



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

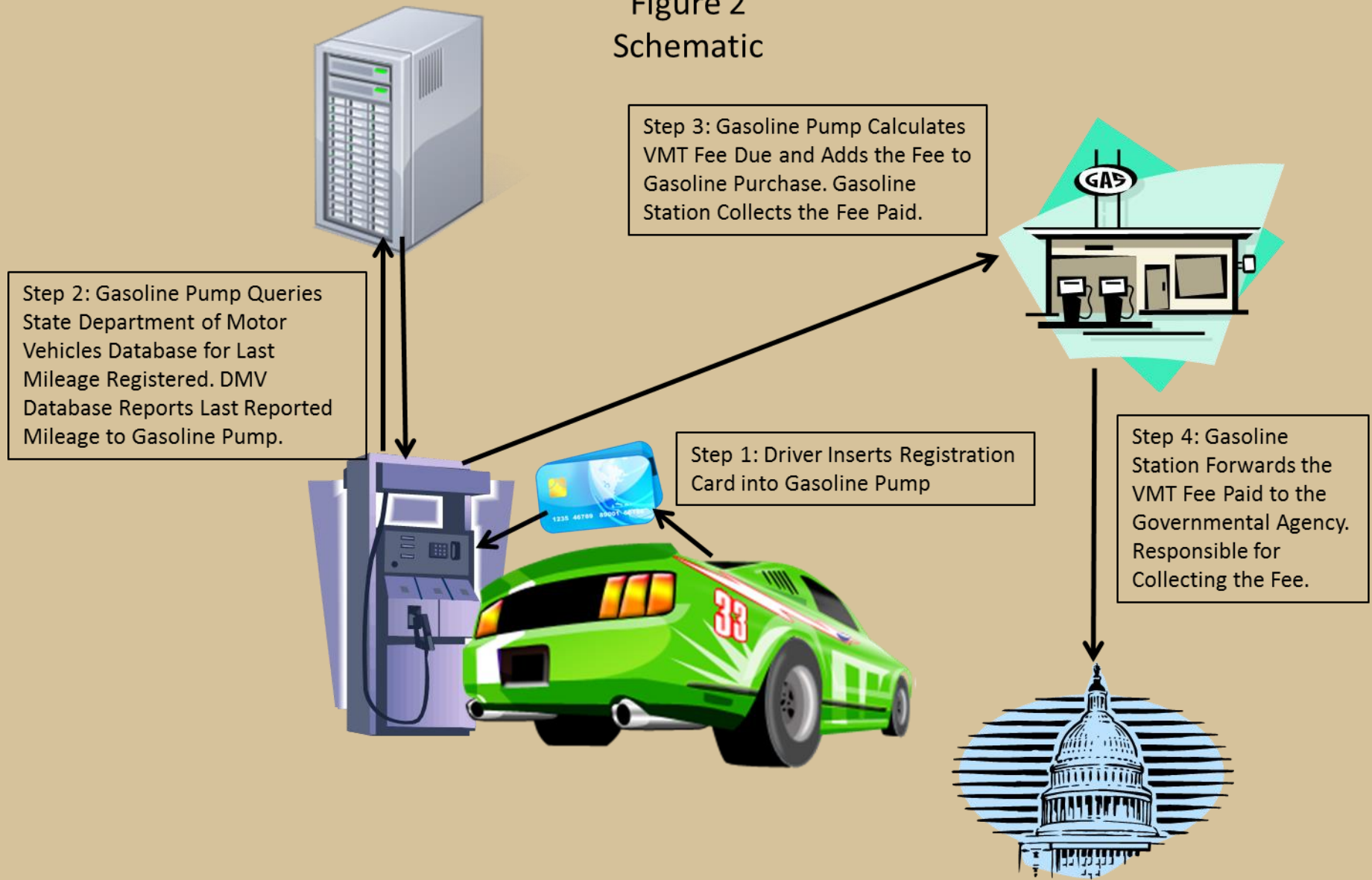
NEW TECHNOLOGY

- ❑ 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.