

Road User Charge (RUC) Programs Webinar Q & A



Webinar Presenters

- Angela Fogle, STSFA Program Manager, FHWA
- Bruce Starr, former State Senator, Oregon
- Maureen Bock, Program Manager and Chief Innovation Officer, Oregon Department of Transportation

Without the use of GPS how do you avoid charging users for their non-Oregon travel?

Maureen Bock – We allow users to fill out a form that attest to the number of miles traveled on non-public roads or out-of-state. In doing so, we allow them to provide any documentation they have and we credit them for those miles.

Do you think it is politically feasible for states to move to a system for electric, and low-fuel vehicle to transition to a RUC system?

Bruce Starr – Overall policy makers need to recognize that if the only way a state is collecting highway tax is through the fuel tax, then they need to figure out how electrical and non-fuel gas vehicle users will also pay for these roads as well. Using a RUC model, makes sense. If we have several states that have performed successful pilot programs, in the future, the federal government will mandate a system from coast to coast based on the success of these pilot programs of the states. States are the laboratory of democracy and need individual legislators who are willing to take a chance on these pilot programs. Program like OReGO works, it will work coast to coast, and it will work in other states; it's important to continue these programs in other states to demonstrate that the RUC system works for all people who use the roads.

What's the incentive today for motorists to sign up for OReGO/being a part of the pilot?

Maureen Bock – One of our account manager's office provides remote emission testing services to people who are mandated to do that, like in Portland. It gives the OReGO user benefits to utilize these services remotely so that they don't have to go to a testing facility and they can also register their vehicle based on that information. We have other account managers offering services for battery health, decoding engine diagnostic codes, and services that can look at how people are driving their cars (i.e. braking, acceleration behaviors). We do not get that information at the state but that information is available for the users.

What is the average RUC rate? And how do those rates compare to those who pay in fuel tax revenue?

Maureen Bock – It is considered revenue neutral for vehicles that get 20 miles per gallon. People who are enrolled in the program with 20 miles per gallon efficiency didn't pay anything and didn't get a refund. Fuel tax rate was 30 cents per gallon and the RUC rate was 1.5 cents per mile. When the fuel tax rate increased to 34 cents per gallon in 2017, RUC rate was 1.7 cents per mile. Participants do not have to keep track as the device sends the necessary information to the account managers who will do the calculation. For some reason if the device fails to send the information, it will default to the combined EPA value for that vehicle and that is used in calculating the rate in what the user pays.

Are there plans to expand OReGO in weight-distance fare system for commercial vehicles or have you looked at other alternatives for those types of vehicles?

Maureen Bock – Oregon is one of the few states that already have a fuel tax system based on weight-distance criteria for vehicles that weigh over 26,000 lbs. So, we have not looked at the weight-distance fare system as we already have a system in place. Our program is focused on passenger-vehicles only. One of the things that happened in 2017 was that we allowed the electric vehicles who are registered in OReGO to avoid payment in surcharge for registration by partnering with the driver motors vehicle services division at ODOT. There is pending legislation to expand on that, to opt into OReGO and opt out of registration surcharge for vehicles that have gotten more than 40 miles per gallon.

How has the insurance industry have interacted with this pilot?

Bruce Starr – The pilot program in OReGO allow mileage-based insurance, so it's easy to marry that with certain insurance companies that have created mileage-based program.

Maureen Bock – When we launched in 2015, we had an account manager who was affiliated with an insurance company and that was very effective. The insurance company's business model changed so they left the business but we're very interested in other players to bring in related services so we have a mobility market place.

Do you have any thoughts on how OReGO would interact with toll facility environment (which is much prominent in the east coast)?

Maureen Bock – We believe that RUC program can be used for tolling. We would be testing that when we are implementing RUC in the local area pilots next year. We are working on geofencing procurement around metropolitan and Portland area. So, the idea is that we would be charging some of these areas depending on the time of the day.

Have you all considered Uber or Lyft to participate in the program?

Maureen Bock – We have thought about it but we have limited staff in doing engagements. That is a territory we want to explore.

Angela Fogle – We want to note that in Minnesota, their pilot is looking at ride sharing apps to collaborate.

How do you establish fees? When people initially sign up to participate, is there a fee established based on vehicle type/weight, and what is the varied rate by the legislature?

Maureen Bock – All our rate is set by legislature and the pilots we will be doing for local areas and their variables, is set by us. People will not be paying those; it will just be a mocked-up payment structure. The current fee structure is tied to the fuel-tax rate and set by the legislature.

Bruce Starr – If the individual is paying twice (fuel tax and RUC) then it obviously creates a push-back. It's important to communicate to the users that they're paying the same amount through RUC and is not a tax-increase.

How do you avoid double paying (for fuel tax and RUC system)? Is there a reimbursement structure?

Maureen Bock – As miles are driven they are recorded so that the 1.7 cents per mile cost structure can apply. The fuel tax paid in the fuel used to drive those miles are calculated and reduces the amount of road user charge. There is a netting process based on the miles driven.

How is OReGO scalable to the other states? What questions should be addressed that haven't been addressed on the national level?

Maureen Bock – We have done interoperable pilot programs with Washington and preparing one with California. I think that these interactive demonstration projects will show the rest of the country that this program can expand beyond a state jurisdiction; and the money can be collected based on the individual state rate. These programs were possible through the support of FHWA's FAST ACT grant. I think if there's a national pilot done, then there should be a mechanism in place to explain why the rate was placed and why we need it. It requires a lot of work but we must be clear about our data and communication towards the public.

Bruce Starr – I believe the federal government needs to look at the successful cases from the states and at some point, put a stake in the ground and say that they are going to implement RUC. They can utilize the experience, technology and knowledge gained through the states' pilots and eventually mandate RUC from coast to coast. I believe that based off these pilot successes, the federal government will mandate RUC technology to be seamlessly incorporated into the vehicles and integrate the public and private companies in the innovation of RUC practice.