



Oregon's Model for Road Usage Charging

California Mileage Based
User Fee Workshop
Glendale, CA

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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



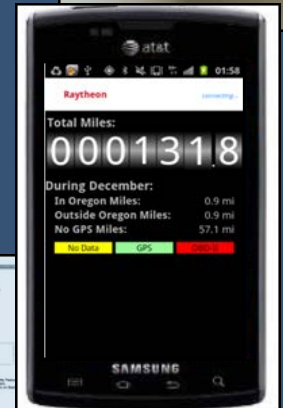
Main Concerns with Road Usage Charging

1. Privacy protection
2. Stagnant governmental bureaucracy
3. Compliance complexity
4. Costly operations
5. Fairness



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 miles (*simplified*)





Road Usage Charge Program (SB 810)

Implement operational road usage charge program by July 1, 2015

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

Certified private sector firms provide

- Collection of mileage data
- Tax processing
- Account management

Protection of personally identifiable information by legal requirement





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



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



Oregon's Platform for Per-mile Charge

Machine to machine communications via standard mileage message

DOT certifies private sector entities to collect mileage data, process the charge and manage accounts

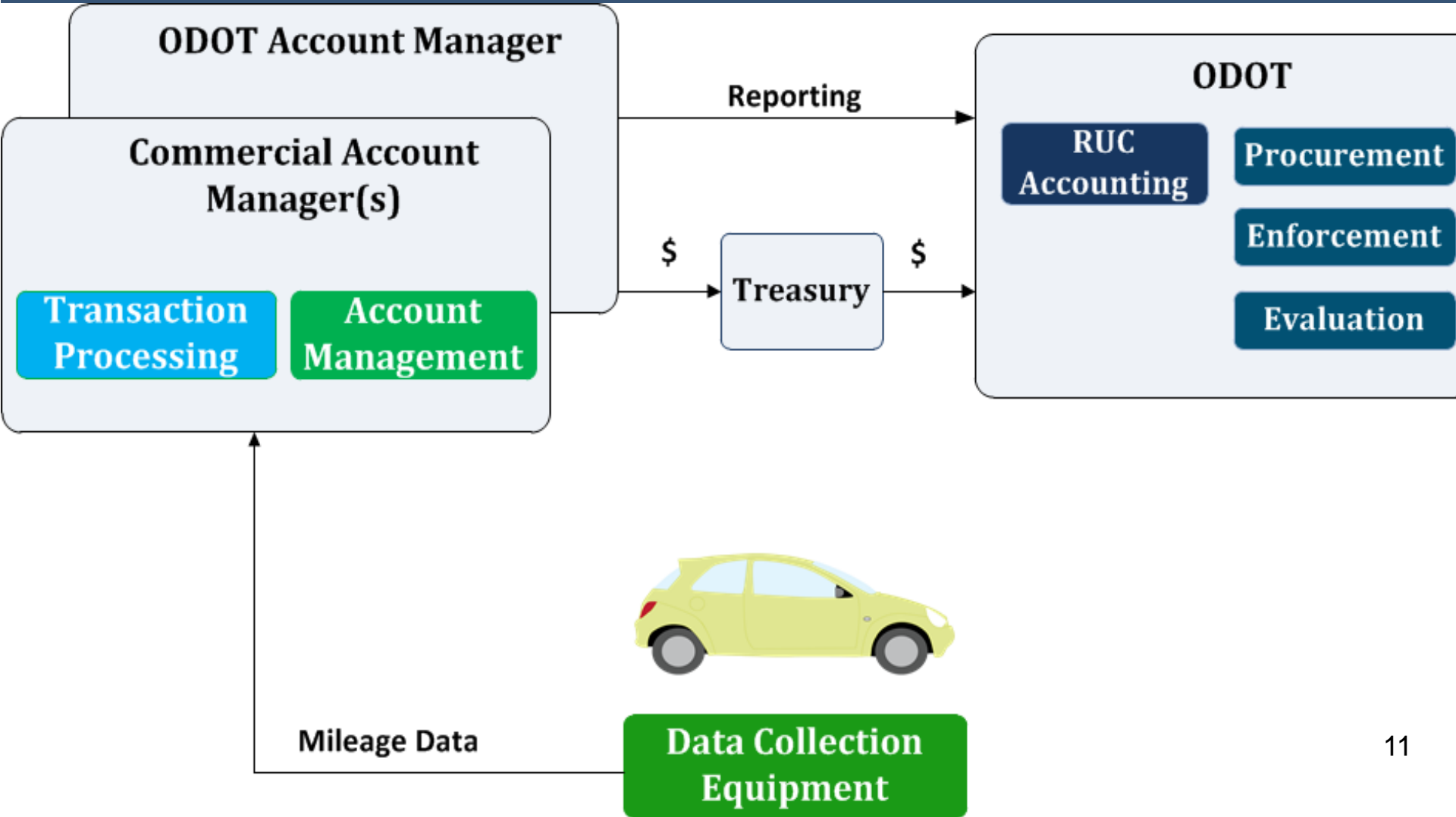


Oregon's Platform: Requirements, Contractual Provisions and Certification

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



Oregon's Open System Platform





Issue #3: Compliance Complexity

Solution: Let RUC payer choose simplicity

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



Choice of Mileage Reporting Provider

RUC program volunteer entry options

1. Recruited by commercial account manager
2. Access through on line matrix provided by ODOT

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 RUCFP@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



Reporting Methods

Mileage Reporting

- Basic
- Advanced

Refunds

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

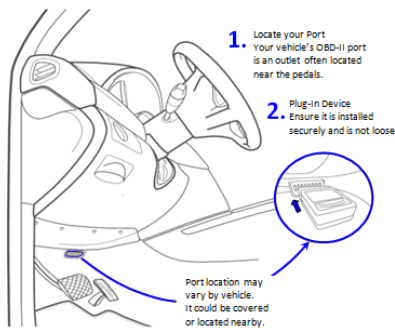


Mileage Reporting Device Activation

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 S2 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: S11012-1234 Invoice Month: October 2012 Issue Date: Nov 5 2012		
Item Description	Amount	Rate (\$)	Subtotal
VRM: YG59RZW Vehicle: BMW Mini Clubman D VIN No: MWWWN52080TW95921 OBU No. 050701104400022 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. 0507011218500921 Plan: ADVANCED / SMARTPHONE			
Mileage Tax:			
Total Mileage	1485 miles		
\$(HOMESTATE) Taxable Miles	845 miles	\$0.0156	13.18
Fuel Tax Refund	28.17 gals	\$0.30	-8.45
			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.sanef Tolling.co.uk and follow the on-screen instructions.			



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 16 months

Third pilot, including preparation of fully operational system, procurement and testing = approximately \$6 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

- Currently 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 (October 2014)

Certify technologies and business practices (January 2015)

Issue permanent CAM procurement documents (March 2015)

Operational trial (March to May 2015)

Launch of Road Usage Charge Program (July 1, 2015)

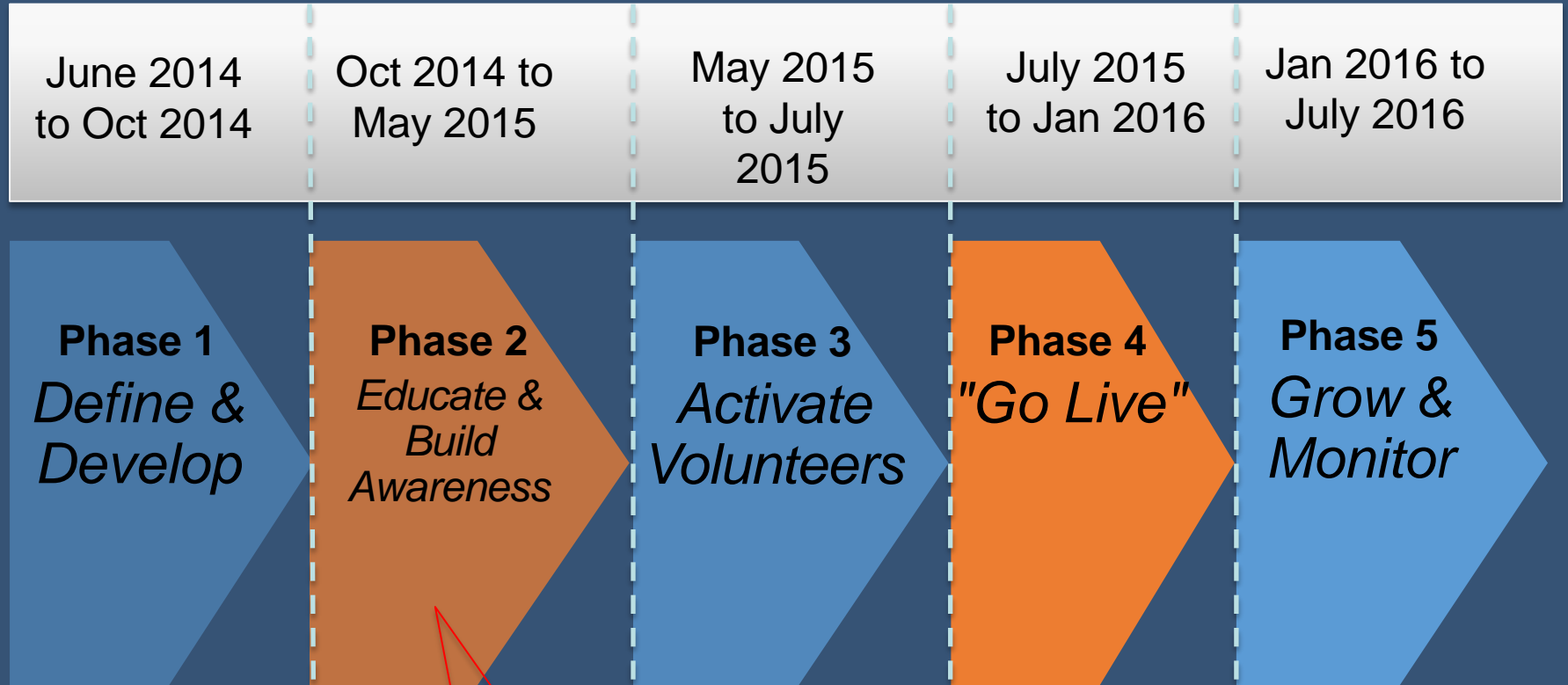
Additional R&D and assistance to other states (Now and Beyond)

Expand Oregon Road Usage Charge

Program to mandated RUC payers (Whenever Oregon Legislature is ready)



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