



State of Oregon's Per Mile Road Usage Charge

COMPASS

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Why try VMT?

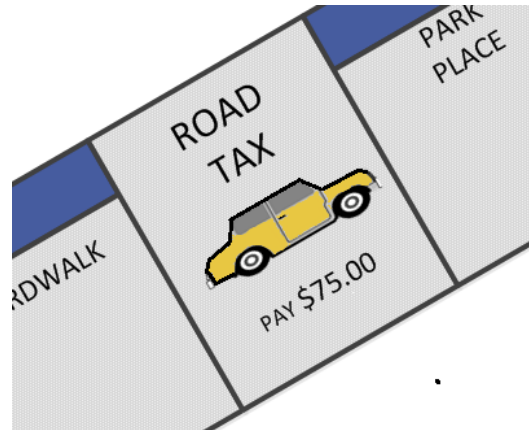


Definition of a Road Usage Charge

A fee charged for the distance a vehicle is driven



**Count the miles
(and fuel used)**



Collect the tax



**Administer the
program**



Motivations for Change in Road Funding



Changes to
nation's vehicle
fleet



CAFE standards
increasing - 54.5
MPG by 2025



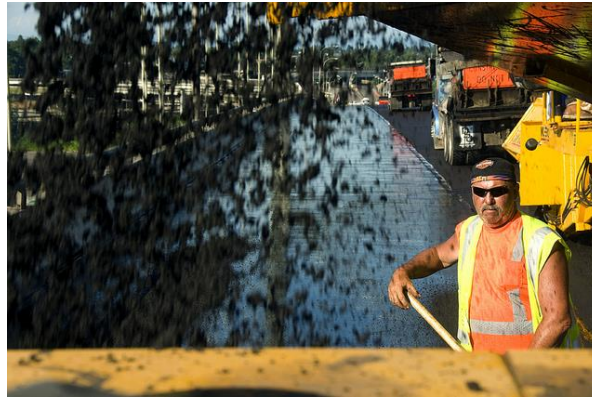
Societal inequity
resulting from new
vehicle purchases



Transportation Funding is Declining



Federal funds are stagnant.



Construction costs are going up.



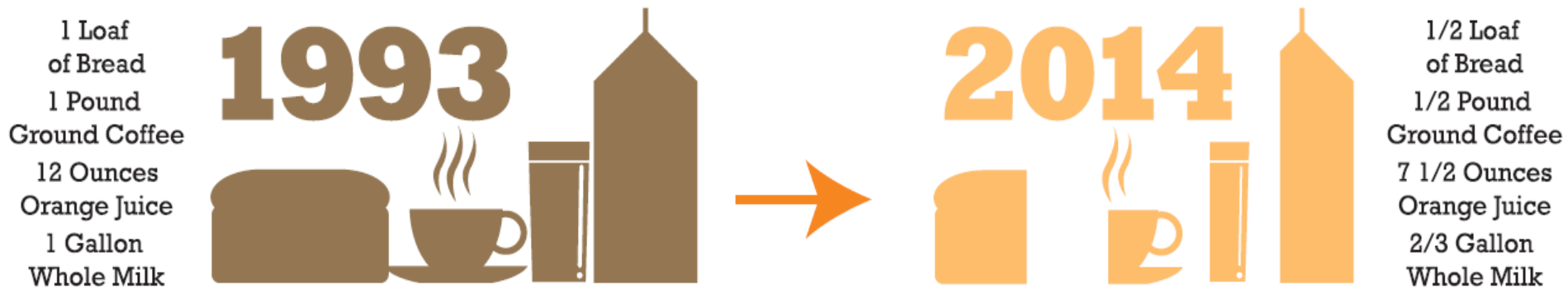
Fuels taxes are failing to keep up.



INFLATION vs ROAD CONSTRUCTION

Household costs have risen since 1993.*

The same amount of money buys each of us fewer goods.



The same holds true for road construction materials.



**2,000 Pounds
of Rebar**



**900 Pounds
of Rebar**



**10 Yards
of Concrete**



5 Yards of Concrete



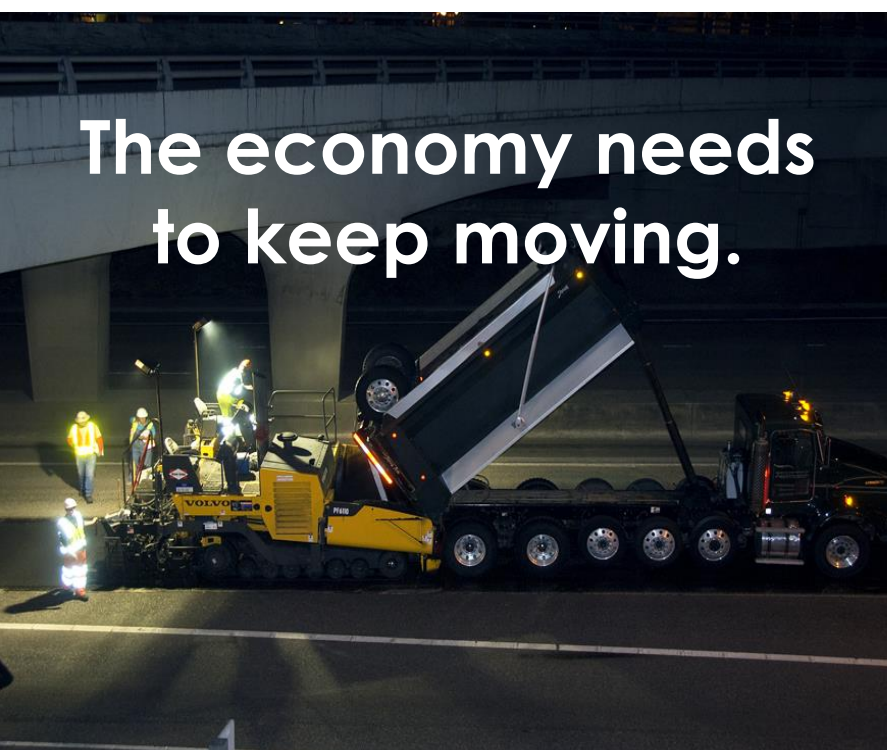
**10 Tons
of Asphalt**



**3 1/2 Tons
of Asphalt**



The economy needs
to keep moving.



Emergency services
must be delivered.



**We are modernizing our
transportation system –
and how we fund it, to
meet the state's needs.**

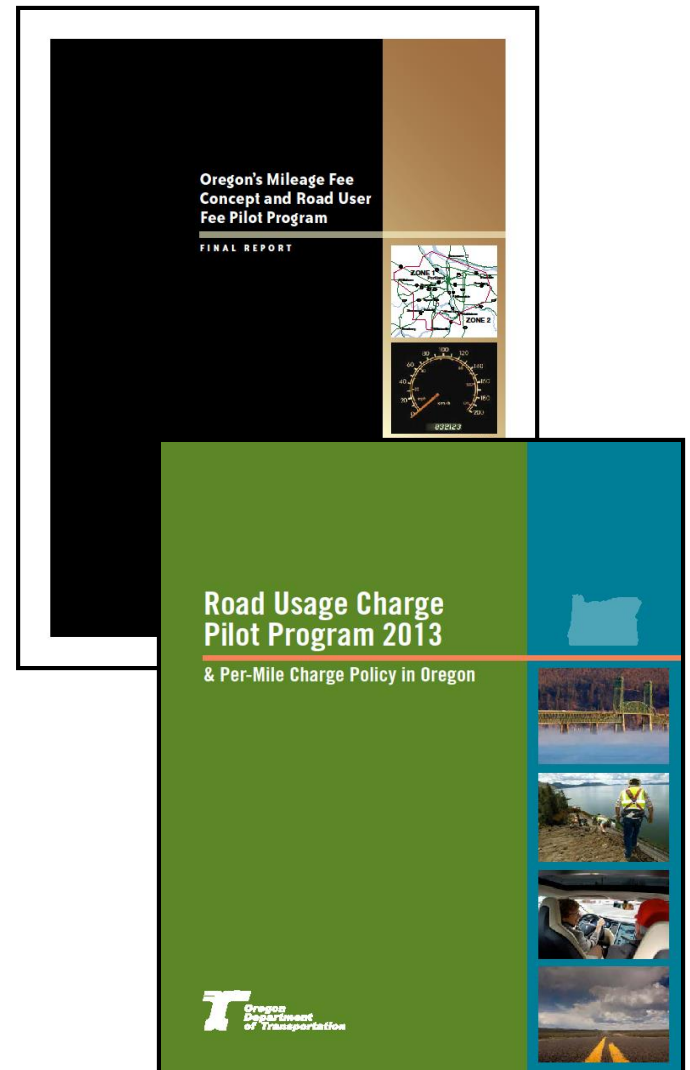


How did we get here?



Oregon's Early Per Mile Charge Pilot Programs

- 1. Road User Fee Pilot (2006-07)**
 - Mileage reporting and payment at fuel pump
- 2. Road Usage Charge Pilot (2012-13)**
 - Mileage reporting wirelessly from machine to machine
 - Private sector account manager





Charge a flat annual fee.



Tax electricity for vehicle use.

Tax tire purchases – especially studded tires.





Tax battery purchases.

Charge a toll on interstate highways.



Raise fuel taxes.



MYTHBUSTERS

The fairness issue

Rural drivers

- Pay more fuel taxes now
- Fewer trips/more off-road driving
- Number of miles roughly the same

Fuel efficient vehicles

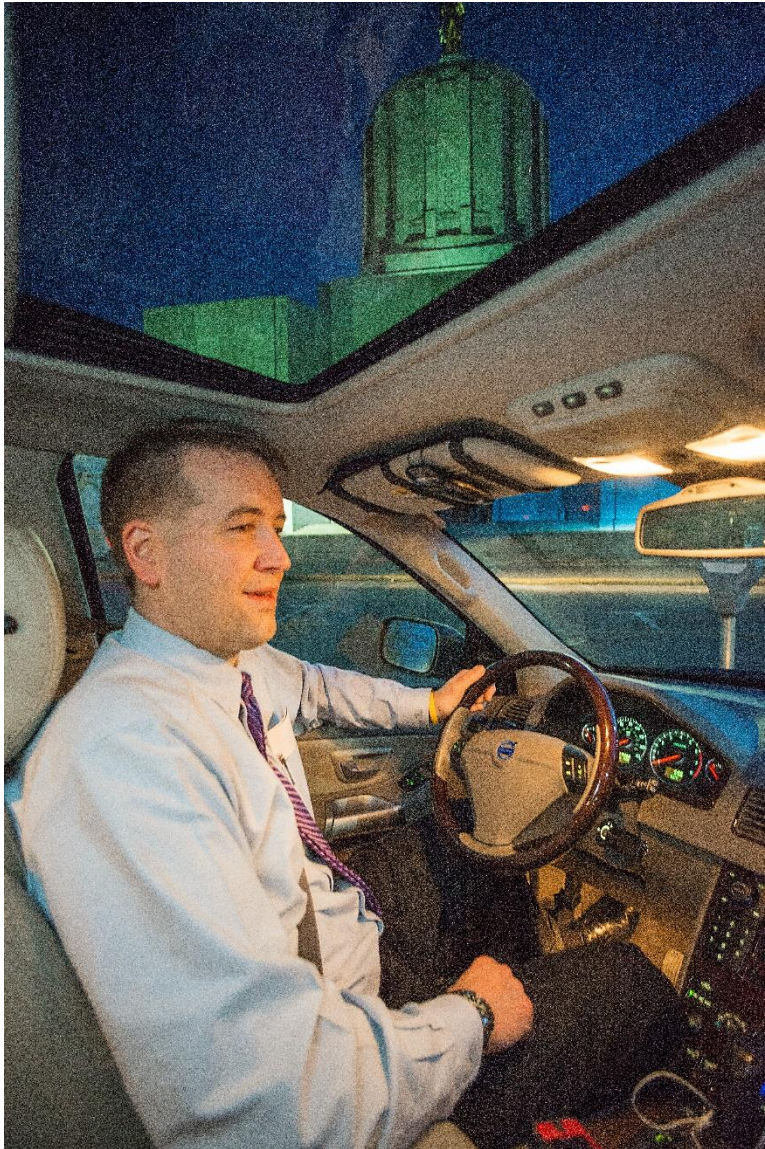
- Not paying fair share for road use
- Already avoid cost of fuel
- Road usage charge not a large burden

Non-resident drivers

- Still pay fuel tax
- Western States Consortium addressing a solution



A per-mile user fee is the fairest way



Penalizing vehicle efficiency

eGallon: Compare the costs of **driving** with **electricity**



What is eGallon?

It is the cost of fueling a vehicle with electricity compared to a similar vehicle that runs on gasoline.



Did you know?

On average, it costs about half as much to drive an electric vehicle.

Find out how much it costs to fuel an electric vehicle in your state

Idaho

regular
gasoline

2.73

electric
eGallon

0.95

ENERGY.GOV



From: <http://energy.gov/articles/egallon-how-much-cheaper-it-drive-electricity#>

How does OReGO work?



The Road Usage Charge Program (7/1/2015)

FULLY OPERATIONAL FOR 5,000 VOLUNTEERS

myOReGO.org



OReGO

- 1.5 cents per mile
- Fuel tax credit
- Mileage reporting *choices*
- GPS *not* required
- Open system
- Private sector administration option
- Penalties for fraud
- Protects personally identifiable information



Why it's called OReGO

In Oregon, the brand attributes define OReGO as:

- Trailblazing
- Approachable, friendly and adventurous
- A good value
- Viable product
- Superior customer experience

Don't be afraid to say "Road Charging is a better way..."

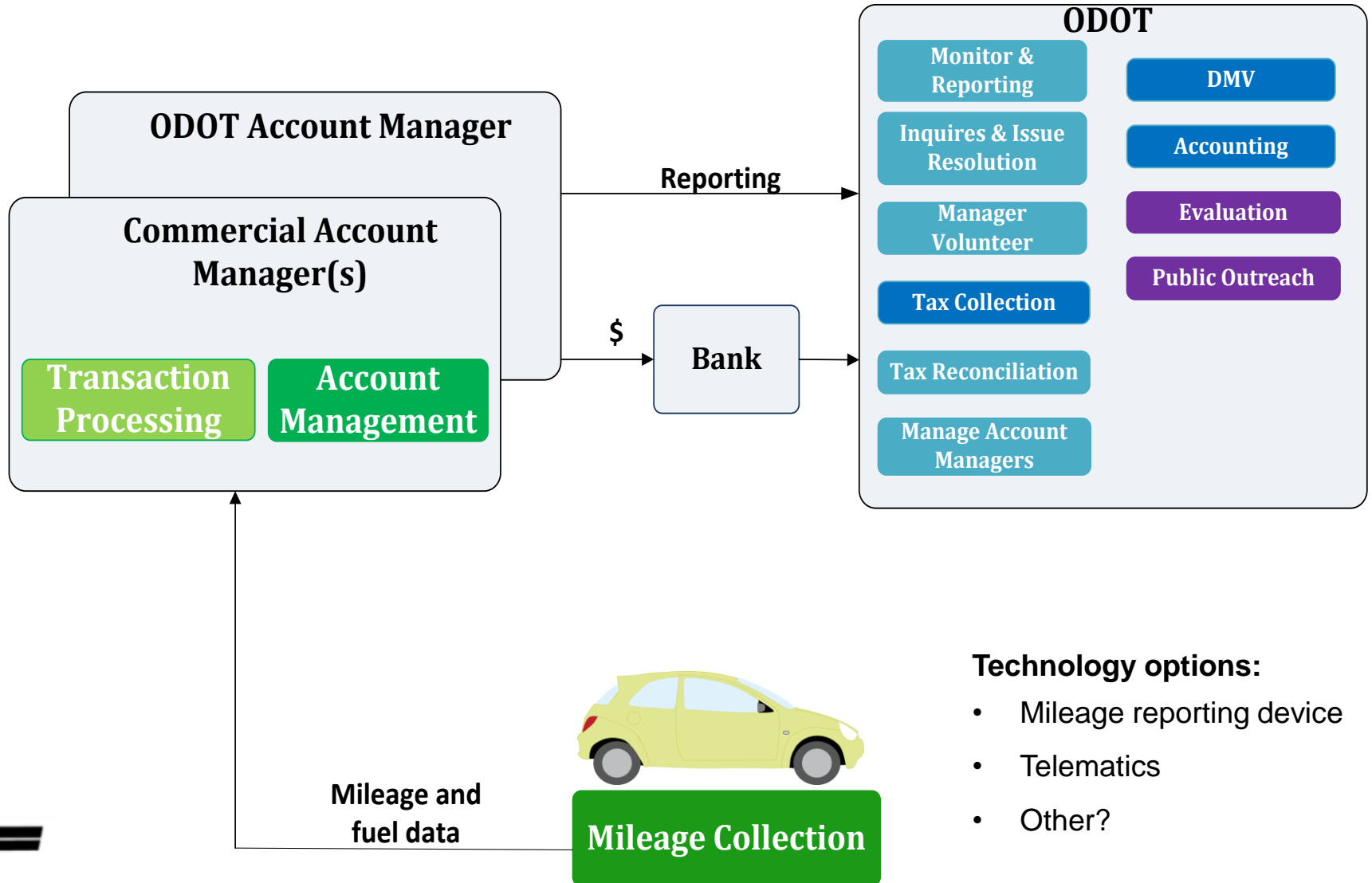
- more sustainable
- addresses declining gas tax revenues
- everyone pays their fair share



OReGO



Oregon Road Usage Charging Open System Concept



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

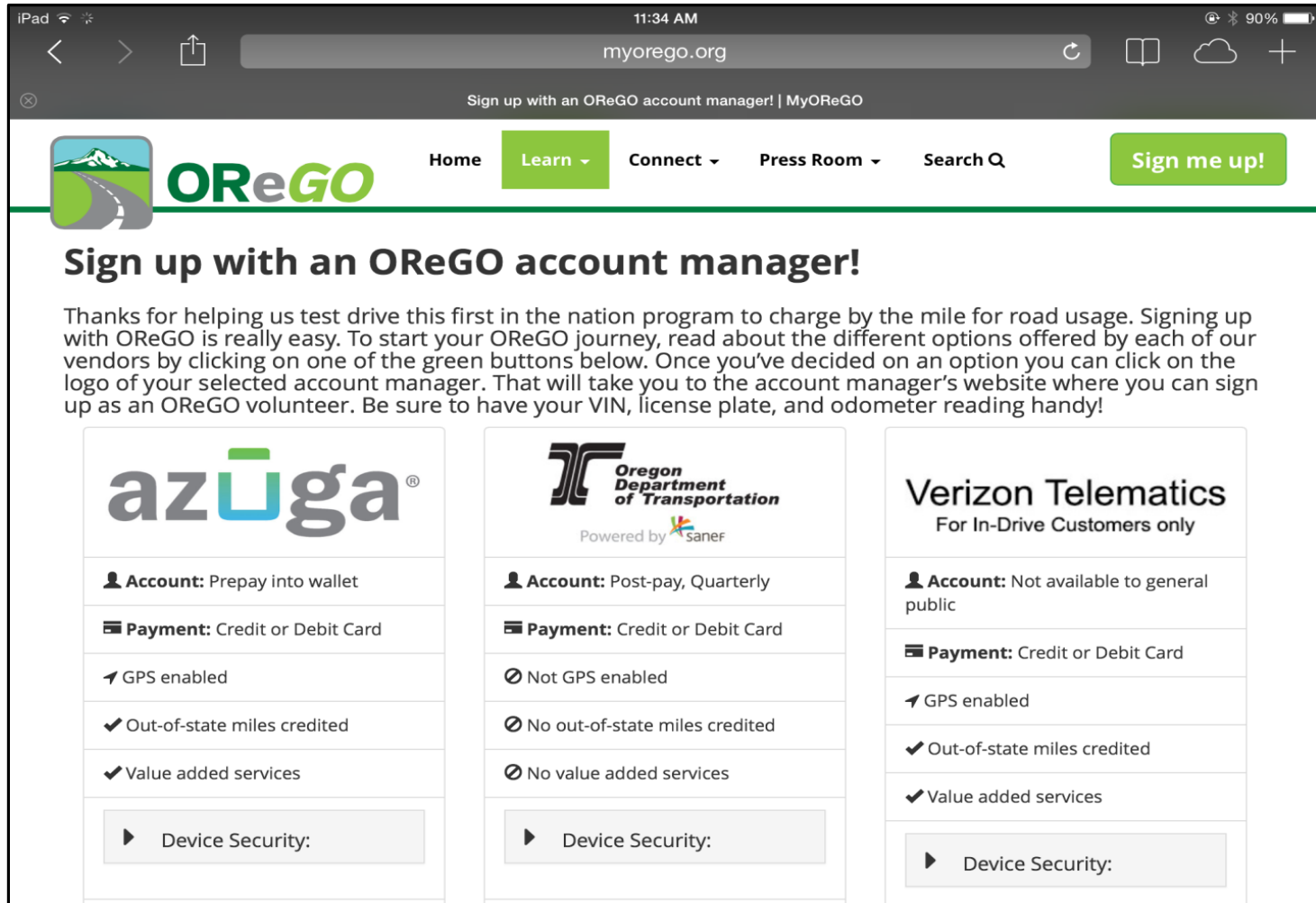
Commercial Account Managers

- 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

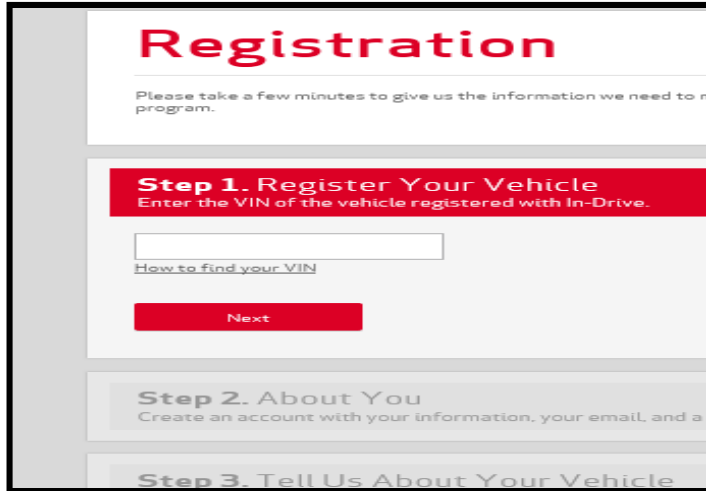


The screenshot shows the myorego.org website on an iPad. The page title is "Sign up with an OReGO account manager! | MyOReGO". The navigation bar includes "Home", "Learn", "Connect", "Press Room", and "Search Q", along with a "Sign me up!" button. The main heading is "Sign up with an OReGO account manager!". Below this, a paragraph explains the sign-up process and lists requirements: VIN, license plate, and odometer reading. Three provider cards are displayed:

Provider	Account Type	Payment Method	GPS	Out-of-state Miles	Value Added Services	Device Security
azūga®	Prepay into wallet	Credit or Debit Card	GPS enabled	Out-of-state miles credited	Value added services	Device Security: [button]
Oregon Department of Transportation Powered by sanef	Post-pay, Quarterly	Credit or Debit Card	Not GPS enabled	No out-of-state miles credited	No value added services	Device Security: [button]
Verizon Telematics For In-Drive Customers only	Not available to general public	Credit or Debit Card	GPS enabled	Out-of-state miles credited	Value added services	Device Security: [button]



Volunteer Experience – Sign Up



2. Sign up and select mileage reporting method



3. Install/activate mileage reporting device

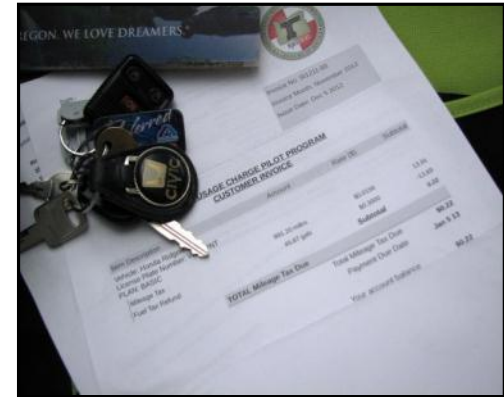


Volunteer Experience - Payment

5. Account settlement

- Nature of billing
- Timing of payment
- Method of payment

Varies by account manager



Status Report and Next Steps



OReGO Accomplishments to Date

- ✓ ODOT contracted with three private sector firms to provide OReGO account management to volunteers
- ✓ ODOT built a system for validating eligible vehicle, tracking issues, and reporting outcomes
- ✓ ODOT certified three firms to proceed with account management services for OReGO
 1. Sanef
 2. Azuga
 3. Verizon Telematics
- ✓ **900** vehicles are enrolled in OReGO as of September 21, 2015
 - ❑ Below 17 MPG = **225**
 - ❑ Between 17 and 22 MPG = **275**
 - ❑ 22 MPG and above = **400**

**Almost
1,000 sign-
ups in 12
weeks!**



What Happens Next With OReGO?

- Between now and October 20, OReGO account managers capture mileage, apply 1.5 cents for every mile driven within the state of Oregon, and credit the fuel tax attributable to those miles
- Every week, Errors and Events Report due from account managers
- Key Performance Indicators Report from account managers are delivered monthly
- On October 20, OReGO account managers report transaction data to ODOT and pay net amount of road usage charge into Oregon State Treasury
- Evaluate OReGO for Oregon legislature and public
- Launch marketing campaign for next round of volunteers in October



What is the end game?



Methods may change

How will miles be counted

Electronic methods

- Driven by the market
- Can be influenced with incentives

Governmental limits

- Role of location technology (GPS)
- Minimum and maximum reporting frequencies and amounts
- Open or closed system

Manual backup methods

- When all else fails

A "Weekly Progress Report" form. It includes fields for "Customer Name", "Address", "City", "State", and "Zip Code". Below these is a table with columns for "Date", "Miles", "Fuel", "Time", and "Notes". The table has several rows for data entry. At the bottom, there is a section for "Comments" and a small logo.

Policy choices to be made

- **Which** vehicles are in the program
- **When** vehicles are in the program (transition plan)
- **What** rate structure
- **What** is impacted

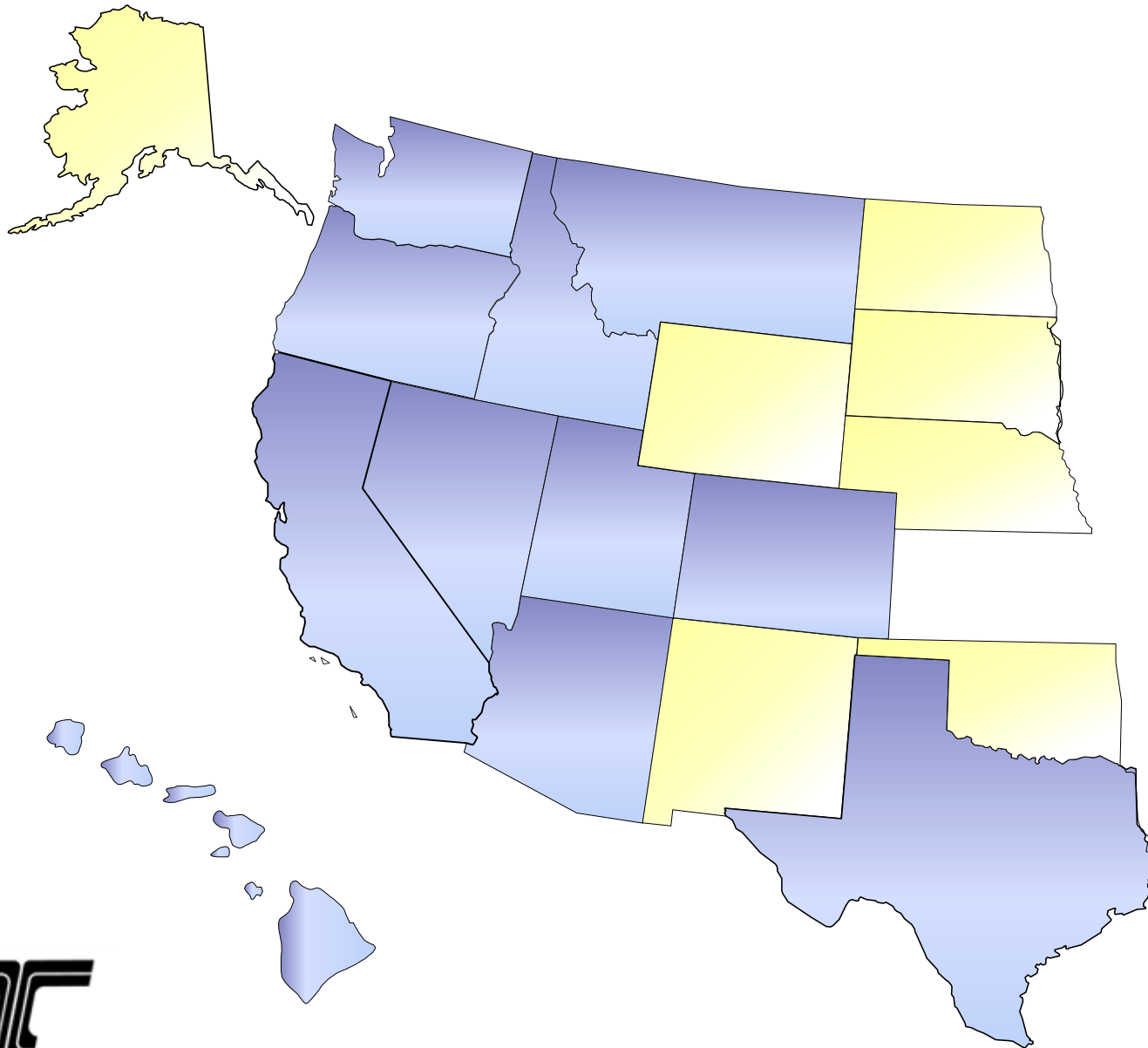




Work with other states

- Defining best practices
- Sharing information including lessons learned
- Setting standards



Western Road Usage Charge Consortium



MEMBERS 
ELIGIBLE 



... and the end state?

If constructed properly, an open, market-based road usage charge system adopted by the states will

- Be interoperable across the states,
- Be flexible enough to allow for individual state policy adaptations, and
- Put the nation's road funding on a solid financial foundation





OREGO

MyOREGO.org

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