



Is Oregon's Road Usage Charge the Future of US Road Funding?

Transportation Infrastructure Revenue
Stabilization Subcommittee
Santa Fe, New Mexico
September 10, 2013



History of *User Pays Policy* in Oregon

- Nation's first gas tax enacted in 1919
- Nation's first weight mile tax for heavy vehicles enacted in 1933
- Nation's first cost allocation study completed in 1937
- Gas tax increases in 1921, 1923, 1930, 1933, 1949, 1967, 1982, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993 and 2011





Initial Legislation Road User Fee Task Force

House Bill 3456 (2001)



- Develop policy recommendations for new revenue system based on road use to replace current system
- Directs DOT to administer RUFTF
- Directs DOT to develop and implement pilot programs based on RUFTF policy recommendations
- Allows for fuel tax refund for pilot participants paying mileage fee



The Basics

Mileage Reporting

1. Basic: Report all miles driven
 - Manual reporting
 - Electronic mileage reporting with no GPS
2. Advanced: Report miles by location
 - Electronic mileage reporting with GPS
3. Switchable: Changeable reporting of miles
 - Switching between basic and advanced by preference
4. Simplified: Assume maximum annual mileage
 - No reporting of actual miles traveled



The Basics

Options for Electronic Mileage Reporting

1. Activate a metering device within vehicle
2. Install a metering device in vehicle



In-vehicle Telematics or Infotainment System



PAYD Insurance Dongle



Navigation Unit



The Basics

Payment of Road Usage Charge

Invoice

- Receive by mail or email

Options for payment

- Cash
- Check
- Credit
- Debit
- Electronic Funds Transfer

From: Sanef S.A. 30, Boulevard Gallieni 92 130 Issy les Moulineaux France	On behalf of: Oregon Department of Transportation 3700 SE 92nd Ave Portland Oregon 97216		
To: A Customer 123 Main Street Portland Oregon 97201	Invoice No: SI1012-1234 Invoice Month: October 2012 Issue Date: Nov 5 2012		
Item Description	Amount	Rate (\$)	Subtotal
VRM: YG59RZW			
Vehicle: BMW Mini Clubman D			
VIN No: MWMN52C80TW95921			
OBU No: 0507011044000022			
Plan: BASIC			
Mileage Tax	1123 miles	\$0.0156	17.52
Fuel Tax Refund	15.51 gals	\$0.30	-4.65
			Subtotal for Mini Clubman YG59RZW 12.87
VRM: SL58RZJ			
Vehicle: Volvo V70 SE LUX D5			
VIN No: YV1BW714191088570			
OBU No: 0507011218500921			
Plan: ADVANCED / SMARTPHONE			
Mileage Tax	1485 miles		
Total Mileage	845 miles	\$0.0156	13.18
5(HOMESTATE) Taxable Miles	28.17 gals	\$0.30	-8.45
Fuel Tax Refund			
			Subtotal for Volvo V70 SL58RZJ 4.73
TOTAL Mileage Tax Due			
Total Mileage Tax Due / You are owed a credit of			\$17.60
			Payment Date Dec 05 12
To pay your Mileage Tax, please visit https://odot.sanef.tolling.co.uk and follow the on-screen instructions.			



The Basics

Key Policy Issues for Per-Mile Charge System

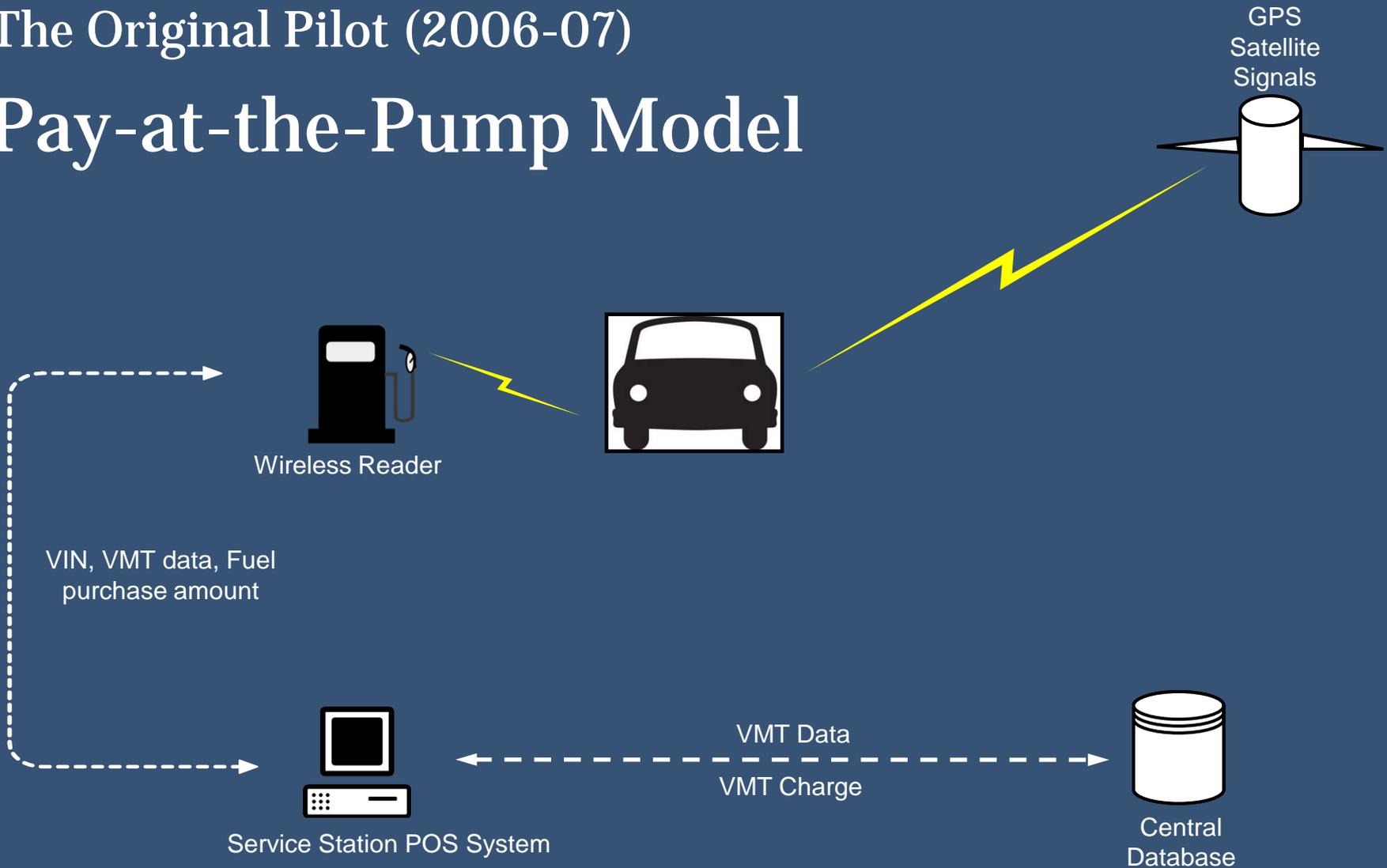
- Augment or **replace fuel tax**
- Manual data collection or **electronic data collection**
- **One method of reporting** or multiple choices for reporting
- Basic mileage reporting or **location based mileage reporting**
- **Government selected technology (closed system)** or market selected technology (open system)
- **Government operations** or private sector operations
- **One method for billing** or multiple methods

First Pilot



The Original Pilot (2006-07)

Pay-at-the-Pump Model



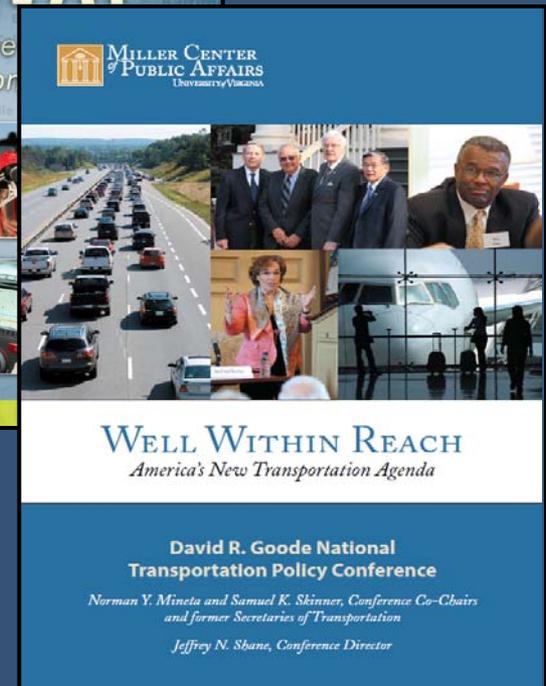
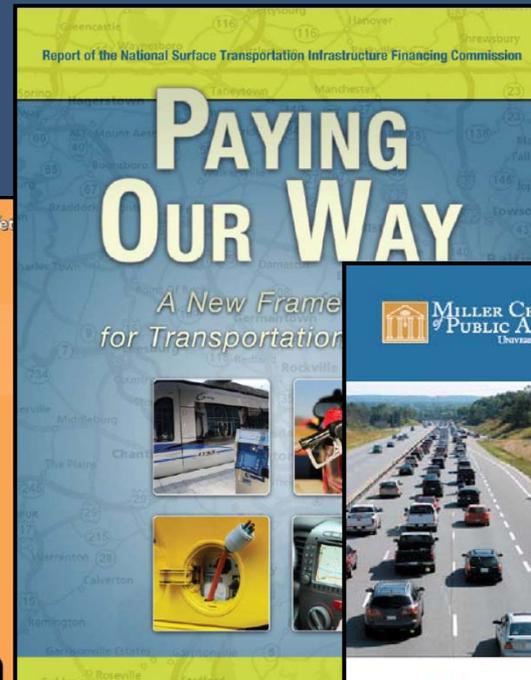
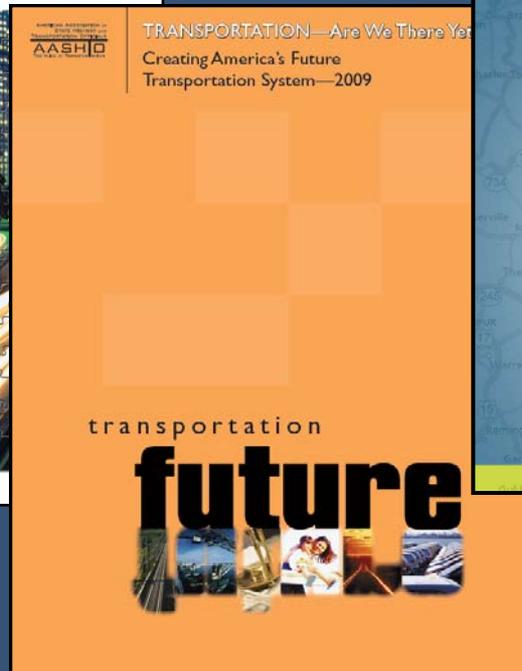
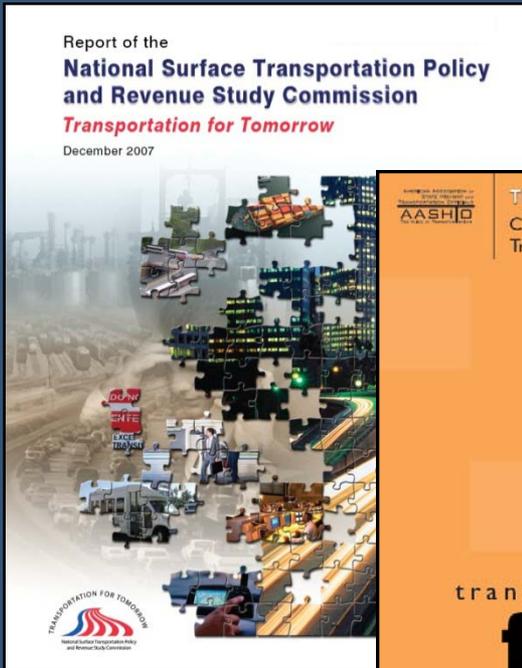


Original Pilot Program Technologies





National Review & Support





The Basics

Key Policy Issues for Per-Mile Charge System

- Augment or **replace fuel tax**
- Manual data collection or **electronic data collection**
- One method of reporting or **multiple choices for reporting**
- **Basic mileage reporting or location based mileage reporting**
- Government selected technology (closed system) or **market selected technology (open system)**
- **Government operations or private sector operations**
- One method for billing or **multiple methods**

Second Pilot



Oregon's Second Pilot Road Usage Charge Pilot Program

- November 1, 2012 to February 28, 2013
- 44 volunteer participants from Oregon
 - 8 state legislators
 - Others with policy interest
- Paid road usage charge, received fuel tax credit
- Private sector firms provide
 - Mileage reporting technologies
 - Tax processing and account management
- Washington DOT and Nevada DOT managed 44 additional participants



Option 1: The Basic Plan (without GPS)



On Line Payment
Credit Card Payments
Debit Card Payments

Option 2: The Smart Phone Plan



Option 3: The Advanced Plan (with GPS)





Mail
Pay by Check

Option 4: The Basic Plan (without GPS)



Option 5: Flat Rate Plan

		1025
		DATE <u>November 2012</u>
PAY TO THE ORDER OF	<u>Oregon Department of Transportation</u>	\$ <u>135.00</u>
<u>One Hundred Thirty Five Dollars and 00/100</u>		DOLLARS
MEMO		<u>Joe Motorist</u>
⑆0000000000⑆ ⑆0000000000⑆		1025



Choosing your plan

To activate your account, you must choose a charging plan. Your charging plan will include a road usage charge service provider – either ODOT or a private provider, Sanef – and a method to report the miles you drive (click on the plan title in the table below).

Need help? Call toll-free 855-797-1265 or RUCPP@odot.state.or.us

Plan Options

	Miles Reported	Invoice	Payment	Online account management	Uses GPS?
ODOT Basic Plan	All	Mailed Monthly	Check	No	No, does not report where miles are driven
ODOT Flat Rate Plan	N/A	Once, at start	Check	No	No device
Sanef Basic Plan	All	Emailed Monthly	credit/debit card	Yes	No, does not report where miles are driven
Sanef Advanced Plan	Public roads in Oregon only	Emailed Monthly	Credit/debit card	Yes	Yes
Sanef Smartphone Plan	With application running, only roads in Oregon; without application running, all roads	Emailed Monthly	Credit/debit card	Yes	Yes, when the application is running



Installation of an On Board Unit





Road Usage Charge Statement

From :
Sanef S.A.
30, Boulevard Gallieni
92 130 Issy les Moulineaux
France

On behalf of :
Oregon Department of
Transportation
3700 SE 92nd Ave
Portland
Oregon
97216



Invoice No: SI1012-1234

Invoice Month: October 2012

Issue Date: Nov 5 2012

To :
A Customer
123 Main Street
Portland
Oregon
97201

Item Description	Amount	Rate (\$)	Subtotal
VRM: YG59RZW Vehicle: BMW Mini Clubman D VIN No: MWWWMN52080TW95921 OBU No. 0507011044000022 Plan: BASIC			
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Total Mileage Tax Due / You are owed a credit of			\$17.60
Payment Date			Dec 05 12

To pay your Mileage Tax, please visit <https://odot.sanefolling.co.uk> and follow the on-screen instructions.



Oregon's Platform for Per-Mile Charge

- Machine to machine communications via standard mileage message
- DOT certifies private sector entities for
 1. Mileage reporting technologies under an open system
 2. Tax processing and account management alternatives
- Scalable, flexible and geographically unlimited



Standard Mileage Message Decoded

- Vehicle identification number
- Reporting device identification number
- Timestamp for installations and removals of mileage reporting device
- Total mileage during reporting period
- Fuel consumption during reporting period
- For advanced plans, mileage coordinates





Implementation

Oregon Road Usage Charge Legislation (SB 810)

- For 5,000 volunteer light vehicles
- Rate of 1.5 cents per mile
- Rebate of fuel tax paid
- ODOT develops methods of reporting
- Mandates choices for motorists
- At least one reporting choice must not use GPS
- Open market for reporting technologies
- Private sector administration option
- Penalties for false statements, non-payment and tampering
- Protection of personally identifiable information





Privacy Solutions

- Selection of Mileage Reporting Device from Marketplace
- Choices of Reporting Method and Provider
 - Basic reporting from odometer
 - Advanced reporting using vehicle location technology
 - Simplified reporting of assumed maximum miles driven
- Protection of Personally Identifiable Information
 - Limits who has access to PII
 - Imposes obligation to protect PII
 - Destroy mileage data within 30 days after later of
 - Payment processing
 - Dispute resolution
 - Noncompliance investigation

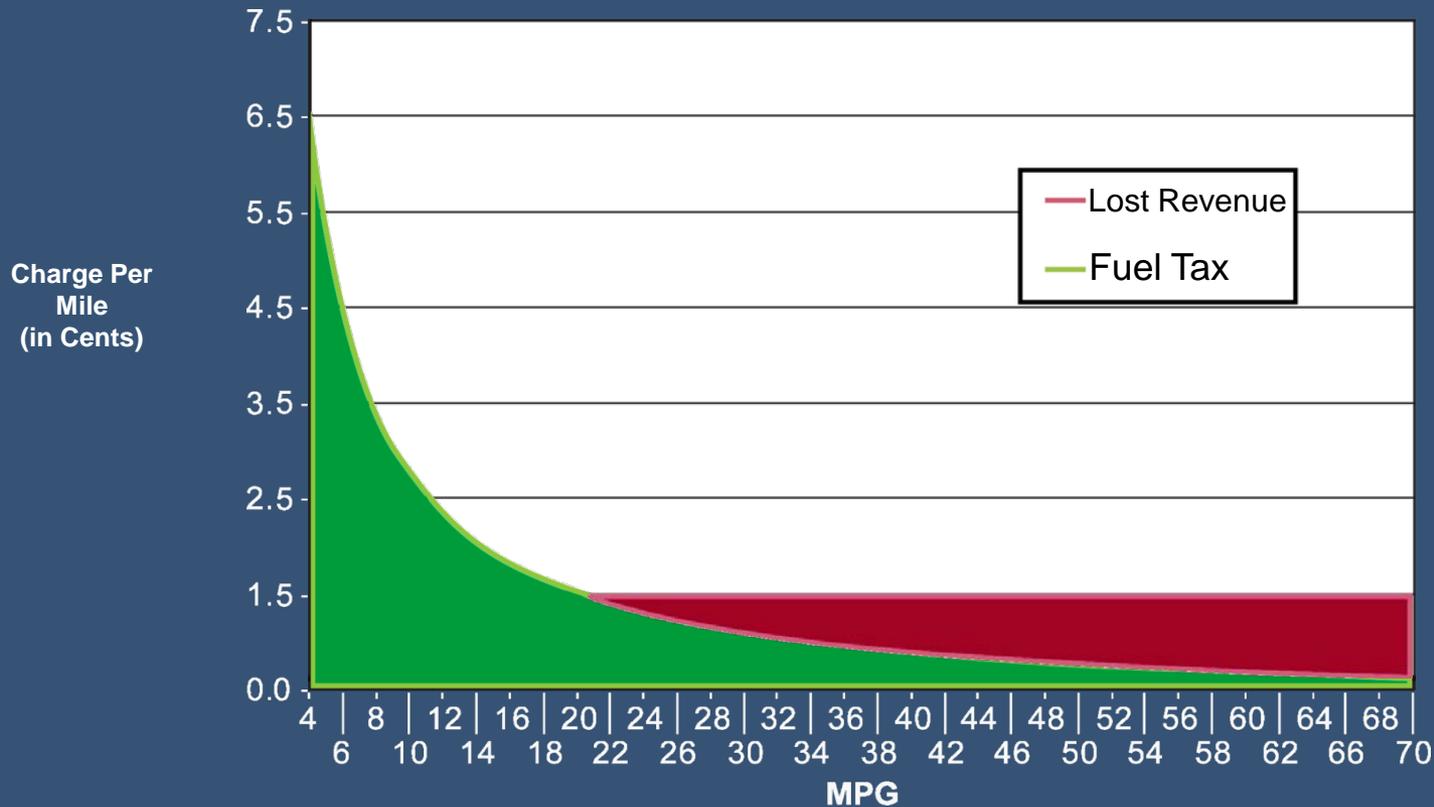


Rate Structure Issues for Mandatory Road Usage Charge

- Fairness versus Simplicity
- Totally or Partially Replacing Fuel Tax
- Low Entry Rate or Average Rate
- Single Rate or Multiple Rates
- Complete Policy or Multiple Steps

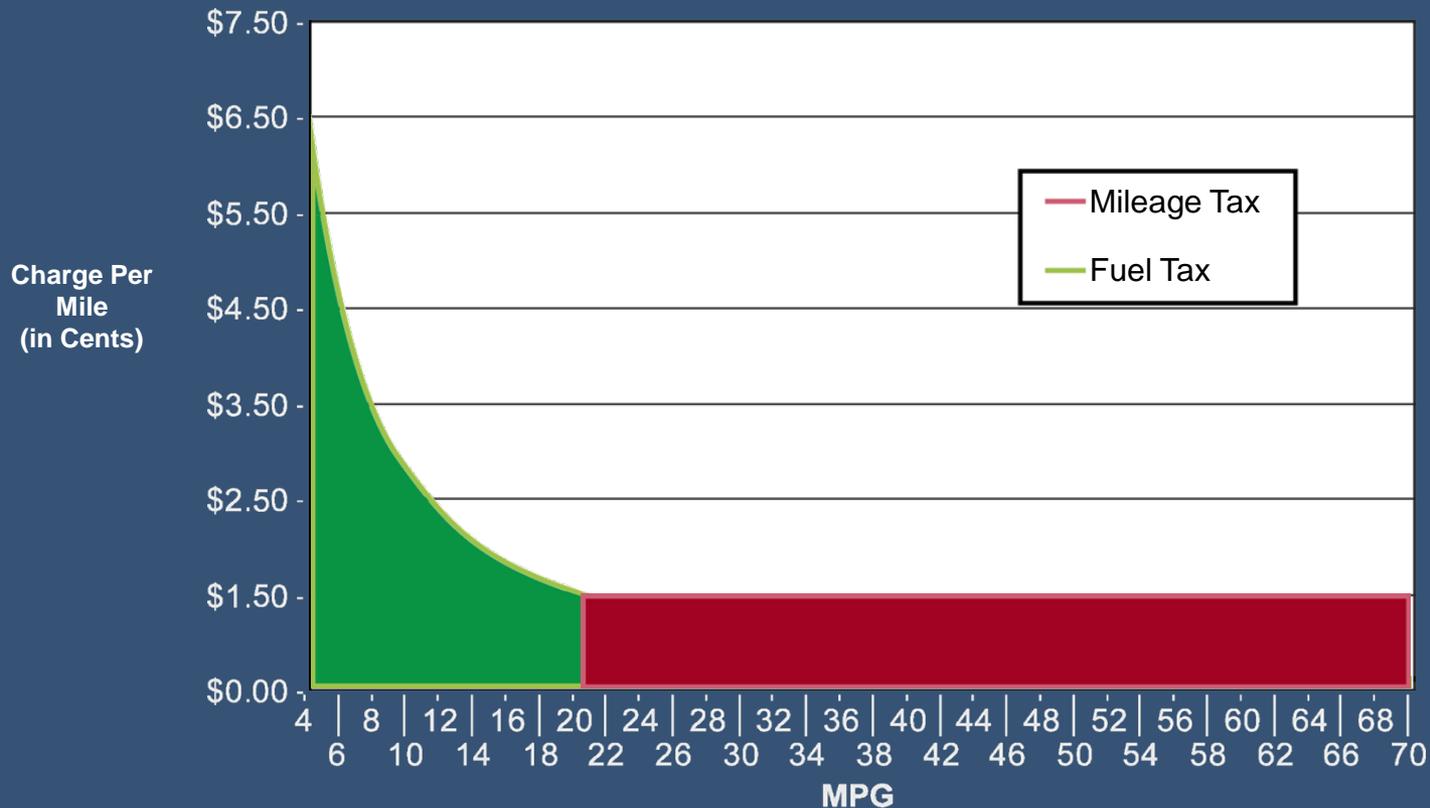


Unfairness of the Fuel Tax



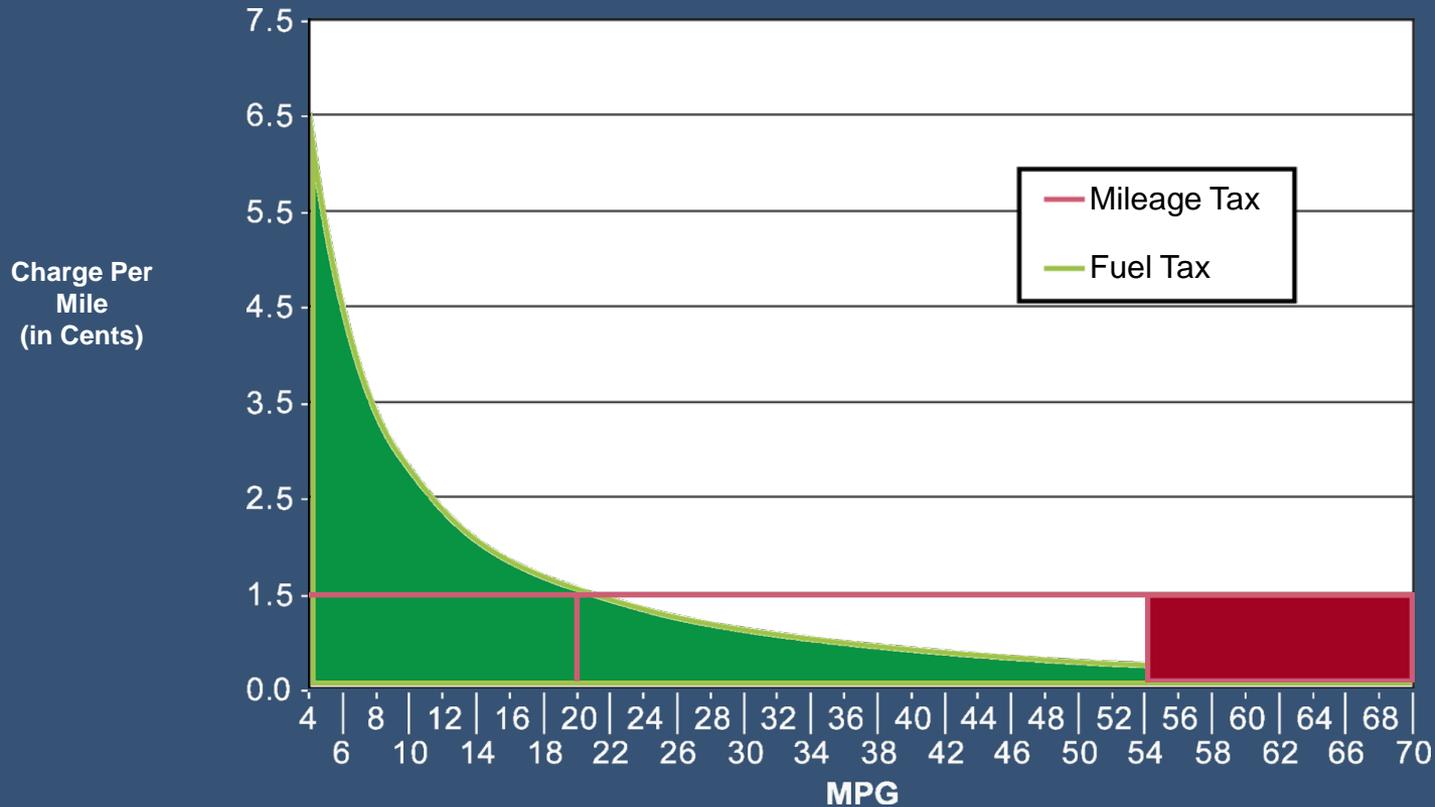


End Game for the Road Usage Charge?





Where to Start the Road Usage Charge





What's Next

- Implementation of SB 810 in Oregon by July 1, 2015
 - Establishment of mileage reporting methods and administrative practices
 - Market formation for road usage charge collection
 - Marketing to volunteers
- Western Road Usage Charge Consortium
 - Research multi-jurisdictional issues
 - Precision communications
 - Multiple state pilots
 - Potential for regional system
- Oregon Road Usage Charge Summit
 - Seminar for state DOTs and legislators from across the USA
 - Workshop for vendors



Road Usage Charge Program Website

http://www.oregon.gov/ODOT/HWY/RUFPP/Pages/ruc_overview.aspx