Are Direct User Fees the Key?
Oregon’s Per-Mile Road Usage Charge Program

National Conference of State Legislature
State Transportation Leaders Summit
Atlanta, Georgia
August 12, 2013
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
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
Oregon’s Road User Fee Task Force

71st OREGON LEGISLATIVE ASSEMBLY--2001 Regular Session

Enrolled
House Bill 3946
Sponsored by Representatives Krummel, Starr, Senator George; Representatives Devlin, Morissette, Nelson, Rosenbaum, Vergers

“To develop a design for revenue collection for Oregon’s roads and highways that will replace the current system for revenue collection.”
The Original Pilot (2006-07)

Pay-at-the-Pump Model

- Wireless Reader
  - VIN, VMT data, Fuel purchase amount
- Service Station POS System
  - VMT Data
  - VMT Charge
- Central Database
  - GPS Satellite Signals
National Review & Support
Operational Objectives for New Version of Per-Mile Road Usage Charge System

1. Choices for mileage reporting choices with no government mandated technologies
2. Access to open market for technologies
3. DOT & private sector administration options
4. Simple and easy for motorists
Three Categories of Mileage Reporting

1. Basic: Report all miles driven
   - Manual reporting
   - Electronic mileage reporting with *no* vehicle location capability

2. Advanced: Report miles by geographic location
   - Electronic mileage reporting with vehicle location capability

3. Simplified: No reporting
   - Assume maximum annual miles driven
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
- OnStar
- PAYD Insurance Dongle
- Navigation Unit
Payment of Road Usage Charge

Invoice

• Receive by mail or email

Options for payment

• Cash
• Check
• Credit
• Debit
• Electronic Funds Transfer
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)

Option 2: The Smart Phone Plan

Option 3: The Advanced Plan
(with GPS)

On Line Payment
Credit Card Payments
Option 4: The Basic Plan (without GPS)

Mail
Pay by Check

Option 5: Flat Rate Plan
Oregon’s Platform for a New Per-Mile Road Usage Charge System

- Based on machine to machine communications with a standard mileage message
- DOT certifies private sector entities to provide mileage reporting technologies under open system
- DOT certifies private sector entities as tax processing and account management alternatives to government
- Fully scalable, flexible and geographically unlimited
Standard Mileage Message Decoded

- Vehicle identification number
- Mileage 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, coordinates of mileage traveled
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

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

**To:**
A Customer  
123 Main Street  
Portland  
Oregon  
97201

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**Invoice No:** SI1012-1234  
**Invoice Month:** October 2012  
**Issue Date:** Nov 5 2012

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>VRM: YG59RZW</td>
<td></td>
</tr>
<tr>
<td>Vehicle: BMW Mini Clubman D</td>
<td></td>
</tr>
<tr>
<td>VIN No: MWWMN52080TW95921</td>
<td></td>
</tr>
<tr>
<td>OBU No: 0507011044000022</td>
<td></td>
</tr>
<tr>
<td>Plan: BASIC</td>
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</tr>
<tr>
<td>Mileage Tax</td>
<td>1123 miles</td>
</tr>
<tr>
<td>Fuel Tax Refund</td>
<td>15.51 gals</td>
</tr>
<tr>
<td></td>
<td>1123 miles</td>
</tr>
<tr>
<td></td>
<td>$0.0156</td>
</tr>
<tr>
<td></td>
<td>15.51 gals</td>
</tr>
<tr>
<td></td>
<td>-4.65</td>
</tr>
<tr>
<td><strong>Subtotal for Mini Clubman YG59RZW</strong></td>
<td>12.87</td>
</tr>
</tbody>
</table>

| VRM: SL58RZJ                      |        |
| Vehicle: Volvo V70 SE LUX D5      |        |
| VIN No: YV1BW714191088570         |        |
| OBU No: 0507011218500921          |        |
| Plan: ADVANCED / SMARTPHONE       |        |
| Mileage Tax                       |        |
| Total Mileage                     | 1485 miles |
| $\{\text{HOMESTATE}\}$ Taxable Miles | 845 miles |
| Fuel Tax Refund                   | 28.17 gals |
|                                  | $0.30  | -8.45 |
|                                  | 4.73 |
| **Subtotal for Volvo V70 SL58RZJ** |        |

**TOTAL Mileage Tax Due**

- Total Mileage Tax Due: $17.60
- You are owed a credit of: $0.00
- Payment Date: Dec 05 12

To pay your Mileage Tax, please visit [https://odot.saneftolling.co.uk](https://odot.saneftolling.co.uk) and follow the on-screen instructions.
Pilot Participant Experiences

“It was extremely easy to get started; directions were clear and help was available if needed.”
– Terry Beyer, State Representative

“Selecting a plan and signing up was fairly easy. I read information about the plans, selected the one I was most comfortable with, and completed the process in less than 20 minutes.”
– Martin Callery, North Bend resident

“Making a change from something we’re used to is always a bit nerve wracking, but paying the bill for our Road Usage Charge was pretty easy.”
– Tobias Read, State Representative
Privacy Solutions

• Choices of Reporting Method and Provider
  ▪ Basic reporting from odometer
  ▪ Advanced reporting using vehicle location technology
  ▪ Simplified reporting of assumed maximum miles driven

• Selection of Mileage Reporting Device from Marketplace

• Protection of Personally Identifiable Information
  ▪ Limits who has access to PII
  ▪ Imposes obligation to protect PII
  ▪ Destroy mileage data within 30 days after latest of
    ▪ Payment processing
    ▪ Dispute resolution
    ▪ Noncompliance investigation
What’s Next

• Implementation in Oregon by July 1, 2015
  • Establishment of mileage reporting method and administrative practices
  • Market formation for road usage charge collection
  • Marketing to volunteers

• Western Road Usage Charge Consortium
  • Multi-jurisdictional issues
  • Precision communications
  • Multiple state pilots
  • Potential for regional system
Road Usage Charge Program Website

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