State of Oregon’s Per Mile Road Usage Charge
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.
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
### The fairness issue

<table>
<thead>
<tr>
<th>Rural drivers</th>
<th>Fuel efficient vehicles</th>
<th>Non-resident drivers</th>
</tr>
</thead>
</table>
| - Pay more fuel taxes now  
- Fewer trips/more off-road driving  
- Number of miles roughly the same | - Not paying fair share for road use  
- Already avoid cost of fuel  
- Road usage charge not a large burden | - Still pay fuel tax  
- Western States Consortium addressing |
Penalizing vehicle efficiency

**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

- regular gasoline: $2.73
- electric eGallon: $0.95

From: http://energy.gov/articles/egallon-how-much-cheaper-it-drive-electricity#
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
How will OReGO work?
The Road Usage Charge Program (7/1/2015)
FULLY OPERATIONAL FOR 5,000 VOLUNTEERS

myOReGO.org

- 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

ODOT Account Manager

Mileage Collection
Commercial Account Manager(s)

Reporting

Transaction Processing
Account Management

Bank

$%

ODOT

DMV
Accounting
Evaluation
Public Outreach

Manager Volunteer
Tax Collection
Tax Reconciliation
Manage Account Managers

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

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!
Customer Experience – Sign Up

2. Sign up and select mileage reporting method

3. Install mileage reporting device

4. Drive
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.
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)

Exit Survey

BEFORE

AFTER

Statistically Significant Increase

Telephone Survey

BEFORE

AFTER

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 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

Oregon Department of Transportation

Powered by Saner

azūga®

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?

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

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.

$1,512.95
Includes $194.43 road usage charge

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 this 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

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

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

Approved Vehicles By Account Manager
<table>
<thead>
<tr>
<th>Account Manager</th>
<th>Approved Vehicle Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azuga</td>
<td>464</td>
</tr>
<tr>
<td>Sanef</td>
<td>247</td>
</tr>
<tr>
<td>Verizon</td>
<td>185</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>896</strong></td>
</tr>
</tbody>
</table>

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

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
## Enrollments by Make/Model

<table>
<thead>
<tr>
<th>Vehicle Model</th>
<th>Vehicle Make</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prius</td>
<td>Toyota</td>
</tr>
<tr>
<td>F150</td>
<td>Ford</td>
</tr>
<tr>
<td>Outback</td>
<td>Subaru</td>
</tr>
<tr>
<td>Tacoma</td>
<td>Toyota</td>
</tr>
<tr>
<td>Grand Cherokee</td>
<td>Jeep</td>
</tr>
<tr>
<td>Forester</td>
<td>Subaru</td>
</tr>
<tr>
<td>Civic</td>
<td>Honda</td>
</tr>
</tbody>
</table>

The chart shows the number of records for each vehicle model and make, with the number of records ranging from 0 to 50.
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
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
... 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
Maureen Bock
OReGO Program Manager
Maureen.Bock@odot.state.or.us
503-986-3835 Office

Colleen Gants, PRR
OReGO Communications Consultant
cgants@prrbiz.com
206-465-2311 Mobile