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Oregon may get some mileage out of fee experiment

The innovative, high-tech exploration of making drivers pay for when and where they go may make cents as states look to wean themselves from the gas tax.

By Jeffrey Leib

Denver Post Staff Writer



Lee Younglove, photographed in his car outside his home in Portland, Ore., holds a Global Positioning System device that relies on satellite signals to tally miles driven. He is one of 280 motorists taking part in the states experiment with mileage-based road pricing. (AP / Eric Cable)

Oregon has started a program to charge select motorists in the Portland area a fee of 1.2 cents for each mile they travel within the state instead of the 24-cents-a-gallon state tax on gasoline.

Oregon's experiment with mileage-based road pricing - which goes well beyond traditional tolling - may be the model that allows states to wean themselves from the gas tax in the next decade or two, transportation experts say.

Later in the year, some volunteers in the state's road-pricing experiment will be separated into a group that is charged 10 cents a mile for driving during rush hour on weekdays anywhere in metro Portland, and 0.43-cents-a-mile for other in-state travel, said Betsy Imholt of the Oregon Department of Transportation.

For more than 50 years, federal and state taxes on gasoline have been the primary means of paying for highway construction and maintenance in the United States.

Yet the federal gas tax of 18.4 cents a gallon has not been increased since 1993, allowing inflation to steadily erode its buying power.

Similarly, legislators in many states, including Colorado, have been unwilling to raise state taxes on gasoline. In Colorado, it's 22 cents a gallon.

Other factors have eaten into the value of the gas tax, including improved fuel economy and consumers' growing acceptance of alternate-fuel vehicles.

"We need a system we can count on," said James Whitty, manager of the Office of Innovative Partnerships and Alternative Funding in the Oregon Department of Transportation.

In the state's experiment, 280 volunteer motorists have allowed their vehicles to be outfitted with Global Positioning

System devices that rely on satellite signals to tally miles driven.

The devices, which distinguish between miles driven inside Oregon and outside the state, will bill motorists only for in-state miles.

They also can verify miles driven in metro Portland during rush hour, Whitty said.

To bill drivers participating in the test, Oregon officials have installed electronic-data readers at several gas stations, so when motorists stop at the pump for fuel, there will be a wireless transfer of the mileage data.

That data plugs instantly into the gas station's point-of-sale system, levying the mileage fee and deducting the state gas tax, Imholt said.

State officials will review whether the participants "change their habits" and drive less at rush hour, or even less overall, to reduce their road-use charge, she said.

Oregon officials acknowledge that because the test substitutes either a flat 1.2 cents a mile, or the 10-cent rush hour/0.43-cent charge, for the state gas tax, it doesn't differentiate between vehicles getting good or poor fuel economy.

If the test of mileage-fee technologies is successful, the Oregon legislature could install a more complex system of road-use fees that could vary the charge based on fuel economy or other factors, Whitty said.

Collecting mileage charges at the fuel pump ensures that everyone pays something for using the roads.

The gas station will bill drivers the mileage fee if their account is current. Alternatively, the state gas tax will be levied at the pump for those who don't have the tracking equipment or are delinquent in their payments to the state.

Non-residents driving on Oregon roads would pay the state tax until a nationwide system of mileage fees can account for interstate travel, officials said.

The technology is available to account for lots of variables in auto usage, said Joseph Giglio, a professor of management at Northeastern University in Boston who has written extensively about transportation funding.

"We can vary the rates depending on how much air pollution their vehicles generate and whether they choose to make their trips during periods of heavy travel demand ... or when demand is lower," Giglio said.

The task of switching to road-use charges should get easier by the end of this decade as auto manufacturers install electronic transponders and GPS devices as standard equipment in vehicles, proponents of mileage-based pricing say.

Some say widespread installation of transponders and GPS devices in vehicles could infringe on the privacy of drivers, by allowing someone in a control room to monitor and track a car's movement.

Whitty, who leads Oregon's experiment, said the state responded to concerns about satellite monitoring by ensuring that the GPS receivers in vehicles do not send out signals that can be tracked.

The devices are merely repositories for stored mileage data, he said.

"No location data is transmitted anywhere or stored in the device or elsewhere," according to the program's fact sheet. "The only data collected and transmitted is the mileage, which is sent to the gas-pump reader through a radio frequency that can only travel about 8 to 10 feet."

Northeastern's Giglio and other transportation experts say threats to privacy are exaggerated and can be managed.

He adds: "Increasing frustration with congestion trumps privacy."

*Staff writer Jeffrey Leib can be reached at 303-820-1645 or [jleib@denverpost.com](mailto:jleib@denverpost.com).*

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