



COLORADO

Department of
Transportation

Denver Metro Chamber of Commerce Infrastructure

Committee

February 17, 2017



Agenda

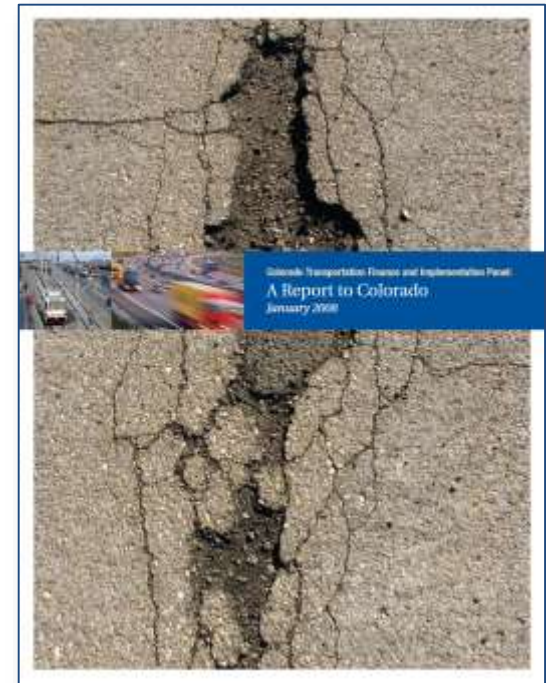
- Why is an alternative funding mechanism needed?
- What is a Road Usage Charge (RUC)?
- The Colorado Road Usage Charge Pilot

Why is an alternative funding mechanism needed?



Funding Mechanisms to Close the Funding Gap

- Colorado Transportation Finance and Implementation Panel (2008)
- 39 Options Considered – 5 Final
 - Highway and Bridge User Fee
 - Vehicle Rental Fee
 - Motor Fuel Tax Increase/Indexed
 - Sales and Use Tax Increase
 - Severance Tax increase
- Vehicle Miles Traveled (VMT) Fee
 - Otherwise known as Road Usage Charging (RUC)
 - Pilot VMT Program supported by Panel





What's the Problem

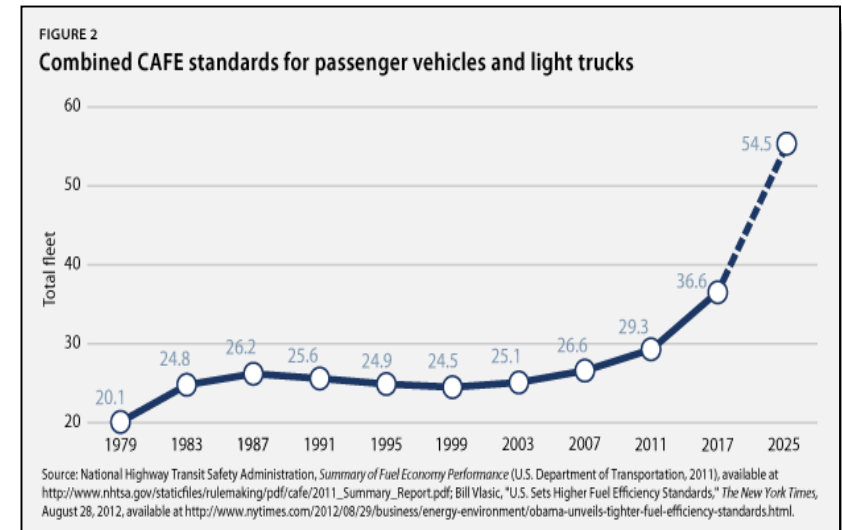
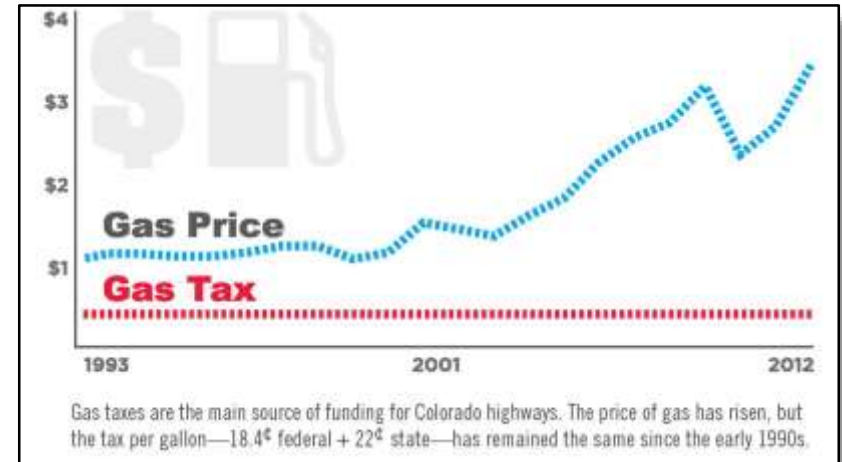
- Funding Shortfall

- Current Problem

- Lack of gas tax increase
- Gas tax not indexed to inflation

- Future

- Increasing Vehicle Fuel Efficiency (Café Standards)
 - Emerging fleet of electric vehicles and hybrids
- Increasing VMT/Population
- Declining purchasing power



What is a Road Usage Charge?



What is a Road Usage Charge (RUC)?

- A user charge based on miles traveled
 - Cents per mile driven as opposed to the current excise tax on fuel consumed (cents per gallon)
 - Treats roads like utilities (pay for what you use)
 - Replaces the fuel tax
- Also called:
 - Road Usage Fee (RUF)
 - Mileage Based User Fee (MBUF)
 - Vehicle Miles Traveled (VMT Fee)





Common Misconceptions about RUC

- RUC is another tax charged by the government
 - Merely changes the mechanism
 - Restores equity that all users pay, instead of only gasoline or diesel vehicles
- Driver privacy is sacrificed
 - User has a choice of multiple methods for mileage measurement
 - From basic mileage counting to advanced GPS devices to no technology
 - Regardless of the option selected, privacy can be protected

The Colorado Road Usage Charge Pilot Program (RUCPP)



Colorado Road Usage Charge Pilot

- Pilot Program Purpose (Proof of Concept)
 - Create a sandbox environment in which legislators, CDOT administrators, policy-makers, can experience elements of an operational RUC
 - Identify and evaluate potential issues related to implementation of a full system
 - Test the feasibility and acceptability of various mileage reporting methods/technologies for Colorado
 - Solicit feedback from pilot participants for future system design





Colorado Road Usage Charge Pilot

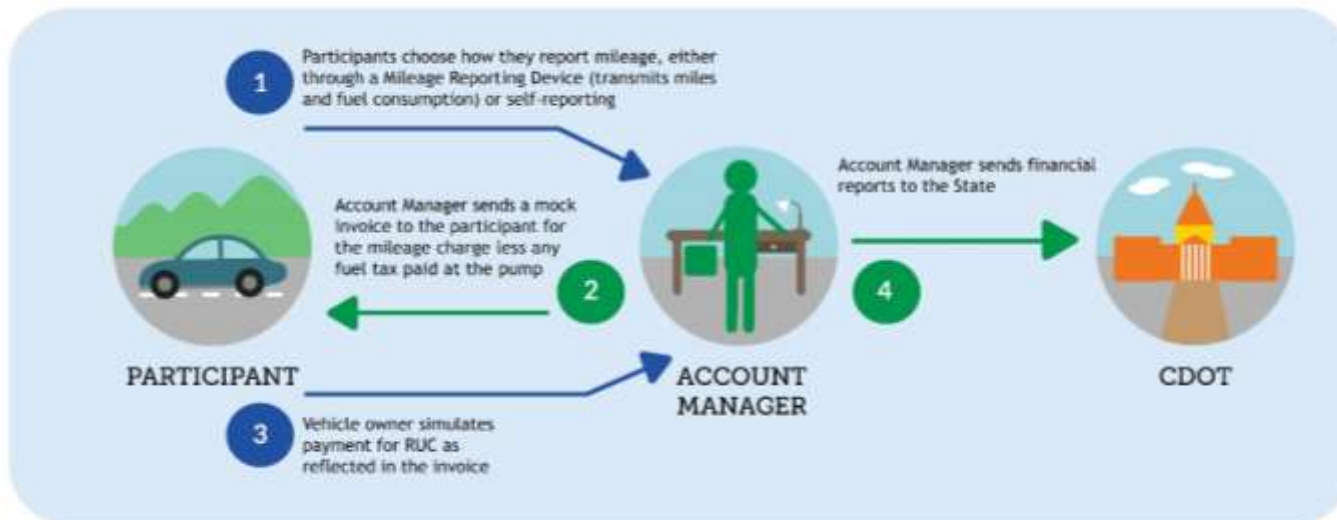
- 4-Month Statewide Pilot (December 2016 – April 2017)
- 100-participants consisting of transportation leaders, officials, media, and general public
- Geographic (Urban/Rural) and Vehicular (MPG) stratification
- Payments and associated revenues will be simulated





Participant Activities during Pilot

- Enroll in the Pilot
 - Choose Mileage Reporting Option
 - Create account/register vehicle with Account Manager
- Install Mileage Reporting Device (if applicable)
- Drive/Report Mileage
- Receive/Review invoices
- Submit “mock” payments (simulated for pilot)
- Complete surveys
- Closeout account/return device





Mileage Reporting Options

- Odometer Reading

- Participants who select this option will report their vehicle's odometer reading via the account management website or mobile app.



- Non-GPS-Enabled Mileage Reporting Device

- Participants who select this option will receive a device to plug into their vehicle's OBD-II port. This method uses a non-GPS device which counts distance traveled and gasoline consumed, but does not assess location.



- GPS-Enabled Mileage Reporting Device

- Participants who select this option will receive a device to plug into their vehicle's OBD-II port. This method uses location-based data to calculate total miles driven with differentiation between in-state and out-of-state roads.





Advisory Committees

Executive Steering Committee	Technical Advisory Committee
American Civil Liberties Union (ACLU)	Department of Revenue
Legislative Representation	Data Privacy Expert
Colorado Contractors Association (CCA)	Public Engagement Expert
Colorado Municipal League (CML)	Toll Operations Expert
Statewide Transportation Advisory Committee (STAC)	Intelligent Transportation Systems Expert
Environmental Organizations	CDOT Staff
Denver Metro Chamber of Commerce	



Schedule

Key Milestone	Proposed Date
Kickoff Meeting	6/3/16
Planning Workshop	6/30/16
Recruiting Plan Complete	8/31/16
Public Opinion Research for Baseline	8/8/16 - /8/14/16
Recruitment	8/8/16 – 10/15/16
Soft Launch	11/1/16 – 11/19/16
Pilot	12/5/16 – 4/21/17
Final Report & Briefing	7/14/17



Questions/Open Discussion

