



New Vision for Vehicle Road Usage Charges in Oregon

Presented to

Central Oregon Advisory Committee on Transportation

July 14, 2011

James Whitty, Manager
Office of Innovative Partnerships
and Alternative Funding





Road User Fee Task Force

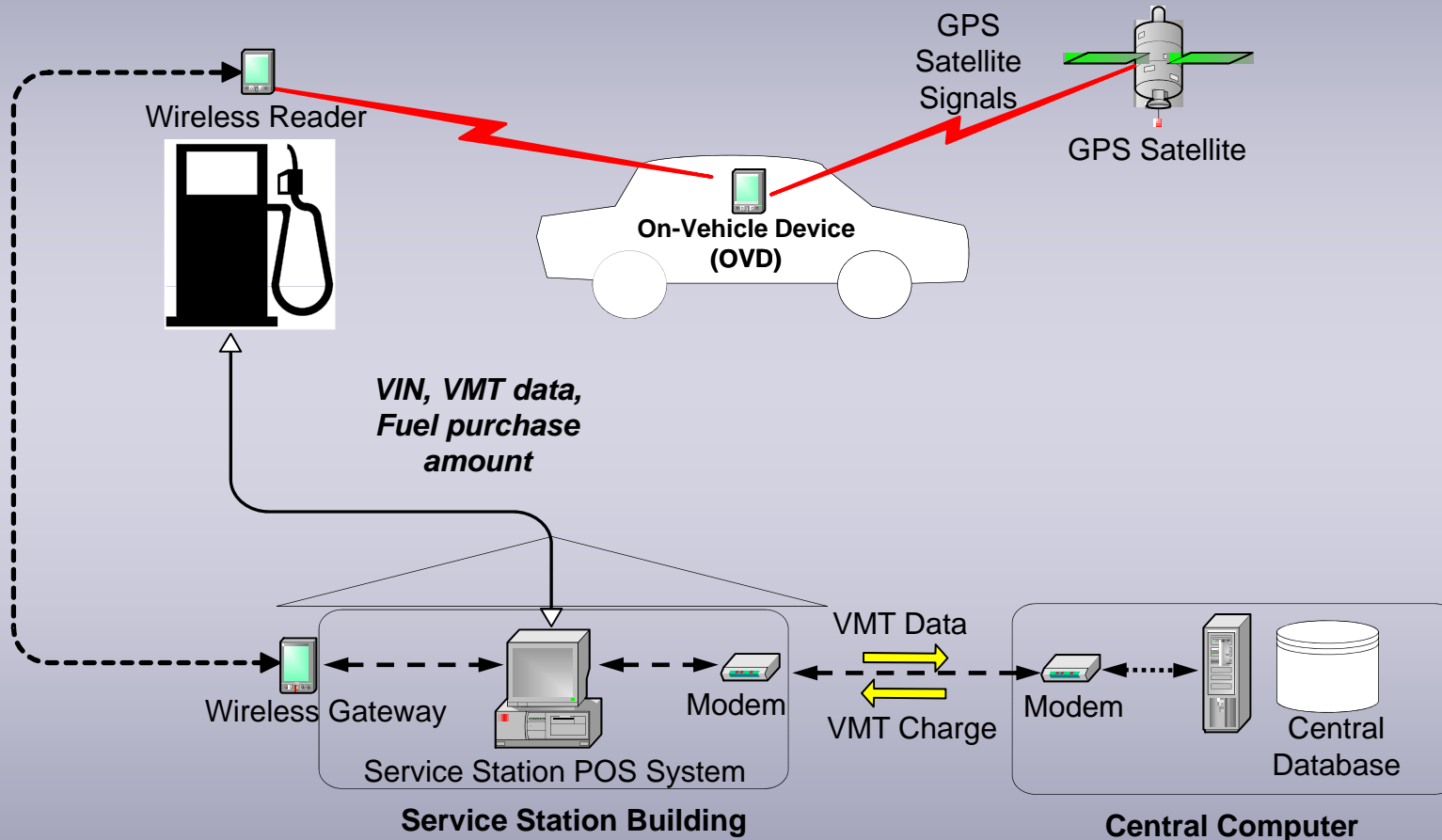


Legislative Mandate

“To develop a design for revenue collection for Oregon’s roads and highways that will replace the current system for revenue collection.”



Original Pay-at-the-Pump Model: A Closed System





csr
R# 1 S# 1 T# 882316 10:55 AM
06/09/06

Leathers Fuels
11421 SE Powell Blvd
Portland, OR 97266

Pump# 1 Unleaded		
19.50 @ 2.549		49.71
ST Fuel Tax @ .24		(4.68)
VMT Fee :		5.12
Rush Hour :	40	
In-Oregon :	28.6	
Non-Oregon:	0	
No Signal :	0	
	Subtotal	50.15
	Total	50.15
	Cash	50.15
Thank You !		

The Receipt

Fuel tax deducted from fuel purchase price

Mileage fee imposed as part of fuel purchase



Assessment of Oregon's Pay-at-the-Pump Model

Pluses

- Meets most policy objectives
 - Provides gas tax credit
 - Covers all roads
 - Charges only in-state travel
 - Easy for all motorists to use
 - Protects motorist privacy
 - Cost effective operations
 - Reliable
 - Enforceable
 - Seamless transition
 - Minimal private sector burden
 - Allows congestion pricing
 - Reduces overall system risk

Minuses

- Technology “*stuck in time*”
- Does *not* cover vehicles not visiting commercial fueling stations
- Public concerns about privacy
- Public concerns about how system would work



Public Concerns

- Privacy
 - Discomfort with technology
 - A government mandated device
- Confidence in system
 - Efficiency
 - Fairness
 - Perceptions of large and costly bureaucracy
- Rate structure
 - Flat rate
 - Rate equity





A New Vision for Road Usage Charges

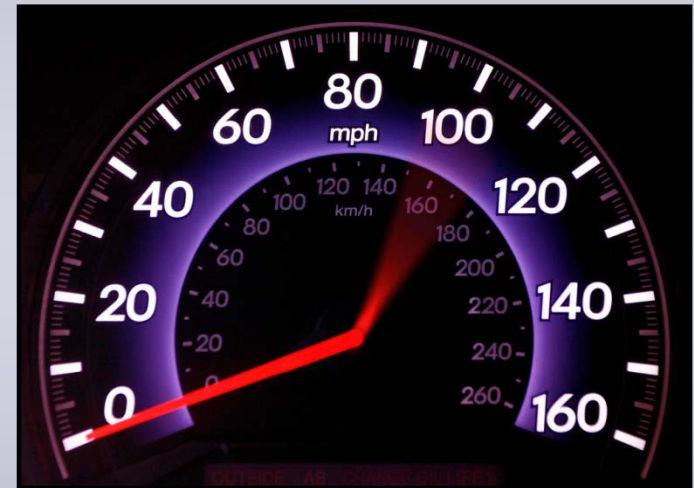
- **Motorist Choice of Reporting Methods.** Enable motorists to choose the methods and technologies for reporting their mileage
- **No Mandate for GPS.** Enable options for wireless reporting of *undifferentiated mileage* from the odometer subsystem and *differentiated mileage* from technologies with vehicle location capability
- **Open Technology Platform.** An open system for data collection that allows technologies to evolve with motorist preferences
- **Public Private Partnerships.** Tap into market forces to allow the public to *choose* either government or private sector provision of on-vehicle technologies, data collection and payment services.



Revised Concept for a Road Usage Charge

A Simple Requirement

- Motorists shall periodically provide mileage data to billing agency
- Motorists choose manner of compliance from approved methods





Revised Concept for a Road Usage Charge

An Open System Technology Platform

- ODOT develops an open network based on common standards for mileage data collection systems and technologies
- ODOT sets common standards for invoicing and payment systems
- ODOT establishes certification processes for external service providers



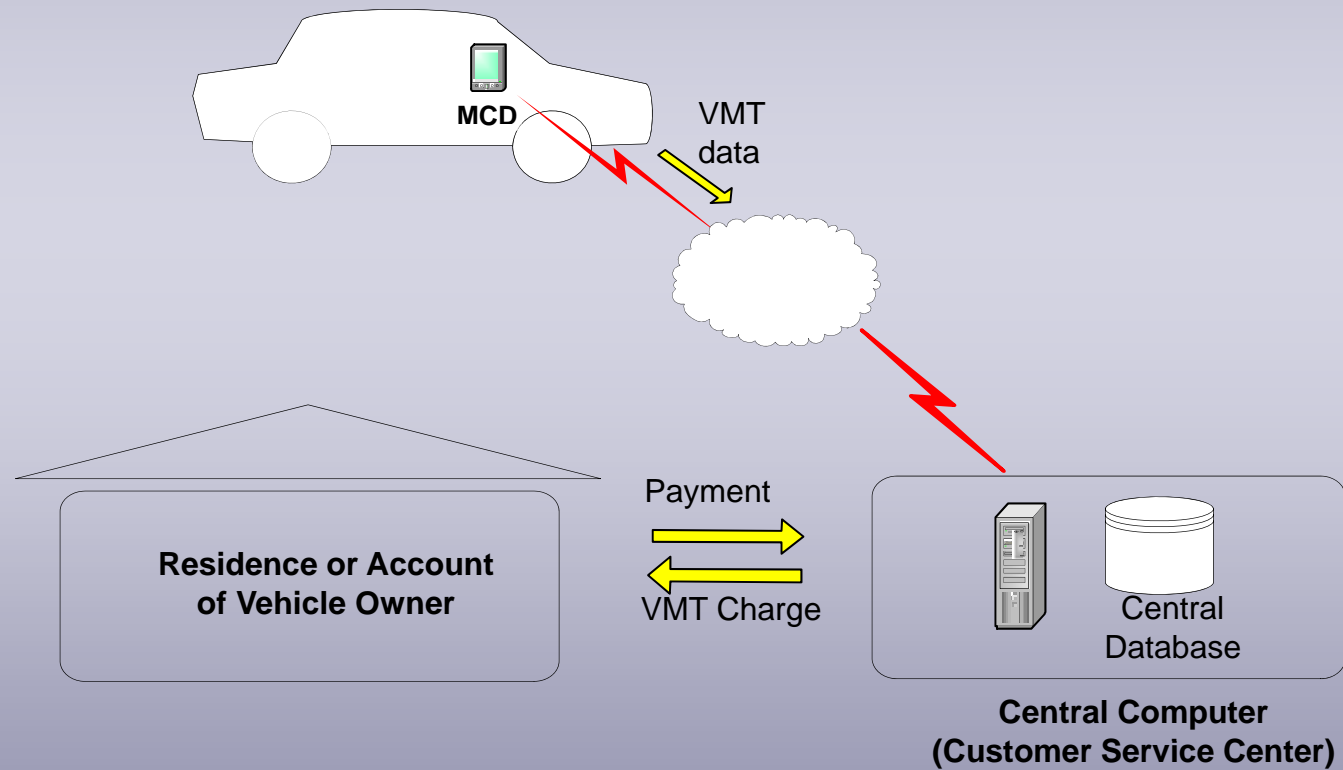


What is an *open system*?

An open system is an integrated system based on common standards accessible to the marketplace whereby components performing the same function can be readily substituted or provided by multiple providers



Open System Model





Revised Concept for a Road Usage Charge

Data collection under open system

- Basic electronic mileage data reporting options
 - Odometer method: Send odometer reading wirelessly into internet cloud
 - Vehicle location method: Apply vehicle location technology to count and allocate miles by geographic location
- Market provides certified technologies for data collection



Revised Concept for a Road Usage Charge

Invoicing and payment under open system

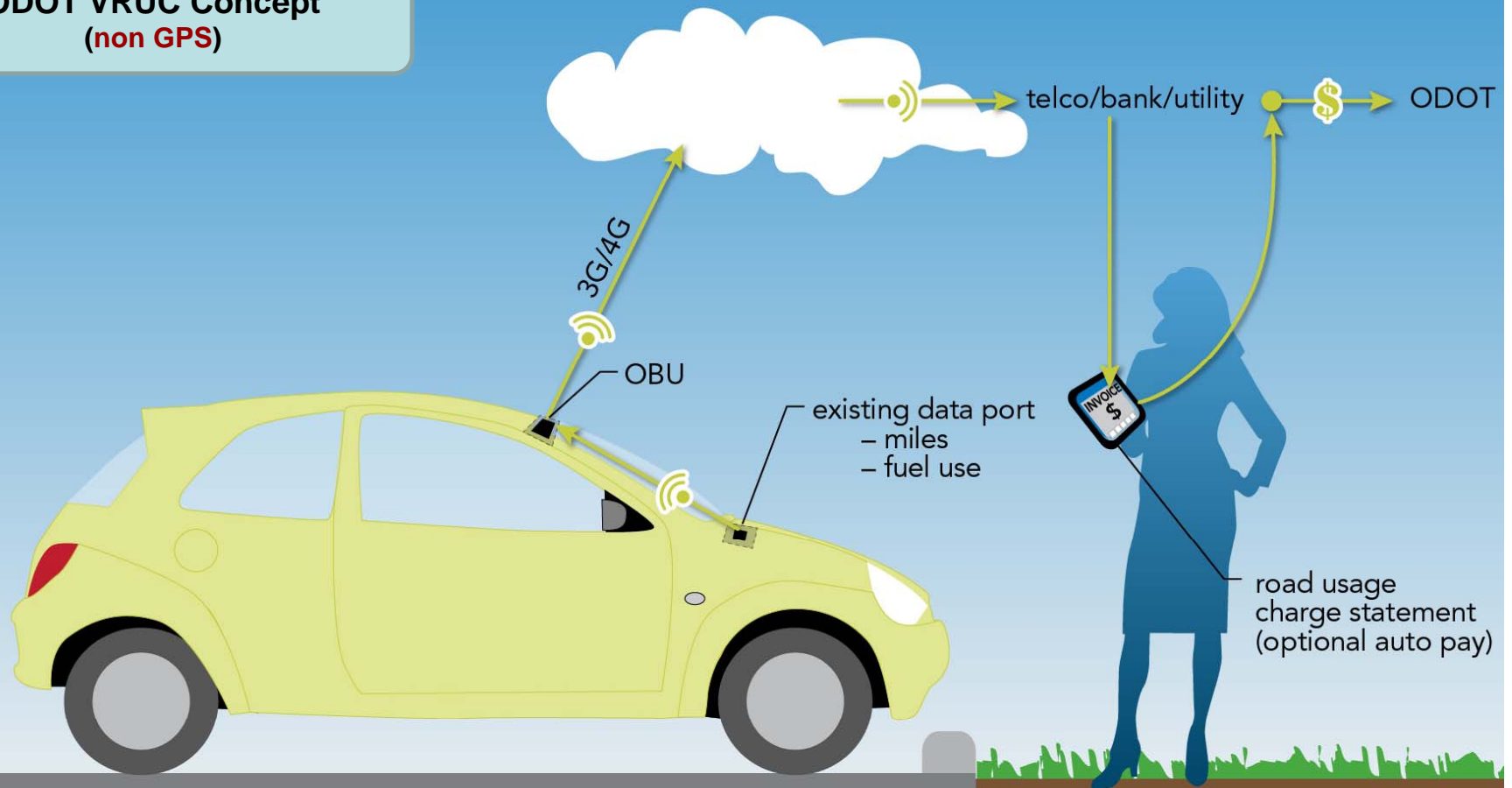
- ODOT provides basic invoicing and payment system and acts as provider of last resort
 - Sends billing to motorist
 - Motorists pays by mail, on-line or other approved manner available in marketplace
- Private sector provides motorists certified options for alternative invoicing and payment and management of accounts





Total Mileage Reporting

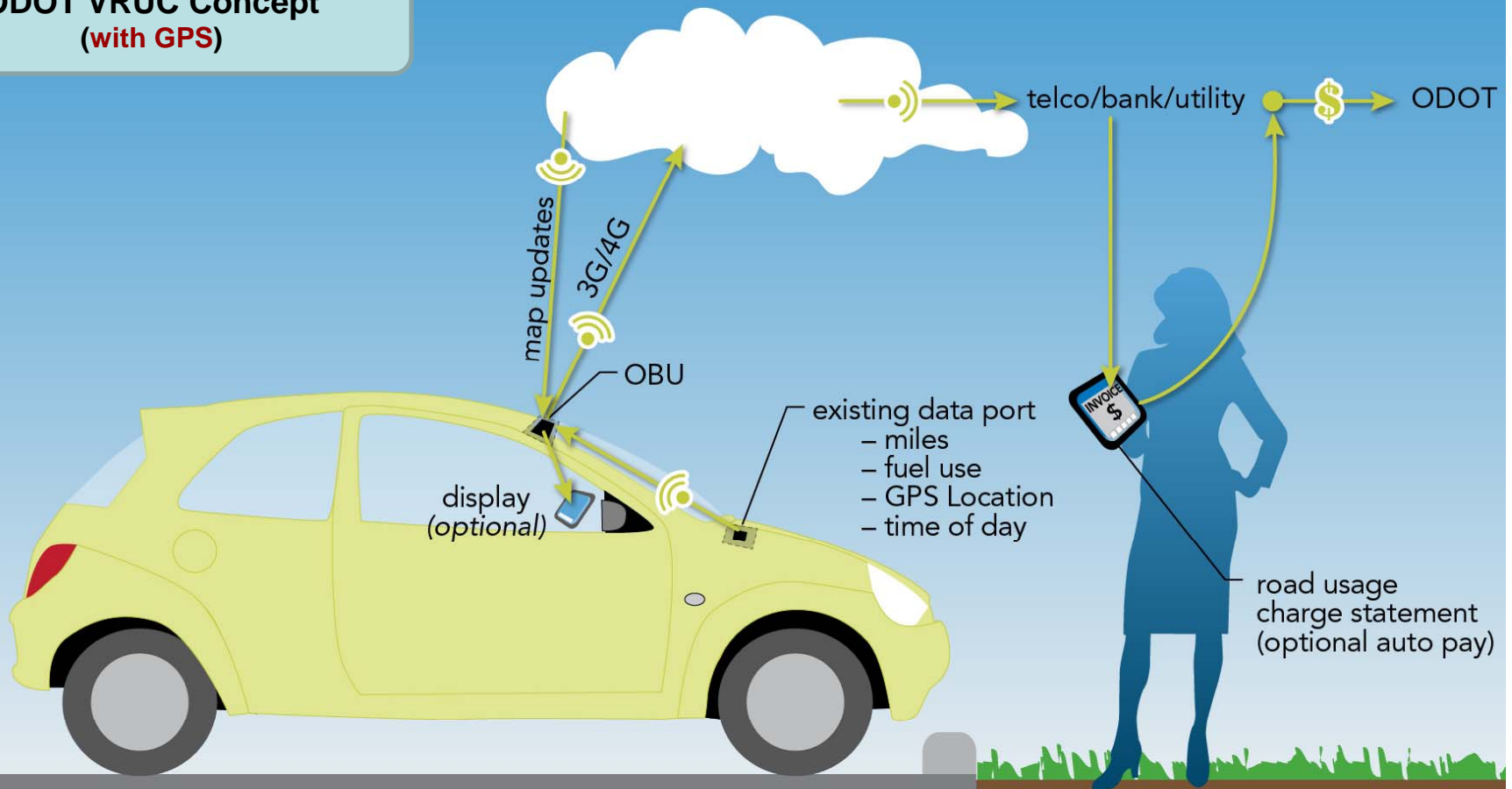
ODOT VRUC Concept
(non GPS)





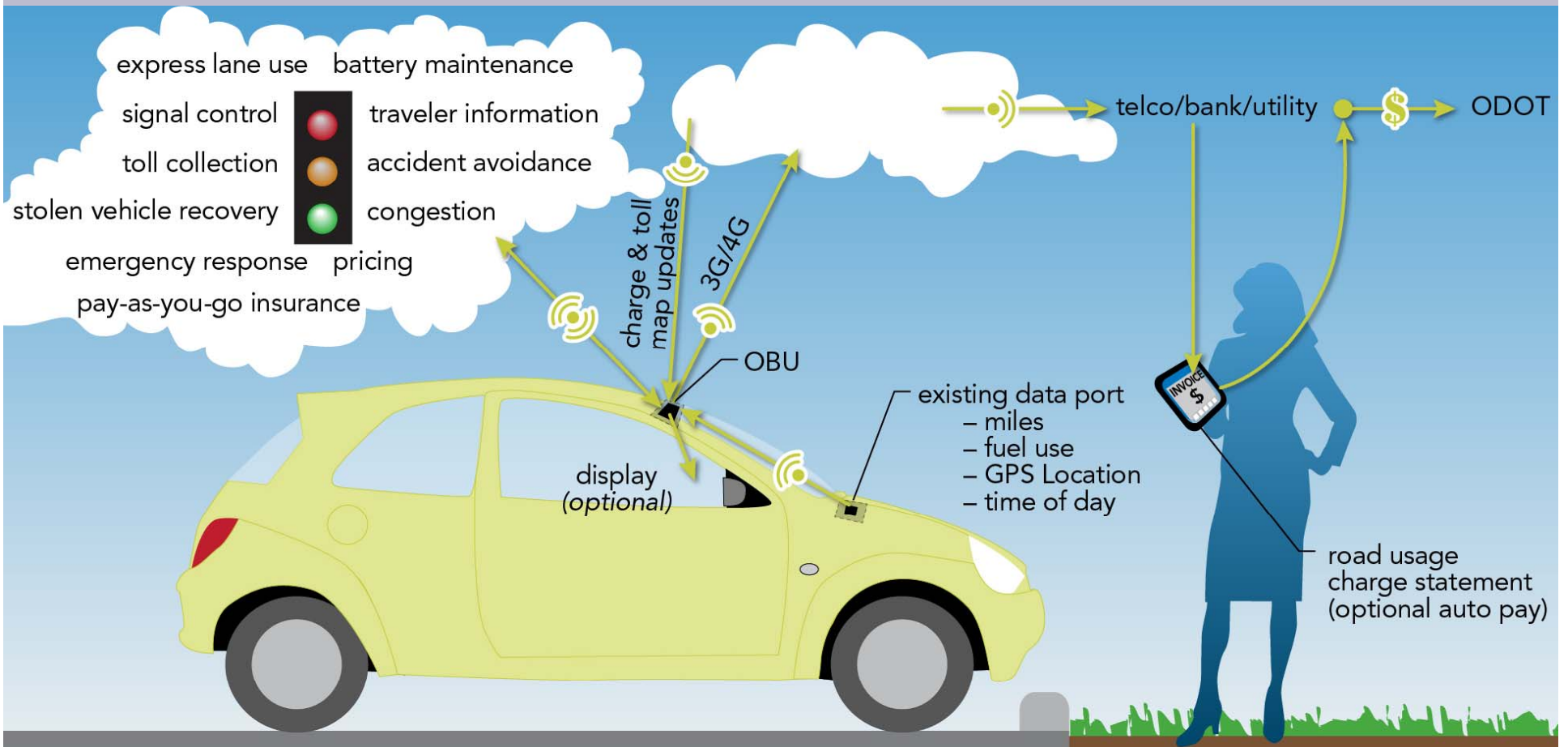
Location Based Reporting

ODOT VRUC Concept
(with GPS)





Potential Future Enhancements





Road User Fee Task Force *Reconstituted 2010*

Purpose

Consider revenue options for the emerging fleet of electric and plug-in hybrid electric vehicles that will pay no fuel tax or only a tiny amount



House Bill 2328B (RUFTF Legislation)

- Mandate for owners of EVs and PHEVs to periodically report miles driven
- Directs ODOT to develop methods to report mileage and pay the charge, one of which must not involve vehicle location technology
- Allows ODOT to charge all mileage if motorist reported mileage undifferentiated by location
- VRUC to start July 2015 with 0.85 cents per mile transitional rate, increases to 1.56 cents per mile on July 2018
- Flat rate alternative of \$300 per year during transitional period



HB 2328B (continued)

- Directs ODOT to establish standards under an open system for technology used and methods for identifying vehicles and collecting and reporting miles driven. Defines “open system.”
- Allows creation of public private partnerships for OBU provision, mileage data collection and payment collection
- Protects personally identifiable information
- Establishes refunds of gas tax paid and driving on private property
- Implies motorist choice of mileage data collection methods and electronic reporting



House Bill 2138B *Enacted*

Directs Road User Fee Task Force to consider the following when recommending design of pilot programs -

- Availability, adaptability, reliability and security of mileage recording and reporting methods
- Protection of personally identifiable information
- Ease and cost of recording and reporting mileage
- Ease and cost of administering tax collection
- Effective means of maintaining compliance

Allows the use of public private partnerships to collect alternative road use fees through a pilot program

Requires RUFTF to report to the state legislature every two years



How Do We Start?

- Develop open systems architecture for mileage charges
- Enact legislation for *Vehicle Road Usage Charge*
- Research efficient, inexpensive and cost effective methods of transferring mileage data from vehicles that are acceptable to the motoring public
- Establish common standards under an open technology platform
- Develop basic data collection technologies and payment system to be provided by government agency
- Establish certifications entity to evaluate private sector proposals for mileage data collection technologies and systems and account management services
- Issue *open RFPs* for private sector provision of data collection technologies and services and account management services