

Broadening the RUC Choices

While Narrowing the Potential Usefulness

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Moving Toward Road User Charging

- States are becoming increasingly aware of the need to eventually replace the gas tax as the primary source of transportation funding
 - Essentially move from an indirect per gallon tax to a per mile direct user fee of some form
- But there is considerable apprehension in the public and elected officials
 - Most notably a fear of “big brother” and satellites “tracking” where we go and everything we do
 - Clearly not the case by the way

User Choice: A clear trend in Pilots and Planning for Future RUC deployment

- It is a logical way of getting started and reducing public resistance
 - Annual odometer readings
 - Annual flat fees
 - GPS or other on-board units
 - Pricing incentives; charges generally lower the more technology you are willing to use
- But it may also be limiting the long term usefulness of road user charging
 - At least in the “ultimate” future case

Key Question: What are we Trying to Achieve with Road user Charging?

- Only a replacement for the gas tax?

Or

- A new road charging system which replaces the gas tax but enables new methods of demand management, funding efficiency and new opportunities for integrated mobility solutions?

Important New CBO Report

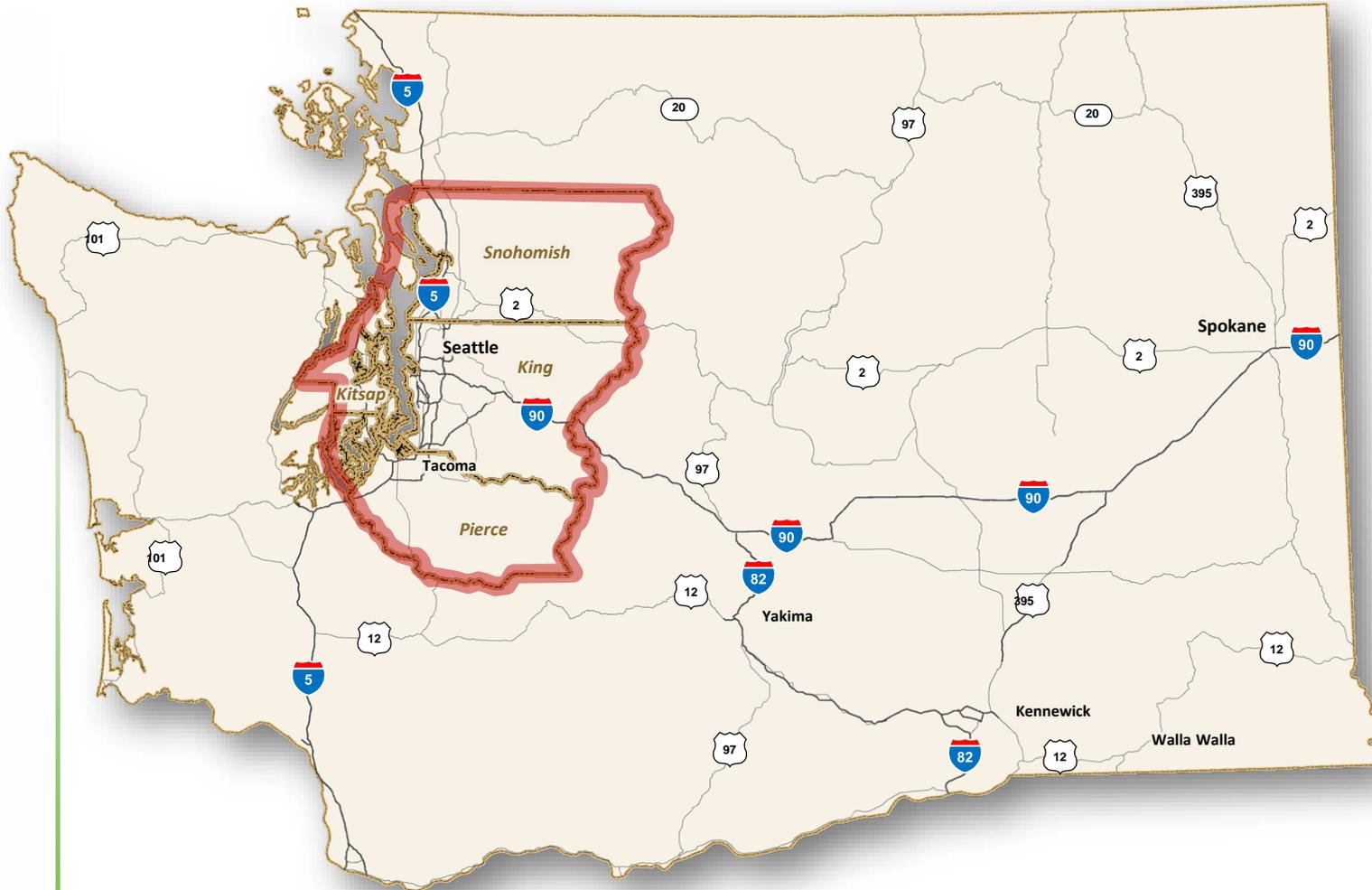
- *“Approaches to Making Federal Highway Spending more Productive”*
 - Recommends shift to RUC and Interstate Tolling, specifically to establish the linkage between roads used and user fees paid
 - Stresses benefits of variable charging and congestion management, and more appropriate capital investment decisions based on revenue collected by facility
- Basically all things that can't be done with the gas tax
 - Or a “no-technology” RUC system that does not link charges paid to facilities used or time of travel

California RUC Pilot



- Major RUC Pilot will offer multiple choices, including “non-technology” options.
- 2012 SCAG Regional RTP
 - Over \$300 billion in capital investment by 2035
 - Over 75% funded locally by self-help counties
 - Assumes regional VMT charges added in 2025
 - Variable by time of day
 - Generates \$115 billion in local funding (nearly 40% of all capital funding in plan)
 - Only assessed on miles driven within the 6 SCAG counties
- How can we generate fees on miles driven in 6 counties if many vehicles cannot distinguish b miles driven in LA from miles driven in Sonoma or even New York

Washington State RUC Planning



- Focused on statewide plan aimed to replace the gas tax
 - Range of user choices
- But the **Transportation Futures Task Force** just recommended a critical regional RUC charge to fill a huge funding gap in the 4-county PSRC Region
 - Likely vary by time of day
 - Only on miles driven in the region
- How do we do that if many vehicles will not have on-board technology to identify *where and when* your miles are driven

The Full Potential of Road User Charging

- In a world where we have created believable technology solutions to RUC privacy concerns
- Where a core common framework and platform for on-board technology is established and all vehicles are equipped
 - Even though we may still have user choice in technology supplier or application options
- A “Full Function” RUC which enables:
 - Use of variable rates by time of day and perhaps type of route
 - Use of RUC system to pay tolls on traditional or express lane priced facilities
 - Incremental charges within and between jurisdictions, such as an additional charge per mile to subsidize transit, but applied only in areas served by transit and not in areas not served
 - Supplemental charges in designated urban regions, such as the SCAG or PSRC areas, where additional revenue is used entirely in that region
 - Possible integrated transportation pricing strategies between modes to help foster integrated urban mobility solutions

So

- Am I saying RUC choices are a bad idea?
 - No, especially as we are trying to overcome political and public resistance to change.
 - As long as we don't think the simple low tech options are the final solution
- So what's the problem??
 - We are not simply trying to replace the gas tax
 - To some extent, the choice options we are offering now in one pilot after another may be a way of “avoiding” the privacy and big brother issue
 - We ultimately need technical and policy solutions to these concerns if RUC is ever to reach its full functionality and yield its full potential

A Challenge for Pilots in the Future

- The FAST Act creates funding of almost \$100 million over five years for additional pilot demonstrations of Road User Charging and other Alternative Transportation funding options
- At least some of these need to challenge the technology and services providers to develop acceptable solutions to privacy concerns, while still meeting the range of functional demands of the ultimate, fully effective Road User Charging system of the future
- Pilots that test and prove privacy solutions, including alternative methods, and assess the extent that different solutions overcome public concerns
- Pilots that test:
 - Differential time of day charges
 - Use of RUC to pay tolls
 - Payments by route – and maybe by lane for express toll lane applications

The Bottom Line Message

- Keep choice and other options as we target new deployments
 - We need to walk before we run
- But don't stop there
 - RUC needs to be more than just a replacement for the gas tax
- Use future RUC pilots to demonstrate innovative technical solutions to privacy and other difficult RUC challenges
 - In the long term, we need to solve these challenges – not avoid them

Thank you

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