



The Oregon Mileage Fee Concept and Road User Fee Pilot Program

Presented to

Mileage Based User Fee Symposium

Austin, Texas

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Road User Fee Task Force

Legislative Mandate:

“To develop a design for revenue collection for Oregon’s roads and highways that will replace the current system for revenue collection.”



Task Force Selection

The Mileage-based fee

The Challenge

Create a system to emulate best attributes of the gas tax



RUFTF Policy Directives to ODOT

- System must cover all motorists
- Not charge out-of-state mileage
- Protect motorist privacy
- Provide gas tax credit
- Low capital costs
- Low relative operating costs
- Enforceability
- System reliability
- Seamless transition
- Minimal burden on private sector
- Allow congestion pricing





Creation of Zones

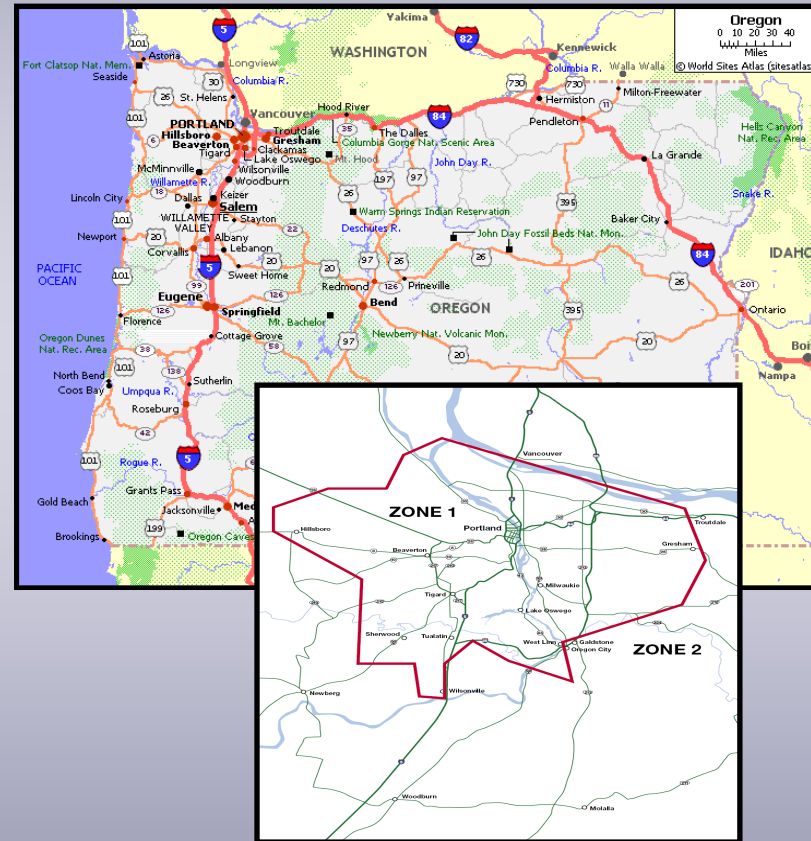
Charge on miles driven within Oregon by zone

Zone 1 = in state

Zone 2 = out of state

Zone 3 = rush hour

Zone 4 = local option





Mileage Charge Collection at Fuel Pump

Electronic collection of VMT data
and fee payment at fuel pump

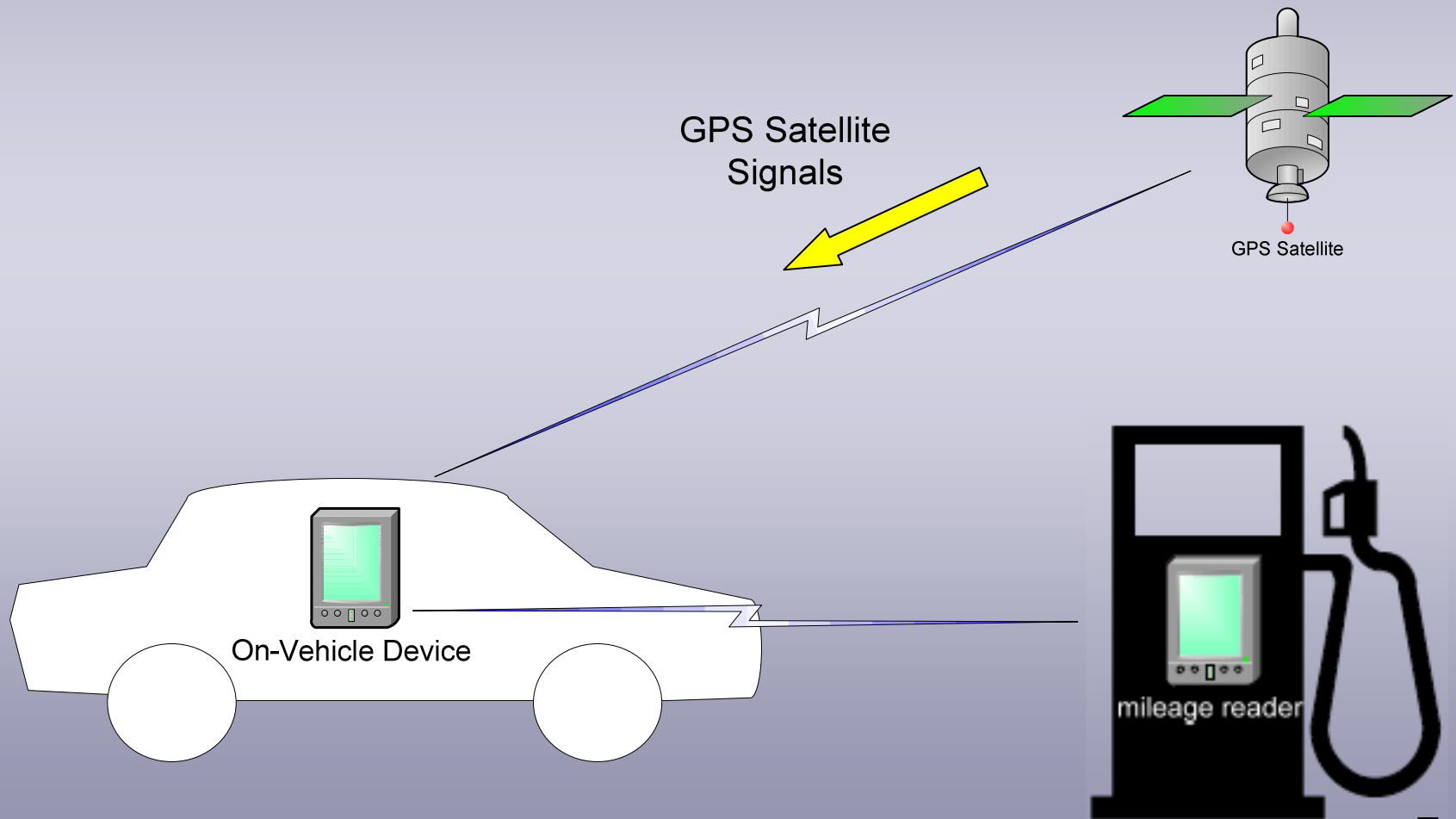


- + Covers all resident mileage
- + Protects location privacy
- + Integrates with fuel tax
- + Affordable
- + Enforceable
- + Gas tax as back-up system

- + Familiar payment system
- + Motorist friendly

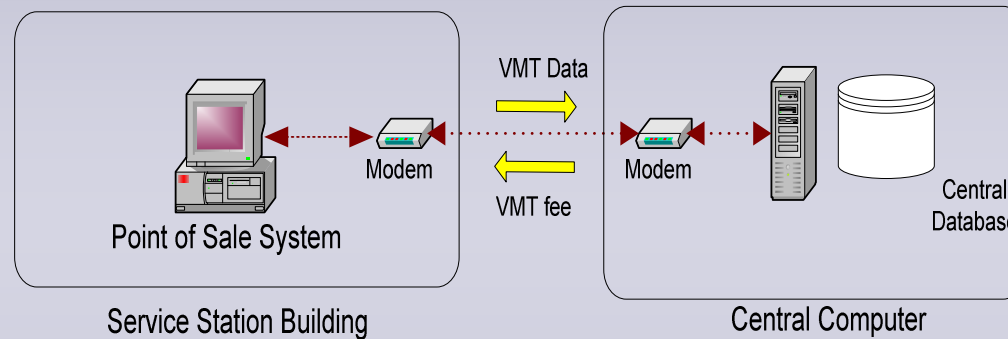


Mileage Charge Collection System





VMT Data Processing and Fee Charging



- **Data Transferred**

1. Vehicle Device Identification
2. Mileage Totals for Each Zone
3. Fuel Purchase Amount

- **Mileage Fee Rates Applied**



csr
R# 1 S# 1 T# 882316 10:55 AM
06/09/06

Leathers Fuels
11421 SE Powell Blvd
Portland, OR 97266

| | | |
|-------------------|----------|--------|
| Pump# 1 Unleaded | | |
| 19.50 @ 2.549 | | 49.71 |
| ST Fuel Tax @ .24 | | (4.68) |
| VMT Fee : | | 5.05 |
| Rush Hour : | 40 | |
| In-Oregon : | 364.6 | |
| Non-Oregon : | 0 | |
| No Signal : | 0 | |
| | Subtotal | 50.08 |
| | Total | 50.08 |
| | Cash | 50.08 |
| Thank You ! | | |

The Receipt

Fuel tax deducted from
fuel purchase price

Mileage fee imposed as
part of fuel purchase



What About...

... Non-equipped cars?



... Heavy Trucks?





Capital and Operating Costs for Full Mileage Fee Implementation

Vehicles

No mandated retrofitting
Components installed in new vehicles prior to sale



Service Stations

Capital costs: \$35 m
Annual operating costs: \$2 m





Privacy

No data transferred
except mileage totals
within zones

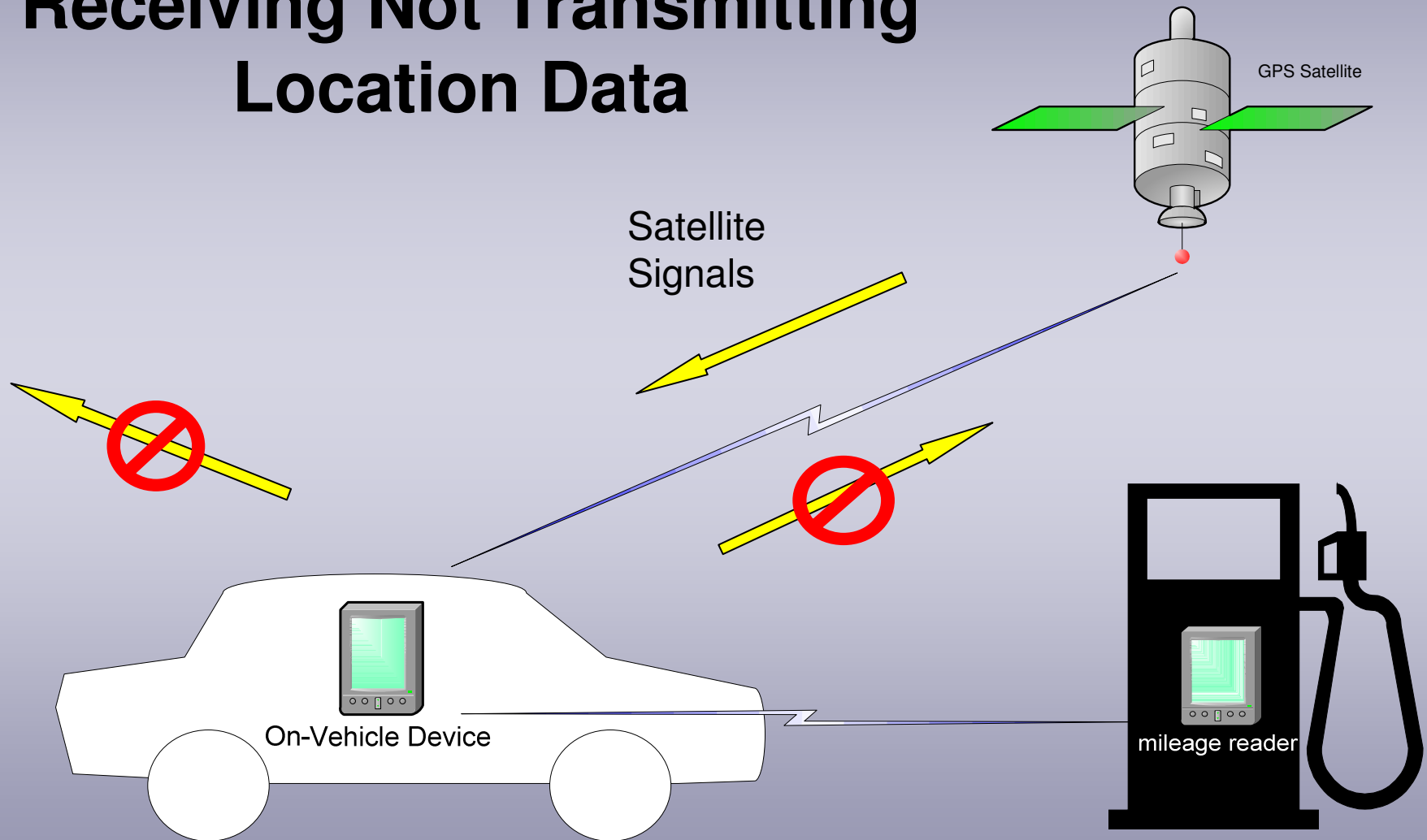
Data transferred only at
time of fueling via short
range radio frequency

No vehicle location data
stored in vehicle





Receiving Not Transmitting Location Data





No Detailed Travel Map Involved





No Travel History Developed





Road User Fee Pilot Program

April 1, 2006 to
March 25, 2007



U.S. Department
of Transportation
**Federal Highway
Administration**



CAR·TOYS
A better way to go.





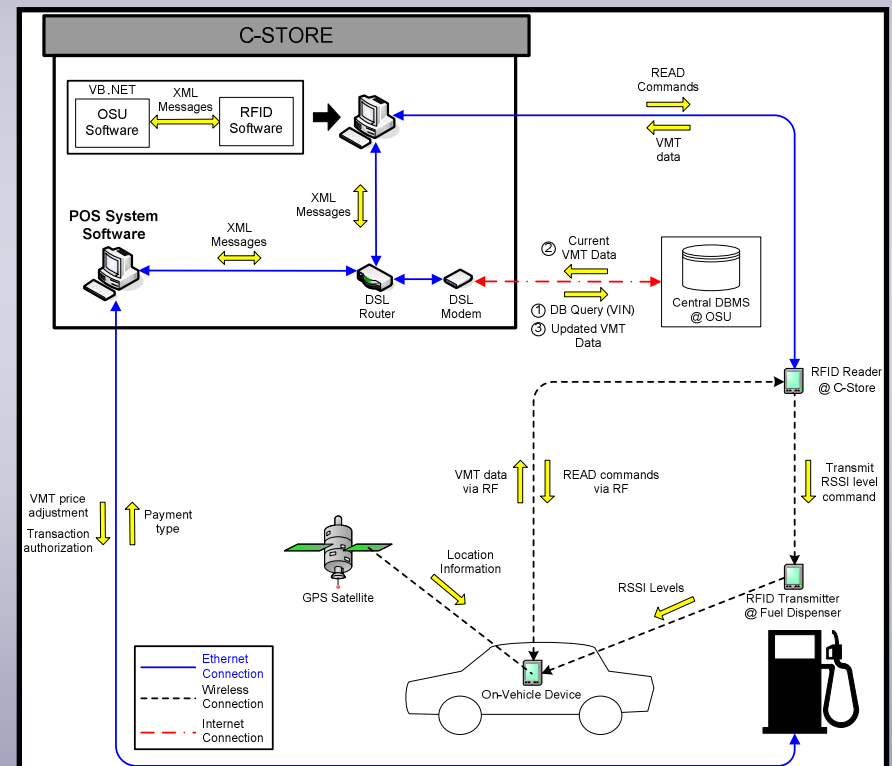
Objectives for Pilot Program

Prove concept

- Basic per-mile charge
- Congestion pricing

Define development pathway

- Identify problematic system components
- Identify technology requiring further refinement

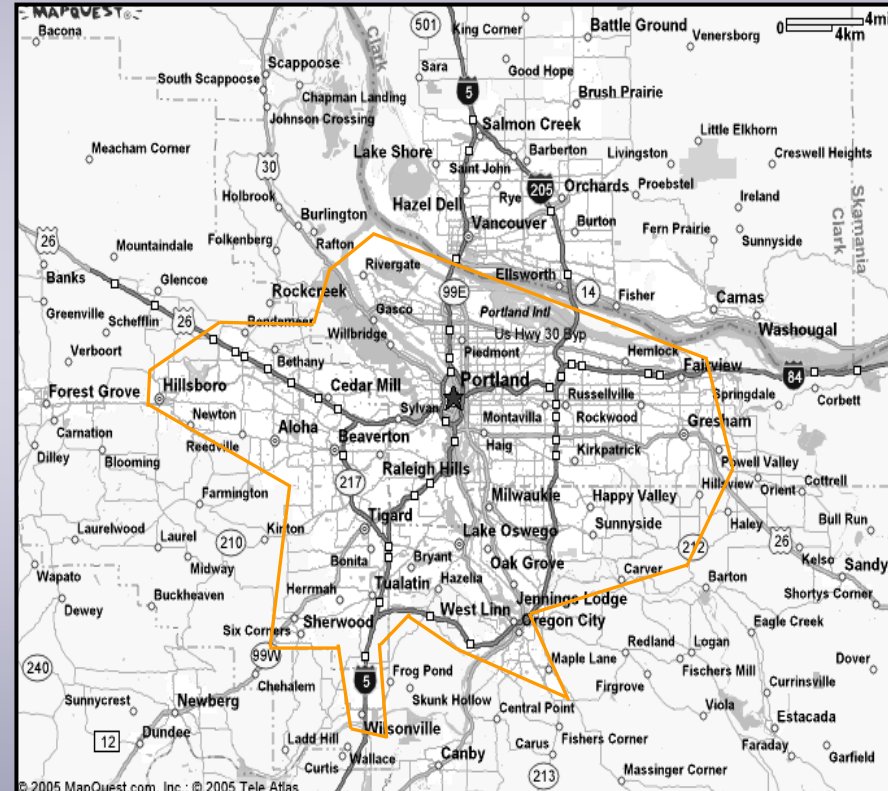




Adaptability for Congestion Pricing

Area Pricing

- Separate “rush hour” zone during peak periods
- Higher VMT fee rates for driving within rush hour zone





Oregon Pilot Program Field Test

285 participant passenger vehicles
Compensation \$300 per vehicle
Control phase & experiment phase

Three zones

- *In Oregon*
- *Not in Oregon*
- *Rush Hour*

Three test groups

- *Control group* paid state gas tax
- *VMT group* paid 1.2 cents per mile but no state gas tax
- *Rush hour group* paid 10 cents per mile in congestion zone and .43 cents per mile for regular travel but no state gas tax





Oregon Pilot Program Technology Configuration

- On-vehicle device technology
- Fueling station technology
- Data storage/retrieval technology





Final Results: Proof of Concept

Successes

- Zone differentiation
- Mileage counting
- Vehicle identification with fuel pump
- Transmission accuracy
- Transaction administration
- Reduced peak driving 22%
- Acceptance by participants



Fundamental Lesson

- Mandated retrofitting extremely difficult



Public Concerns

- Efficiency of system
- Confidence in system
- Privacy and fear of technology
- Rate structure
- Rate equity
- Road pricing
- Perceptions of large bureaucracy
- Motorist class wars
- Flexibility a strength or a weakness?





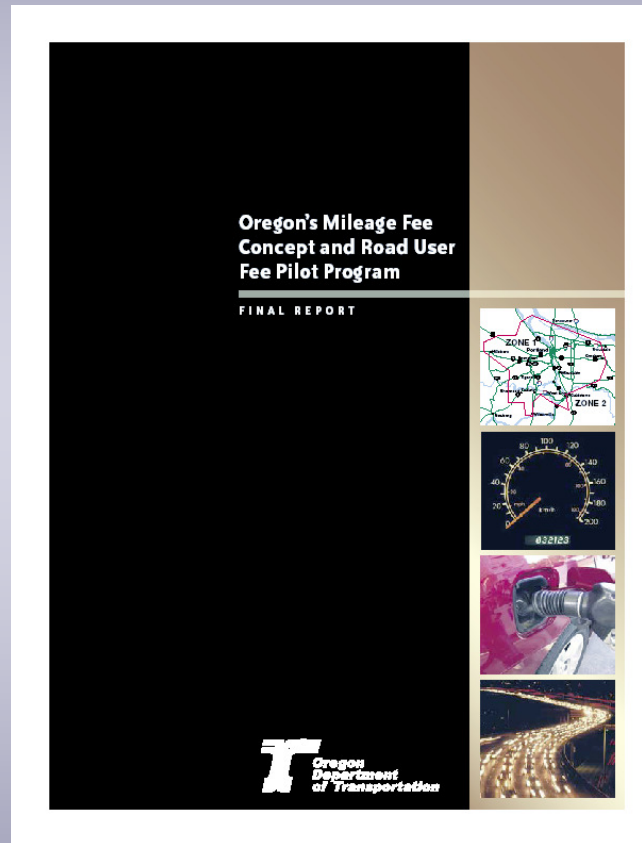
Key Steps to Implementation of Oregon's Pay-at-the-pump System

- Refine technologies to commercial viability
- Define manufacturing standards
- Address concerns of fuel distribution industry
- Integrate collection system for all-electric vehicles
- Investigate alternative approaches





Oregon's Final Report



www.oregon.gov/ODOT/HWY/RUFPP/docs/RUFPP_finalreport.pdf