Road Usage Taxes
The Oregon Journey

April 24, 2013
Where we have come from
Road User Fee Task Force

2001

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

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

Wireless Reader

Service Station POS System

GPS Satellite Signals

Central Database

VIN, VMT data, Fuel purchase amount

VMT Data

VMT Charge
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 Register-Guard
registerguard.com

State mulls per-mile tax for gas sippers
BY THE ASSOCIATED PRESS
Published: Midnight, Jan. 3

SALEM — State officials are proposing an alternative tax for vehicles that seldom or never stop at the gasoline pump, where money to build and fix roads.

Oregon Nears Completion of Latest VMT Pilot
POSTED BY RYAN HOLEWELL | DECEMBER 27, 2012

Oregon Democratic Rep. Earl Blumenauer earlier this month introduced legislation that orders the Treasury Department to study ways the federal government could tax motorists on a per-mile basis, as opposed to the current per-gallon gas tax.
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 vendor 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 855-797-1266 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>
</tr>
</thead>
<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>
</tr>
<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>
</tr>
<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>
</tr>
<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>

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 to 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 855-797-1266 or RUCPP@odot.state.or.us
We offered Choices

Account Providers
- sanef
- On Line Payment
- Credit Card Payments

Methods
- GPS
- No GPS

Oregon Department of Transportation

November 2012

One Hundred Thirty Five Dollars and 00/100

Joe Motorist

Oregon Department of Transportation

Pay to the Order of

Date: November 2012

One Hundred Thirty Five Dollars and 00/100

Joe Motorist

MEMO

1025
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
Policy Work

- Architecture and Standards
- Fleet Forecast
- Financial and Economic Model
- Organizational Framework
- Urban / Rural
What's Next

Legislation

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A-Engrossed

House Bill 2453

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

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 $5,000.
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

Relating to motor vehicles; creating new provisions; amending ORS 305.410, 319.260, 319.550, 319.665, 319.831, 366.505, 367.802, 367.804, 367.806 and 390.250; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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