STATEWIDE TOLL RULEMAKING ADVISORY COMMITTEE (STRAC)

Meeting #8 October 27, 2023



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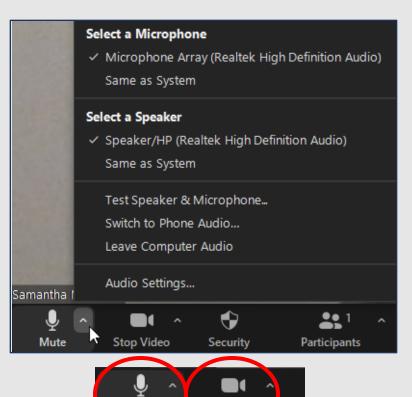
ZOOM MEETING TIPS FOR STRAC MEMBERS

- If you have not already connected your audio, click on the arrow next to the microphone icon, then click "Join Computer Audio" or "Switch to Phone Audio" to connect your computer speakers or to view the conference line information.
- Please keep yourself on mute when not speaking. To mute and unmute, either select the microphone icon, or use your personal phone.
- Use video if possible, to promote face-to-face communication. Click the video icon to turn on your webinar camera.

If you are experiencing technical difficulties, please send a text to Madeline Kane at (719)209-5138.

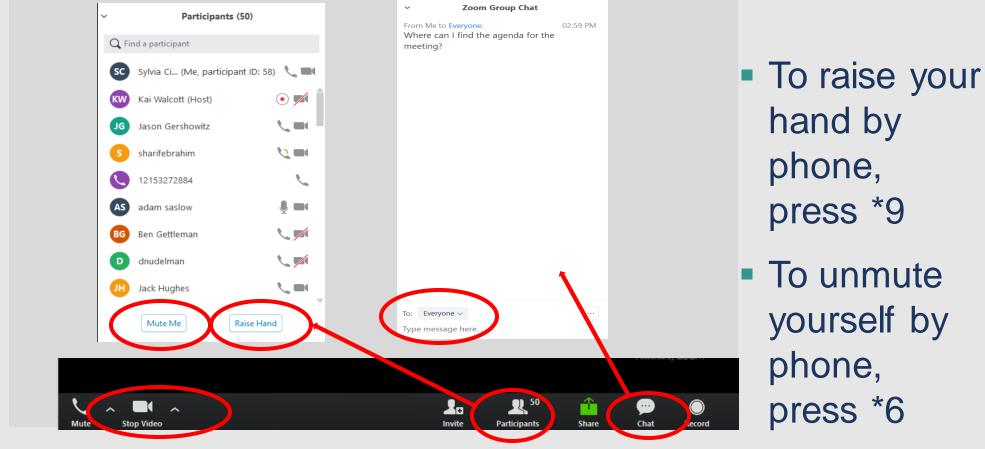


Oregon Department of Transportation



Stop Video

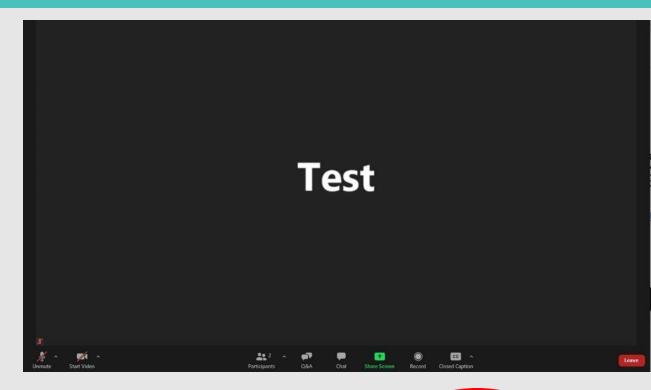
ZOOM MEETING TIPS FOR STRAC MEMBERS



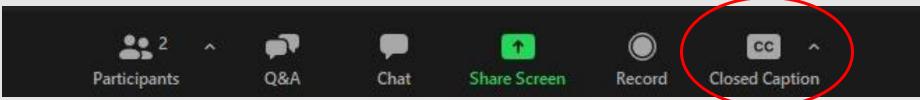


HOW TO ACCESS CLOSED CAPTIONS

- At the bottom middle of your screen, you should see a menu of options. If you can't see the menu, hover your mouse over the bottom middle of the screen.
- 2. Click on the "CC" icon and a separate window with captions will appear.







HOW TO COMMENT



For STRAC comments, please email <u>oregontollrules@odot.oregon.gov</u> with "STRAC Public Comment" in the subject line.



Submit comments via phone: 503-837-3536.



Comments received by 11:00 AM two business days before each meeting will be shared with advisory committee members before the meeting. All comments will be added to the meeting record.



AGENDA

- 9:00 am: Opening & Introductions
- 9:10 am: Welcome
- 9:15 am: Where We've Been and Where We're Going
- 9:25 am: What We've Heard
- 9:35 am: Vehicle Classification and Cost Responsibility
- 10:20 10:25 am: Break
- 10:25 am: Toll Rate Setting and Adjustments
- 11:40 am: Looking Ahead and Next Steps
- 12:00 pm: Adjourn

INTRODUCTION

STRAC Member	Organization		
Elizabeth Mazzara Myers	Westside Economic Alliance		
Ethan Hasenstein	Knife River Corporation		
Jeff Spiegel	Penske Truck Leasing		
Lanny Gower	XPO Logistics		
Lauren Poor	Oregon Farm Bureau		
Marc Ortega Kilman-Burman	Global Medical Response (GMR)		
Marie Dodds	AAA Oregon/Idaho		
Michael Card	Combined Transport Inc.		
Nafisa Fai	Washington County Commission Liaison from Region Toll Advisory Committee		
Omar Cruz	May Trucking		
Park Woodworth	Ride Connection		
Philip Wu	Oregon Environmental Council and public health Liaison from Equity and Mobility Advisory Committee		
Sean Philbrook	Identity Clark County		
Shannen Knight	A Sight for Sport Eyes		
Sharla Moffett	Oregon Business and Industry		
Shatrine Krake	West Linn Chamber		

MEETING GUIDELINES



Fully participate in Work Group meetings



Come prepared for meetings



Participate in an open and mutually respectful way



Balance speaking time



Serve as a liaison to your larger community of interest



Act in good faith – Listen and be respectful of others' contributions



MEETING OBJECTIVES

- Understand the current stage of the committee's work in the rulemaking process timeline for decision-making.
- Build upon past STRAC input and share how feedback has been applied to developing the rules.
- Review and provide feedback on draft rules for vehicle rates, classification, and the process for setting and adjusting toll rates.
- Understand the status of the other toll advisory committees.



TRIVIA

Back in the 1980s, what would Illinois Tollway customers throw in the coin machines instead of money?

- A. Hardware
- B. M&Ms
- C. Necco Wafers
- D. Chuck E. Cheese tokens









C. Necco WafersD. Chuck E. Cheese tokens

WELCOME



Travis Brouwer

Assistant Director of Revenue, Finance, and Compliance Oregon Department of Transportation



WHERE WE'VE BEEN & WHERE WE'RE GOING

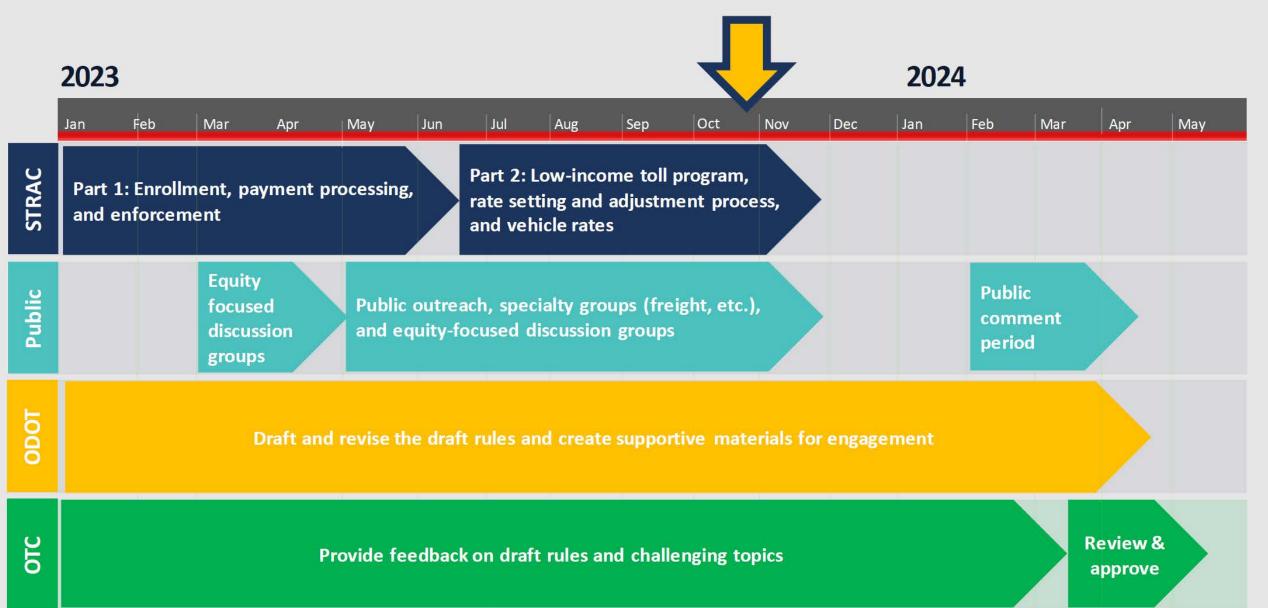


STRAC & ODOT ENGAGEMENT PROCESS





TIMELINE: TOLL RULES UPDATE (OARs)



WHAT WE'VE HEARD





SUMMER ENGAGEMENT OVERVIEW



nsportation

• Over 30 events this summer

- Engaged with over 5,000 people
- In-language staff support for multicultural events
- 8 meetings with Community Engagement Liaisons
- 2 Community-Based Organization discussion groups
- 13 interviews with Community-Based Organizations on travel trends and engagement preferences



TRUCKING ENGAGEMENT OVERVIEW

September 27 Commerce and Compliance Division (CCD) Brown Bag Webinar

- 25 participants
- Topics: Enrollment and compliance for commercial accounts

October 25 Commerce and Compliance Division (CCD) Brown Bag Webinar

- 34 participants
- Topics: Vehicle classification and cost



WHAT WE HEARD: VEHICLE RATES & CLASSIFICATION



- Use a classification system that is easy to operate or accepts existing toll accounts
- Concern that tolling will add to cost inequity for trucking customers weight-mile tax and cost responsibility system (Highway Cost Allocation Study)
- Not all trucking works the same, some cannot easily pass on costs to customers
- Interest in how ODOT will handle tolling for oversized loads and if toll gantries will accommodate oversized loads





WHAT WE HEARD: RATE SETTING & ADJUSTMENT

- What happens to tolls once the improvements are paid for?
- There are too many goals and it's unclear what ODOT is trying to accomplish – ODOT should commit to specific performance measures
- What is going to be reported on once tolls are in place? Who is involved in future toll rate decisions?
- Adjustments should be based on factors: Traffic data, inflation, revenue needs, and impacts to people experiencing low-incomes





EMAC FEEDBACK: TOLL RATE SETTING, ADJUSTMENTS, & CLASSIFICATION

- Price the system to maximize efficiency of the toll corridors, emphasizing moving as many people as possible in the existing lanes, coupled with robust investments by ODOT and regional partners in reliable, emissions-reducing, and a competitive range of transportation options to advance climate, safety, and mobility goals
- Limit freight and longer-trips diverting into local communities
- Price the system so that lower-income households pay a lower percentage of household income than middle and upper-income households pay
- ODOT and the OTC should continue to support a toll equity accountability committee or establish another structure where equity voices are at the table in a consistent, transparent, and resource-supported way to ensure long-term accountability



VEHICLE RATE CLASSIFICATION AND COST RESPONSIBILITY





Vehicle Classification

Oregon Department of Transportation

Statewide Toll Advisory Committee (STRAC) October 2023 Meeting Materials Date Updated: October 22, 2023

The purpose of this document is to build from the following documents that detailed Oregon's regulations, rules and policies, as well as the existing toll industry practices around vehicle classification systems for tolling - that we discussed at the July 2023 STRAC meeting - to provide feedback on the draft rules and approach to tolls and trucking.

Why we plan to classify by shape rather than by axle?

It is almost universal practice in toll operations to charge higher rates for larger and heavier vehicles than for small and lighter vehicles, because the larger and heavier vehicles do the most damage to roads and bridges. However, weighing vehicles in a traditional toll environment is expensive, and traditional scales are not suitable for high-speed operations.

When tolls were collected in toll plazas, most toll operators used axle counts as a proxy to estimate weight. Axle-counting traditionally required in-pavement contact sensors for vehicles passing over at low speeds. With current non-stop all-electronic toll systems, toll operators most often have employed "smart loop" sensors. These have proven accurate in operations but come at a high price. Smart loops have a substantial cost to license and install, they may require special or replaced pavement, and they may require ongoing calibration and tuning.

As others launched new non-stop toll facilities, such as Toronto 407 ETR, Rhode Island DOT and the Dallas-Fort Worth region TXDOT TEXpress lanes, they also elected to avoid counting axles and to instead employ shape-based classification. We plan to do the same for I-205 Abernethy Bridge and RMPP. ODOT has agreed to provide the toll system and operations for the Interstate Bridge Replacement (IBR). As a result, ODOT is preparing procurements for all the facilities with shape-based classification.

RESEARCH: CLASSIFICATION & COST

Location	Facility	Categories	Туре	Cost Range
Hood River	Hood River-White Salmon Bridge	11	Axle	15x more
Seattle	Various bridge, tunnel and managed lanes	6	Axle	3x more
Northern Illinois	Various Interstate and regional expressways	4	Axle	3x more
Denver area	E-470	3	Axle	2x or \$25 more
Northern VA	I-66	9	Shape	8x more
Dallas	LBJ TEXpress Lanes, NTE TEXpress Lanes and NTE 35W TEXpress Lanes	7	Shape	5x more



STRAC July 2023 meeting

HIGHWAY COST ALLOCATION STUDY (HCAS)

- HCAS is a Constitutional mandate that requires light and heavy vehicles contribute proportionally to the costs they impose on the road system in Oregon
- A study is conducted every two years to evaluate the proportionality of costs and revenues by light and heavy vehicles
- Results are presented to the Legislature for adjustment to rates if necessary to ensure proportionality



EXISTING HCAS SYSTEM

- Managed by Office of Economic Analysis
- Main instrument used during legislative sessions to determine changes in weight-mile and fuel taxes and vehicle registration fees
- Study Review Team (SRT) main functions are to identify key issues to be studied and to review the contractor's analysis and work products
- SRT meets regularly during each biennial HCAS report cycle

2019 Study Review Team

- Travis Brouwer and Daniel Porter (ODOT)
- Kevin Campbell (AAA Oregon)
- Lanny Gower (Oregon Trucking Association)
- Sarah lannarone (The Street Trust)
- Jana Jarvis (Oregon Trucking Association)
- Mazen Malik (LRO)
- Mark McMullen (DAS)
- Tim Morgan (AAA Oregon/Idaho)
- Brian Worley (AOC)

HCAS AND TOLLING

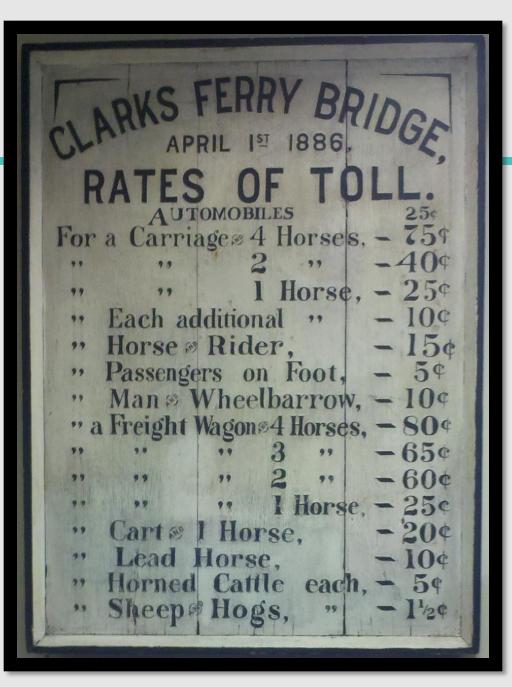
- Tolling revenues and toll facility costs will become part of the HCAS and rates (multipliers) for each facility and should be considered with overall cost responsibility in mind
- An analysis conducted as part of the most recent HCAS showed how tolling could flow into HCAS
- Using <u>I-205 Improvements Project</u> preliminary data as an example, the study showed how lower multipliers would be more equitable than rates used in the preliminary tolling analysis



TOLLS AND TRUCK CLASSIFICATIONS

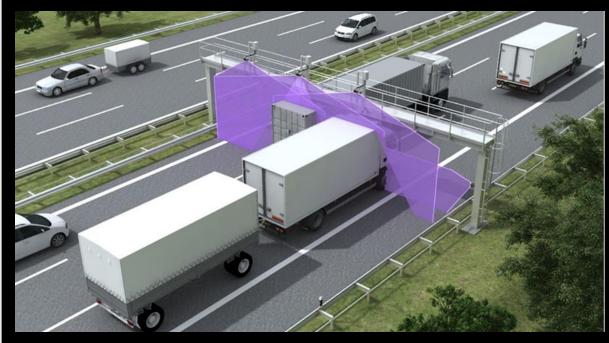
- Larger vehicles typically pay more
- Axle-counts became common at cash toll plazas
- We will also charge more, but may not charge as high, given HCAS results
- Deploy and operate a cost-effective, simple system for customers





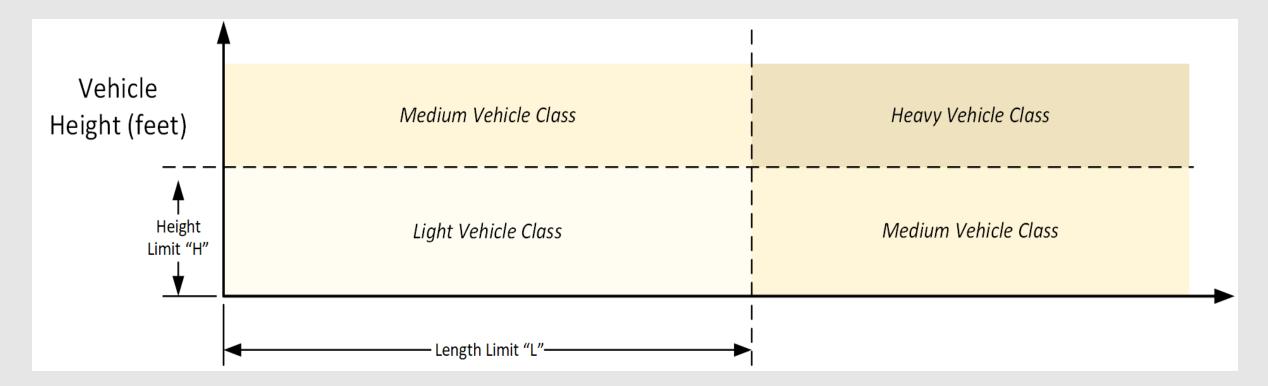
TOLLS AND TRUCK CLASSIFICATIONS

- Electronic toll collection without toll plazas
- Laser or LiDAR sensors detect and measure vehicle dimensions as they pass under
- We will base classification on the results
- Dimensions are good proxy for GVWR categories





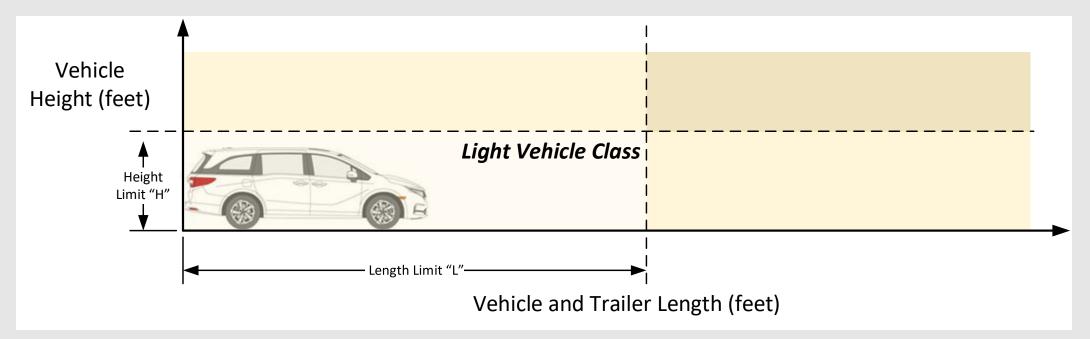
TOLLS AND TRUCK CLASSIFICATIONS: LIGHT, MEDIUM, & HEAVY





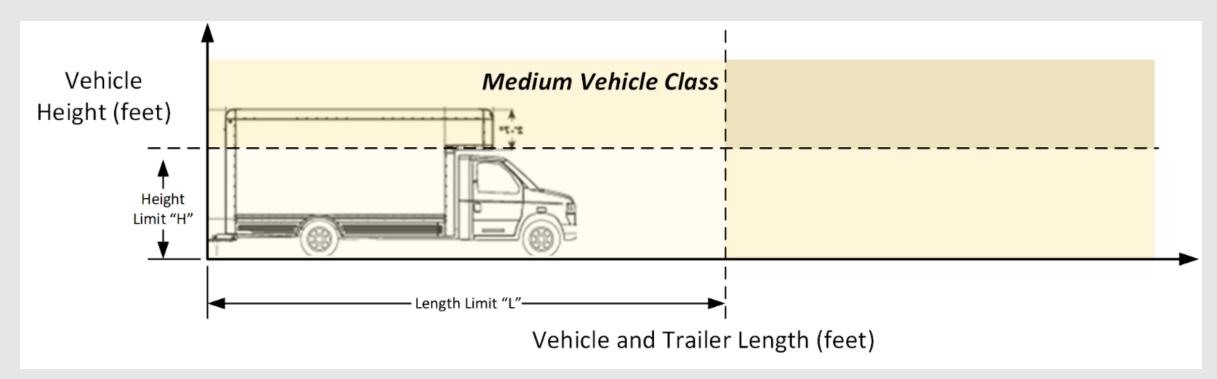
LIGHT VEHICLE

- At a height limit of about 7 to 7'6", virtually all vehicles under 10,000 GVWR (cars, vans and pickups up to 350 / 3500s) will be measured as a light vehicle and will be charged the base toll rate
- Light vehicles pulling shorter trailers would also fit in the light category



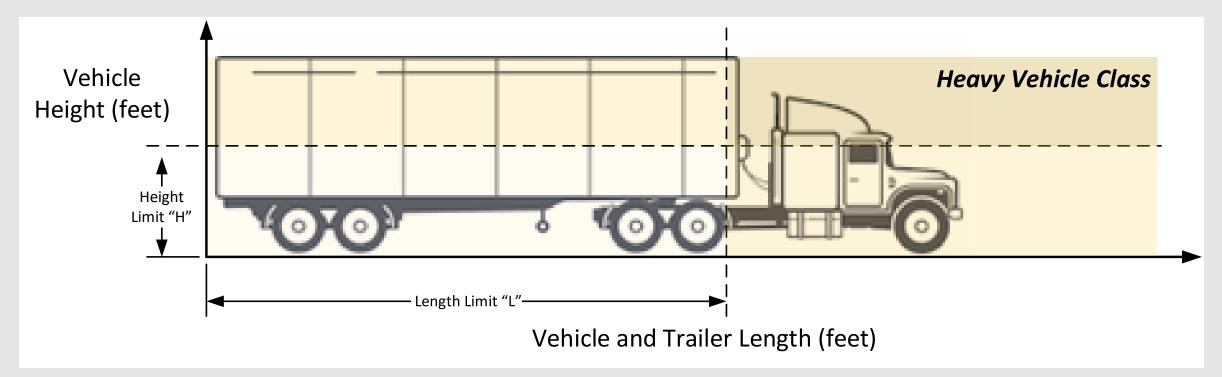
MEDIUM VEHICLE

 Vehicles under 35' but higher than the H limit such as panel trucks or delivery vans would be detected as medium vehicles and will be charged something higher than the base toll rate



HEAVY VEHICLE

- Almost all vehicles over 26,000 lbs GVWR and all articulated units exceed 35' in length will be classified as heavy vehicles and pay the highest toll rate
- Does not distinguish between single and multi-trailer vehicles



Can I register a car or truck without knowing the vehicle size?

• YES, the system will measure the size for each toll, with some room for error, and calculate tolls based on that

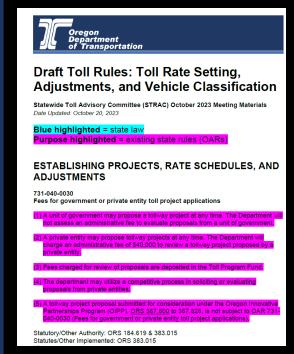
If a truck tractor uses the toll facility without pulling a trailer (i.e., "bobtailing") will it be charged the lower medium rate?

• If the total length of the tractor unit is under the "L" length of about 35', YES. It will be charged the medium toll rate

What if I am overcharged, like when the system thought my roofmounted bicycles were part of the vehicle?

 The system will be AI-trained over time to recognize anomalies like these, but errors happen and customers will always be able to contest an error in tolling

DRAFT RULES



- Toll rate setting
 - "Rates by vehicle type should be established in a manner that acknowledges the principle of cost responsibility as a part of the highway cost allocation and adjust as needed to ensure compliance with Oregon state constitution requirements."
- Toll rate adjustments
 - "The performance review will include information on the: Impact of tolls on cost responsibility requirements for light and heavy vehicles."

DISCUSSION

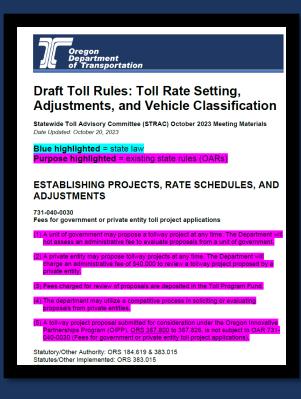


- We've heard that tolling should be aware of Oregon's cost responsibility system.
- When you read the references for "cost responsibility" in toll rules and reviewed the HCAS analysis, does this address the concern?
- If not, how should it be addressed in the tolling rules, knowing that an existing cost responsibility system is already in place?

DISCUSSION

- The current draft rules do not include specifics of the classification system, as we still in the process of setting those and would like to gain feedback.
- When you read about our approach and proposed parameters for height and length, what questions or comments do you have?
- We welcome any scenarios that you would like discuss.

DRAFT RULES REVIEW



Helpful feedback:

- Clarification questions
- Suggested edits for words
- Identifying areas that we missed

BREAK

8 Minutes Returning at 10:35 am



TOLL RATE SETTING AND ADJUSTMENT



Toll Rate Setting and Adjustments: Further Research

Statewide Toll Advisory Committee (STRAC) October 2023 Meeting Materials Date Updated: October 13, 2023

The purpose of this document is to build upon the documents share with STRAC at the July meeting (toll rate setting and adjustment regulations, policies, and rules and research on four state's existing practices) to inform input on the draft rules.

This document includes research on who sets and factors that are monitored and reported on long-te in the draft rules that will be discussed at the Octo

Who sets toll rates?

As seen in the chart below, it is common for a Go rate setting authority. In Oregon, state law design Oregon Transportation Commission (ORS 303.00

Toll Agency	Туре	Toll Rate- Setting Authority
Oregon Department of Transportation (DOT)	State DOT	Oregon Transportati Commissior
Washington State DOT	State DOT	Washington State Transportati Commissior

Oregon Department of Transportation

Draft Toll Rules: Toll Rate Setting, Adjustments, and Vehicle Classification

Statewide Toll Advisory Committee (STRAC) October 2023 Meeting Materials Date Updated: October 20, 2023

Blue highlighted = state law Purpose highlighted = existing state rules (OARs)

ESTABLISHING PROJECTS, RATE SCHEDULES, AND ADJUSTMENTS

731-040-0030

Fees for government or private entity toll project applications

 A unit of government may propose a tollway project at any time. The Department will not assess an administrative fee to evaluate proposals from a unit of government.

 A private entity may propose tollway projects at any time. The Department will charge an administrative fee of \$40,000 to review a tollway project proposed by a private entity.

3) Fees charged for review of proposals are deposited in the Toll Program Fund.

 The department may utilize a competitive process in soliciting or evaluating proposals from private entities.

(5) A tollway project proposal submitted for consideration under the Oregon Innovative Partnerships Program (OIPP). <u>ORS 367.800</u> to 367.826, is not subject to OAR 731-040-0030 (Fees for government or private entity toil project applications).

Statutory/Other Authority: ORS 184.619 & 383.015 Statutes/Other Implemented: ORS 383.015

FEDERAL REQUIREMENTS FOR TOLL REVENUE

- Federal requirements for use of tolls contained in 23 USC 129 (3)
- Allows toll revenues to be used for:
 - Debt service for projects for which the tolls are authorized
 - Maintenance, preservation, and improvement of the toll facility
 - Revenues beyond those required to adequately maintain the toll facility can be used for other purposes eligible for federal funding



OREGON REQUIREMENTS

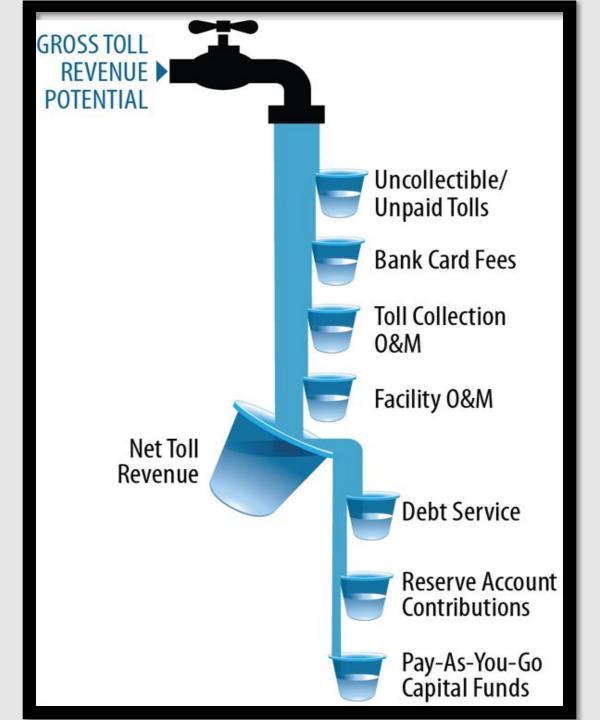
- State Highway Fund laid out in Oregon Constitution Article IX Section 3a
- Revenues from "ownership, operation or use" of a motor vehicle must be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, and roadside rest areas
- Oregon Supreme Court has interpreted this to include projects within or adjacent to a highway, road, street or roadside rest area right-of-way that primarily and directly facilitate motorized vehicle travel



THE CONSTITUTION OF THE STATE OF OREGON



TOLL FINANCING EXAMPLE



42

EXAMPLE: WSDOT TOLL MONITORING

- Final report should be unbiased and accurate; reviewed and approved by the team
- Collaboration with local jurisdictions who are the local experts and: have historical traffic counts and other data
- Can keep their elected officials informed and answer questions
- A commitment to transparency throughout the process



RESEARCH: TOLL RATE SETTING & ADJUSTMENTS

- Who sets toll rates?
 - Transportation commissions
- What is reported on?
 - Depends on agency and facilities
 - Consensus on certain items: revenue, expenses, traffic impacts, and account types



Toll Rate Setting and Adjustments: Further Research

Statewide Toll Advisory Committee (STRAC) October 2023 Meeting Materials Date Updated: October 13, 2023

The purpose of this document is to build upon the documents share with STRAC at the July meeting (<u>toll rate setting and adjustment regulations, policies, and rules</u> and <u>research on four state's existing practices</u>) to inform input on the draft rules.

This document includes research on who sets and adjust toll rates, as well as the factors that are monitored and reported on long-term. Each of these topics is addressed in the draft rules that will be discussed at the October 27 STRAC meeting. Who sets toll rates?

As seen in the chart below, it is common for a Governor appointed board to be the toll rate setting authority. In Oregon, state law designates toll rate setting authority to the Oregon Transportation Commission (<u>ORS 303.004</u>).

Toll Agency	Туре	Toll Rate- Setting Authority	Board Appointed By
Oregon Department of Transportation (DOT)	State DOT	Oregon Transportation Commission	Governor of Oregon
Washington State DOT	State DOT	Washington State Transportation Commission	Governor of Washington



TOLL RATE SETTING & ADJUSTMENT PROCESS

Application

• Interstate bridges

Rate setting

• Interstate bridges

Rate adjustmentsInterstate bridges

Oregon Department of Transportation

STEP 1: APPLICATION FACTORS

Required by law:

- Opinions from local governments nearby
- Impact on environment, aesthetics, and economy
- Funding and financing plan
- Impact on traffic congestion and economic conditions; on tollways and local streets

Additional:

- Engagement plan, especially with respect to equity
- Connection to congestion relief and multimodal goals
- Use of modern toll technology

STEP 2: RATE SETTING

- Rates are approved by the commission
- Rate schedules will be adopted into rule

Required by law:

- Toll rates by time of day and classification
- Location of extent and gantries
- Revenue and financing plan
- Time toll will be in effect
- Process for changes
- Rate of return for private equity

KEY STEP

(5) Rates should be set, as appropriate, sufficient to:

- A. Cover the operations, maintenance, preservation, and financing requirements of the tolling or congestion pricing system and administration;
- B. Provide supportive investment in low-income discount program to address financial impacts and achieve sufficient enrollment;
- C. Manage congestion to desired travel times, speeds, or reliability thresholds established for the project, and to meet any additional system performance metrics.



CONSIDERATION FACTORS

- Simplified rate schedule
- Consideration of low/no tolls overnight
- Pre- and post-completion rates
- Limited number of toll zones on a longer roadway to reduce complexity
- Encourage mode shift
- Cost responsibility



STEP 3: ADJUSTMENTS

- Annual performance review
- Act of rulemaking to adjust toll rates, which is a public Oregon Transportation Commission decision-making process

Monitoring:

- Revenue and cost for operations
- Inflation and construction costs
- Traffic impacts on highway and major roadways nearby
- Cost and mobility for users: trucking, low-income, etc.
- Climate and health impacts
- Impacts of exemptions

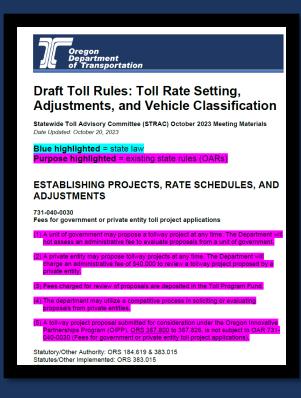
DISCUSSION

- We've heard that ODOT needs to provide greater clarity in how we will navigate multiple goals in setting toll rates.
- When you read the rules for toll rate setting, is it clear? If not, how would you improve it?

DISCUSSION

- ODOT has heard about the need to provide a transparent and inclusive reporting system to understand tolling impacts.
- As the rules are currently stated, and after hearing the project-level plans, do you have any comments or questions?

DRAFT RULES REVIEW



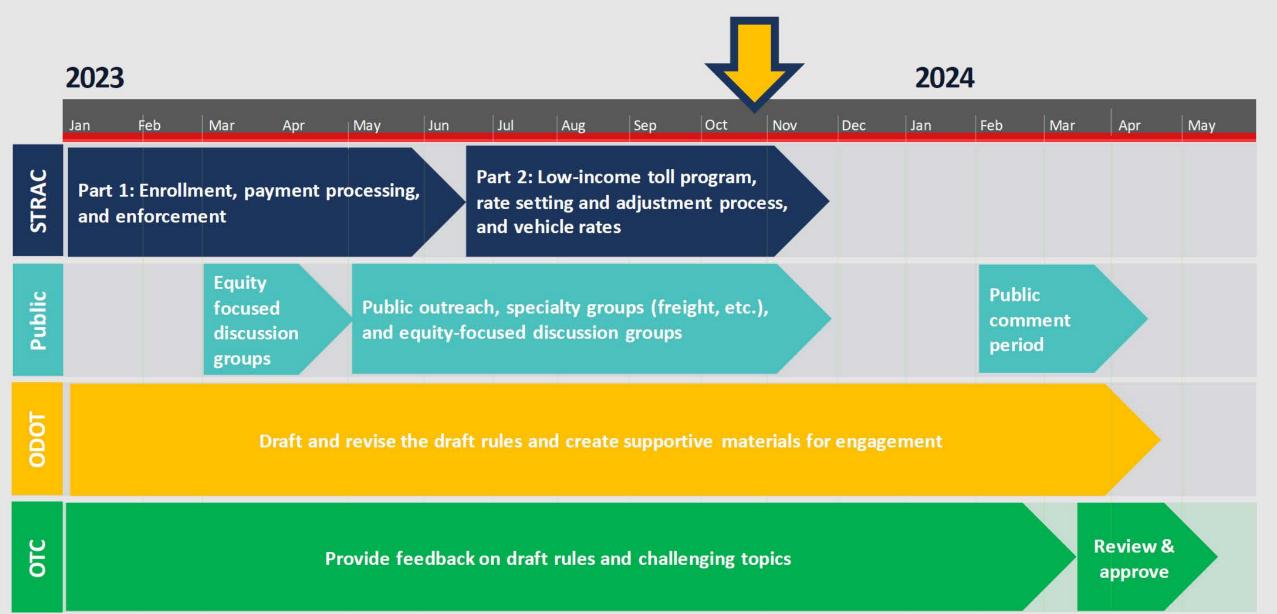
Helpful feedback:

- Clarification questions
- Suggested edits for words
- Identifying areas that we missed

LOOKING AHEAD & NEXT STEPS



TIMELINE: TOLL RULES UPDATE (OARs)





LOOKING AHEAD

- November 17 STRAC meeting: Finalize feedback on draft rules and committee fiscal and equity statement
- December 11 OTC meeting for feedback
- Early 2024 public comment period
- Mid-2024 OTC adoption



COMMUNITY ENGAGEMENT



SEPTEMBER RULEMAKING ENGAGEMENT

September 19 Community-Based Organization (CBO) Discussion

- 11 participants
- Topics: Exemptions, Discounts, Low-Income Toll Program

September 27 Commerce and Compliance Division (CCD) Brown Bag Webinar

- 25 participants
- Topics: Enrollment and compliance for commercial accounts





CBO DISCUSSION GROUP KEY THEMES

Exemptions, Discounts, and the Low-Income Toll Program

- Partner with CBOs to enroll people in a discount program
- Set a clear baseline for discount program income requirements
- Offer flexible benefits (example: discount or credit)
- Provide exemptions for certain neighborhoods and communities that would be disproportionately impacted by tolling
- Offer a variety of options to provide income information for a discount program, including proof of enrollment in other discount programs



CCD BROWN BAG WEBINAR KEY THEMES



Enrollment and Compliance for Commercial Accounts

- Be aware of Oregon's unique weight-mile tax and cost responsibility system (Highway Cost Allocation Study) when setting toll rates
- Offer few or no toll exemptions/discounts, so the rate can be as low as possible
- Use a classification system that is easy to operate or accepts existing toll accounts



OREGON TRANSPORTATION COMMISSION AND ADVISORY COMMITTEES

EQUITY AND MOBILITY ADVISORY COMMITTEE (EMAC)

 Next Meeting: November 8

OREGON TRANSPORTATION COMMISSION (OTC)

 Next Meeting: November 9 REGIONAL TOLL ADVISORY COMMITTEE (RTAC)

 Next Meeting: November 13

EQUITY & MOBILITY ADVISORY COMMITTEE (EMAC): REPORT OUT

- EMAC Meeting #24 on October 4 discussion on the Low-Income Toll Program
 - Update on low-income toll program rulemaking processes
 - Analysis and trade-offs of low-income options at 200% and 400% of the Federal Poverty Line (FPL)
 - Benefit types: free trips, credits, or discounts
 - Low-income toll program geographic scope/extent
- EMAC Meeting #25 Discussion:
 - Tribal Engagement

REGIONAL TOLL ADVISORY COMMITTEE (RTAC): REPORT OUT

- November 13 meeting
 - Review the draft Nexus Project list and refined Public Transportation Strategy project list
 - Discuss I-205 Toll Project Abernethy Bridge scenario tradeoffs
 - Review Mitigation and Equity Implementation Plan outline that will be delivered to the Governor in December



NEXT STEPS

- Evaluations to be sent after today's meeting
- Final Meeting: STRAC meeting scheduled for November 17, 2023, 9:00am 1:30pm



THANK YOU

