



THE COMING REVOLUTION IN HIGHWAY USER FEES:  
NEW TECHNOLOGY AND PILOT PROGRAMS FOR VMT  
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STRATEGIC PERSPECTIVE. EXCEPTIONAL RESULTS.

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# WHAT IS VMT?

- ❑ Vehicle Miles Traveled
- ❑ Measuring impacts to roadway infrastructure
- ❑ A means of assigning road user fees on a pro rata share basis

# WHY IS IT IMPORTANT?

- ❑ Current user fees are based on imprecise fuel taxes
- ❑ Fuel taxes are based on gasoline and diesel consumption rates.
- ❑ Like vehicles pay disproportionately to fuel taxes as compared to impacts
- ❑ Fuel taxes are a volatile source of revenue and a declining revenue stream

# LEGISLATIVE HISTORY OF VMT

- 2008: Bipartisan, Congressionally appointed National Surface Transportation Policy and Revenue Study Commission joins the Transportation Research Board (TRB), the National Cooperative Highway Research Program (NCHRP), the American Association of State Highway & Transportation Officials (AASHTO), and the National Chamber Foundation in calling for a nationwide VMT fee to replace the gas tax.

# LEGISLATIVE HISTORY OF VMT

- ❑ 2009: Bipartisan, Congressionally appointed National Surface Transportation Infrastructure Financing Commission concludes that VMT fee collection is the way forward for collecting surface transportation user fee revenues.
- ❑ 2015: FAST Act creates a federal authorization and pilot program funding for VMT approaches.

# LEGISLATIVE HISTORY OF VMT

- ❑ In 2007, Oregon created a GPS based Road Usage Charge (RUC) Pilot Program. In 2015, Oregon created a second pilot program called OReGO.
- ❑ The first phase of OReGO is limited to 5,000 cars and light-duty commercial vehicles.
- ❑ OReGO volunteers pay a road usage charge for the amount of miles they drive, instead of the fuel tax.
- ❑ The OReGO road usage charge is set at 1.5 cents per mile.

# LEGISLATIVE HISTORY OF VMT

- ❑ OReGO has two methods of payment:
  - ❑ ODOMETER CHARGE: An option where payment is remitted after periodic manual odometer readings.
  - ❑ AUTOMATED MILEAGE REPORTING: Choice of in-vehicle technology, that reports mileage traveled to a third party account manager which invoices the participant.



# LEGISLATIVE HISTORY OF VMT

- ❑ In 2016, California created a GPS based RUC Pilot Program.
- ❑ Voluntary and limited to 5,000 participants.
- ❑ Four methods of payment:
  - ❑ TIME PERMIT: A permit that allows unlimited road use in California for a specific period of time, such as a year, month or week.
  - ❑ MILEAGE PERMIT: A block of miles based on your expected use of California's roads.
  - ❑ ODOMETER CHARGE: An option where payment is remitted after periodic manual odometer readings.
  - ❑ AUTOMATED MILEAGE REPORTING: Choice of in-vehicle technology, that reports mileage traveled to a third party account manager which invoices the participant.

# TECHNOLOGICAL HISTORY OF VMT

- Toll Roads
- “Gas Tax”
- GPS Based Systems
- Oregon Pilot
- Second Oregon Pilot and California Pilot

# STATE OF THE PRACTICE

- ❑ Avoid GPS based approaches. Ensure privacy.
- ❑ Make the collection of revenue as “transparent” as possible for the average motorist.
- ❑ Maximize public acceptance
- ❑ Ensure checks and balances

# NEW TECHNOLOGY

- ❑ How it works
  - ❑ Motorist pulls up to fuel dispensing pumps.
  - ❑ Vehicle is uniquely identified to the pump.
  - ❑ Pump queries database for last reported mileage.
  - ❑ Vehicle/operator report current mileage

# NEW TECHNOLOGY

- How it works (continued)
  - Pump calculates mileage between fuel fill ups.
  - Pump calculates VMT fee.
  - VMT fee is added to fuel cost and charged to the customer.

# NEW TECHNOLOGY

- ❑ Pay at the pump.
  - ❑ Motorist pays VMT fee in same manner as fuel tax.
  - ❑ Fee is remitted to fuel vendor.
  - ❑ Vendor remits payment to state or federal government.
  - ❑ Transparent transaction for motorist

# NEW TECHNOLOGY

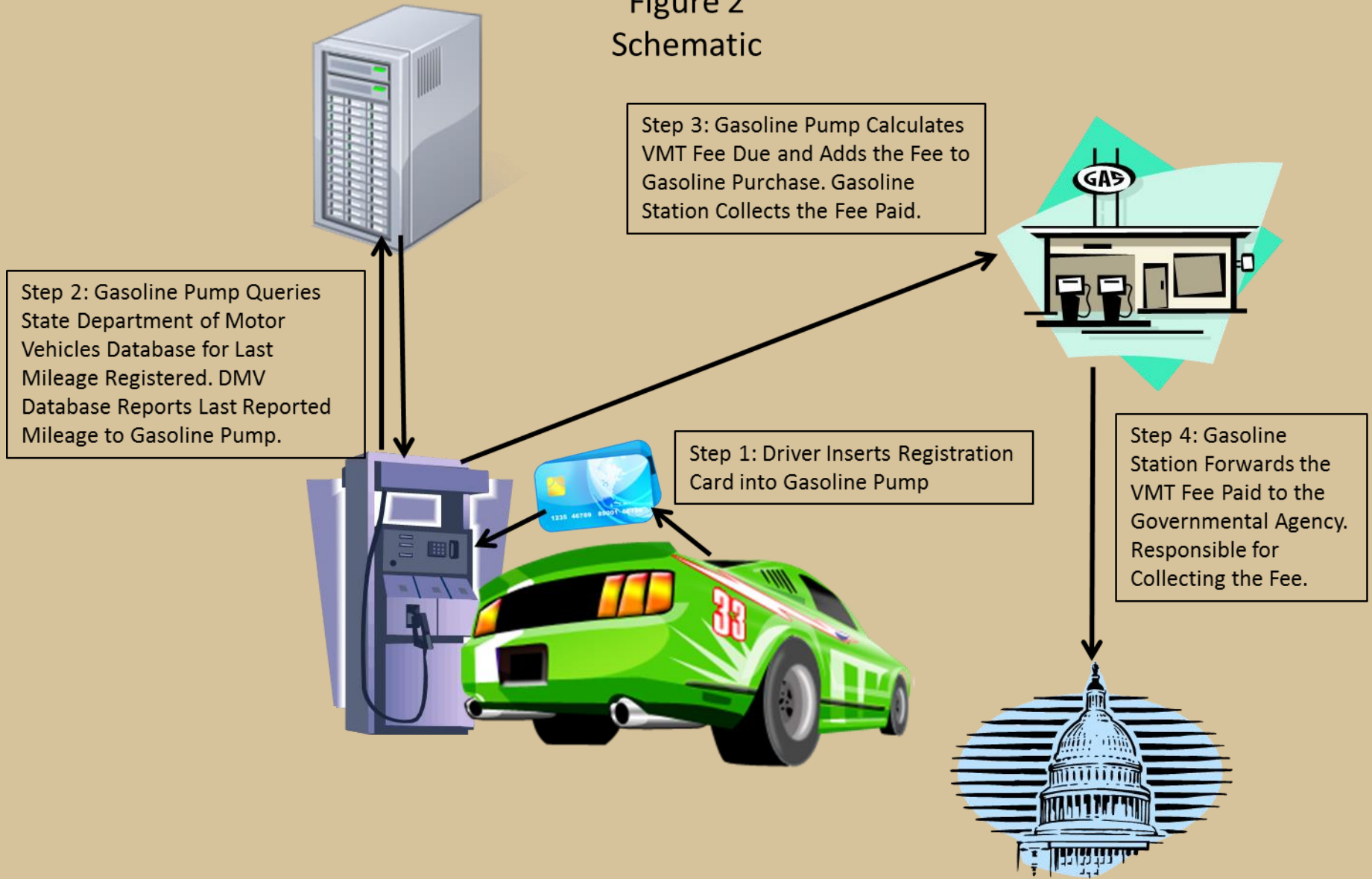
- ❑ Maintain a Back Office.
  - ❑ State vendor maintains a database of last reported mileage for every registration.
  - ❑ Fuel dispensing pump queries database
  - ❑ Database is subject to commercial data protection standards.

# NEW TECHNOLOGY

- ❑ Maintain Integrity and Accountability.
  - ❑ Mileage is checked at annual inspection to ensure no cheating.
  - ❑ Objective annual mileage checks ensure accountability.
  - ❑ For those who object to pay at pump option, annual mileage at inspection is the fall back.



Figure 2  
Schematic





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# QUESTIONS

STRATEGIC PERSPECTIVE. EXCEPTIONAL RESULTS.