

**Road User Fee Task Force – Meeting Minutes  
February 23, 2018  
Salem, OR  
Capitol Building / Conference Room 350**

**Task Force Members in attendance:** Councilor Craig Dirksen, Mayor Bob Andrews, Representative Rich Vial, Representative John Lively, Craig Campbell, Susan Morgan, Representative Margaret Doherty and Commissioner Sid Leiken (by phone)

**Task Force Members not in attendance:** OTC Commissioner Sean O'Hollaren, Senator Bill Hansell and Senator Chuck Thomsen, Senator Arnie Roblan, Commissioner Tammy Baney, and Jeff Allen

**ODOT Staff in attendance:** Travis Brouwer, Maureen Bock, Eryca Dinsdale, Sarah Dornon, Alyssa Rash, Randal Thomas, Russ Casler, Jenna Adams-Kalloch, Art James, Katie Jones, Lynn Averbeck, Kurtis Danka, Linda Beucken, Tom McClellan and Monica Love

**Guests:** Mazen Malik (Legislative Revenue Office)

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Chair Craig Dirksen convened the Task Force at 12:05 PM.

**Approval of Minutes**

**Ms. Morgan:** I noticed when I was reading through them all, the November 16, 2017 minutes I am listed as a member and I wasn't at that time.

**Chair Dirksen:** Change noted.

Meeting minutes from September 21, 2016, February 24, 2017 and November 16, 2017 were approved.

**Public Testimony**

**Chair Dirksen:** At this time we like to give anyone the opportunity for public testimony. Is there anyone in the room who would like to share a thought with this group before we move forward with the agenda? Seeing nobody we will move on to the next agenda item.

**Momentum around the Nation – Road Usage Charge in Other States (Maureen Bock)**

I wanted to give you an update on where we are going and what we are seeing with other states. Oregon was the first state in the country to have a gas tax, which passed in 1919 and it also started this Road Usage Charge trend as well. Now we are seeing it moving across the other western states primarily but also some on the east coast. It's spread pretty rapidly as people look at it as a serious transportation funding tool to grapple with the lack of long-term sustainability in fuel tax revenues. This rapid progress is very exciting for us and we look forward to working with other states as they also begin work in this area.

In your package we have information about both the California pilot and the Colorado pilot. California just completed its first full-scale pilot, which was the largest in the country to date.

They had 5,000 vehicles in that pilot and they drove over 37,000 miles in the 9 months it was in operation. Based on our experiences we will be partnering with California next year as we launch a regional Road Usage Charge pilot. We are also working with the state of Washington on a pilot that will start next month.

We also have a federal grant to look at ways to enhance the volunteer experience of our current program and I wanted to give you an overview on a couple of those items. Value-added services: we are working on enhancing the current program by researching things like partnering with the Department of Environmental Quality. The device that we have in our program can be used to do remote admissions testing, and we have partnered with DMV, DEQ and one of our account managers, Azuga, to actually have their device go through this testing program. They will go live in April [offering DEQ emissions test data] in addition to their other services and still report Road Usage Charging. These are advanced technologies that we are going to be testing and see if we can deployment them into our program. One of them is the use of embedded telematics that is basically placed in the car by the original equipment manufacturers. We will be testing that. The other is a beacon that stays in the car and communicates the information about how it's driven to a cell phone app, and then that app communicates to the account manager. Data exchange is basically mining big data from service providers, such as CARFAX, mechanics, that sort of thing, and extracting the information we need to run our program. The last one is a way to take a picture of your odometer based on the metadata that is included with that image. Account managers can tell if it's actually the vehicle that's enrolled in the program, net out the miles and report that. Those are the four technologies we will be testing with our account managers to see if they will be viable in the program.

Another thing we are doing is doing some outreach and testing messages. We are using a tool that is called "In the Moment" to do that. That is to see how people perceive transportation funding in general, and road usage charge in particular. We have 60 people that are involved in an online focus group. They are from all across the state and have been sharing their experiences with driving, how they feel about transportation, how they feel about funding and we are testing messages. It's important that these are not people that are current [OReGO] volunteers, because volunteers already have a lot of information about the program, so these are just members of the public. We are now at the point we are going to test messages and getting feedback from them that we can use to for further outreach to the public.

On the operational side we are incorporating changes that were made by HB 2017. The per mile road usage charge rate was raised to 1.7 cents from 1.5 cents and that is to keep pace with the increase in fuels tax. This change took place on Jan 1, 2018. We have to update our system to reflect that change and so did our account managers, so we worked with DMV to make sure everything was synched up. We also had the opportunity to have electric vehicles in OReGO avoid payment of the enhanced registration so we needed to be in sync with DMV's system on that.

**Chair Dirksen:** Thank you for the update.

### **Enhancing the Road Usage Charge Volunteer Experience (Eryca Dinsdale)**

Today we will walk through some potential considerations to expand current OReGO volunteer program. The OReGO program launched on the July 1, 2015, and after three years of operation ODOT has confirmed the RUC concept, the technology and the concept both work. Drivers across the state have tested the system and we have had over 290 makes and models of

vehicles that has tested the technology. Now it's up to RUFTF to decide how the program needs to evolve from being a technical feasibility study to what it's always intended to be: a sustainable transportation funding model.

Today I'm going to talk about three key considerations, I will pause after each for your discussion, ask questions, etc., and at the end I'll be looking for your direction on how to flesh out those concepts for your review at a future meeting.

- Be able to allow more vehicles to opt in OReGO in lieu of paying their enhanced registration.
- Consider applying an MPG minimum and doing some structure changes with caps in the current volunteer program.
- We think there is some enforcement mechanisms that we should start considering as we think of people being able to enroll in OReGO in lieu of an enhanced registration fee.

As a reminder the transportation funding package that passed last year HB 2017 created an enhanced registration fees based on the vehicle's MPG. Registration and title fees will increase in three steps over the next several years. To incentivize participation in OReGO, HB 2017 also allowed fully electric vehicles to opt out of those enhanced registration fees if they participate in OReGO. Enrolling fully electric vehicles is a really important step in moving transportation towards this utility-based funding model, and it allows drivers to pay incrementally as they use the road instead of all at once with a registration fee.

If RUFTF would like to continue to grow the OReGO program to show the effectiveness of the RUC as a model using a method that is already approved by the legislature it could extend this opt-out category for enhanced registration to other efficient vehicles, such as this next 40+ MPG category. Allowing drivers choice, to pay by the mile or as a registration fee, is a gradual step that helps us expand the OReGO program. We recommend aligning this expansion with one of these categories of MPG bins established under HB 2017 and allowing that 40+ MPG category vehicles to also take advantage of this option to enroll in OReGO rather than paying the lump sum of enhanced registration.

I would like to open up discussion or questions you may have about this concept.

**Representative Lively:** What implications might there be since the only people that are not currently paying some kind of fuel tax are the old and permanently disabled. If we incent highly efficient vehicles to go to this to offset the registration, what implication does that do from a stand point of what we expect of the fees over the years?

**Ms. Dinsdale:** Great question. I think one of the concerns is if we allow more high efficient vehicles in particular to just not pay their enhanced registration fee and instead be in OReGO, how much money are we losing and is this a big problem. I think one way we can look at that is by considering how much would they be paying. [Provides example of F-150 vs. Prius]

**Representative Vial:** What are we doing to coordinate with dealers right now with folks that are not made aware of the OReGO program at the time they purchase?

**Ms. Dinsdale:** DMV is here to help me answer that question. The OReGO program works very closely with DMV on a regular basis. It is our end goal that we end up with a method to be able to enroll at point of sale those vehicles that would like to. We have a couple of things that are challenging. We are in the middle of modernizing our DMV system, so there are some technical challenges to making that happen in the next year or two.

**Mr. McClellan:** Next January the vehicle system goes live.

**Ms. Dinsdale:** When that happens it allows us a lot more opportunity to make that integrated at point of sale.

**Representative Vial:** The answer is we don't have anything right now to coordinate with dealers. That seems like that would be a key component if we are going to move to a sign up in lieu of paying their enhanced registration fee.

**Chair Dirksen:** Anyone else have a question on the opt-out option on enhanced registration?

**Mr. Campbell:** Assume that is the direction we want to go what is out process for doing that? Is there a need for a recommendation from this group and when would such a recommendation come forth?

**Chair Dirksen:** I think that would be up to us.

**Representative Vial:** It came up because I recently bought a Chevy Volt, and I would have been excited to get involved in the OReGO program but no one talked to me about it. Until I was appointed to this committee I didn't really understand about how that process worked. That's unfortunate. I suspect there are a lot of folks like me that if there is a way to make us aware of it we would have signed up.

**Mr. Campbell:** There is a strange disincentive now created by the fact that we are trying to capture registration fee for those that are in the higher MPG vehicles. The other side of this is I know this approach was originally designed to be an enforcement mechanism once we introduce a road user fee, because if a person doesn't want to pay a road user fee then you can go to the registration fee as a counter. From a logical stand point moving forward I think this makes sense.

**Chair Dirksen:** Is there anyone in the room that disagrees with that position or this does not makes sense or a good idea?

**Representative Vial:** I would like to see numbers before I say it's a good idea.

**Chair Dirksen:** We are talking about a concept.

**Representative Vial:** There is another element to that, too, Craig. If it's a \$50 or \$80 registration fee right now and I drive 20,000 miles per year and it's \$340 or \$350 charge, there should be transparency so that folks have full disclosure before they make that decision. And that probably drives the numbers to where we need to re-evaluate it at the legislature as to whether that enhanced registration fee is even enough, because if it's not going to be an incentive we're not doing ourselves any favors.

**Mr. Campbell:** Original idea was you do the registration fee higher than what it would cost to be a member of OReGO, then you have an incentive to in the right direction.

**Chair Dirksen:** In order to give people the information they would need to make a choice we would need to provide people with some sort of chart or graph that would show the breakeven point is. We could provide that to dealers if that was going to be an option. If we were to go with

this option, depending on the numbers, that you could consider at the same time the decision at dealer so that could all be done at one time.

**Representative Vial:** We have to have the calculations in front of us before we make policy decisions.

**Ms. Dinsdale:** At the end today when you decide what direction you want to give us if this is something you would like us to keep working on, I think our plan would be we could get into the details more, understand what it would take to stand up, understand what those real numbers and cost are so you can look at that at the next meeting prior to making and decisions.

**Chair Dirksen:** Does anyone oppose to the idea you, having staff do more work on this. Does anyone think this is not a good idea that we offer this option as a opt out? Should we at this point instruct staff do the detail work so we can come to a decision about the price points should be set at.

**Mr. Campbell:** I assume this will take legislation to enact? This can't be done just by virtue of us saying it's a great idea.

**Ms. Dinsdale:** Correct. Jenna did you want to mention a little bit about the process part for the 2019 concept.

**Ms. Adams-Kalloch:** My understanding of the last meeting was that this group decided that though the ultimate goal is mandatory RUC program for 2021, you wanted to have more solidified proposals to expand the program for 2019. Hopefully after this meeting or next with a concept that could be included in a legislative proposal for 2019.

**Representative Vial:** This is part of that direction to the staff. I hope we would take another look at the level of fees we put in HB 2017 and how they line up with the actuals.

**Ms. Dinsdale:** We can certainly come back with some assumptions for you all to consider.

**Chair Dirksen:** It's always usual to revisit and refine as you go along.

**Ms. Morgan:** I think it would be nice to include in the analysis some kind of process to educate the public and car dealers about the dynamic of this.

**Ms. Dinsdale:** I think we rely on DMV and their relationship with the dealers to help us come up with that right process that works for all of our stakeholders.

**Chair Dirksen:** Direction for staff to think about there. Let's move forward with more information on the 40 MPG and above.

### **Policy Discussion (Eryca Dinsdale)**

**Ms. Dinsdale:** Second policy option we are considering will set a threshold for vehicles that can participate in OReGO going forward. Let's compare two vehicles. One that gets 18 miles per gallon and one that gets 40 assuming they both drive an average of 12,000 miles per year. The 18 MPG vehicle will pay about \$227 through fuels tax. In this case fuels tax is the most efficient way for that low MPG vehicle to pay for their use of the road. On the other hand, the 40 MPG

vehicle use of the road is not adequately covered by the fuels tax as we have been discussing for a very long time. Applying the RUC allows them to pay for their fair share. By allowing low MPG vehicles to continue to enroll in the program puts an additional administrative burden without generating additional revenue. Based on how the current program is designed we would suggest establishing a minimum MPG for those vehicles that are choosing to enter the program that aligns with one of those current registration fee bins and we think that 20 MPG bin is the right one. Any questions or discussion?

**Mr. Campbell:** Determining where the MPG breakeven point is I think the discussion we had until now only talks about whether or not there would be a return or net money coming into the highway fund. We haven't talked about the delta of the increased addition or additional administrative cost associated with OReGO. The question is whether or not we want increase the MPG up a little bit so we are actually netting out to zero or above the "inclusive of administrative costs" level.

**Ms. Dinsdale:** In a voluntary program, there is some advantage to staff aligning numbers together so we are not checking a bunch of different MPG categories in our various systems in order to implement a program. Not to say in a mandatory program, absolutely I think reevaluating that scale would be really important, especially at scale that admin cost changes substantially.

**Representative Vial:** Any data that gives us an indication that an F-150 is going to create a higher maintenance load on our road than a Prius?

**Chair Dirksen:** It doesn't. We did that study early on. Because most roads are designed to carry 18-wheel trucks, the impact on maintenance, even between a Prius and a Hummer, is negligible.

**Ms. Morgan:** Do you have any data that shows what the impact would be adding that administrative fee? I can't visualize whether that's a little tiny piece or a big piece and what it's going to do to the overall differential of the cost.

**Chair Dirksen:** That impact would change based on the number of people in the program because the cost per vehicle would go down the more there are, but maybe we could get that in a general way?

**Ms. Dinsdale:** I think that is something we can look at. We have a full economic model we could put that in and come back and show you some different threshold of what that be for these different levels.

**Chair Dirksen:** Some of this information the committee is requesting for us to be able to consider before the next meeting would be helpful if it became available and sent to us all.

**Ms. Dinsdale:** What I hear your question being about is less about should we apply MPG minimum 20, but where should it be.

**Chair Dirksen:** The goal here is to make up the difference so that we don't see a loss in revenue.

**Ms. Morgan:** I am not opposed at all. We need to recall that the conversation at the legislature was around equity, and that everyone pays their fair share, and we're trying to get to that.

**Mr. Campbell:** You exempt those low-efficiency vehicles. Those vehicles are going to rotate themselves out overtime anyways.

**Representative Lively:** Threshold would be an MPG standard or higher, which I am supportive of as long as we keep the consideration of what the goal is.

**Chair Dirksen:** Going forward any other thoughts or comments?

**Ms. Dinsdale:** Moving on to current program design when the legislature created OReGO they wanted to make sure this was the test program with a limited number of vehicles, so put an overall cap on program size. The legislature also put a maximum number of these lower efficiency vehicles seems how they end up paying less under OReGO. Now that we are considering making changes to expand the program we also think it's prudent to review more of these technical administrative structures that are in it to validate they are the right ones or if any changes. We should also consider eliminating the cap on the total number of vehicles. If we put in a minimum MPG for entering the program we should also be able to eliminate the categories, the bins of MPG vehicles, which would also simplify our administrative process. If we don't move forward with some sort of MPG minimum for entering the program then we would recommend keeping the current bins in place. Discussion or questions?

**Mr. Campbell:** If we move to the idea of allowing someone to opt out of the registration fee, and we still have a cap, then we are creating an incentive to go to the OReGO program and at some point in time we end up having to pick who we let in and who we don't, which doesn't make sense. It would be different had we not tested the program for a couple of years.

**Chair Dirksen:** Any other thoughts?

**Ms. Morgan:** Are there any barriers to adding capacity?

**Chair Dirksen:** I don't think so. When we were doing the pilot program we wanted to put a cap on it because we wanted to limit the amount of data we would have to consider. We are looking whether the process works at all.

**Mayor Andrews:** What is the participation today?

**Ms. Dinsdale:** Current enrolled vehicles is just under 700.

**Mayor Andrews:** How does that fit with current categories?

**Ms. Dinsdale:** About a 1/3 in the low efficiency category, 1/3 in the top, and 1/3 in the middle.

**Chair Dirksen:** Have we ever had to tell anyone we can't put you in the program?

**Ms. Bock:** No, but there was one exception, an electric vehicle.

**Ms. Dinsdale:** The technology didn't work.

**Chair Dirksen:** Any other thoughts or questions on this?

**Mayor Andrews:** How many fully electric vehicles do we have?

**Ms. Bock:** We have about 12 currently enrolled.

**Chair Dirksen:** The two most-prevalent vehicles were the Prius and Ford F-150.

**Ms. Dinsdale:** Yes. The last policy proposal that we want to put on your radar screen today is enforcement. If vehicles are allowed to opt out of paying their enhanced registration fees and into OReGO as currently as allowed for EV-only and potentially going forward in the future with some additional, then the program is going to need strong actionable enforcement provisions to ensure no one is able to skip payment completely. Being able to test out enforcement mechanisms ahead of a full-scale mandatory program will also allow us to see what is the most effective. ODOT is research enforcement provisions with our current federal grant. We will present those to you at our next RUFTF meeting. Do you have particular concerns about enforcement that we should be considering as we bring those ideas back to you?

**Chair Dirksen:** What did you think might be a potential enforcement?

**Ms. Dinsdale:** Just as an example. Some people have a range of enforcement options from sending a police officer to your house to sending you parking ticket. There is a range of different kind's things. Are there some principles around how that might work that fits with how you're thinking this might work.

**Ms. Morgan:** I would take a look at the potential cost. If you don't keep up in your payments and get pulled over by Oregon State Police, that could be really expense.

**Ms. Dinsdale:** For sure. We want to be prudent with our administrative spending to collect that money.

**Representative Vial:** What we have done with real property is make the asset a security for the obligation. If we structured it along the lines of the automobile became security for payment of the obligation, and that recover costs and attorney fees and collection costs could be made a part of that, then we have a way of enforcing and collecting without the state incurring additional charge.

**Representative Lively:** How often and when would you have the state track whether someone is in or out of the program? If one person can opt in one month and next month opt out to avoid paying the enhanced registration fee, it's got to be clear how we track are they in or are they out so they can't argue with us.

**Chair Dirksen:** That is going to be challenging. It's going to require a lot of administrative work to keep the database up to date so we know who is and isn't.

**Mr. Campbell:** To the extent of opt in/out we have had an opt in/out for between weight model tax and flat tax for trucks for a long time. You have the potential of gaming the system: if you know you're going to have a high mileage vehicle you go to the registration fee and if a low mileage vehicle you go to the RUFTF or OReGO and it may be better to restrict it to annual designation whether you are in or out.

**Chair Dirksen:** I don't think you can have that limitation of bouncing back and forth monthly.

**Ms. Dinsdale:** This is really helpful.

**Ms. Morgan:** Is there any nexus with having people pay a registration fee and applying that to a per mile charge?

**Ms. Dinsdale:** I think that is something we could bring back as an option. I think a consideration that has us stuck is that one advantage for some folks is that they can pay their fair share as they go in small increments instead of a large chunk every two or four years. For some folks who are really month-to-month, being able to spread that out rather than pay a large amount every few years would be useful to them.

**Chair Dirksen:** But if that is an issue for them then they could decide to go with the OReGO program rather than the registration.

**Ms. Dinsdale:** For the next meeting we will bring back to you these things we talked about today and flesh them out with more information or data and send something in advance so you can look at it with your questions. And then on this enforcement issue, I would expect you will hear from Maureen at the next meeting on what we are learning through our federal grant work around potential enforcement mechanism as well as a suite of concepts to consider. I think it's important to remember that what we might put in place now for expansion of the volunteer program might look different in a mandatory program.

**Chair Dirksen:** This is an issue that could lead to a lot of complication. Being able to have some of those evaluated on the basis of administrative challenge and cost and getting those back would determine which ones would be best. Any other thoughts before we move forward?

**Ms. Dinsdale:** Thank you

### **Intersecting Topics – Automated Vehicles and Road Usage Charge (Andrew Dick)**

I am here to talk about the work we have been doing on electric vehicles and how we see a potential nexus between automated vehicles and the RUC program in the future.

The National Highway Traffic Safety Administration says that 94% of vehicles crashes are primarily caused by human error. This was a 2016 figure. There were over 40,000 motor vehicle deaths in the U.S. That was a 6% increase over 2015. In that same year there were 495 motor vehicle deaths in Oregon, which is a 10% increase over 2015, so exceeding the national trend. Jenna informed me we have seen a slight decline last year, which may be attributable to the new safety systems that are on vehicles. Several years before that we were actually seeing a decrease in roadway safety and additional crashes and roadway deaths.

As a transportation agency when we think about automated vehicles, advanced technology vehicles we are asking what if we can use technology to improve roadway safety. And certainly self driving cars are one of the ways we can do that.

There are number of levels of automated vehicles and this is what the Society of Automotive Engineers has put together in terms of a way classifying them based on their capabilities. When you're down at zero, a zero is a vehicle that is a conventional vehicle with no automation. Level one is maybe something like a drivers system, like lane keep assist that will turn the wheel for you to make sure you stay in your lane or adaptive cruise control that will gauged the distance of the vehicle in front of you. Here down at these lower levels they key is the human is always in

the vehicle, always ready to take over and importantly always monitoring the driving environment. When we get up into level three and level four, especially level four and level five that is when you get to a truly autonomous vehicle that can move around without any human input. That is where we start to see some of the potential revolutionary impacts of these from a road use stand point.

There are a range of use cases for autonomous vehicles so I don't mean to imply this is the only way we can see these vehicles used on the roadway. You can see low speed passenger shuttles that provide connections to transit, transportation around campuses, business parks, neighborhoods, things like that. Certainly passenger vehicles, the Google self-driving car that's sort of what folks have come to think of when they think of automated vehicles or autonomous vehicles. Lastly you have driverless freight. That's a technology already piloted in Nevada.

Thinking of the impacts of autonomous vehicles, we are often struck by the range that we see. We really see that most indicators that we care about in the transportation system could go pretty far in either direction. In an ideal world autonomous vehicles could improve roadway safety by carefully navigating the roadway, they don't get drunk or tired, and they don't check their phones. They're not susceptible to a lot of these mistakes. They provide mobility for the elderly, disabled and other who do not or could not drive or lose their ability to drive. They can decrease congestion as they optimize roadway coordinating their movements. If they're connected they could warn other autonomous vehicles about slowdowns, traffic jams, cause those vehicles to find alternative routes. You could also have advance ride share. They could reduce admissions if their coordinating their use of the roadway.

On the other hand we could see an opposite effects from automated vehicles. They could increase vehicles miles traveled by lowering the cost of transportation and inducing more trips. You could exacerbate congestion, not just through inducing additional trips but also through zero-occupancy VMT. We are already concerned about single-occupancy VMT and we create things like high-occupancy vehicle lanes and try to encourage people to car pool, take transit, more efficient use of the roadway by sharing their ride. With automated vehicles you could see easier zero-occupancy trips, where somebody sends their vehicle home to park it in their driveway during the day. They could also increase sprawl. Right now there is an opportunity cost when you drive. It's time you don't spend on your computer answering emails, or you don't spend productively in other ways. They could also affect the workforce by automating professional driving jobs, which could lead to a decrease in direct employment. Creating tech jobs could generate additional employment, though the number of jobs created or eliminated may not correspond.

When we think about the potential impacts of these new transportation technologies there have been a number of entities nationwide, planning organizations, cities, states and so forth that are evaluating the effects of these vehicles. ODOT is in the process of scoping our own process in collaboration with TriMet, City of Portland and Metro all of whom are conducting similar impact assessments of what these vehicles are going to mean for the state of Oregon and for the region. [Describes graphic from Atlanta Regional Commission]

How do these automated vehicles relate to a road usage charge and road usage funding specifically? If some of those ride sharing companies like Uber and Lift that have been pioneered here and we have to start thinking about what high mileage automated electric ride sharing might look like from a road usage incentive. [Describes graphics showing taxes and fees paid by different vehicles at different VMT levels]

Historically, with low-mileage vehicles, the gas tax scales with VMT which provides a linkage between road usage and funding. For electric vehicles one of the mechanism we have in place an option to participate in the road usage charge, but the mandatory mechanism that is going to be placed is a registration fee, which does not scale with VMT and therefore does not fairly price electric vehicles traveling high mileage per year for their use of the roadway. However if you were to require that those vehicles participated on a road usage charge you could once again establish that link between VMT and use of the roadway and ensure that those highway mileage vehicles pay their fair share.

**Mr. Campbell:** In the assumption of automated vehicles were going to be part of our transportation future, one of the purposes of us trying to achieve a road usage charge is because we want every vehicle to pay its fair share. The reason it's taken us a long time, beside the technological bugs, it's because we are concerned about public push back on things like privacy and things like that. That should not be unexpected from an autonomous vehicle. There will be a lot of business purposes for autonomous vehicles. If you enact the taxation for that vehicle early on those that are trying to build a business model around the use of those vehicles will be able to do so, there won't be certainty if you do it after the fact. Creating an early adoption of a road user charge for autonomous vehicles will allow those bushiness who wish to consider using it autonomous vehicles the advantage of knowing what those costs will be upfront, as opposed to after the fact.

**Mayor Andrews:** You use the acronym TNC. What does that stand for?

**Mr. Dick:** That's Transportation Network Companies, and that refers to Uber and Lift type companies.

**Mayor Andrews:** In your discussion I didn't hear a distinction between an urban and rural utilization of these automated vehicles. This sounded more like an urban issue than a rural issue or application.

**Mr. Dick:** I think we certainly expect that in the near-term there's a business case for automated taxi type application, and this would be in an urban setting where you get the number of rides that would offset the cost of deploying that system. It also facilitates things like centralized charging. Given the range now of electric vehicles there is sort of an assumption that you would have them in an urban area. However, in the longer term there isn't a reason automated vehicles couldn't serve for rural transportation purposes as well.

**Chair Dirksen:** Because of the lack of trip density in a rural setting it's unlikely a private company would mess with that, at least early on.

**Representative Vial:** Part of the issue to is the interface that we will ultimately find as the common interface. Right now whether its GPS or road-based interface all of those things have to be worked out before we know whether there is going to be a difference between rural and urban.

**Ms. Morgan:** Are other states looking at this issue?

**Mr. Dick:** Massachusetts has considered this. They had initially put a cents per mile fee in their initial proposal about the automated vehicles would be treated under their system. That didn't move forward at first, but I did see in this session that there is a bill before the Massachusetts

legislature that would reestablish putting those vehicles on a road usage charge. There are other jurisdictions that have thought about this.

**Chair Dirksen:** I think your presentation underscores how we had a discussion about having OReGO opt out with registration, but I think your presentation underscores how that only can be a stop gap for a period of time. It ends up being unfair to somebody if you are a low-mileage driver then it's unfair to the car owner, if you're a high-mileage driver it's unfair to everyone else because you're not paying your fair share. I think Mr. Campbell makes a great point that, even if we are in a process where we are still providing people with that option for their personal vehicle, for autonomous vehicles it's pretty clear it should be a mandatory mileage charge.

**Ms. Morgan:** It should also fall into the equity principle vehicle share.

**Chair Dirksen:** And their fair share based on their real usage. Anything else? Thank you very much.

### **Future Agenda Items and Next Meeting Date (Jenna Adams-Kalloch)**

Let me recap what we will be bringing to our next meeting that we are planning for in May.

- We are going to get an update from Maureen on the Oregon/California interoperability pilot
- The policy discussion lead by Eryca we are going to get you some information in advance of the next meeting but it will include direction to the staff with the numbers behind the 40 MPG opt-in registration and revisit the levels of where the registration fee breakeven point with opting into OReGO with administration costs.
- Come back with a proposal removing some of those caps
- Maureen is going to give some options for the enforcement ideas and will be mindful of the administration costs of some of these options.
- Continue to hear from our AV team about next steps for AV and RUC.

**Chair Dirksen:** Miss anything, does that sound right? When is our next meeting date?

**Ms. Adams-Kalloch:** We are considering May and working with peoples' calendars and then we will have a date for you. We wanted to plan around legislative dates in May.

**Chair Dirksen:** Is there anything else that needs to come before us? If there is nothing else then we are adjourned.

The meeting was adjourned at 1:10 PM.