



Road Usage Charging in Oregon

Joint Informational Meeting of the
California Transportation Commission &
the Washington State Transportation
Commission

San Jose, CA
August 19, 2014

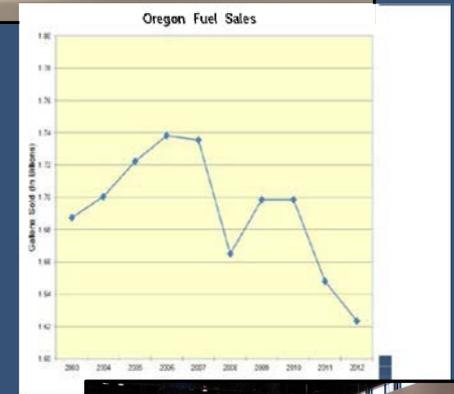


Motivations for Change in Road Funding

Declining fuel tax revenue

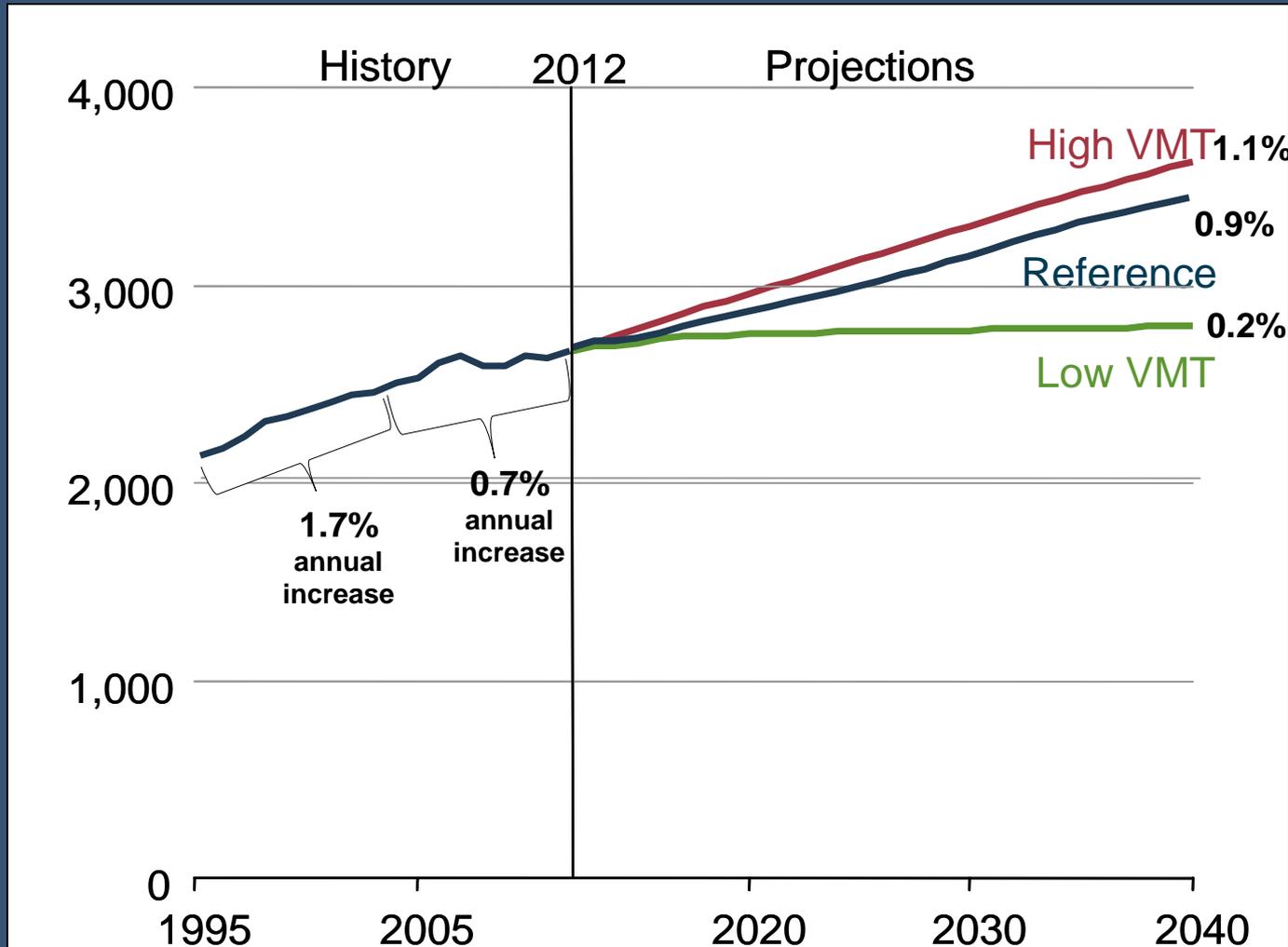
Unfairness of fuel tax growing worse

- Changes to nation's vehicle fleet
 - Fully electric vehicle
 - Plug-in hybrid
 - Fuel cell
 - Clean diesel
 - ICE vehicles
- CAFE standard to 54.5 MPG by 2025
- Societal inequity resulting from new vehicle purchases





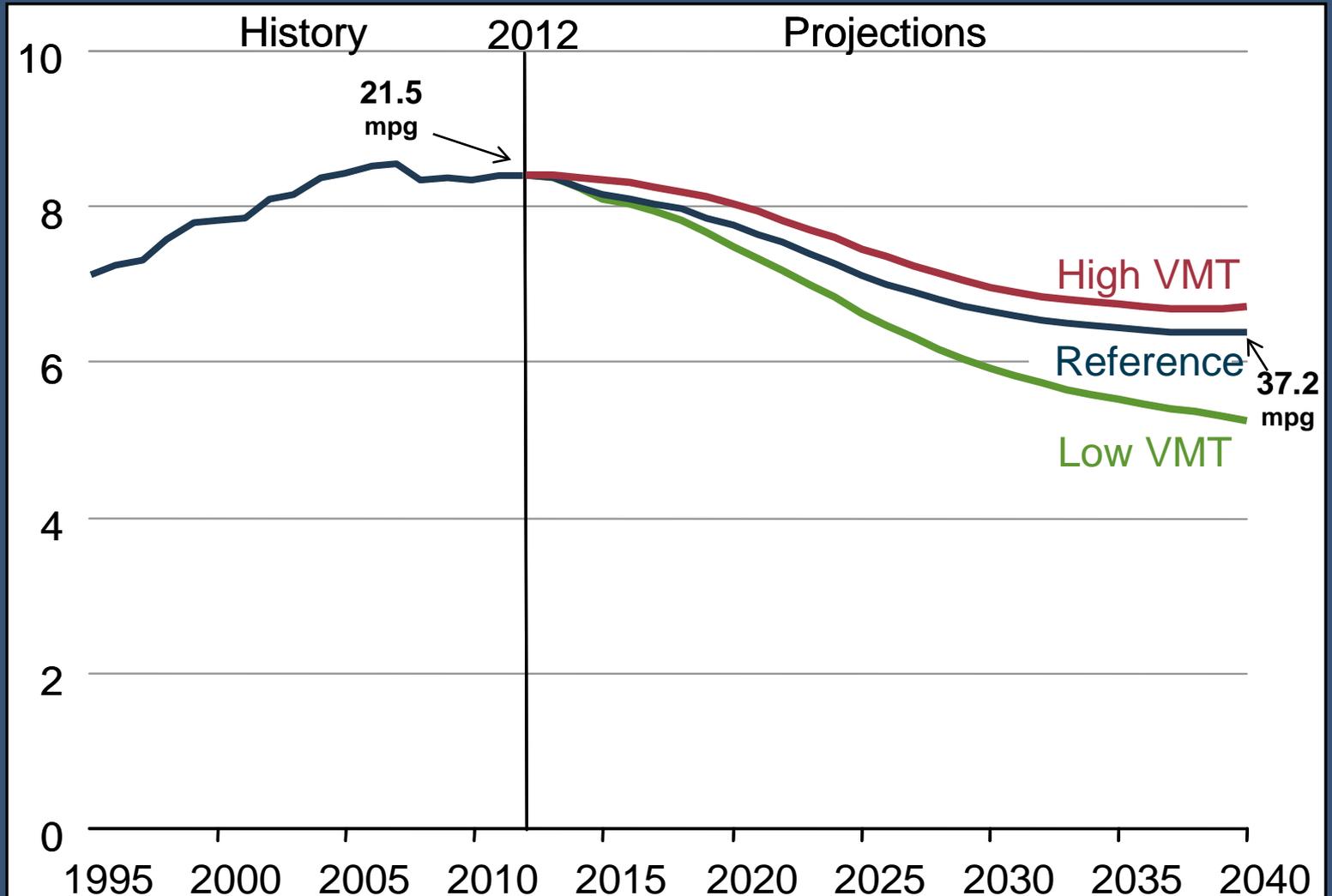
Total Light-duty Vehicle Miles Traveled in Three Cases (1995-2040)



Source: Annual Energy Outlook 2014 Report; U.S. Energy Information Administration



U.S. Light-Duty Vehicle Energy Use in Three Cases (1995-2040)



Million
Barrels of Oil
Equivalent
Per Day

Source: Annual Energy Outlook 2014 Report; U.S. Energy Information Administration



Oregon's Per-Mile Road Usage Charge Law

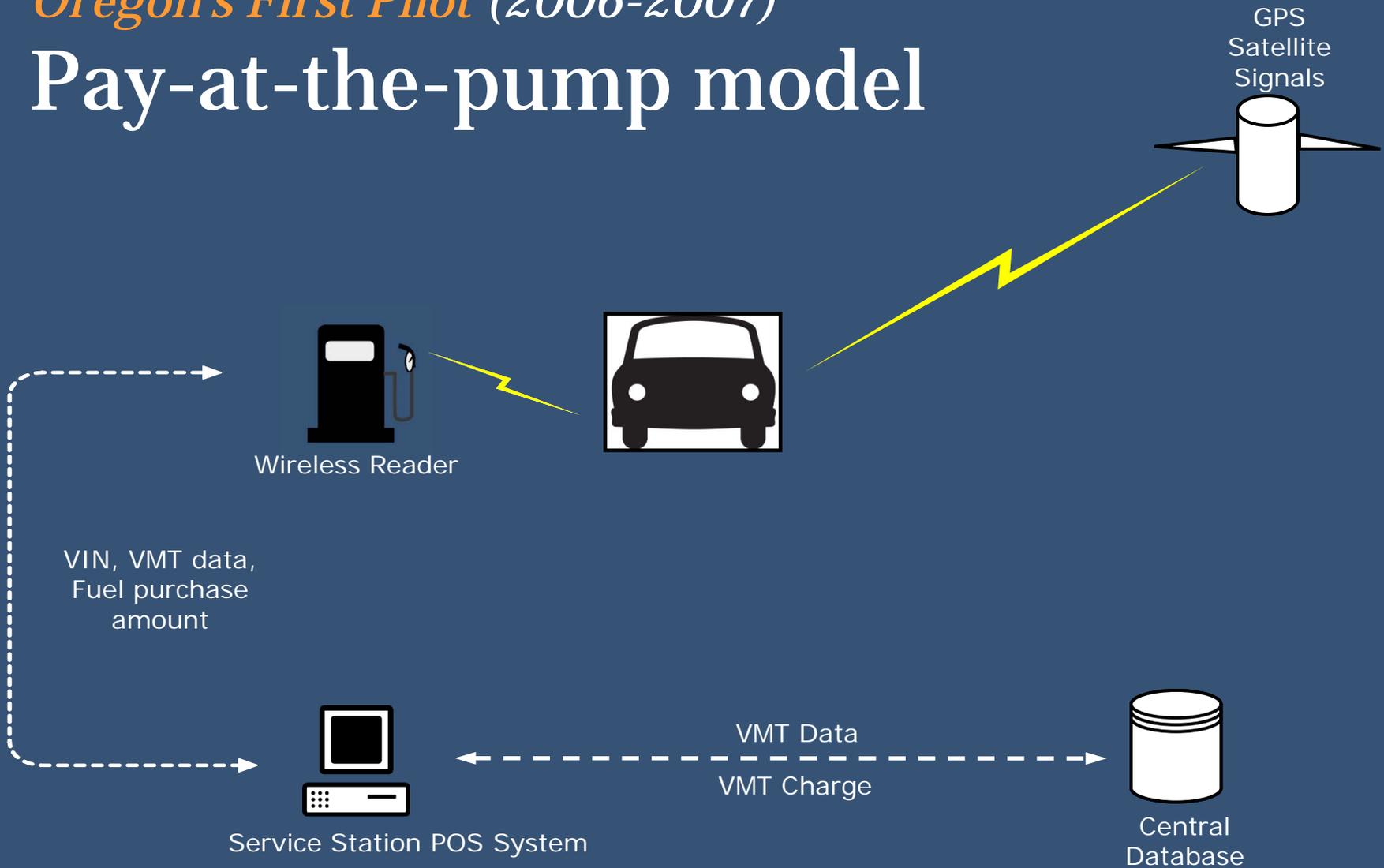


Senate Bill 810 directs implementation of a fully operational per-mile road usage charge program for light vehicles on July 1, 2015



Oregon's First Pilot (2006-2007)

Pay-at-the-pump model





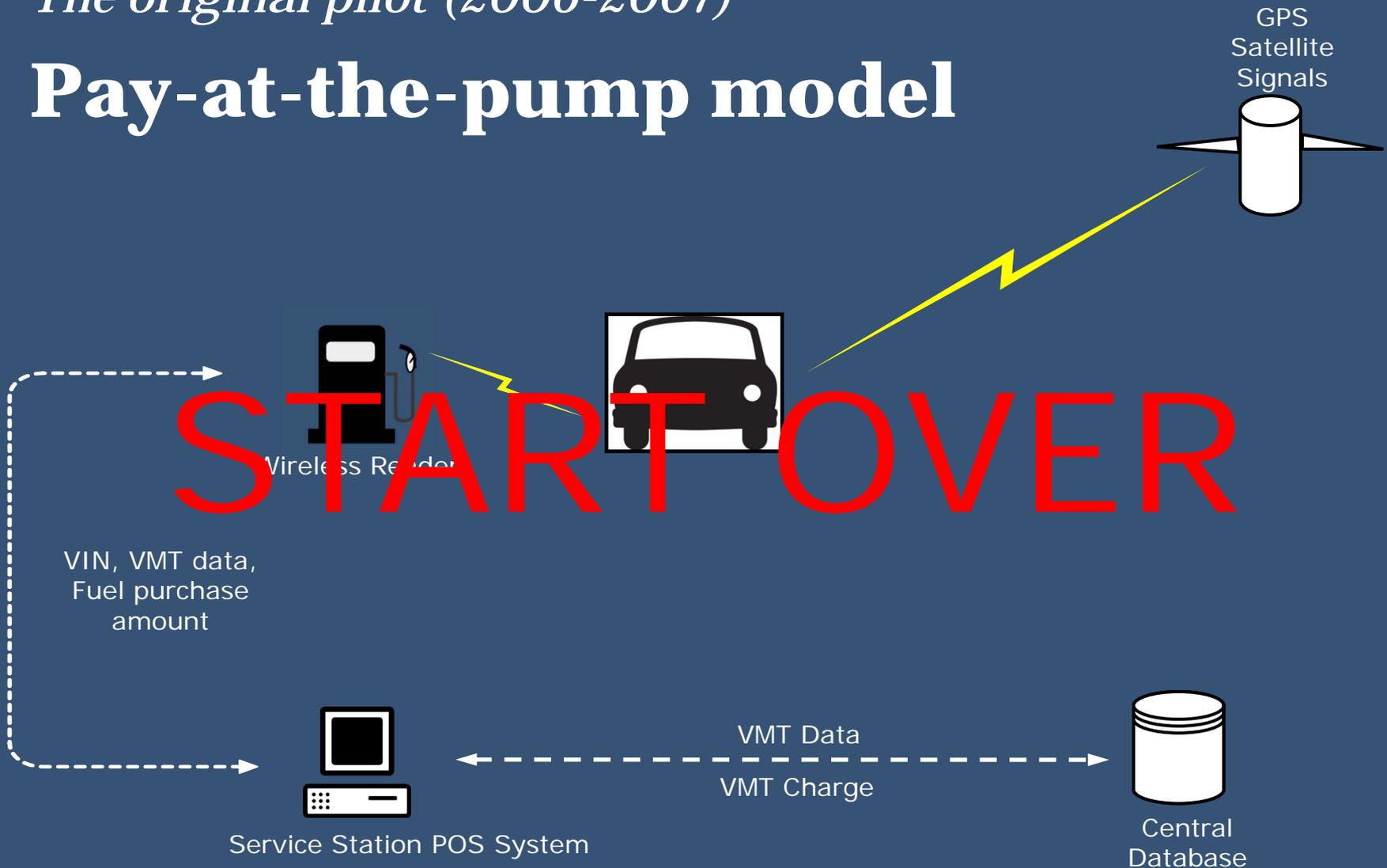
Main Concerns with Oregon's First Pilot

1. Privacy protection
2. Stagnant governmental bureaucracy
3. Compliance complexity
4. Costly operations
5. Fairness
 - Rural driving
 - Fuel efficient vehicles
 - Non-resident drivers



The original pilot (2006-2007)

Pay-at-the-pump model





Redesign of Oregon's Distance Charging Concept

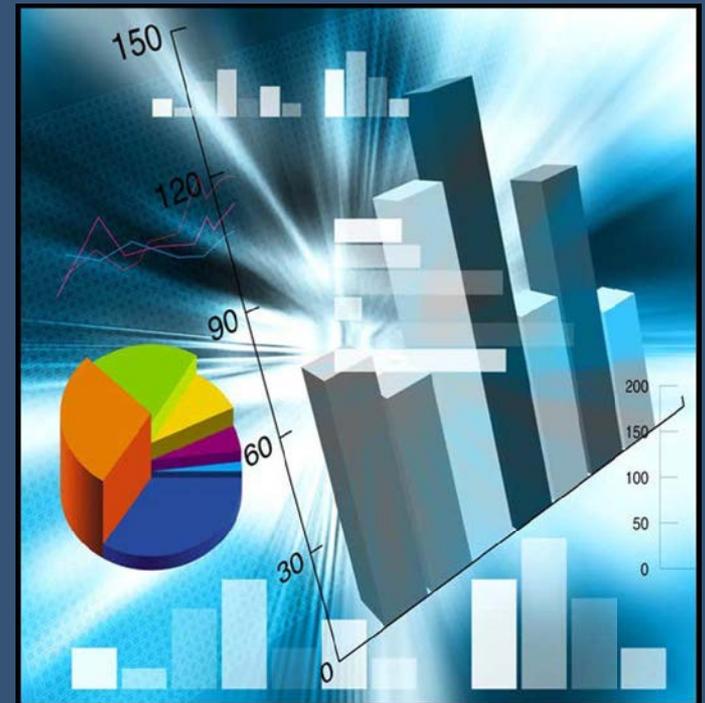
Design as open system to allow evolution of technologies (2009)

Provide choices for mileage reporting (2010)

Provide access to private sector transaction processing and account management (2010)

Protection of personally identifiable information by law (2011)

Create flexible, scalable and geographically unlimited per-mile charging system (2012)





Oregon's Second Pilot (2012-2013)

Road Usage Charge Pilot Program

Choices for mileage reporting

44 volunteer participants from Oregon

- 8 state legislators
- Others with policy interest

Paid road usage charge of 1.5 cents per mile and received fuel tax credit

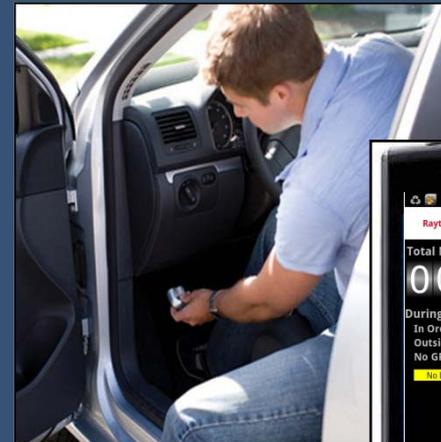
Private sector firms provided

- Mileage reporting technologies
- Tax processing and account management

Washington DOT and Nevada DOT managed 44 additional participants

Choosing your plan
To determine your best choice, you must consider a charging plan. Your charging plan will include a road usage charge service provider, either ODOT or a private provider. Select a card if you wish to report the miles you drive (click on the plan title in the table below).
Need help? Click below for more information on RUCP account setup.

Plan Options	Miles Reported	Invoice	Payment	Online account management	Use GPS?
ODOT Basic Plan	All	Mailed Monthly	Check	No	No, does not report where miles are driven
ODOT Fuel Meter Plan	N/A	Check at pump	Check	No	No (onboard)
Smart Basic Plan	All	Enrolled Monthly	Credit/debit card	Yes	No, does not report where miles are driven
Smart Advanced Plan	Public roads in Oregon only	Enrolled Monthly	Credit/debit card	Yes	Yes
Smart Smartphone Plan	With application running, only roads in Oregon; without application running, all roads	Enrolled Monthly	Credit/debit card	Yes	Yes





Categories of mileage reporting

1. Reporting all miles driven
(basic)
2. Reporting miles by location
(advanced)
3. Changeable reporting of miles
(switchable)
4. Assume maximum annual mileage
(simplified)





Senate Bill 810

Oregon Per-Mile Road Use Charge Law

Implement operational RUC program

- 1.5 cents per mile
- Rebate of fuel tax paid
- Mileage reporting *choices*
- Vehicle location technology not required
- Open system
- Private sector administration option
- Penalties for false statements, non-payment and tampering
- Protection of personally identifiable information



First application: 5,000 voluntary taxpayers

Start date: July 1, 2015



Issue #1: Privacy

SB 810 solutions:

1. Provide choices for reporting method and technology
2. Select mileage reporting device from marketplace
3. No mandate for vehicle location capability (GPS)
4. Legal mandate to personally identifiable information



SB 810, Section 9

Protection of Personally Identifiable Information

Constraints use of Personally Identifiable Information

- Limits access

- Imposes obligation to protect

- Exception for express approval

Data destruction of mileage data within 30 days after later of

- Payment processing

- Dispute resolution

- Noncompliance investigation



Oregon's Third Pilot (2015 and beyond) Road Usage Charge Program

Open System with taxpayer choices
for mileage reporting

5,000 volunteers from Oregon

Pay a road usage charge of 1.5 cents
per mile and receive fuel tax credit

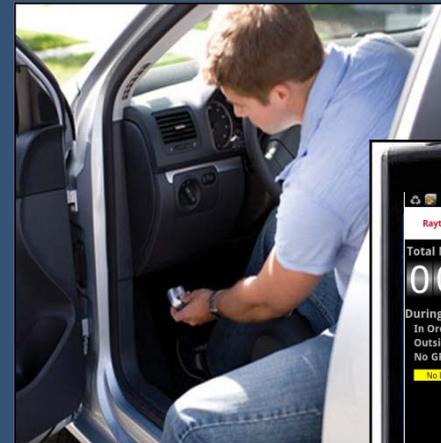
Private sector firms provide

- Mileage reporting technologies
- Tax processing
- Account management

Choosing your plan
To determine your best plan, you must consider all charging plans. Your charging plan will include a road usage charge service provider, either ODOT or a private provider. Select a plan if it matches to report the miles you drive (click on the plan title in the table below).

Need help? Click below for more information on RUCP account setup.

Plan Options	Miles Reported	Invoice	Payment	Online account management	Use GPS?
ODOT Basic Plan	All	Mailed Monthly	Check	No	No, does not report where miles are driven
ODOT Fuel Rate Plan	N/A	Check at pump	Check	No	No (not used)
Smart Basic Plan	All	Enrolled Monthly	Credit/debit card	Yes	No, does not report where miles are driven
Smart Advanced Plan	Public roads in Oregon only	Enrolled Monthly	Credit/debit card	Yes	Yes
Smart Smartphone Plan	With application running, only roads in Oregon; without application running, all roads	Enrolled Monthly	Credit/debit card	Yes	Yes



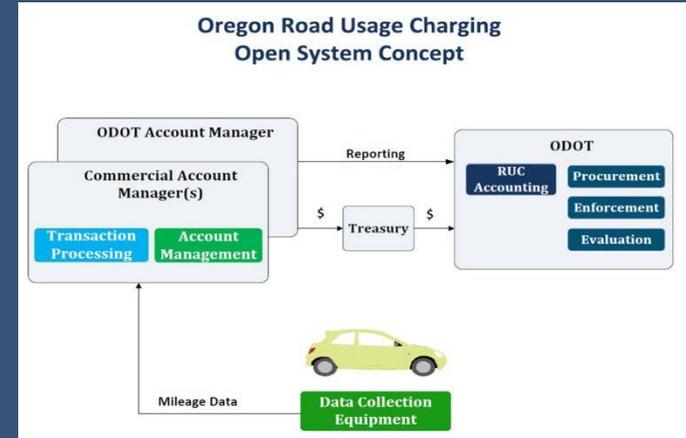


Oregon's Platform for Per-mile Charge

Machine to machine communications via standard mileage message

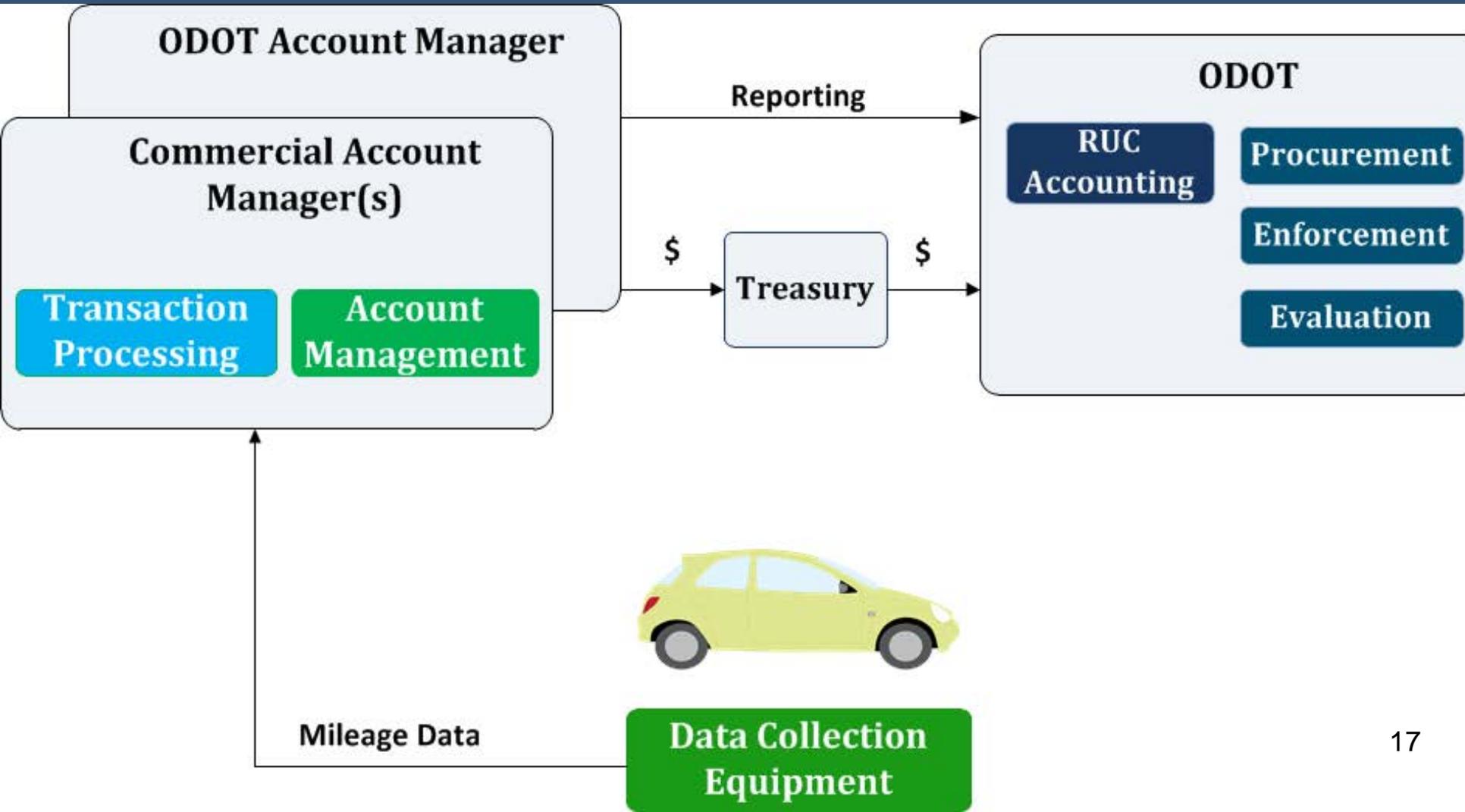
DOT certifies private sector entities under an open system for:

- Mileage reporting technologies
- Tax processing
- Account management





Oregon's Open System Platform





Oregon's Platform: Requirements, Contractual Provisions and Certification

- System requirements specifications
 - Business requirements documents
 - Interface control documents
 - Verification cross reference index
 - Service level agreements
- Certification of technologies, systems and business processes



Issue #2: Stagnant Governmental Bureaucracy

Solution: Bring in private sector and create a market:

- RFP for ODOT Account Manager (OAM)
 - Only basic mileage reporting
 - No value added services
 - Must accept every eligible applicant
- RFQ for Commercial Account Managers (CAMs)
 - Multiple types of mileage reporting
 - Evolution of technologies and business systems
 - Value added services



What Volunteer RUC Payers Will See

- 1st Marketing materials
- 2nd RUC Website explaining system
- 3rd *Choose Your Plan* matrix
- 4th MRD activation instructions
- 5th Invoice with payment instructions

Always available: Help Desk



Expected Reporting Methods

Mileage Reporting

- Basic
- Advanced
- Switchable

Refunds

- Automatic refunds of fuel tax
- Manual refunds for off public road mileage for those choosing basic reporting



Choice of Mileage Reporting 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

Plan Options

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

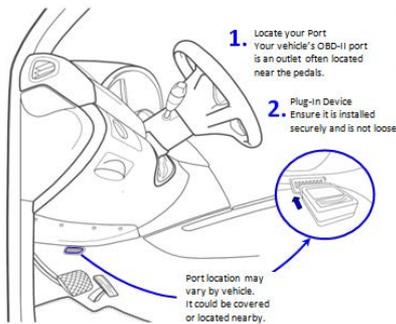


Mileage Reporting Device Activation

1. Activate device built into vehicle, *or*



HOW TO INSTALL THE MILEAGE REPORTING DEVICE



If your OBU becomes disconnected for any reason, simply re-



2. Install device into vehicle



Invoicing and Payment

Invoice

- Receive by mail, email or automatic account access
- Summarized totals

Options for payment

- Cash
- Check
- Credit
- Debit
- Electronic Funds Transfer

From: Sanef S.A. 30, Boulevard Gallieni 92 130 Issy les Moulineaux France	On behalf of: Oregon Department of Transportation 3700 SE 92 nd Ave Portland Oregon 97216		
To: A Customer 123 Main Street Portland Oregon 97201	Invoice No: SI1012-1234 Invoice Month: October 2012 Issue Date: Nov 5 2012		
Item Description	Amount	Rate (\$)	Subtotal
VRM: YG59RZW Vehicle: BMW Mini Clubman D VIN No: MWWMN52080TW95921 OBU No. 0507011044000022 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: YV1BW714191088570 OBU No. 0507011218500621 Plan: ADVANCED / SMARTPHONE			
Mileage Tax	1485 miles		
Total Mileage	845 miles	\$0.0156	13.18
\$(HOME)STATE) Taxable Miles	28.17 gals	\$0.30	-8.45
Fuel Tax Refund			
Subtotal for Volvo V70 SL58RZJ			4.73
TOTAL Mileage Tax Due			
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://odot.sanefcolling.co.uk and follow the on-screen instructions.			



Issue #3: Compliance Complexity

Solution: Let RUC payer choose simplicity

1. Choice of mileage reporting plan and provider
2. Activate or install device or app
3. Pay quarterly, semi-annually or annually by method of choice



Issue #4: Cost of operating pilot program

First pilot, including policy development, system configuration, procurement and operations = \$2.9 million over 4.5 years

Second pilot, including policy development, system configuration, procurement and operations = \$3.5 million over 14 months

Third pilot, including preparation of fully operational system, procurement and testing = approximately \$5.5 million over two years



Issue #4: Cost of fully operational RUC system

Oregon's Financial and Economic Model predicts:

- 10,000 RUC payers = 50% of revenues
- 100,000 RUC payers = 10% of revenues
- 1 million RUC payers = below 5% of revenues



Issue #5: Fairness

- Rural drivers
 - Pay fuel tax now
 - More off-road driving
- Fuel efficient vehicles
 - Not paying fair share for road use
 - Already avoid cost of fuel
 - RUC is not a large burden
- Non-resident driving
 - Until regional system developed, still pay fuel tax
 - Western RUC Consortium addressing solution



Timeline Going Forward

ODOT contracts with OAM and CAMs (Oct '14)

Certify technologies and business practices (Jan '15)

Issue permanent CAM procurement documents (Mar '15)

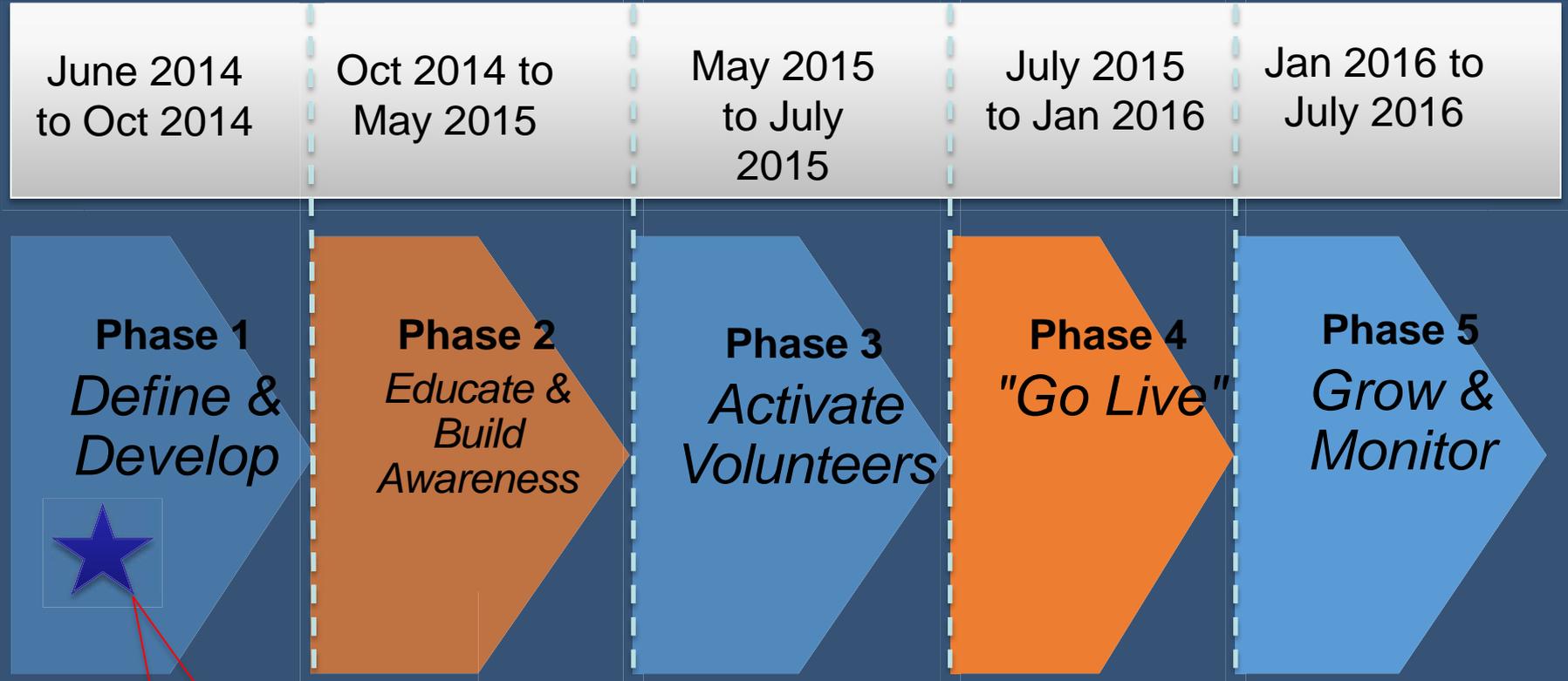
Operational trial (Mar to May 2015)

Launch of Road Usage Charge Program (July 1, '15)

Additional R&D and assistance to other states (Beyond)



Communications



We are Here!



ODOT Recommendations to US States

1. Initiate institutional knowledge of mileage charging policies through high level task force or committee
2. Access Oregon's open system RUC platform for individual or regional pilot programs
 - Access Oregon's technology and business standards
 - Access OAM and CAMs hired by Oregon DOT
 - Advantages:
 - 1) Save time
 - 2) Save money
 - 3) Design program elements acceptable to individual states



Following Slides Reserved for Q&A



Mileage message decoded

Vehicle identification number

Reporting device identification number

Timestamp for installations and removals

Total mileage during reporting period

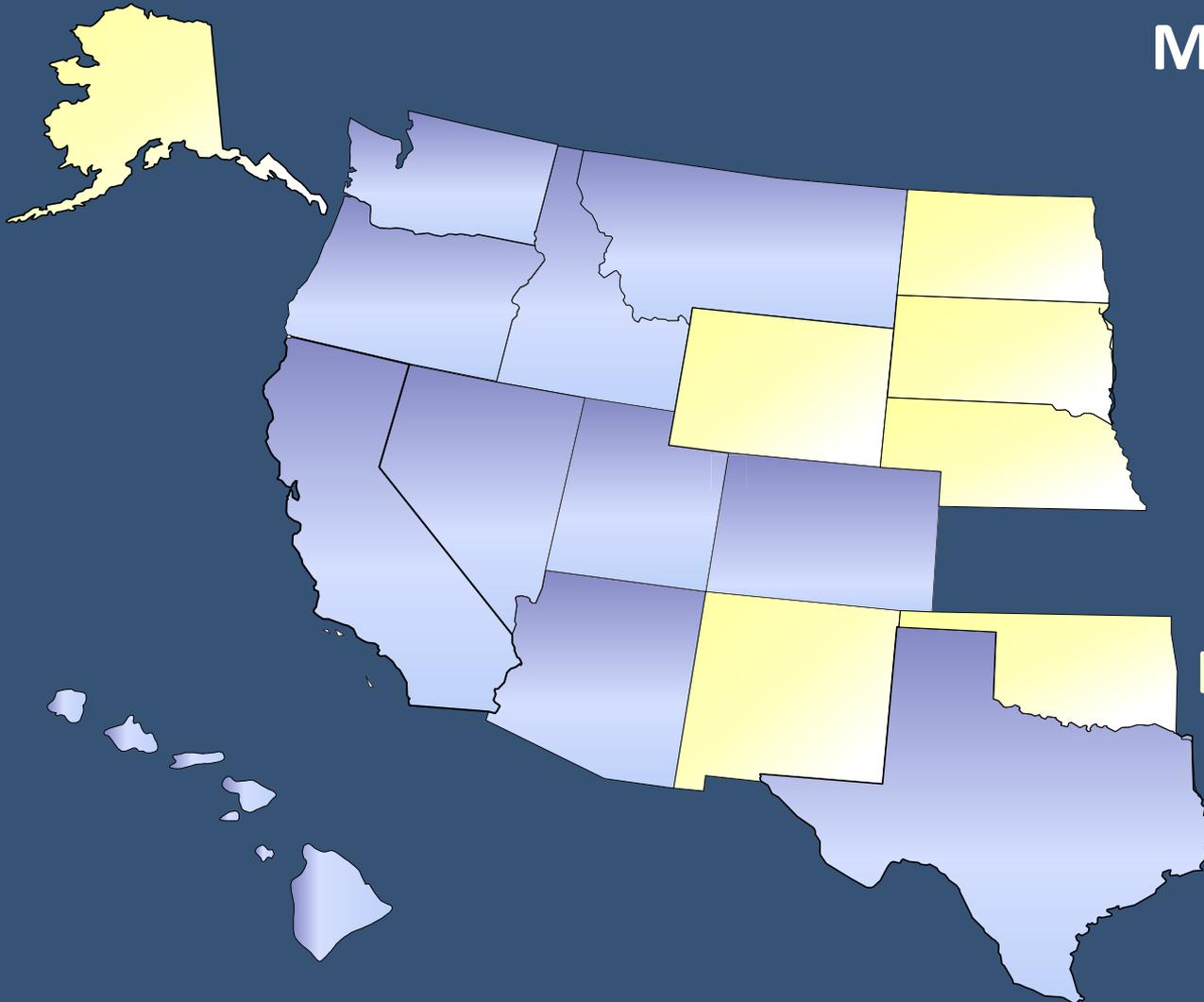
Fuel consumption during reporting period

For advanced plans, mileage by zone





Western Road Usage Charge Consortium



MEMBER STATES



- Arizona
- California
- Colorado
- Idaho
- Hawaii
- Montana
- Nevada
- Oregon
- Texas
- Utah
- Washington

ELIGIBLE STATES



- Alaska
- Nebraska
- New Mexico
- North Dakota
- Oklahoma
- South Dakota
- Wyoming