



# Symposium on Mileage – Based User Fees: Technology Workshop Road Usage Charging Pilot Program

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Oregon Department of Transportation

4/24/2013



# ***Road Usage Taxes The Oregon Journey***

April 24, 2013



# Where we have come from





## 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, MORRISETTE, NELSON, ROSENBAUM, VERGER

### 2001

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

76th OREGON LEGISLATIVE ASSEMBLY--2011 Regular Session

**Enrolled**  
**House Bill 2138**

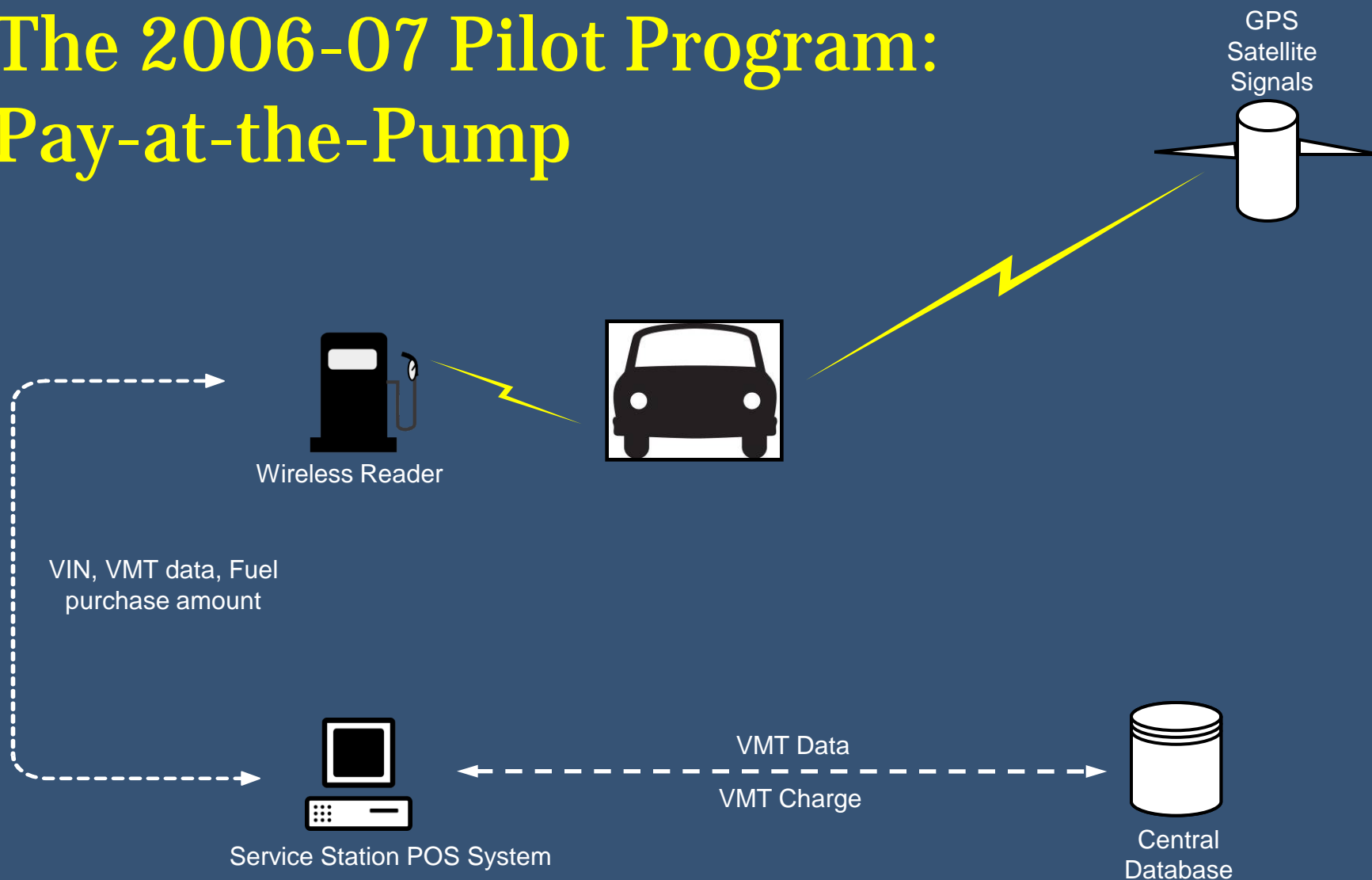
Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Governor John A. Kitzhaber for Department of Transportation)

### 2011

Directs the Road User Fee Task Force to consider additional factors in adopting policies for a new pilot program.

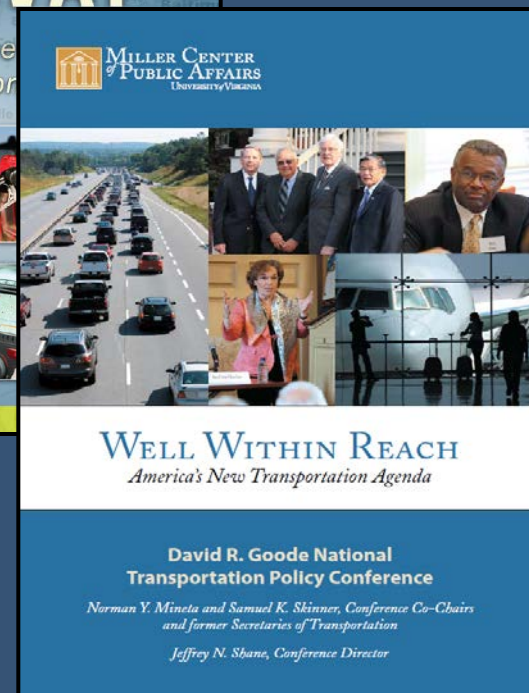
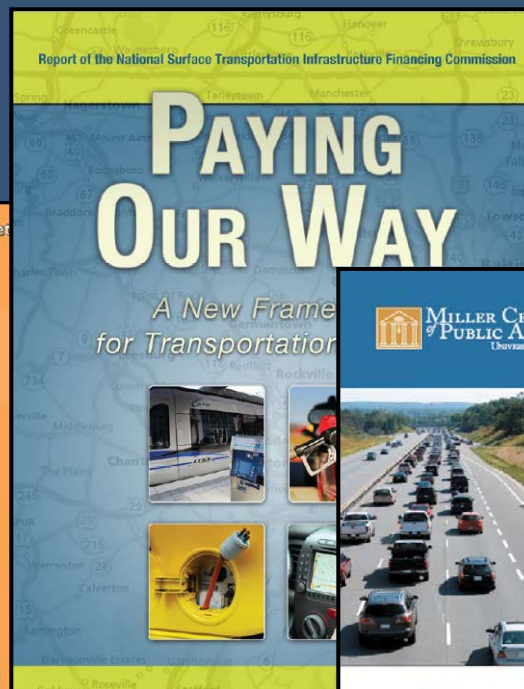
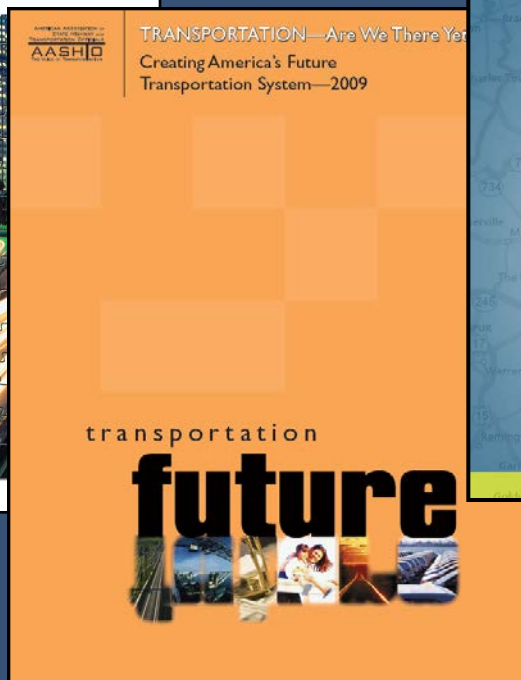
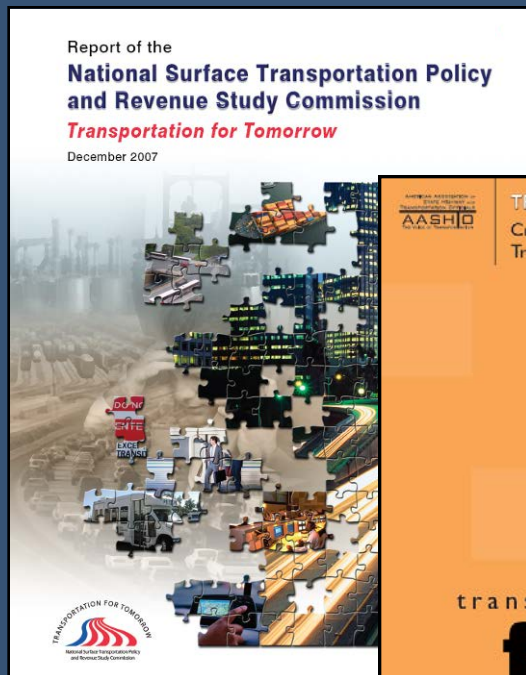


# The 2006-07 Pilot Program: Pay-at-the-Pump





## National Review & Support







# Public Concerns about Oregon Mileage Fee Concept

- Confidence in system
  - Efficiency
  - Fairness
  - Perceptions of large and costly bureaucracy
- Privacy & fear of technology
  - Government mandated GPS device
- Motorist class wars
  - Rate structure
  - Rate equity
  - Rural driving
- Flexibility of Road Pricing





## Recent Activities

The collage features several overlapping screenshots of web pages and news articles related to Oregon's transportation activities:

- Top Left:** A screenshot of the **The Register-Guard** website showing a news article titled "State mulls per-mile tax for gas sippers" by The Associated Press, published on Jan. 3. The article discusses a proposed alternative tax for vehicles that seldom or never stop at the gasoline pump.
- Top Center:** A screenshot of the **KVAL.com** website showing a news article titled "Oregon officials propose per-mile tax for gas sippers" with a photo of a gas pump nozzle.
- Top Right:** A screenshot of the **ROADS&BRIDGES** website, featuring a "NEW!" banner for "Design and Control of Concrete Mixtures" and a search bar.
- Bottom Center:** A screenshot of a news article titled "Oregon Nears Completion of Latest VMT Pilot" posted by Ryan Holeywell on December 27, 2012. The article mentions Oregon Democratic Rep. Earl Blumenauer's introduction of legislation regarding federal government taxation of motorists.
- Bottom Left:** A screenshot of a news article titled "ODOT tests electric c..." (likely electric vehicles) with a "Video" and "Images" section.
- Bottom Right:** A screenshot of a news article titled "Oregon Democratic Rep. Earl Blumenauer earlier this month introduced legislation that orders the Treasury Department to..." discussing federal government taxation of motorists.





## **New Vision**

# Build Road User Charging System Upon *Existing Realities* of the Marketplace

**No Technology Push.** Government should not mandate or push motorists to particular technologies, especially GPS

**An Open System.** Allow for system technologies to evolve with marketplace capabilities and motorist preferences

**Private Sector Administration.** Tap into market forces to bring down the costs of the system, by using technology all ready in the market place and fostering competition.

**Motorist Choice.** Motorists should choose from several collection methods and technologies to meet individual preferences. This includes choices of technology to count miles and choices to process your account



# Developed a Framework for RUC - Policy

Reliability/ Ease of motorist use

Low cost implementation and administration

Public acceptance

Protect motorist personal information

No GPS Mandate

Provide fuel tax credit

Not charge non-Oregon road miles

Open system

Public private partnerships



# Developed a Framework for RUC - System

Described the system in Business Terms

- Concept of Operations

Described the system in Technical Terms

- System Architecture
- System Requirements
- Interface Control Document

Supporting Documentation

- Test plans, operations manuals, etc...



# Highlights of The Pilot

## Multi State Participants

- Oregon
- Washington and Nevada

## Oregon Participants Actually Paid Tax

- 1.56 cents a mile

## Washington and Nevada

- Different Rates
- Illustrative bills

## 4 Month Pilot Duration

- November – February

## Participants and Evaluation reports

- System Accurate
- All components easy to use





# Highlights of The Pilot

Participants offered choice of provider

- Sanef
- ODOT

Participants offered choice of technology

- Basic MRD, Advanced, Smart phone

Components of the system are in the market today

- Vehicle device, Pay as you drive insurance
- Back office tolling system

Uses an open system

- Off the shelf components used
- Vendors modified their systems to the defined system interfaces
- Multi vender integration achieved
- ODOT tested or “certified” each component





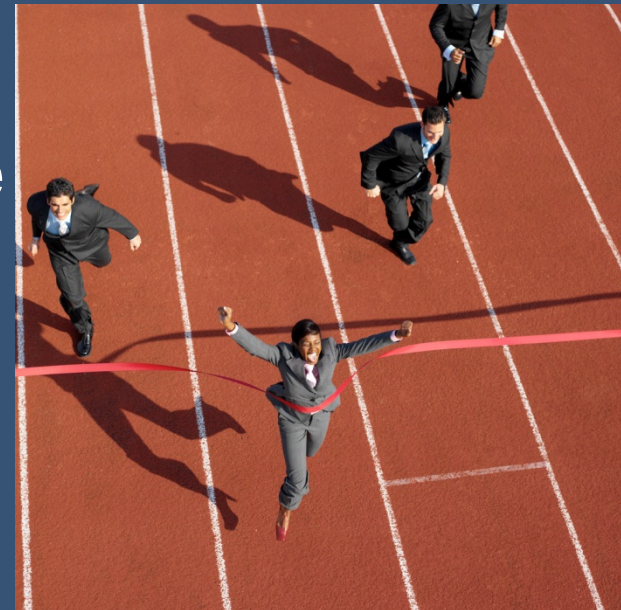
# The Participant List

50 Oregon Participants

- ODOT executives
- Legislators
- The Transportation Commissioners
- AAA lobbyist
- RUFTF members
- DAS Director/Governors Office

Plus

- 25 Washington Participants
- 25 Nevada Participants







## Easy for Participants: Step 1 Pick a plan

### 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](mailto:RUCPP@odot.state.or.us)

### Plan Options

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

### Which plan is for me?

You have the opportunity to choose a plan you prefer. Both basic plans charge you for all miles driven. The advanced plan only charges you for the miles you drive on public roads in Oregon, which – if you drive on out-of-state or private roads – means you save money. The smartphone plan allows you can use your Android smartphone to avoid charges for miles driven out of Oregon. The advanced and smartphone plans are only available through Sanef, the private company ODOT certified for pilot operations.

Any device you use will only transmit the number of miles driven, an estimate of fuel used (for calculating the fuel tax credit), and your vehicle identification number. The devices used in the pilot – basic, advanced or smartphone – will not transmit location data or specific routes to ODOT.

**Learn more about the pilot program and each plan's details.**

**Need help?** Call toll-free 855-797-1265 or [RUCPP@odot.state.or.us](mailto:RUCPP@odot.state.or.us)



## We offered Choices

### Account Providers



On Line Payment  
Credit Card Payments

### Methods



GPS



Mail  
Pay by Check

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



No  
GPS



## Easy for Participants: Step 2 Sign-up / Installation of an On Board Unit





## Easy for Participants: Step 3 Drive





## Easy for Participants: Step 4 Payment of Road Usage Charge

- Invoice
  - Receive by mail or by email
- Options for payment
  - Check
  - Credit
  - Debit
  - Electronic Funds Transfer

From: Sanef S.A.  
30, Boulevard Gallien  
92130 Issy les Moulineaux  
France

On behalf of:  
Oregon Department of  
Transportation  
3700 SE 52nd Ave  
Portland  
Oregon  
97216

sanef

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: MNVWMN62080TW56921 CBU No: 050701104400022 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: VY1BW714191068570 CBU No: 0507011218500921 Plan: ADVANCED / SMARTPHONE			
Mileage Tax	1485 miles	\$0.0156	23.18
(5+HOME STATE) Taxable Miles	845 miles	\$0.0156	13.18
Fuel Tax Refund	29.17 gals	\$0.30	-8.45
Subtotal for Volvo V70 SL58RZJ			4.73
TOTAL Mileage Tax Due			\$17.60
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://dot.sanefilling.co.uk> and follow the on-screen instructions.



## Policy Work

- Architecture and Standards
- Fleet Forecast
- Financial and Economic Model
- Organizational Framework
- Urban / Rural





## What's Next

## Legislation

77th OREGON LEGISLATIVE ASSEMBLY—2013 Regular Session

### A-Engrossed House Bill 2453

Ordered by the House April 3  
Including House Amendments dated April 3

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of House Interim Committee on Revenue)

#### SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires persons operating certain high-mileage motor vehicles to pay per-mile road usage charge or flat annual road usage charge. Becomes operative July 1, 2015.

Permits person paying per-mile road usage charge to apply for refund of motor vehicle fuel tax. Permits person paying per-mile road usage charge to apply for refund for miles driven on private property.

Directs Department of Transportation to establish methods for reporting vehicle miles traveled. Provides penalty for making false statements related to payment and reporting of road usage charge or for collecting, attempting to collect or receiving refund to which person is not entitled. Punishes by maximum fine of \$2,000.

Creates offense of tampering with vehicle metering system. Punishes by maximum fine of \$2,000.

Requires department to enter into agreements through Oregon Innovative Partnerships Program to undertake transportation projects related to operation of road usage charge system.

Takes effect on 91st day following adjournment sine die.

#### A BILL FOR AN ACT

1  
2 Relating to motor vehicles; creating new provisions; amending ORS 305.410, 319.280, 319.550, 319.665,  
3 319.831, 366.505, 367.802, 367.804, 367.806 and 803.350; prescribing an effective date; and provid-  
4 ing for revenue raising that requires approval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6



# Implementation Planning

Update to

- Described the system in Business Terms
- Described the system in Technical Terms
- Supporting Documentation

Plus

- Economic Viability Analysis
- Step by step Implementation Plan



# Western Road Usage Charge Consortium

- More Pilots
- Multi-state issues
- Additional Policy Studies





# The Future of Mileage Reporting



Telematics



# Thank You

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