



New Road Financing Model: A Distance Based Charging System

Presented to

*Electric Vehicle Stakeholder Meeting
Of the Road User Fee Task Force*

Portland, Oregon
November 15, 2011

James Whitty, Manager
Office of Innovative Partnerships
and Alternative Funding



EV Stakeholder Issues List

No Complaints about:

- Lack of GPS mandate
- Opportunity to use GPS if chosen by motorist
- Open system architecture
- Providing motorists compliance options to choose from
- Penalties for tampering
- Penalties for false reporting
- Collection of mileage tax through public private partnerships
- Allocation of revenues 50/30/20
- Transitional rate to eventual full rate
- Reporting and billing cycles based on circumstances of motorist
- Vehicle dealers exempted from mileage tax



EV Stakeholder Issues List

- **Who are the Responsible Persons (e.g. those who pay the mileage tax)?**
 - Vehicles other than EVs and PHEVs should be added to those responsible for paying the mileage tax
 - Non-resident motorists should pay the mileage tax

- **What should be the operative date?**
 - What mechanisms can be used to protect the EV market in the early adoption stages?
 - The start date should depend on market penetration levels (perhaps 1%). How can this be recognized as having been reached?



EV Stakeholder Issues List

- **What should be the rate level and structure for the mileage tax?**
 - A rate of 1.56 cents per mile is too high; the rate should be set at the equivalent level that the most fuel efficient HEV pays in gas tax.
 - The rate should be structured to incent adoption of EVs or, alternatively, act as a disincentive to the internal combustion engine. Should there be multiple tiers to reflect efficiencies?
 - The rate should be variable for EVs, based on weight.
 - The rates should be phased in based on market penetration.
 - Query: should the flat fee alternative be an average rate or a high rate based on unlimited miles.



EV Stakeholder Issues List

■ What are the methods of compliance?

- How difficult will it be to comply with the mileage tax reporting and payment requirements?
- How frequently will a responsible person have to report miles driven and by what methods?
- How frequently will a responsible person have to pay the mileage tax?
- Will the system make a push to use of technology to report mileage?
- Motorists should have a non-OBU based method of self-reporting mileage.
- What will be the expense for electronic reporting via the odometer?
- What will be the inconvenience of electronic reporting via the odometer?
- What will be the expense for electronic reporting via vehicle location device (e.g. GPS)?
- What will be the inconvenience of electronic reporting via vehicle location device (e.g. GPS)?



EV Stakeholder Issues List

- What are appropriate penalties?
 - Penalties should not be too severe.
- How should private information be protected?
- How difficult will it be to obtain a refund or offset?



Outcomes

- Obtain a tutorial on Oregon's cost responsibility policy at a special meeting
- Automakers want an open opportunity for ICE vehicles to participate in the mileage tax program