



Oregon's Road Usage Charge Program

Finding a New Sustainable Funding Source for Transportation

Maureen Bock

OReGO Program Manager



Background

The “User Pays Principle”



What is a Road Usage Charge (RUC)?

A fee charged for the distance a vehicle is driven



Collect fuel taxes
as a prepayment of
RUC



Count the miles
and multiply by
the rate



Collect
the net tax or
credit the
difference

Technology-based road usage charging aligns with the user pays principle.





Why?

Problems with the current funding model

Increased
vehicle fuel
efficiency



Declining
purchasing
power



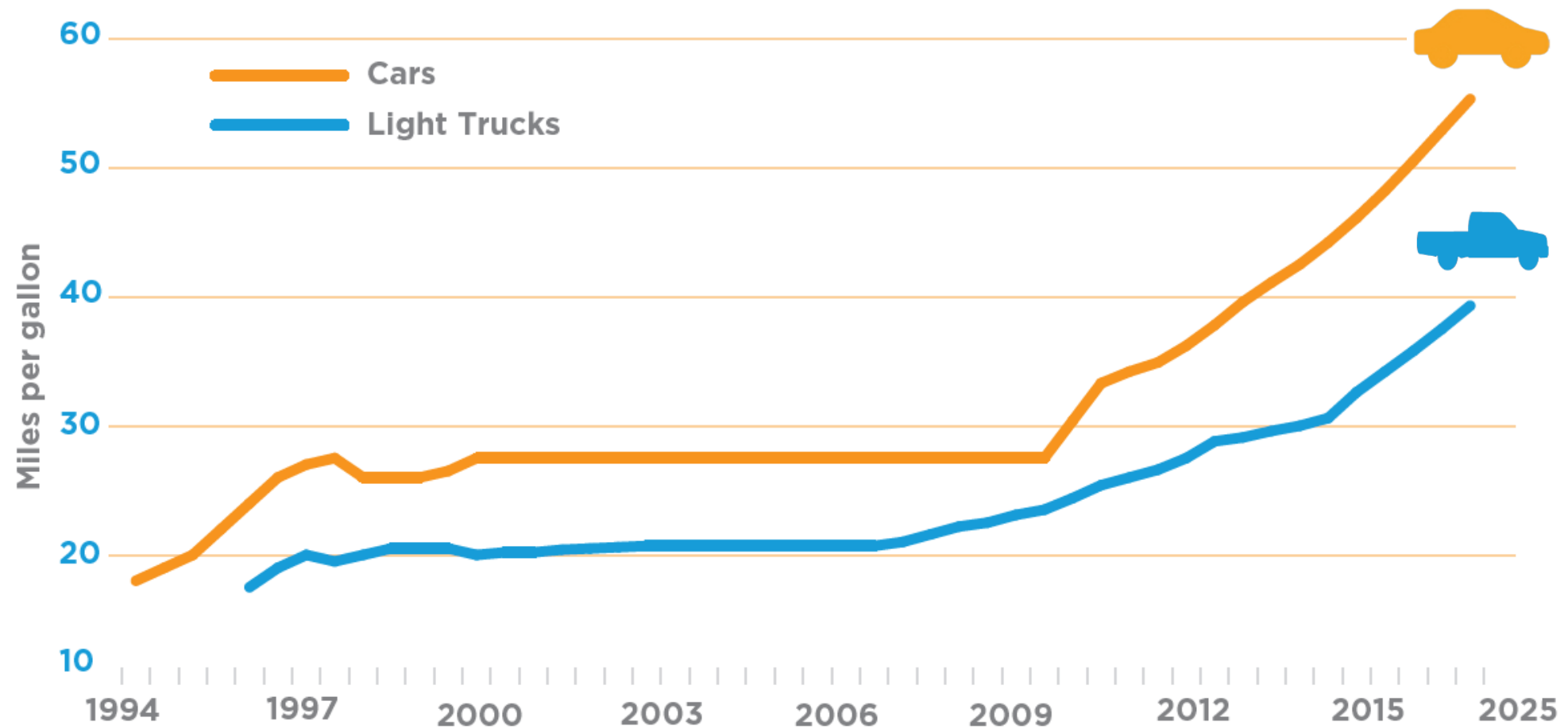
Increase in
population



Increase in
vehicle miles
traveled



Increasing Vehicle Fuel Efficiency

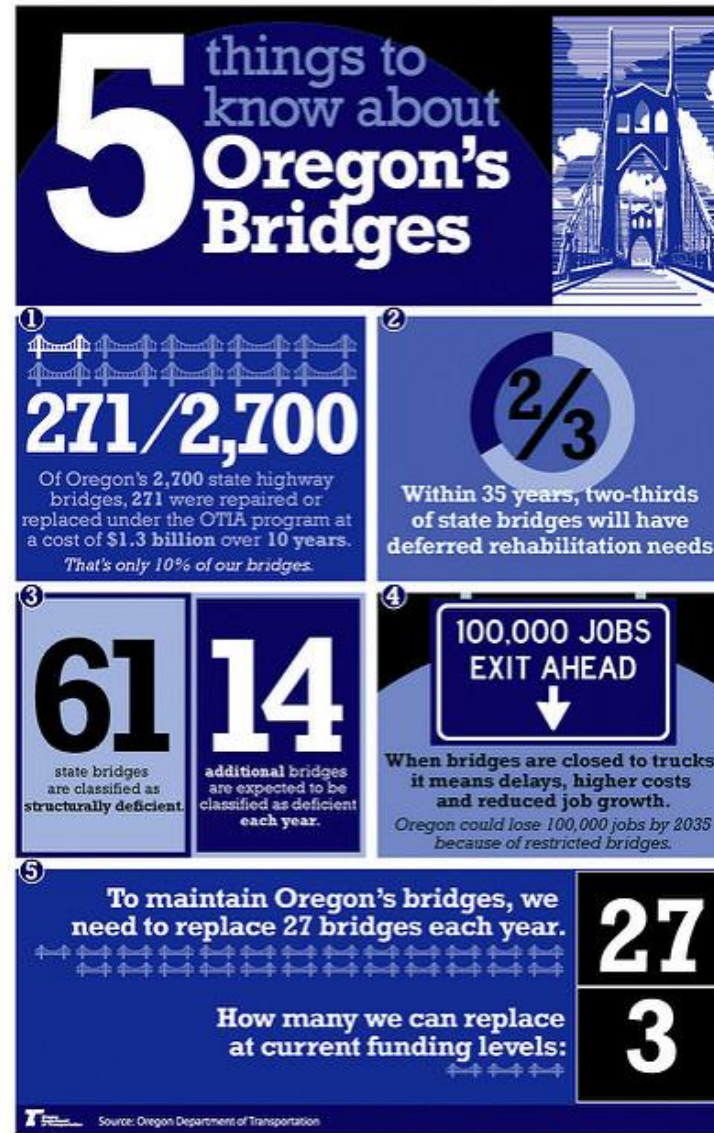


[CAFE Standards 1978-2010](#): National Highway Traffic Safety Administration

[CAFE Standards 2011-2016](#): U.S. Environmental Protection Agency CAFE 2012-2016 Final Rule

[CAFE Standards 2017-2025](#): U.S. Environmental Protection Agency CAFE 2017-2025 Final Rule

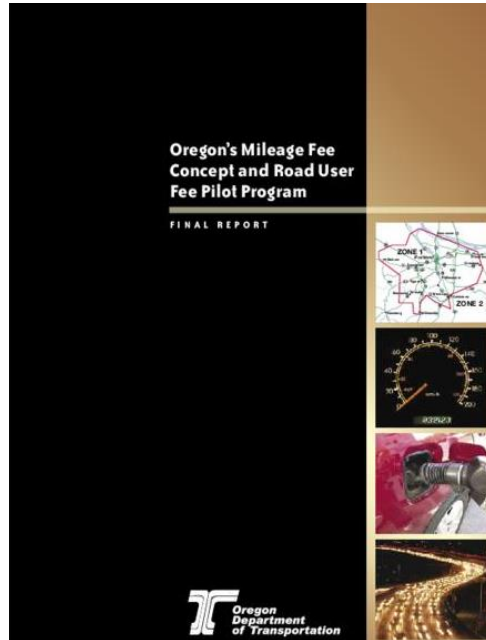
Inflation & More Demand





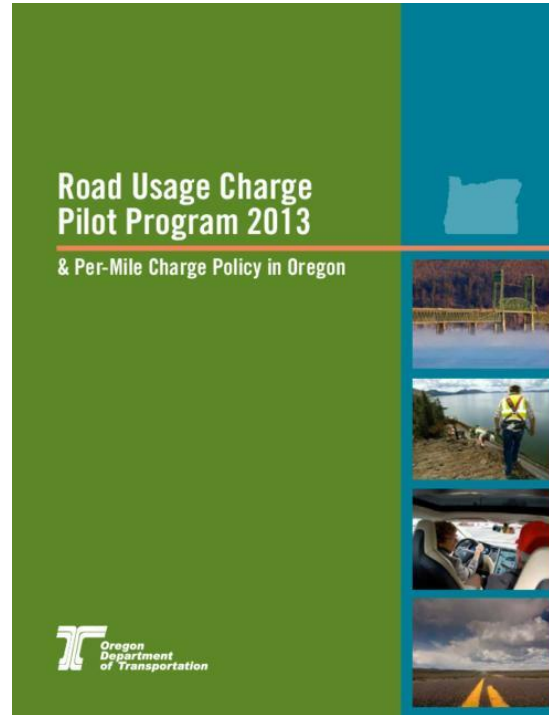
Experience

Oregon's pilot programs



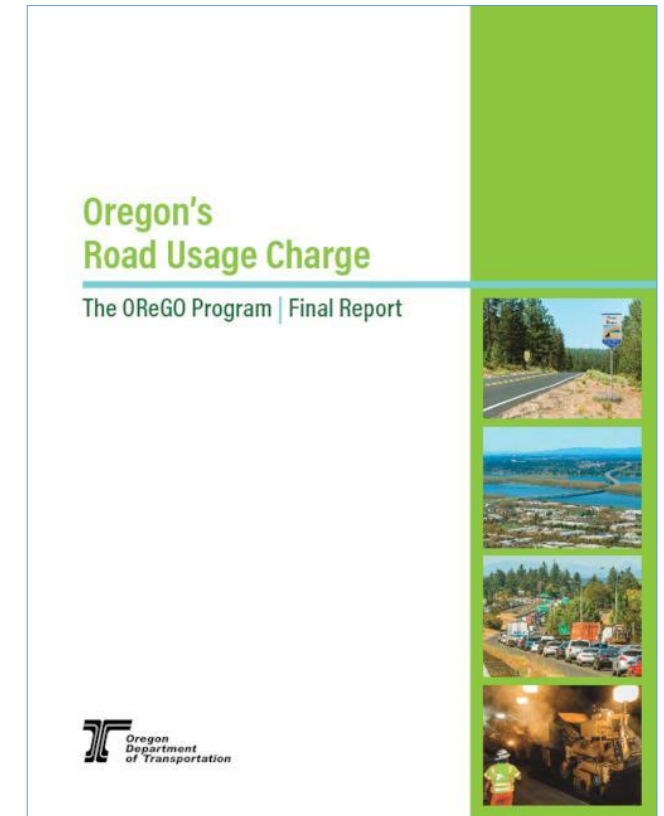
**Road User Fee Pilot
(2006-07)**

- Pay at the pump



**Road Usage Charge Pilot
Program, (2012-13)**

- Wireless reporting
- Private sector manager



**OReGO
(2015-present)**

- Production system
- Multiple managers
- ODOT oversight

Current Program

SB 810 (2013)



OReGO

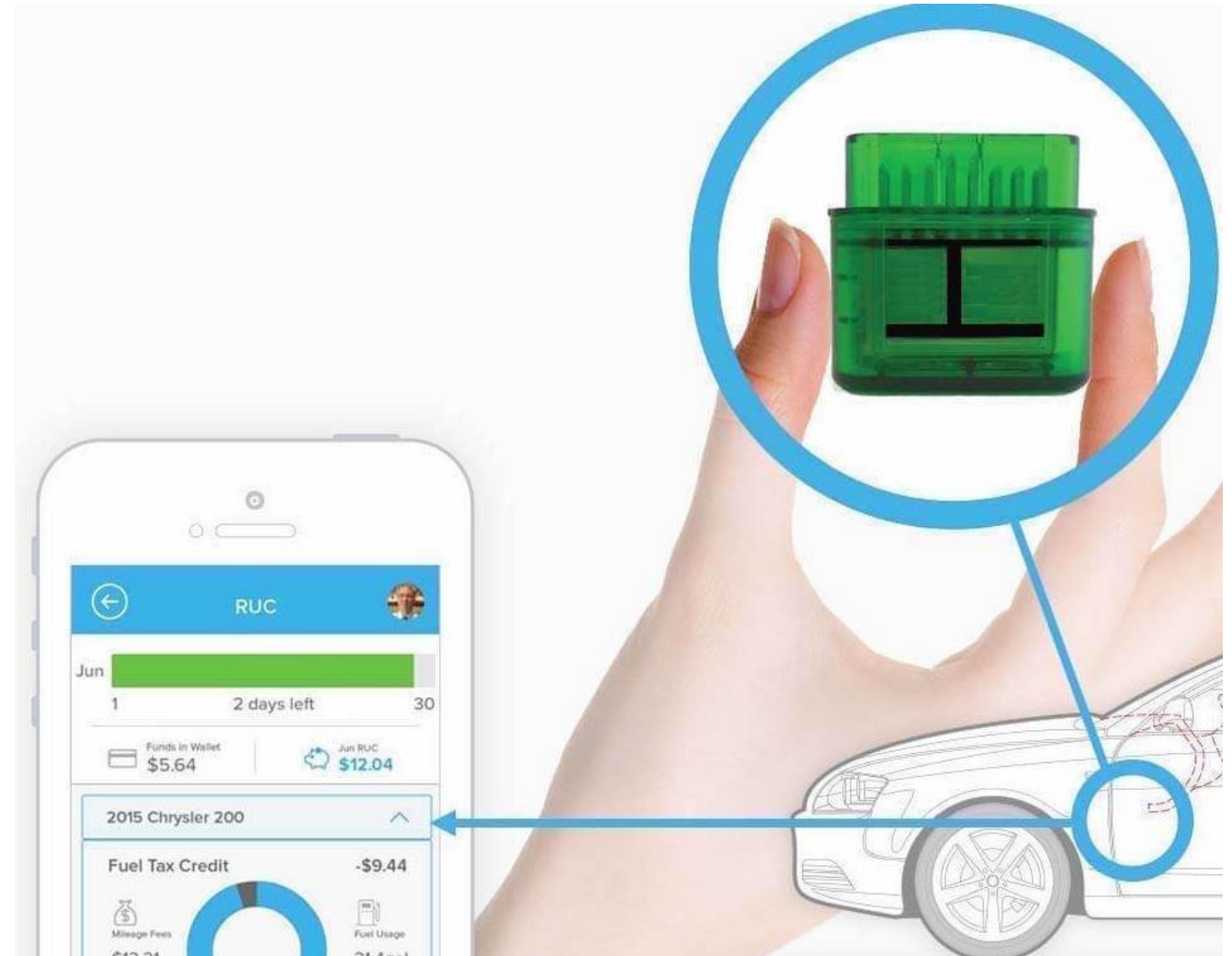
- Up to 5,000 vehicles
- 1.7 cents per mile
- Fuel tax is prepayment of road charge
- Mileage reporting choices
- GPS ***not*** required

Privacy protection

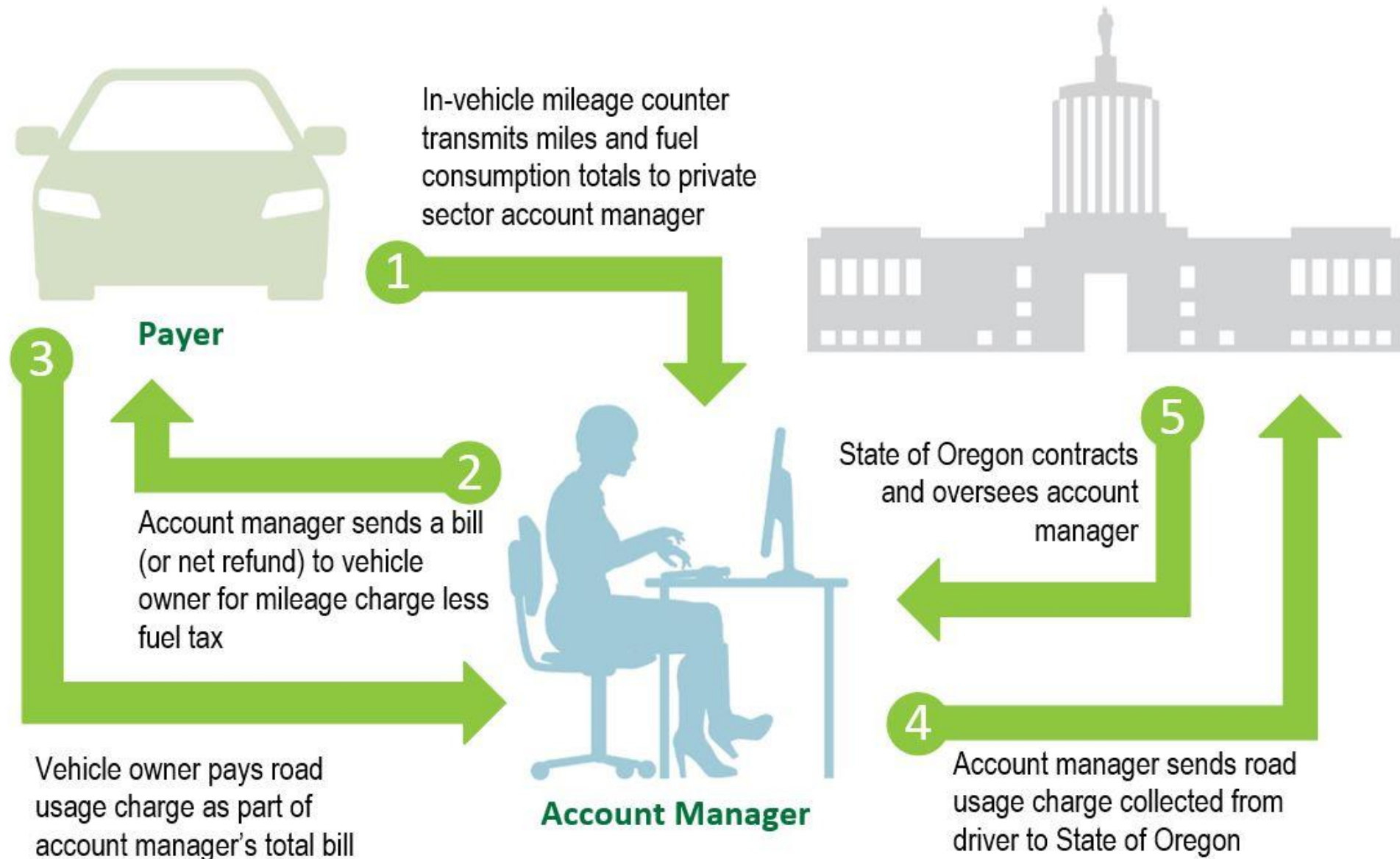
Deployed solution must:

- Provide mileage reporting choices
- Allow private sector account management
- Protect personally identifiable information

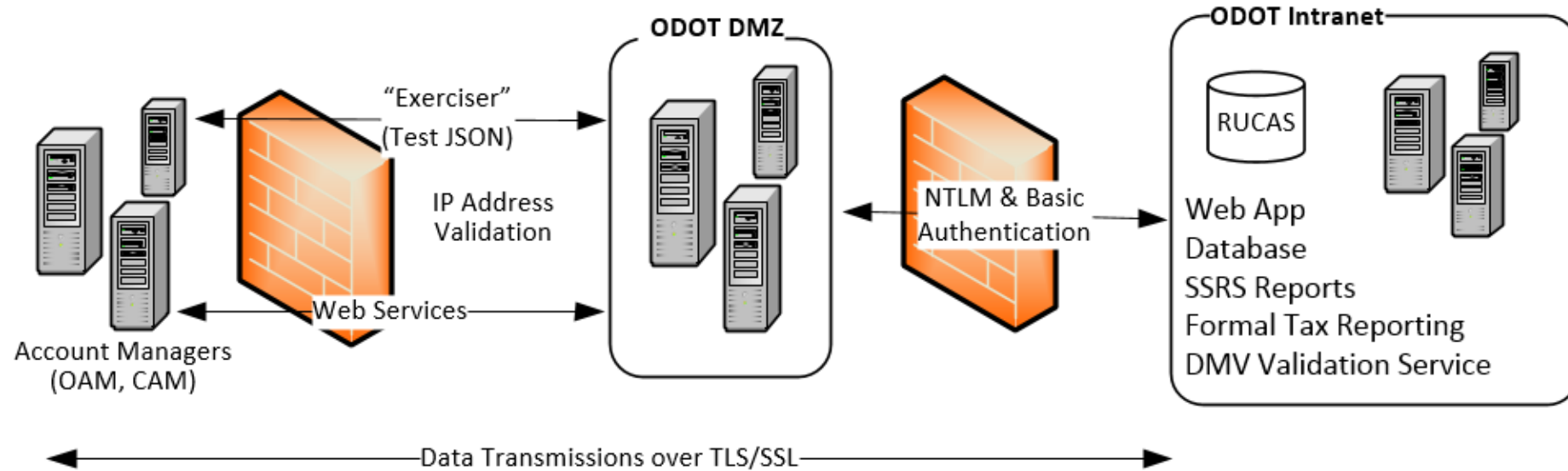
And GPS is **not** required



How it works



RUCAS System Architecture



Oregon's lessons learned

Support all vehicles

Enforcement drives costs

Be technology neutral



OReGO

Effective private sector relations

Provide choices

Experience increases comfort

Challenges



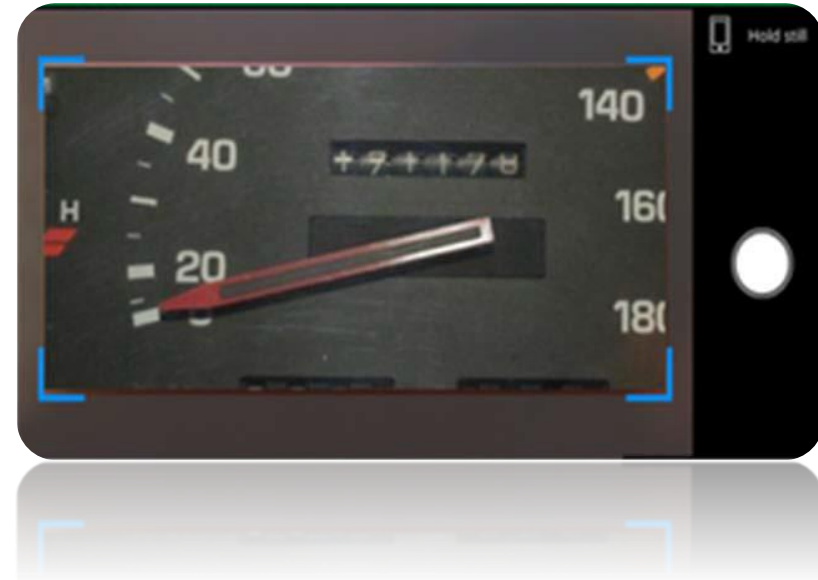
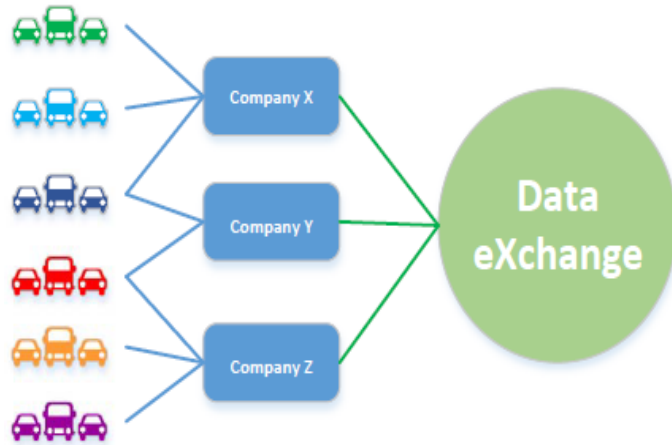


Moving Forward - Additional Considerations

FAST Act Federal Grant (2016)



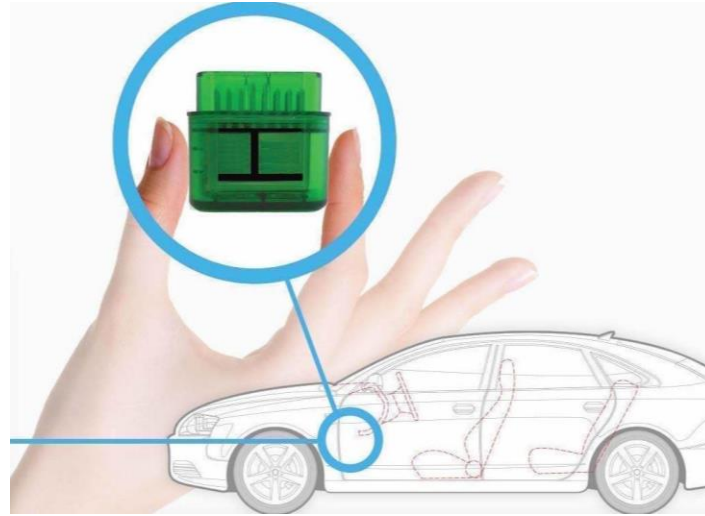
Expand the Market: Increase Technology



Increase Public Awareness



Conduct research



Create education
tools



Conduct education
tour

Evaluate compliance

Account managers & RUC payers

Education

Assistance

Enforcement



OREGO

Home

Learn ▾

Connect ▾

Press Room ▾

Search Q

Sign me up!

Join OReGO today!

Share your love for Oregon's roads. Spaces are limited!

Sign up today

Compliance

Use Case

Owner enrolls registered EV in OReGo ➤ DMV confirms and reduces registration to base amount ➤ registered owner pays ➤ renewal is recorded in DMV database ➤ Owner drops enrollment in OReGO.

Bottom line: State loses revenue from enhanced registration & from road usage charges.



Compliance

Options:

- Cancellation of registration
- Non-renewal of registration
- Civil penalties – graduated
- Suspension of driving privileges
- Vehicle lien
- Cost recovery

Other considerations:

- Forgiveness program?
- Waiver program if driver pays the underlying charges + expenses?
- Allow waivers for good cause shown?

Overview of the 2017 FAST Act Grant

Area Pricing

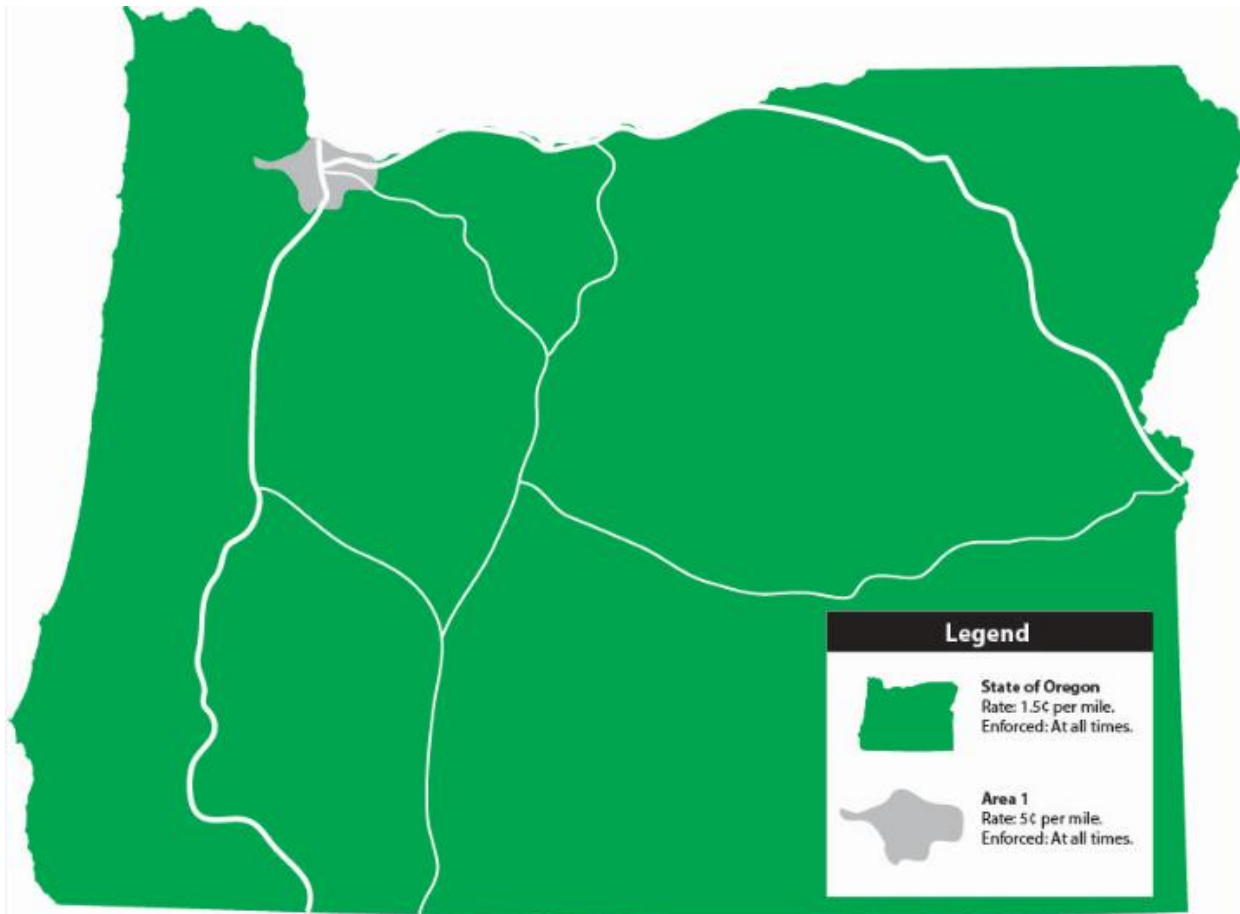
Layered Area
Pricing

Corridor
Technology
Testing

1: Area Pricing

An area, such as a city or county, is geo-fenced and a local RUC rate is added to the statewide RUC rate during specific times.

The graphic below is illustrative.



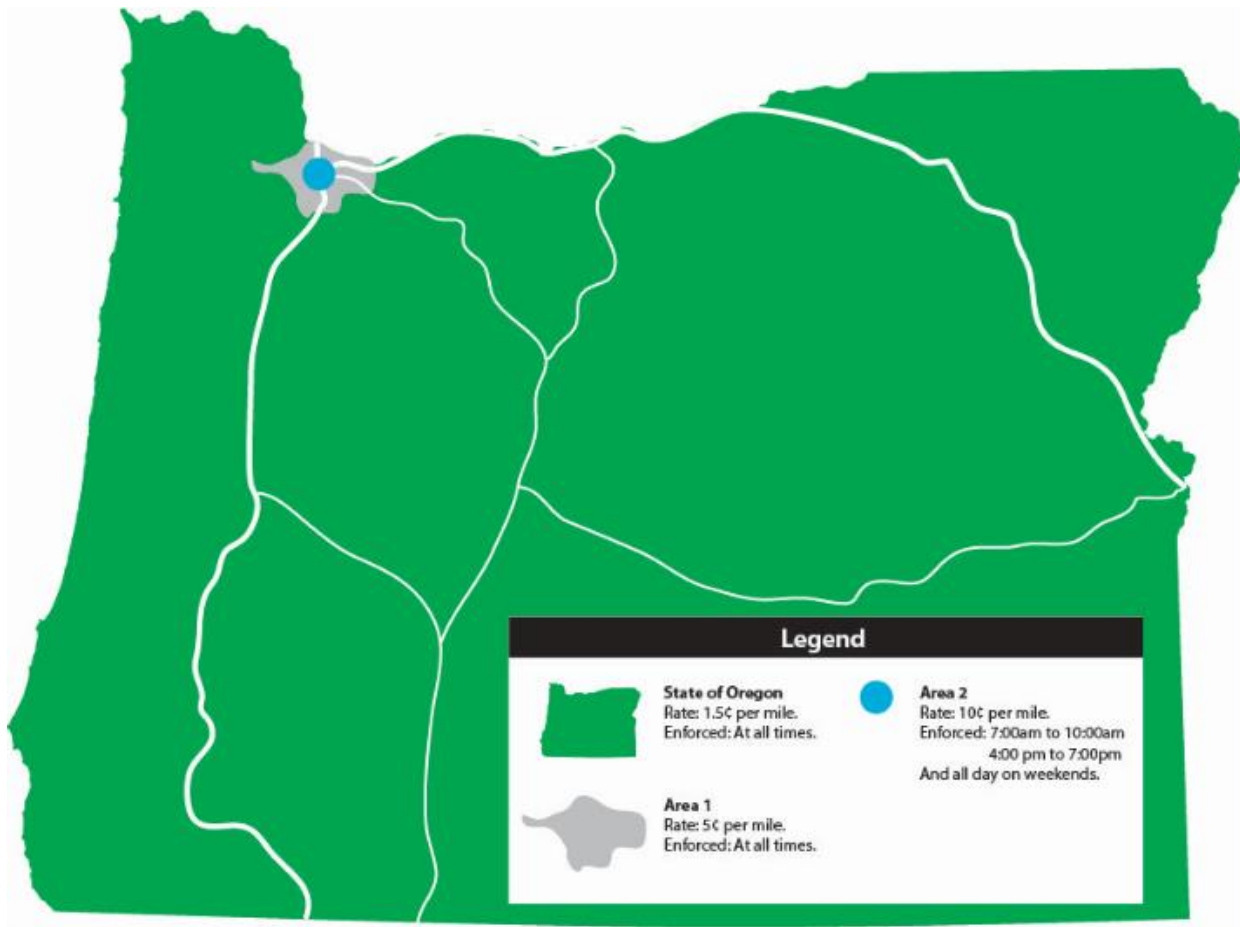
Recommendations by TWG:

- Boundary of Area 1
- Rate of Area 1
- Times of day for Area 1

2: Layered Area Pricing

Two areas are geo-fenced, such as a city and a county, with different RUC rates during certain times of the day.

The graphic below is illustrative.



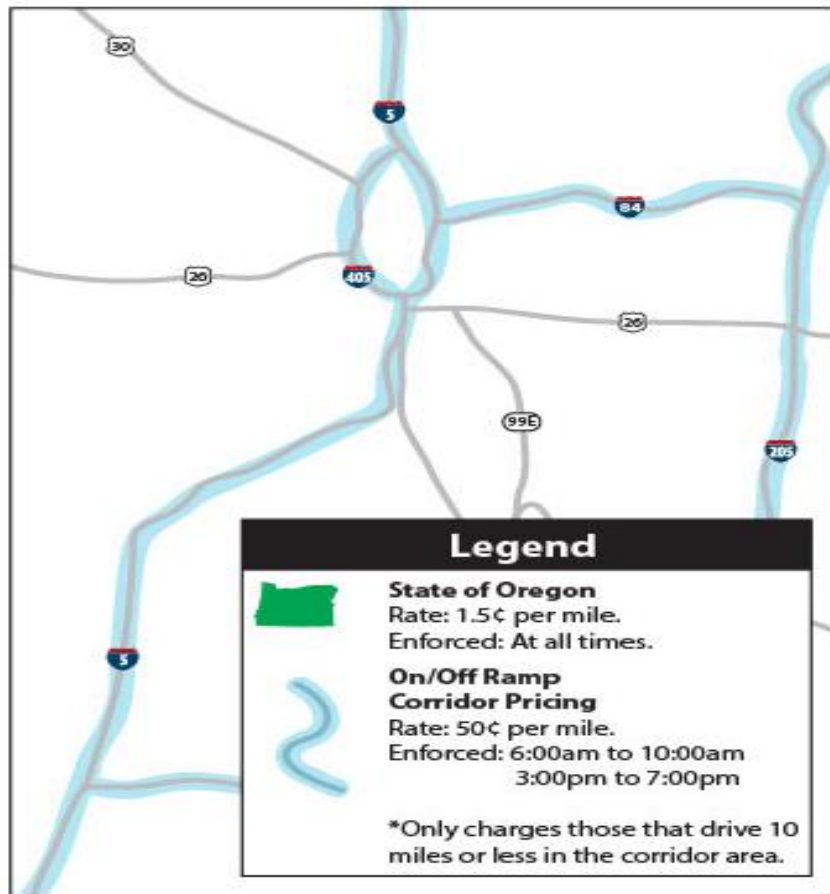
Recommendations by TWG:

- Boundary of Area 1
- Boundary of Area 2
- Rate of Area 1
- Rate of Area 2
- Times of day RUC is applied for Area 1
- Times of day RUC is applied for Area 2

3: Corridor Technology Testing

A corridor is geo-fenced, and people are charged an additional RUC rate for shorter trips on freeway corridors during certain times of the day. The intent for this pilot is test location-technology accuracy.

The graphic below is illustrative.

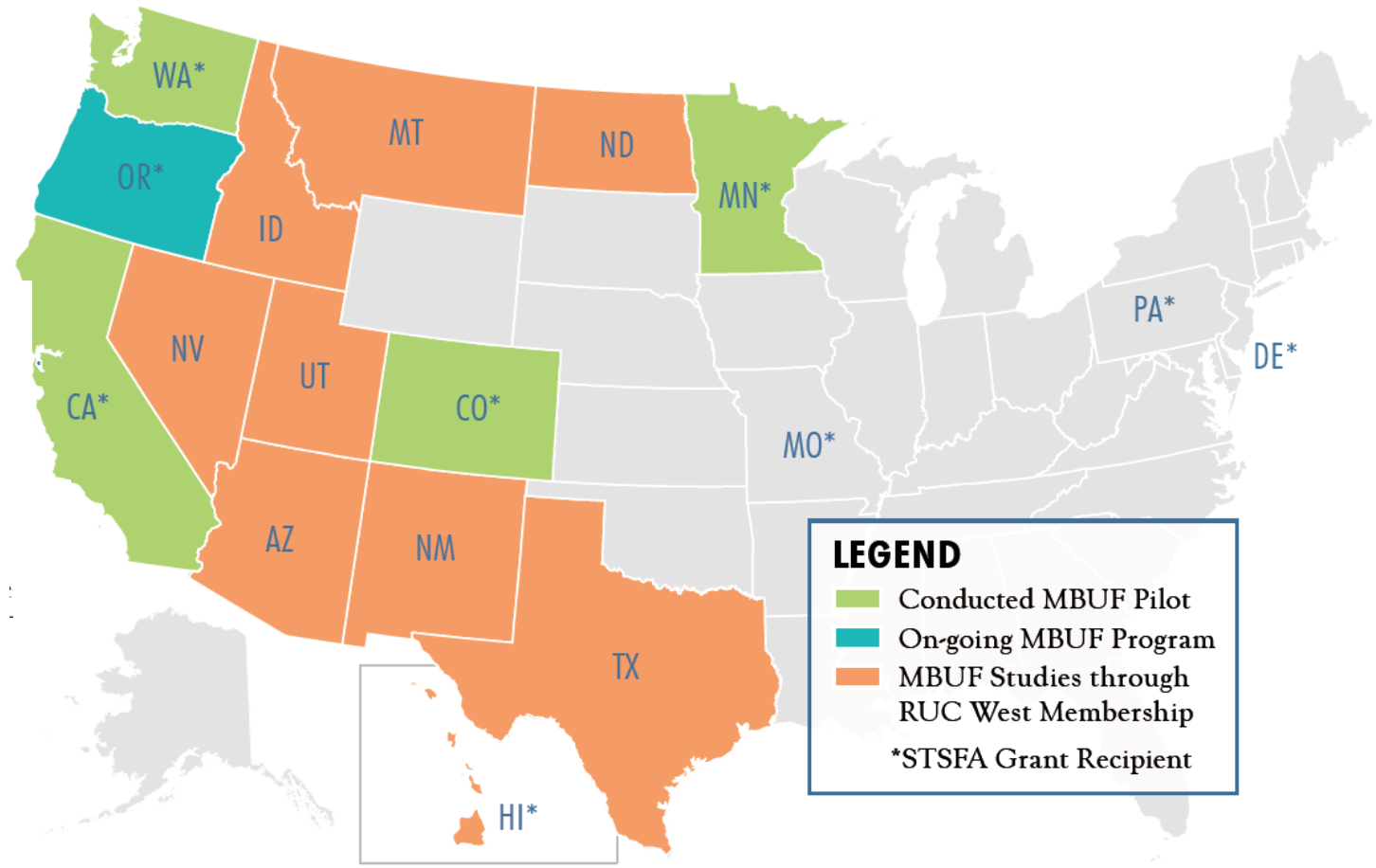


Recommendations by TWG:

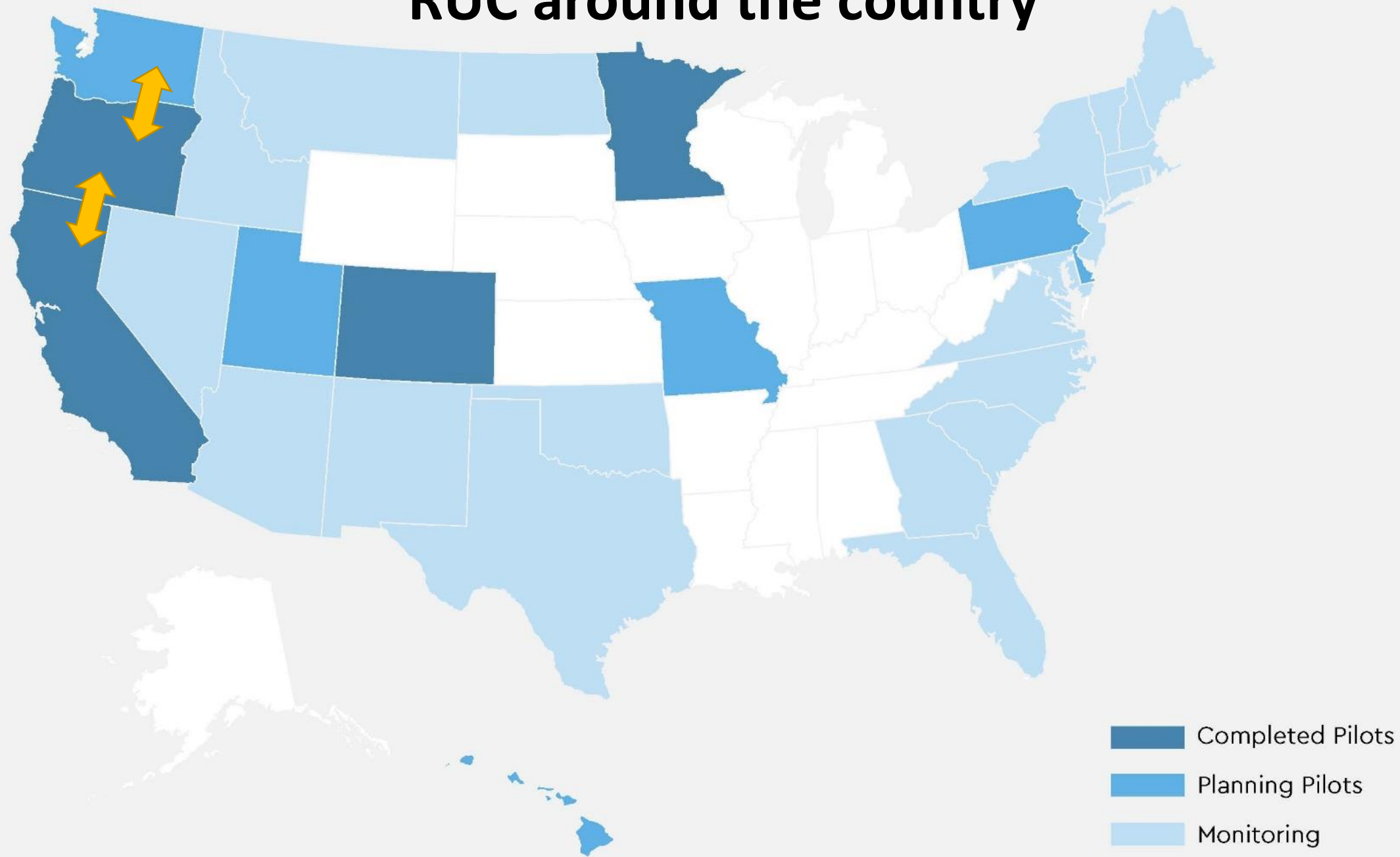
- Corridor(s) to be mapped
- Threshold of miles above which corridor pricing will not apply
- RUC rate of the corridor
- Times of day RUC is applied

What are other states doing?

- States Conducted Pilots
- Oregon has on-going Program
- Statewide Studies through RUC WEST
- I-95 Corridor Coalition



RUC around the country



The future of transportation funding

Considerations

Registration Fees

Does not scale with VMT; does not fairly price high-mileage vehicles

Fuel Taxes

Provides some link between road usage & funding

Road Usage Charge

Scales with VMT; fairly prices high-mileage vehicles



Economic Report of the President

*Together with
The Annual Report
of the
Council of Economic Advisers*

February 2018



Questions?

For more information contact:

Website: MyOReGO.org

Program Manager:

Maureen Bock

503-986-3835

Maureen.Bock@state.or.us