Contract Administration**

For projects, tasks or activities that are funded with TPF resources, the Administrator is responsible for adhering to competitive solicitation requirements, preparing contract documents and performing other ministerial functions related to contracts, administration, and management. The Administrator will assure that contracts, schedules, Work Plans and project descriptions are followed. The Administrator will ensure that adequate controls are in place to ensure quality control and evaluation of all work products and deliverables of contractors. The Administrator is responsible for providing contract and budget progress reports to the Steering Committee. Nothing in this section precludes the Steering Committee from appointing one or more Members to serve as Project Manager(s) for the purpose of providing oversight, direction and management of specific projects, tasks, deliverables or activities funded with TPF or other joint resources.

#### **8.5 Management Budget**

The Administrator is responsible for administering a management budget, which may include travel and per diem payments for active participants or their designated representatives. Per diem and travel policies will be administered consistently for each Consortium Member, and will be further detailed in the Operating Procedures or as separately issued policies.

The Program Administrator has the right to approve all budget items with values less than \$25,000. All expenditures, regardless of amount, will be reported to the Steering Committee, recorded in Steering Committee minutes, and if TPF funds are expended, included in required quarterly status reports to the Federal Highway Administration.

## **9.0 Operating Procedures**

The Steering Committee will draft initial Operating Procedures which will be proposed for adoption by the Board. After adoption of the initial Operating Procedures, subsequent amendments to the Operating Procedures may be adopted by the Steering Committee upon majority vote of the Members.