



State of Oregon's Per Mile Road Usage Charge

COMPASS

September 25, 2015

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Why try VMT?

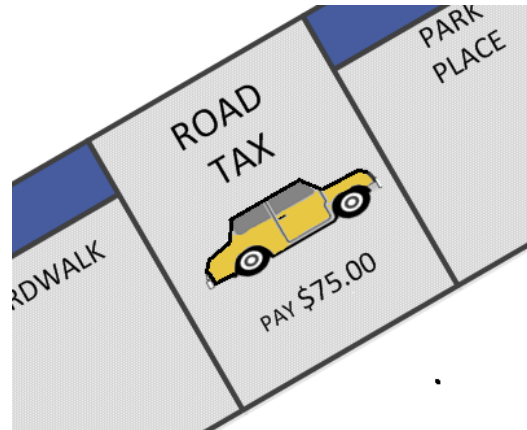


Definition of a Road Usage Charge

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



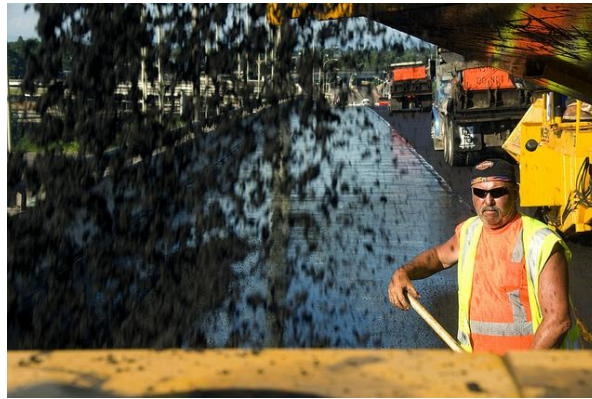
Societal inequity
resulting from new
vehicle purchases



Transportation Funding is Declining



Federal funds are stagnant.



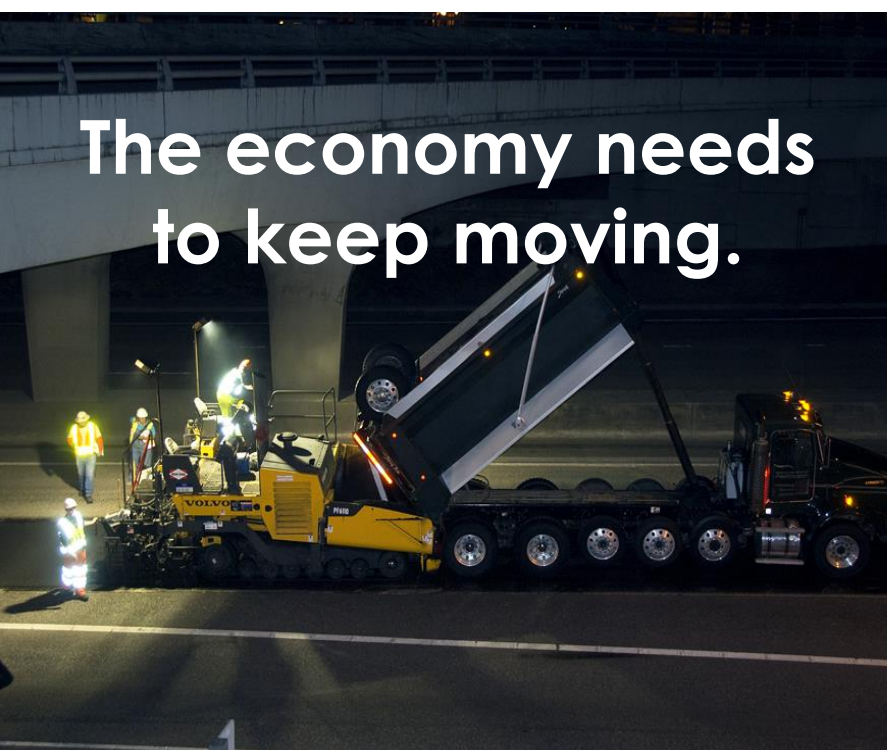
Construction costs are going up.



The gas tax is failing to keep up.



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.**



A young woman with blonde hair is driving a car at night. She is smiling and looking towards the camera. The interior of the car is illuminated with a blue light. The steering wheel and dashboard are visible. A rearview mirror is in the upper right corner.

**We are
modernizing our
transportation
system.**

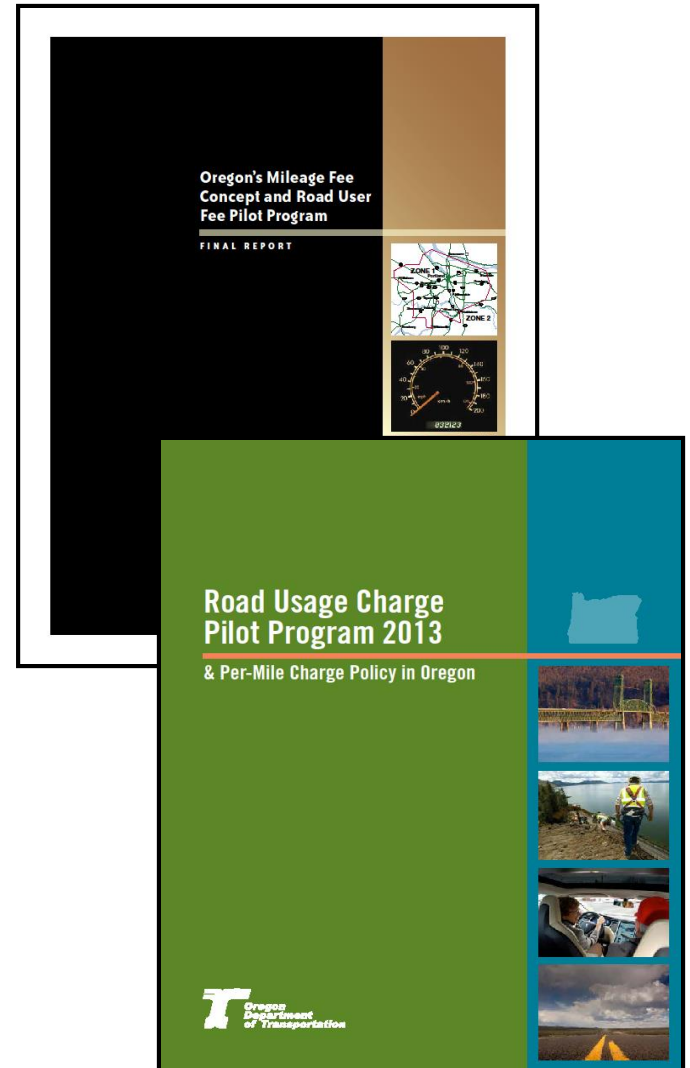
We also need to modernize how we pay for it.

How did we get here?

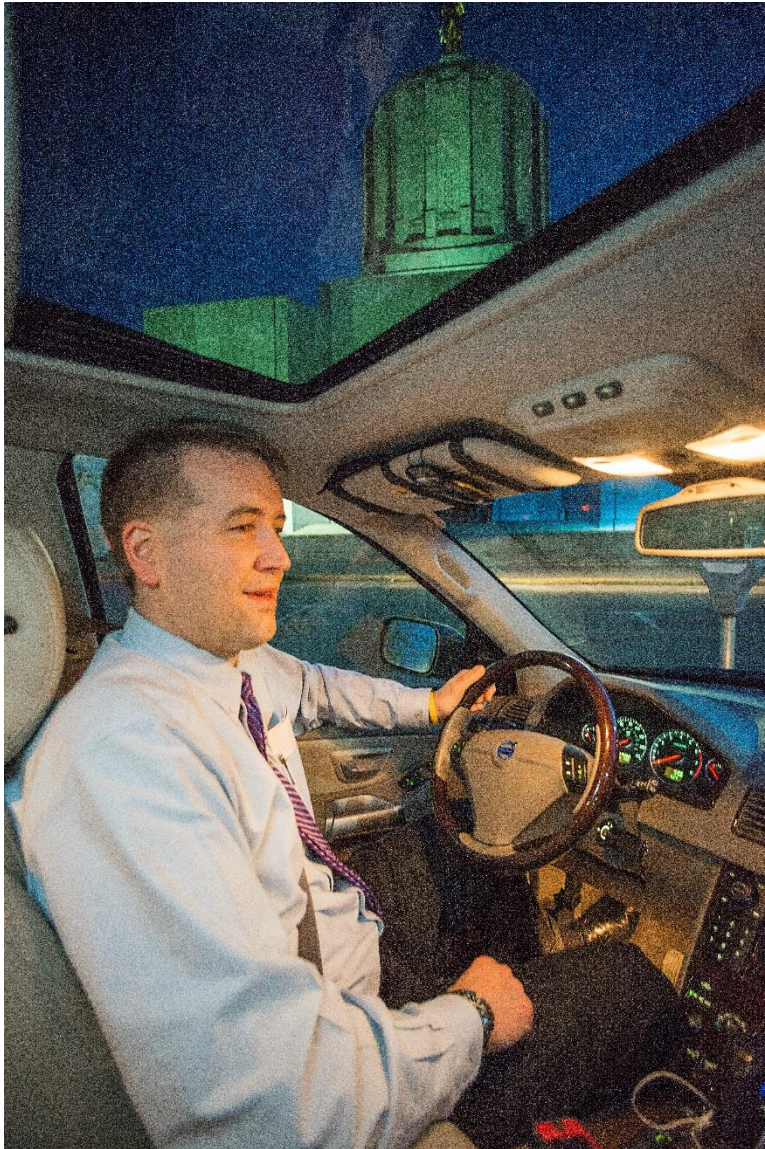


Oregon's Early Per Mile Charge Pilot Programs

- 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



A per-mile user fee is the fairest way



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

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

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



How will OReGO work?



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

FULLY OPERATIONAL FOR 5,000 VOLUNTEERS

myOReGO.org

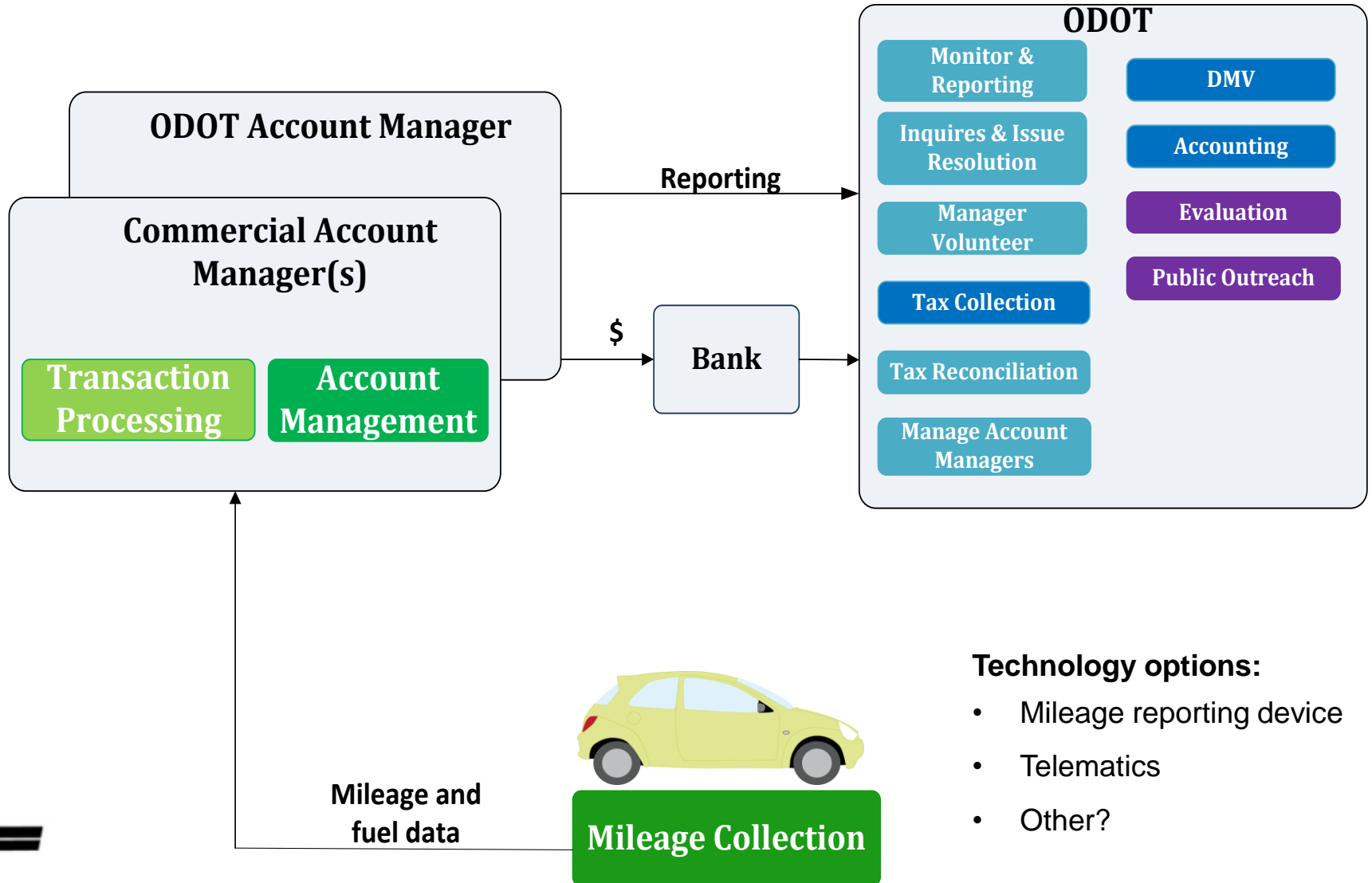


OReGO

- 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



Oregon Road Usage Charging Open System Concept



Technology options:

- Mileage reporting device
- Telematics
- Other?



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



Customer Experience - Entry

1. Select Provider

11:34 AM 90%

myorego.org

Sign up with an OReGO account manager! | MyOReGO

Home Learn Connect Press Room Search Q Sign me up!

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!

Provider	Account	Payment	GPS	Out-of-state miles	Value added services	Device Security
	Prepay into wallet	Credit or Debit Card	GPS enabled	Out-of-state miles credited	Value added services	Device Security:
 Powered by	Post-pay, Quarterly	Credit or Debit Card	Not GPS enabled	No out-of-state miles credited	No value added services	Device Security:
 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:



Customer Experience – Sign Up



2. Sign up and select mileage reporting method



3. Install mileage reporting device

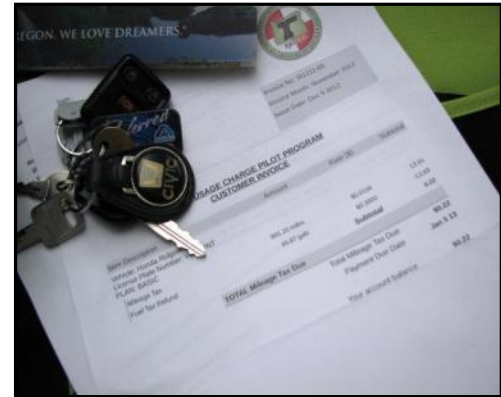


Customer Experience - Payment

5. Account settlement

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

Varies by account manager



Customer Recruitment and Developing a Superior User Experience

- Public outreach to raise awareness.
- Dialogue with employees, community organizations, and neighborhoods to gain understanding.
- Marketing and communications tools designed to both educate and encourage action.
- Community Forum and Account Managers encourage dialogue amongst volunteers.
- Blog and open dialogue answers customers questions and concerns quickly and simply.
- Phase 2 marketing campaign for next round of volunteer recruitment set to launch in October.



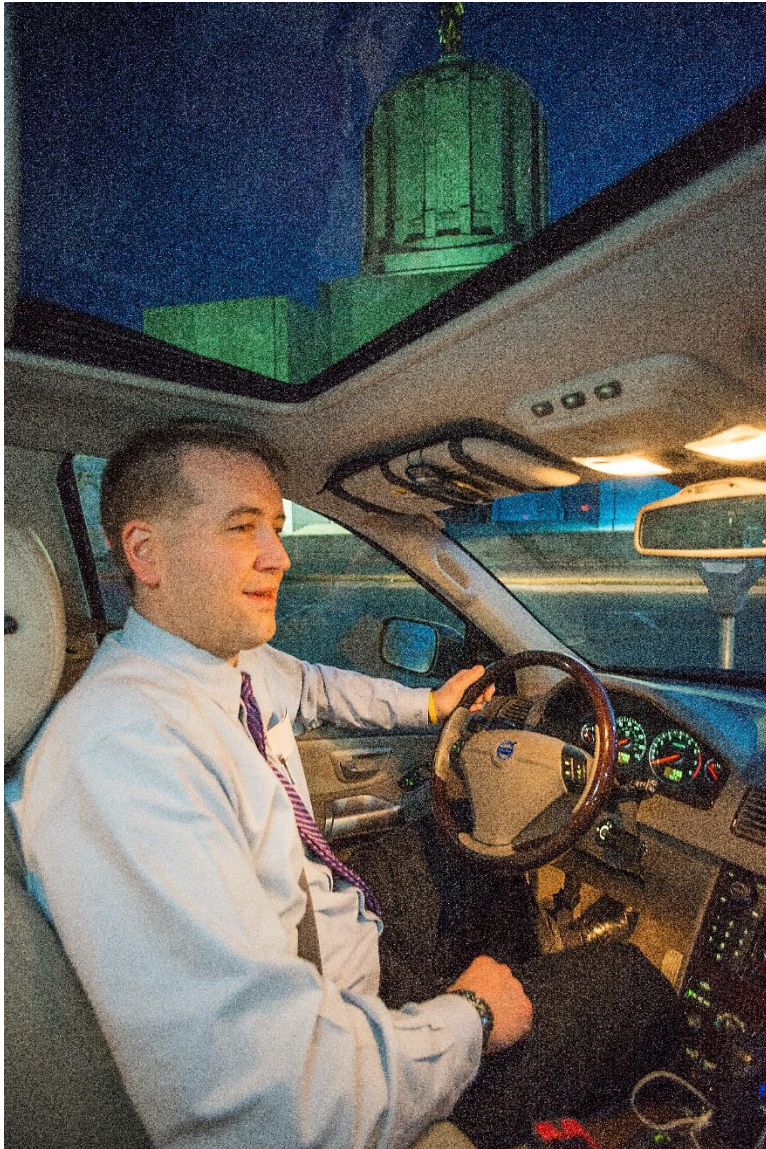
OReGO Marketing & Communications



The RUCP Marketing Communications Plan lays out the strategy for gaining:

- ✓ Statewide acceptance for RUC
- ✓ Recruitment and retention of up to 5000 volunteers
- ✓ Active, productive private sector support
- ✓ A superior User Experience (UX)
- ✓ Oregon's reputation as national experts and leaders in RUC

Good information Informs Strong Strategies



Why people oppose road charging

Lack of Trust in Government

- Government is irresponsible with budgets
- Don't believe government will refund gas tax, but instead tax more

Worry about Negative Repercussions

- Disincentive for fuel efficient vehicles
- Will limit travel, hurt commerce/tourism
- The RUCP will not apply to out-of-towners

RUC Program is Unfair & Inequitable

- Penalizes those that drive long distances
- All road users should pay (bicycles, etc.)
- Unfair to those drive in/out of State

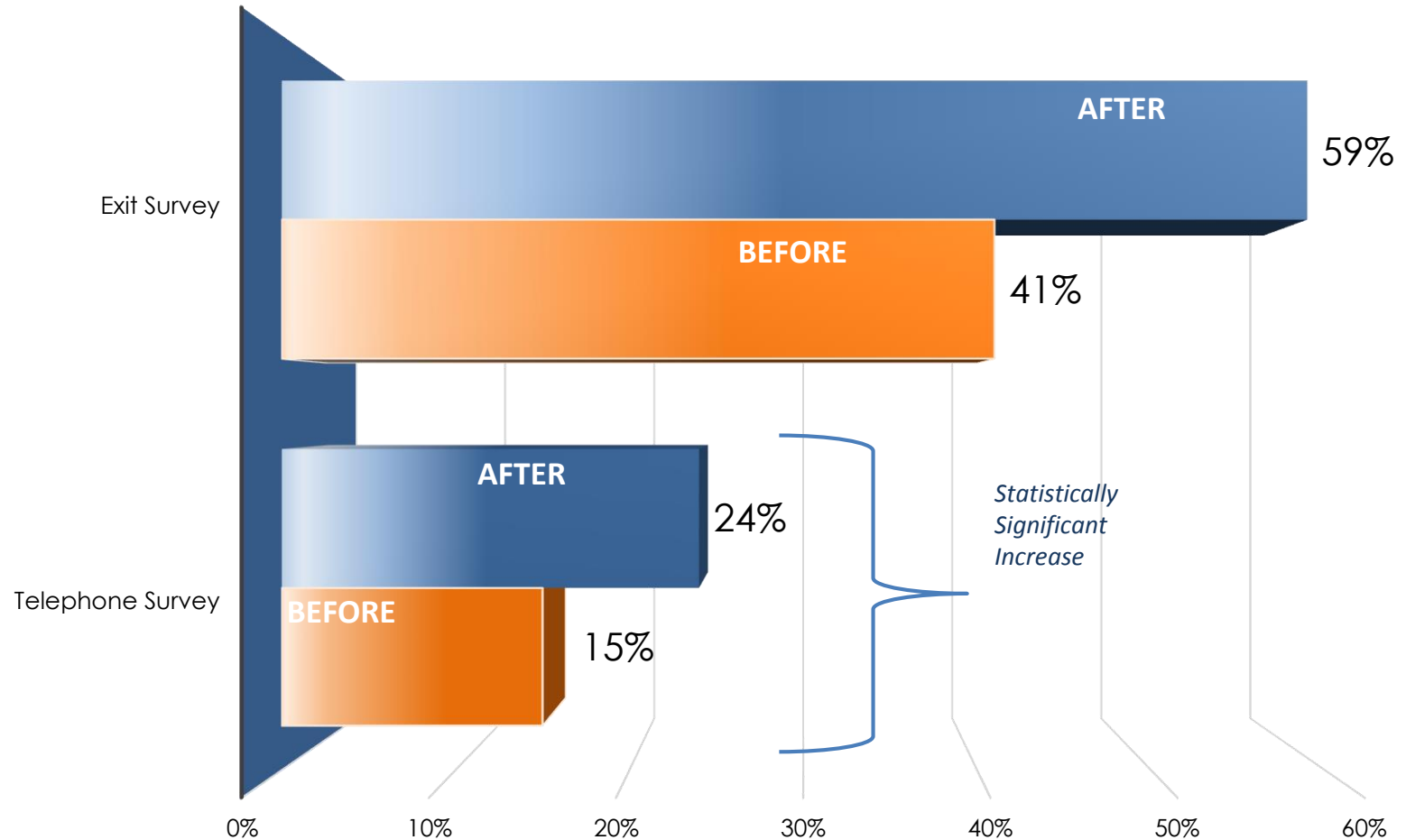
RUC Program is Ill-conceived

- Doubts in the planning
- Many unknowns and lack of understanding



Information + Experience = Acceptance

Agree that RUC is fair (BEFORE and AFTER Two-Way Conversation)



People don't know what they don't know



Figure it out for yourself – myorego.org



OREGO

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JOIN

OREGO Partners

Our trusted private partners will provide a variety of product options for OReGO volunteers. **Choose a provider. Choose a device. Drive. It's that simple.** [Sign up](#) to stay in the know about our partners and more.

Verizon Telematics



Powered by  saner



Compare For Yourself

Curious about your potential OReGO payment? Use our quick calculator to compare your current monthly fuel tax cost to using OReGO.

Mileage Information

How many Oregon miles do you drive per month?

What is the average MPG of your vehicle?

CALCULATE

Gallons of fuel you use each month:

How Much You Pay

State Fuel Tax*

\$

OREGO*

\$

How does the road usage charge
compare with paying the fuel tax?

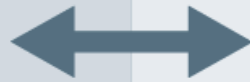
Let's take a look!

We compared these two models:

2014 Toyota Prius



50 mpg
combined fuel economy



2014 Ford F-150



18 mpg
combined fuel economy

The average Oregonian drives **12,962** miles each year.
The average price of gas in Oregon (including tax) is **\$2.131***

*as of Jan. 27, 2015, based on www.oregongasprices.com

Amount of fuel used annually:

259.24
gallons



720.11
gallons



Total costs with fuel tax:

\$552.44

Includes \$77.77 state fuel tax

\$1,534.55

Includes \$216.03 state fuel tax

Total costs with road usage charge:

\$669.10

Includes \$194.43 road usage charge

\$1,512.95

Includes \$194.43 road usage charge

Difference: +\$116.66

The owner of the Prius pays a little more in road usage charge — \$9.72 per month — which is offset by significant savings in fuel, using 460.87 gallons less per year.

Difference: -\$21.60

If enrolled in the Road Usage Charge Program, the owner of the F-150 would earn a rebate of \$1.80 per month because fuels tax paid at the pump exceeds the road usage charge.

Road Charging is a new product



Market it that way

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 collect 1.5 cents for every mile reported as driven within the state of Oregon and credit the fuel tax
- Every week, Errors and Events Report due from account managers
- On August 10, first Key Performance Indicators Report due from account managers
- 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



RUCAS Enhancements



- Home
- Account Managers
- People
- MRDs
- Issues
- Reviews
- Reports

Road Usage Charge Administration System

Search for Person

Enter a person's first and/or last name or company name or Email address.

Search for Account Manager

Select an Account Manager from the list.

Search RUC Payers by License Plate / VIN

Enter a license plate or VIN.

Search RUC Payers by Customer ID

Enter the Customer ID

Administrative Functions

- [Vehicle Pending List](#)
- [JSON Message Builder](#)
- [Web Service Requests](#)

General Stats

Account Managers :	3
Volunteers :	858
Number of Vehicles :	896
Number of Pending Vehicles :	4

Approved Vehicles By Account Manager

Account Manager	Approved Vehicle Count
Azuga	464
Sanef	247
Verizon	185
Total	896

Vehicle Program MPG Counts

	Active	Pending	Total
Under 17 MPG :	223	2	225
17 to < 22 MPG :	274	1	275
22 and above MPG :	399	1	400
Grand Totals :	896	4	900

Issues / Inquiries

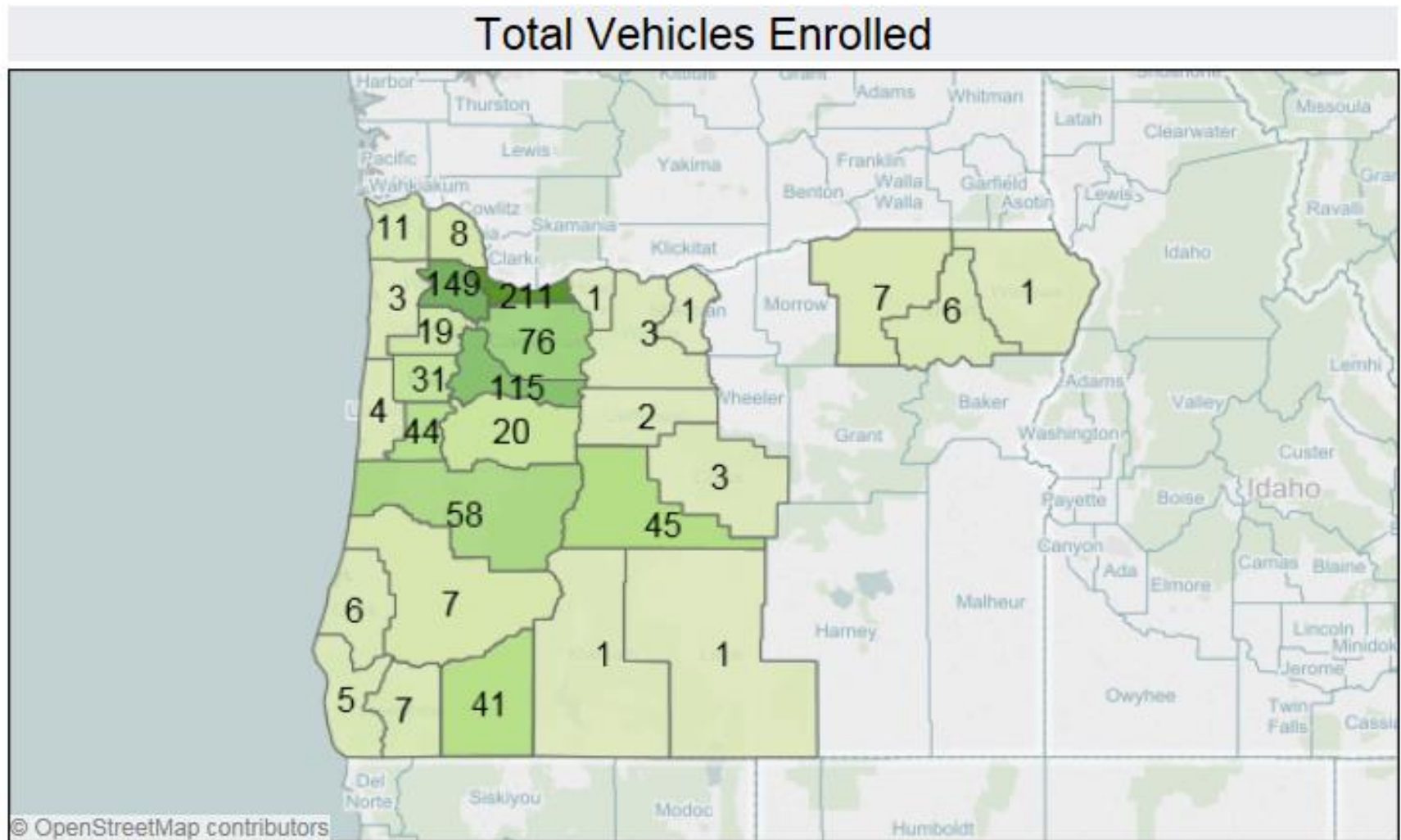
Total Number of Issues :	176
Number of Open Issues :	11
Number of Closed Issues :	165
Total Number of Inquiries :	185

Quick Links

- [Ask ODOT](#)
- [DMV Reg & Title Manual](#)
- [ODOT](#)

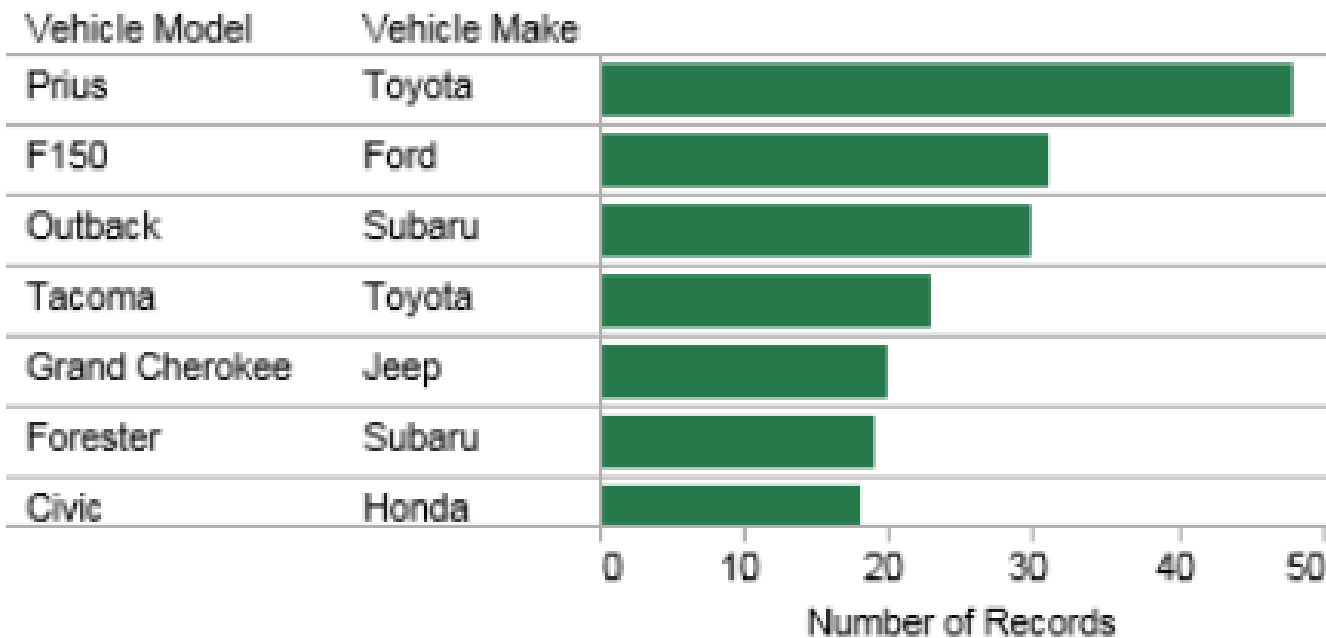


Develop new reporting tools



Word Cloud

Enrollments by Make/Model



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", "Date", "Project Name", and "Mileage for the week of". Below these is a table with columns for "Date", "Mileage", "Rate", "Miles", and "Total Miles". The table has several rows for data entry. At the bottom, there is a "Mileage Reporting Date" field and a small copyright notice.

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
- **How** is it enforced

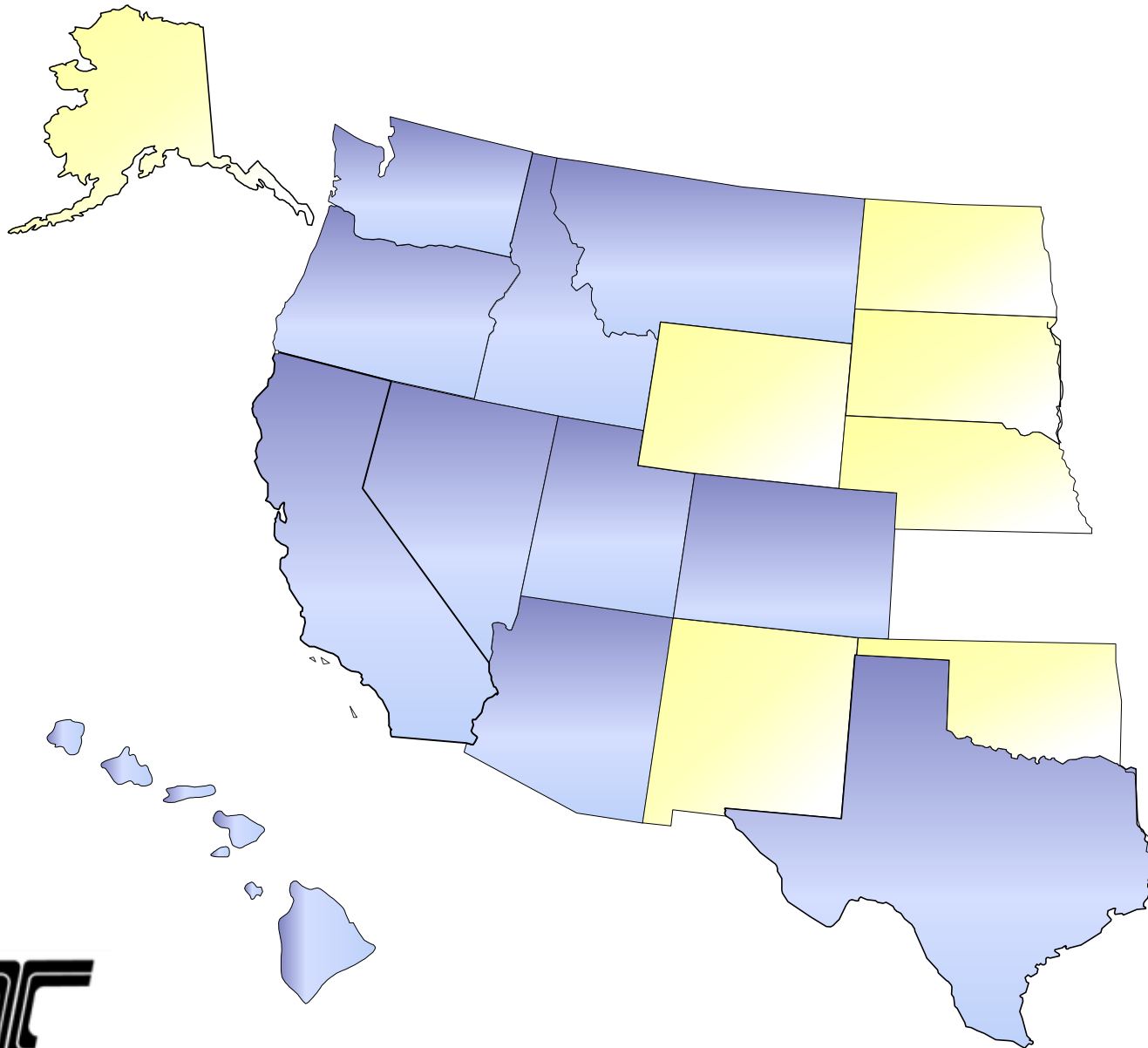




Work with other states

- 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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