The State of Oregon’s Road Usage Charge Program

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Oregon’s Early Per Mile Charge Pilot Programs

1. Road User Fee Pilot Program
   2006-07
   - Mileage reporting and payment at fuel pump

2. Road Usage Charge Pilot Program
   2012-13
   - Mileage reporting wirelessly from machine to machine
   - Private sector account manager
Oregon Per-Mile Road Usage Charge Law

Senate Bill 810 directs Oregon DOT to implement a 1.5 cent per-mile road usage charge for 5,000 volunteer light vehicles as an operational program on July 1, 2015.
Oregon’s Road Usage Charge Program

Will OReGO be a government operated, single technology, closed system that will be expensive to operate and extremely difficult to change?

Well, No. Oregon is establishing an open market billing platform for road usage charging.
Organizing Characteristics for Oregon’s Per Mile Charge System

- Design program with open architecture
- Provide motorists choices
- Technology agnostic
- Provide access to private sector account management
- Interoperable, scalable and geographically unlimited
- Policy Neutral
Road Usage Charge Transactions

1. In-vehicle mileage counter transmits miles and fuel consumption totals to private sector account manager.

2. Account manager sends a bill (or net refund) to vehicle owner for mileage charge less fuel tax.

3. Vehicle owner pays road usage charge as part of account manager's total bill.

4. Account manager sends road usage charge collected from driver to State of Oregon.
Road Usage Charge Account Management

DOT Account Management
- Must accept any volunteer
- Only basic reporting (no GPS)
- No value added services
- Cannot sell mileage data

Commercial Account Managers
- Recruit and choose volunteers
- All mileage reporting technologies that meet standards
- Add value added services
- With express approval of RUC Payer, can sell mileage data
Volunteer Experience - Entry

1. Select Provider

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!
Volunteer Experience – Sign Up

2. Sign up and select mileage reporting method

3. Install mileage reporting device

4. Drive
Volunteer Experience - Payment

5. Account settlement
   - Nature of billing
   - Timing of payment
   - Method of payment

Varies by account manager
How An Open Market Affects Road Usage Charge Operations?

- Minimizes government footprint
- Competition improves efficiency of operations
- Competition fosters evolution of technologies
- Value added services reduce administration cost
- Payers control system engagement according to individual preferences
Major Issues for Implementation of Per Mile Charge in the United States
Privacy protection

Deployed Solution:

- Statutory directive
  - Must provide *choices* for reporting method and technology
  - No mandate for GPS
  - Option for private sector account management
  - Must protect personally identifiable information
    - Data only accessible to specified entities
    - Motorist control of data sharing
    - Data destruction within 30 days
Cost of Per-Mile Charge Administration

Cost as a % of revenue

Millions of accounts
Equity

• Rural drivers
  ▪ Pay fuel tax now
  ▪ More off-public road driving

• Fuel efficient vehicles
  ▪ Currently not paying fair share for road use
  ▪ Already avoid cost of fuel
  ▪ Per mile charge not a large burden
What is next for road usage charging in Oregon?
The Final Stage of Development for Road Usage Charge Policy

For a mandatory road usage charge system, the state determines
1. Which vehicles are in
2. When vehicles are in (transition plan)
3. The rate structure