
Oregon's Per Mile Road Usage Charge and Related Activity Across the US

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Bridges & Tolls: Mobility Pricing & Business
Surrey Board of Trade Leadership Series

April 8, 2016
Surrey, BC



Contents

- ◆ How it began in Oregon
- ◆ Why Charge by the Mile
- ◆ Development of the Per Mile Charge in Oregon
- ◆ Oregon's Per Mile RUC Program
- ◆ Top Concerns about RUC
- ◆ What is happening elsewhere in the U.S.



It All Began When Oregon Legislature Created the Road User Fee Task Force



Road User Fee Task Force



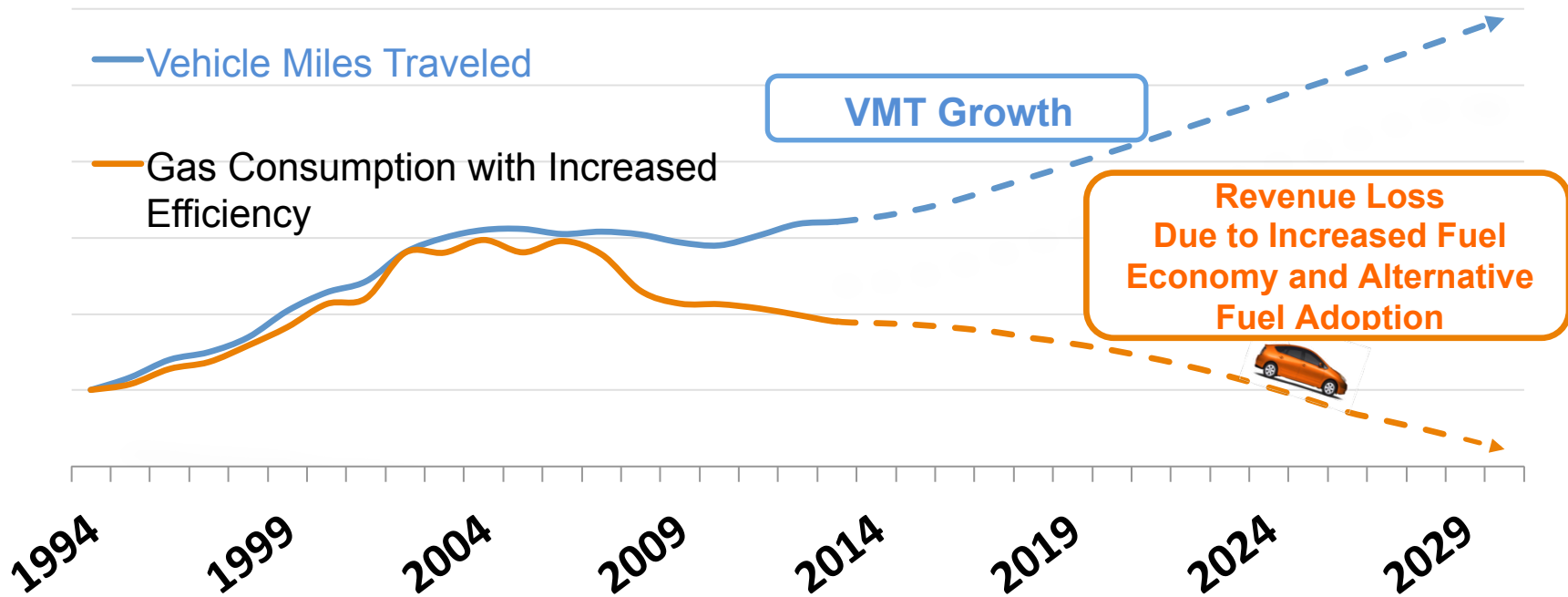
"To develop a design for revenue collection for Oregon's roads and highways that will replace the current system for revenue collection."



Why Charge by the Mile?



Transportation system in financial crisis because vehicle fleet transitioning away from fossil fuels while driving at new highs



Source: Caltrans CTC Presentation, February 2014

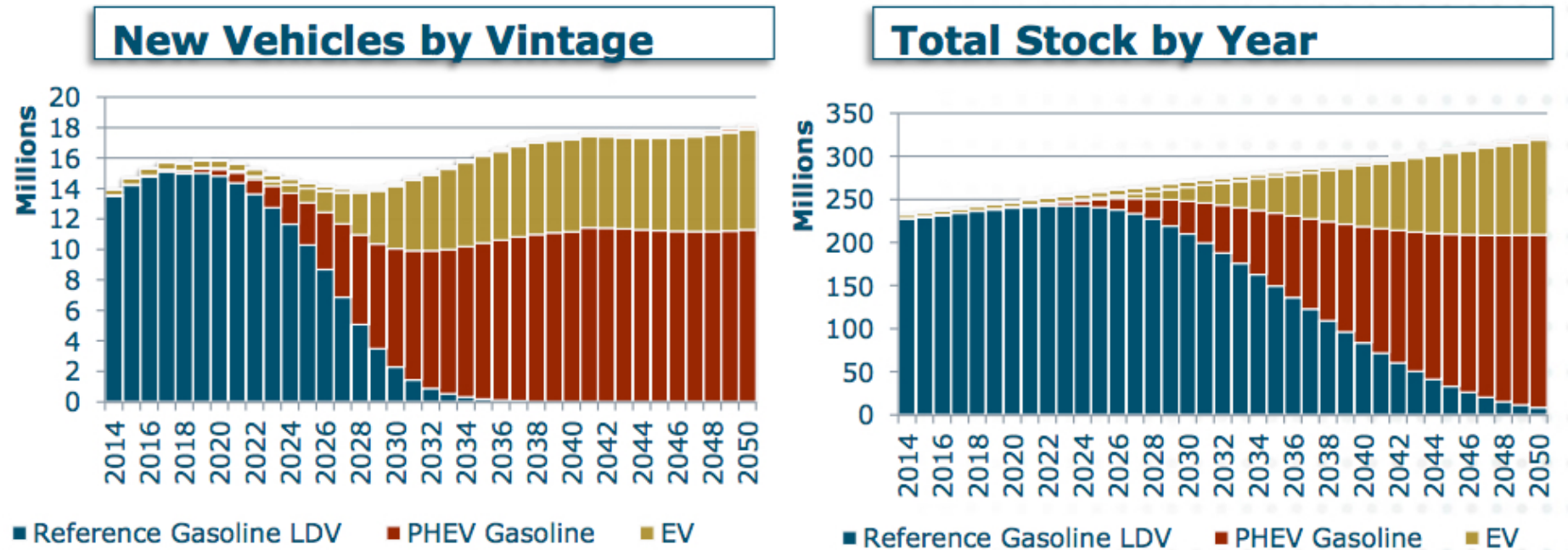


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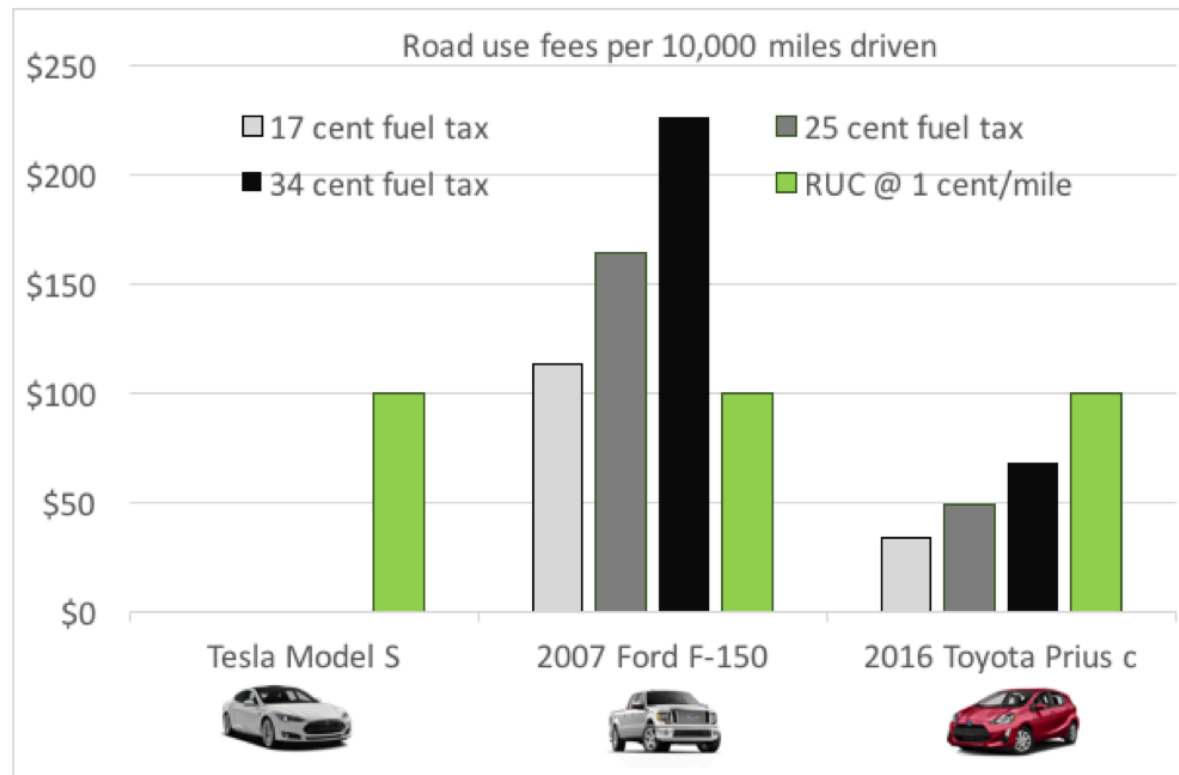
Transportation system in financial crisis because vehicle fleet transitioning away from fossil fuels while driving at new highs



Source: IDDRI, Pathways to deep de-carbonation in the USA, USA 2050 Report, California ARB Presentation, May 2015



Reliance on gas tax for road funding is increasingly inequitable



Under per mile charge motorists pay for roads and bridges based on amount of use

- ◆ Everyone pays their fair share
- ◆ A “User Pays” principle – the more you drive, the more you pay
- ◆ Makes road system more like other utilities

Average Annual Cost of Select Items



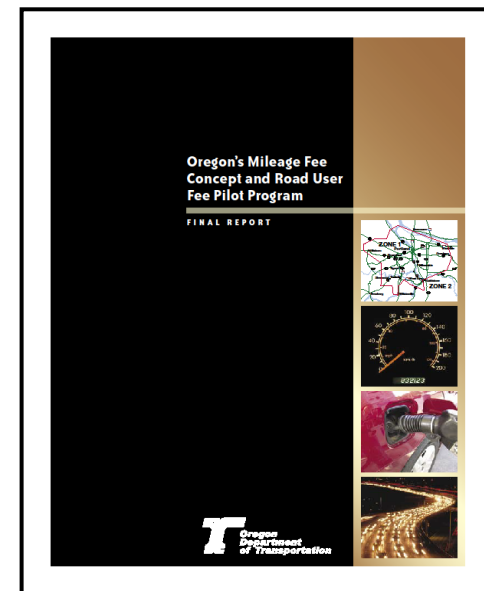
Development of the Per-Mile Charge in Oregon



Oregon's First Per Mile Charge Pilot Program

Road User Fee Pilot Program 2006-07

- ◆ Mileage reporting at fuel pump
- ◆ GPS mileage reporting device selected by ODOT
- ◆ Payment at fuel pump with fuel purchase



Redesign of Oregon's Per-mile Charge Concept

Design
program as
open system

Government
should not
select
technology

Provide
motorists
choices

Provide access
to private
sector account
management

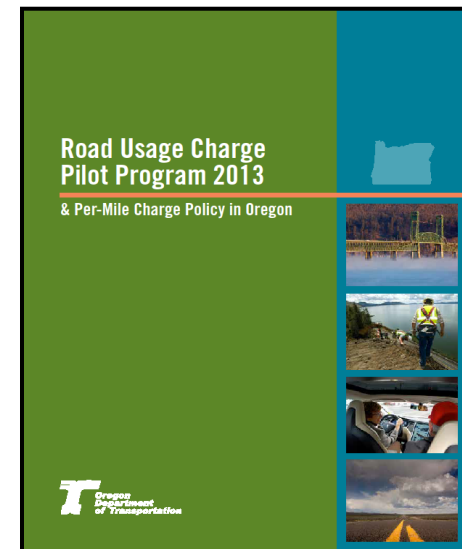
Make system
flexible,
scalable and
geographically
unlimited



Oregon's Second Per Mile Charge Pilot Program

Road Usage Charge Pilot Program 2012-13

- ◆ Mileage reporting wirelessly from machine to machine
- ◆ Commercial market offered three choices for mileage reporting
- ◆ Payment of periodic billing by check or card

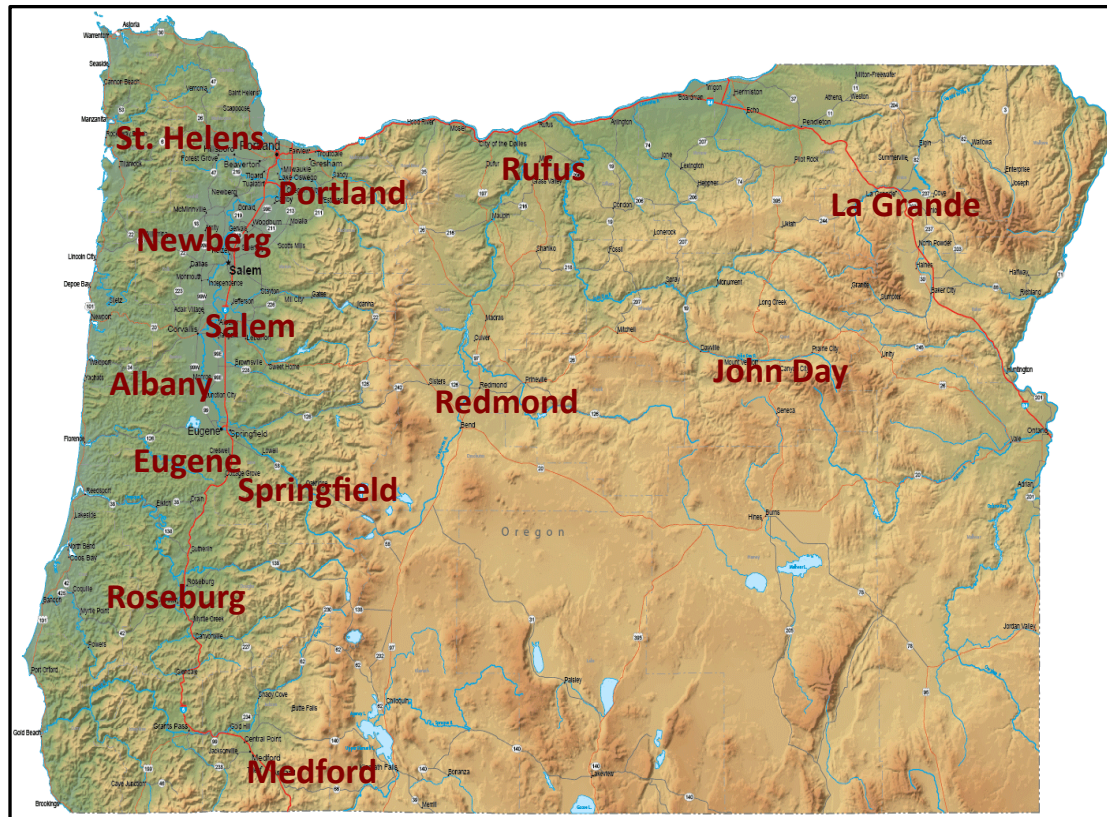


Building Political Support

- ◆ Legislative involvement in RUC policy and pilot program
- ◆ Testimony before legislature
- ◆ Governor, Commission and DOT leadership
- ◆ Interaction with and support from interest groups



Around the State Road Usage Charge Education Tour



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Oregon's Per Mile Road Usage Charge Program



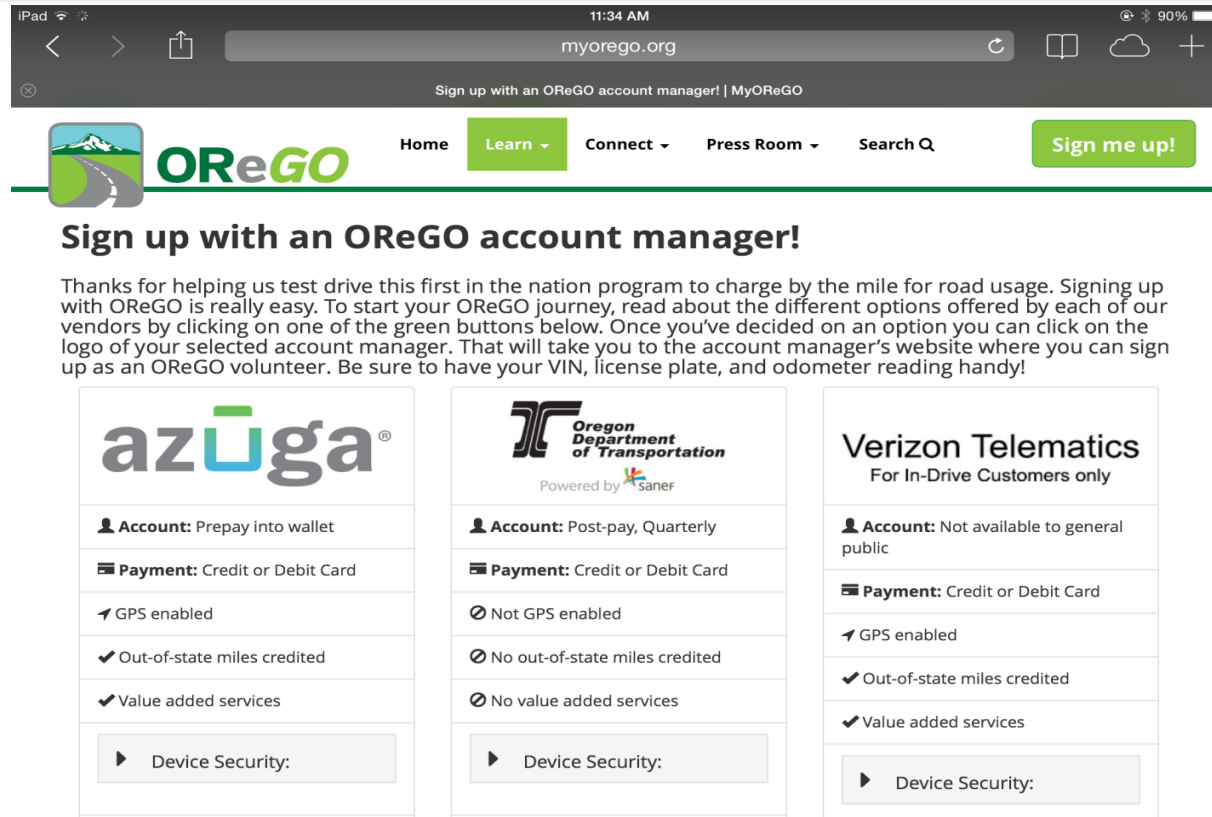
Successfully launch on July 1, 2015

- ◆ Volunteer light vehicles
- ◆ 1.5 cents per mile
- ◆ Fuel tax credit as prepayment of road usage charge
- ◆ Mileage reporting choices
- ◆ GPS not required
- ◆ Private sector account managers



Volunteer Experience

Entry



Sign up with an OReGO account manager! | MyOReGO

OREGO Home Learn Connect Press Room Search Q Sign me up!

Sign up with an OReGO account manager!

Thanks for helping us test drive this first in the nation program to charge by the mile for road usage. Signing up with OReGO is really easy. To start your OReGO journey, read about the different options offered by each of our vendors by clicking on one of the green buttons below. Once you've decided on an option you can click on the logo of your selected account manager. That will take you to the account manager's website where you can sign up as an OReGO volunteer. Be sure to have your VIN, license plate, and odometer reading handy!

azuga®	Oregon Department of Transportation Powered by Saner	Verizon Telematics For In-Drive Customers only
Account: Prepay into wallet	Account: Post-pay, Quarterly	Account: Not available to general public
Payment: Credit or Debit Card	Payment: Credit or Debit Card	Payment: Credit or Debit Card
GPS enabled	Not GPS enabled	GPS enabled
Out-of-state miles credited	No out-of-state miles credited	Out-of-state miles credited
Value added services	No value added services	Value added services
Device Security:	Device Security:	Device Security:

Select
Provider



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Volunteer Experience

Sing up

Please take a few minutes to give us the information we need to n program.

Step 1. Register Your Vehicle
Enter the VIN of the vehicle registered with In-Drive.

[How to find your VIN](#)

Next

Step 2. About You

Sign up and
select mileage
reporting
method



Install/activate
mileage
reporting
device



Drive





Volunteer Experience

- ♦ Payment
- ♦ Account settlement (varies by account manager)

Nature of
billing

Timing of
payment

Method of
payment



Volunteers by MPG

Vehicle Program MPG Counts

	Active	Pending	Total
Under 17 MPG	237	0	237
17 to < 22 MPG	326	0	326
22 and above MPG	442	0	442
Totals:	1005	0	1005

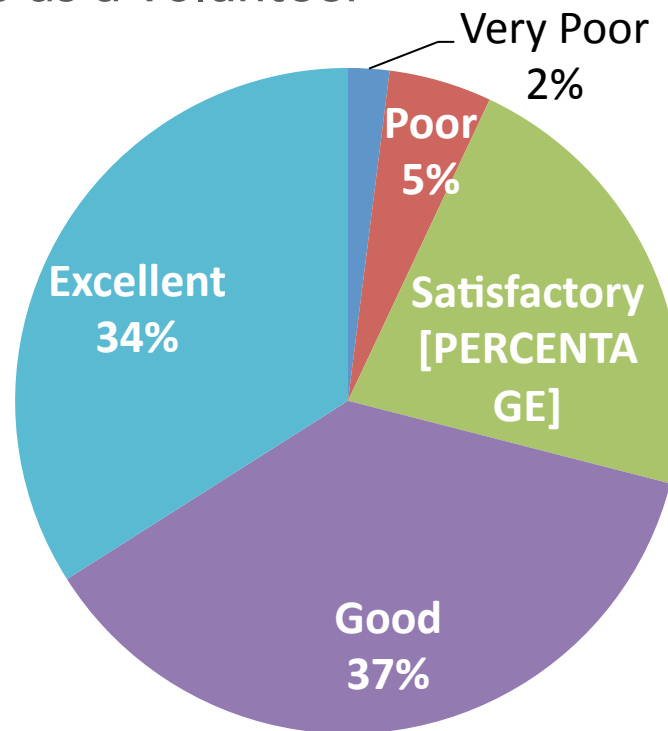


The most enrolled vehicle type is a Toyota Prius, followed by the Subaru Outback and the Ford F-150

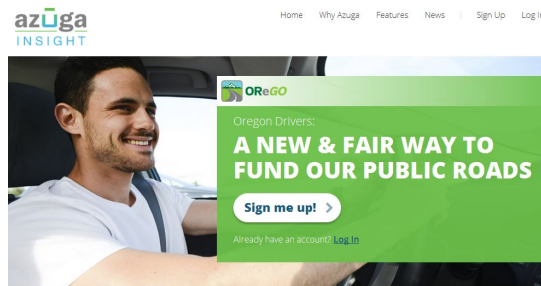


OReGO Volunteer Experience Survey

- ◆ Overall experience as a volunteer



Tax reports are in



Azuga
First to File Tax
Report & Pay

Verizon Telematics
Filed Tax Report
& Paid



Sanef
Filed Tax Report
& Paid



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Top Concerns about Road Usage Charging



Public Concerns With Road Usage Charging



- ◆ Privacy
- ◆ Government bureaucracy
- ◆ Complexity
- ◆ Cost
- ◆ Fairness



Privacy protection built into the system

- ◆ Programs embrace “user choice”– offering several methods and technologies
- ◆ GPS not optional
- ◆ For those choosing GPS, location data never transmitted to state
- ◆ Providers required to not share mileage data without express approval of motorist
- ◆ Miles-by-day data destroyed after 30 days with only mile summaries by reporting period kept longer.
- ◆ Strong privacy policies and electronic security measures required.



The Fairness Issue

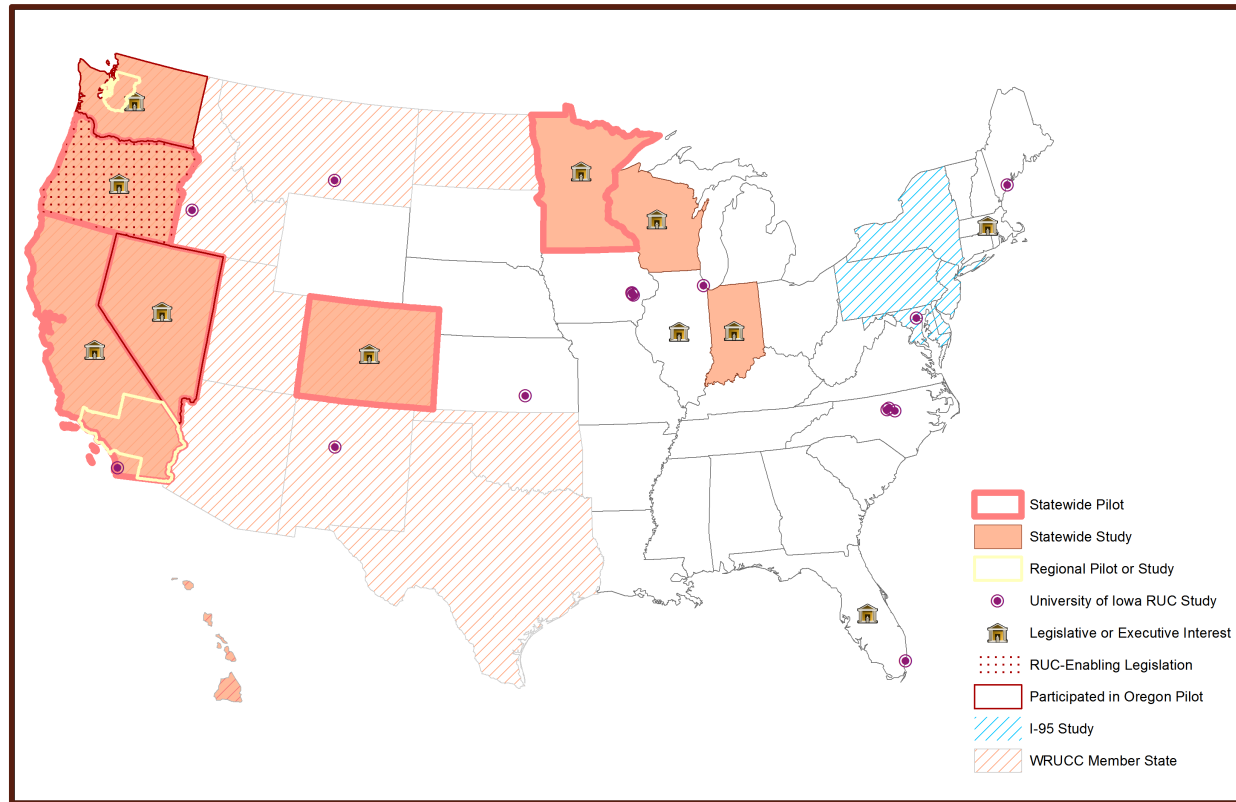
- ◆ Rural drivers
 - ✧ Pay fuel tax now
 - ✧ More off-road driving
- ◆ Fuel efficient vehicles
 - ✧ Currently not paying fair share
 - ✧ Already avoid cost of fuel
 - ✧ Per mile charge not a large burden
- ◆ Non-resident driving
 - ✧ Until regional system developed, still pay fuel tax
 - ✧ Western RUC Consortium addressing solution



What is happening elsewhere in the United States on per mile charging?



Current status of RUC activity by state



Western Road Usage Charge Consortium



Arizona
California
Colorado
Idaho
Hawaii
Montana
Nevada
New Mexico
North Dakota
Oklahoma
Oregon
Texas
Utah
Washington



California Road Charge Pilot Project



- ◆ Go-live mid-late summer 2016
- ◆ Will last 9 months
- ◆ 5000+ participants from across the state in a mix of geographic and demographic groups
- ◆ Time Permit, Mileage Permit, Odometer Charge, Automated Distance Charge (with and without location)
- ◆ Will include OBDII devices, Smartphones, Telematics, Commercial Vehicle devices



Washington State

- ◆ Legislature provided \$500,000 for preparation of pilot project implementation plan
 - ✧ Identify essential agency roles and responsibilities
 - ✧ Select technologies and methodologies for inclusion
 - ✧ Identify target number of participants and their characteristics
 - ✧ Establish evaluation criteria
 - ✧ Estimate pilot test expenditure
- ◆ Consult and coordinate with state agencies
- ◆ Engage RUC Steering Committee for guidance
- ◆ Write final report by Oct. 31 2016
- ◆ Seeks to test interoperability with neighboring states and Canada



FAST Act Section 6020

- ◆ State or group of states may apply
- ◆ \$95M over 5 years for “demonstrations” of “user-based alternative revenue mechanisms”
- ◆ First round of grant applications for states will likely be due no later than July
- ◆ 50% state match required
- ◆ Language is broad enough to cover heavy as well as light vehicles

FAST
ACT



Other States Pursuing Pilots

- ◆ Colorado
- ◆ Utah
- ◆ Hawaii
- ◆ Western RUCC – Regional Pilot Plan
- ◆ I-95 Corridor Coalition



Road Usage Charging for Heavy Vehicles

- ◆ Important because road damage proportionate to weight/axle
- ◆ Currently in four states: Kentucky, New Mexico, New York, Oregon
- ◆ Widespread internationally: much of Europe, New Zealand, etc.
- ◆ Increasing use of electronic collection
- ◆ Oregon's WMT for Heavy Vehicles now supports electronic collection. Electronic collection was implemented at no charge to state.



Thank You!

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The Future – How Will an Open Market Affect Road Usage Charge Operations?

**Minimizes
Government
Footprint**

**Competition
Improves
Efficiency of
Operations**

**Competition
Fosters Evolution
of Technologies**

**Value Added
Services Reduce
Cost of
Administration**

**Options Provide
Comfort
to Payers**



Recent History of Light Vehicle Per-mile Charging in USA

- ◆ The Kitz-o-meter (1996)
- ◆ 15 State Pooled Funds Study (2000)
- ◆ Oregon's Road User Fee Task Force (2001)
- ◆ Oregon's First Pilot Program (2006-07)
- ◆ Nevada Studies (2008-2011)
- ◆ Texas Studies (2009-2011)
- ◆ University of Iowa Field Tests (2008-2010)
- ◆ Minnesota Pilot Program (2011-12)
- ◆ Washington Steering Committee (2012)
- ◆ Oregon's Second Pilot Program with Washington and Nevada (2012-13)
- ◆ Colorado announces pilot program (2014)
- ◆ California Road Charge pilot program launched (2015)



... and there was legislation

- ◆ Oregon enacts HB 3946 creating the Road User Fee Task Force and mandating a per-mile charge pilot (2001)
- ◆ Washington enacts legislation creating the Road Usage Charge Steering Committee (2012)
- ◆ Oregon enacts SB 810 creating the Road Usage Charge Pilot Program for 5,000 volunteers (2013)
- ◆ California enacts SB 1077 creating the Road Charge Technical Advisory Committee and mandating a per-mile charge pilot (2014)
- ◆ Utah passes legislation to research road usage charge (2015)
- ◆ Florida ... is reviewing road usage charge legislation (2015)



... and states working together

- ◆ Western Road Usage Charge Consortium: 12 states

- ✧ Arizona
- ✧ California
- ✧ Colorado
- ✧ Idaho
- ✧ Hawaii
- ✧ Montana
- ✧ Nevada
- ✧ New Mexico
- ✧ North Dakota
- ✧ Oregon
- ✧ Texas
- ✧ Utah
- ✧ Washington



- ◆ I-95 Corridor Coalition: 17 states



Key RUC websites in Oregon and California

- ◆ Oregon Account Manager

- ✧ www.myorego.com



- ◆ Oregon Commercial Account Managers

- ✧ www.insight.azuga.com – Danlaw subsidiary

- ✧ www.in-driveruc.com – Verizon Telematics



- ◆ California Road Charge Program

- ✧ www.californiaroadchargepilot.com – Caltrans public facing website for road charge program

- ✧ <https://www.facebook.com/CARoadChargePilot> – Facebook page

- ✧ www.catc.ca.gov/meetings/Committees/Road_Charge/Road_Charge.html

- Sub-section of CTC (California Transportation Commission) website (www.catc.ca.gov)

