Oregon Road Usage Charge Pilot Program (RUCPP)

Presented to

MOVE COLORADO

Presented by

CH2M HILL
The Road Usage Charge Pilot Program (RUCPP)

3-month pilot (Nov 2012 to Feb 2013)
88 total participants in OR, WA, NV

- DOT executives
- State Legislators
- Transportation Commissioners
- Lobbyists
- Congressional Panel members
- Members of Governor’s Office

Oregon participants (44) actually paid the 1.56 cents/mile RUC
What the RUCPP was...and wasn’t

• What the RUCPP was....
  • A technical feasibility and proof of concept study for REPLACING the gas tax in Oregon
    • Participants received refunds for fuels taxes paid during the pilot
  • A way to garner support from Oregon legislators by having them participate in the pilot
  • A way to identify internal gaps in ODOT and formulate plans for bridging those gaps

• What the RUCPP wasn’t....
  • Another tax mechanism
  • A means of gathering traffic data for other analysis (congestion pricing, hot lane determination, tolling identification)
Options for Participants

• Three Technology Choices
  • *Basic (No GPS), Advanced (GPS), Smartphone (Switchable)*
  • *No technology Flat Rate option*

• Two Account Providers
  • *Third Party*
  • *ODOT*

• Three Payment Options
  • *Check, Credit, Debit*
Survey Respondents' opinions about the ease of various aspects of the RUCPP
“The end of the Road Usage Charge Pilot Program has passed without me really noticing – and that’s a good thing!”

“Being a part of the Road Usage Charge Pilot Program has been simple. I do not notice that the device is even in my car”

“It’s been about a month being “plugged in” to the Road Usage Charge Pilot Program; frankly I don’t even think about it.”

“My first bill was $1.12...a reasonable increase for an investment in making sure our roads are well maintained and I won’t need a monthly alignment on my car!”
Successful, met policy directives, yet …  

- Implementation potentially complex and expensive  
- Slow technological evolution  
  - “Stuck in time” – a closed system  
- Public concerns about privacy  
  - Required use of vehicle location technology  
- Public concerns about fairness and equity  
- Public concerns about a costly bureaucracy
2012 Objectives

- **Motorist Choice**: Motorists should choose from several collection methods and technologies to meet individual preferences.

- **No Technology Push**: Government should not mandate or push motorists to particular technologies, especially GPS.

- **An Open System**: Allow for system technologies to evolve with marketplace capabilities and motorist preferences.

- **Private Sector Administration**: Tap into market forces to allow the public to choose either government or private sector provision of data collection and payment services.
1. **Economic Feasibility:** Fleet Forecasts, Revenue Projections

2. **Garner Participant Interest:** Key Political Influencers, precursors to a regional approach

3. **Design Architecture:** Requirements, CONOPS, Interface Control Document

4. Vendor Participation: Leverage existing technology

5. Validate and Test: Unit, Integration, Acceptance

6. Sign-up and Deployment: Onboarding and Support
Three major subsystems

- **Mileage Collection**: Collects the miles traveled, VIN, and fuel consumed from each vehicle.

- **Road Charge Processing**: Processes the RUC charges from the miles traveled, Handles account payments, transfers RUC revenues to Treasury.

- **Mileage Tax Accounting**: Recognizes revenues from RCP’s, Generates reports from revenues, Conducts RCP auditing.
In the end...

- Participants offered choice of provider
  - Third Party (Sanef), ODOT

- Participants offered choice of technology
  - Basic, Advanced, Smartphone

- Components of the system are in the market today
  - Vehicle device, Pay as you drive insurance
  - Back office tolling system
  - In-Vehicle Telematics (On-Star, Sync, etc.)

- Uses an open system
  - Defined open system interfaces
  - Multi vendor integration achieved and certified by ODOT

- Regional participation
Proposed Legislation

• **HB 2453B**
  – Mandated and Voluntary RUC programs by July 1, 2015
    • 1.55 cents/mile (or $542.50 annually) RUC for ALL vehicles with fuel economy of 55 MPGe (or higher) and volunteer participants
    • Voluntary RUC for up to 5,000 vehicles
    • **DID NOT PASS**

• **SB 810**
  – Voluntary only RUC program by July 1, 2015
    • 1.5 cents/mile (or $542.50 annually) RUC for all volunteer vehicles
    • Not more than 1,500 vehicles with 17 MPG or less
    • Not more than 1,500 vehicles with 17 MPG to 22 MPG
    • Remaining vehicles with 22 MPG or greater
    • **PASSED JULY 7, 2013**
So Now What…

- Solicit and identify volunteer participants
- Determine vendor interest and establish contract mechanisms for equipment and services
- Establish ODOT Organizational Framework for RUC System
- Evaluate additional pilot technologies and conduct pilot demonstrations (*In-Vehicle Telematics, PAYD Insurance, iPhone*)
- Solicit interest for additional pilot demonstrations with other states
- Establish the Western Road Usage Charge Consortium
- Develop and Execute the RUC System Implementation Plan
Thank you

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