

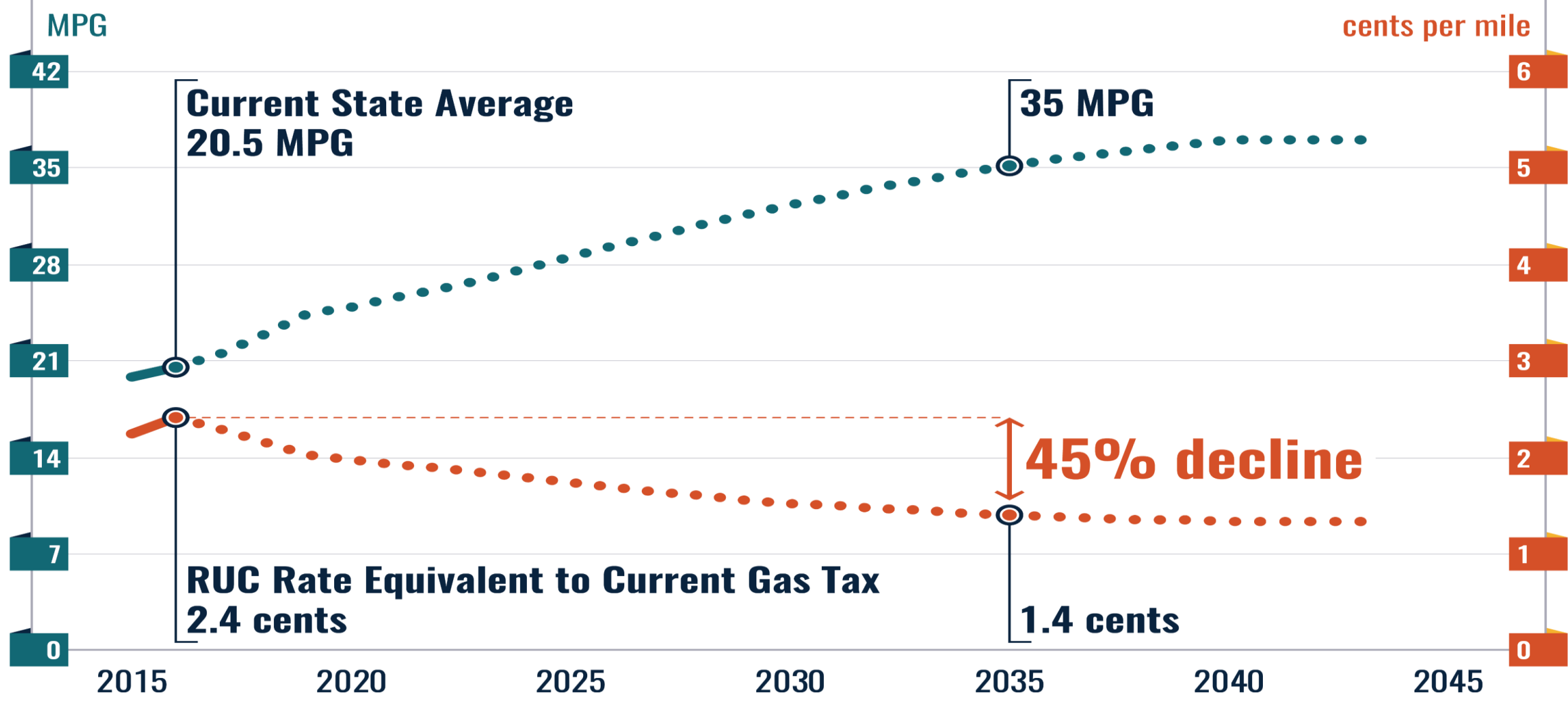
WASHINGTON STATE ROAD USAGE CHARGE PROGRAM

MBUFA Webinar
January 22, 2021

WASHINGTON'S ADVANCE WORK LEADING TO A STATEWIDE PILOT TEST



GAS TAX REVENUES DECLINE WITH VEHICLE FUEL EFFICIENCY



Conservative forecasts say Washington’s vehicles will reach a 35 MPG average by 2035—a potential 45% reduction in gas tax revenue per mile driven. As vehicle MPG increases, gas consumption decreases, and thus gas tax revenues decrease as well.

The state gas tax increased in 2015-2016.

ROAD USAGE CHARGE STEERING COMMITTEE

Legislature established RUC Steering Committee:

Three State Transportation Commissioners – one serves as Chair

Eight Legislators – four Senators and four Representatives

Representatives from:

- Auto and light-truck manufacturers
- Ports
- Environmental
- Counties
- Trucking industry
- Cities
- Public transportation
- Tribal
- Consumer/public
- WSDOT
- Department of Licensing
- Motoring public
- Business
- User fee technology
- Treasurer's office



WA RUC IN A NUTSHELL

Factors spurring exploration

- Declining fuel tax revenues prompting search for sustainable revenue source.
- Uptake in EVs and fuel-efficient vehicles.
- Concerns about inequity of current gas tax system.

Lessons Learned

Thorough RUC policy assessment overseen by large stakeholder committee allows initiative to continuously move forward.

History

- ▶ **2012:** Legislation authorizes Transportation Commission (WSTC) to form a steering committee to evaluate feasibility and recommend pilot test options
- ▶ **2013:** WSTC evaluates business case for RUC and develops policy framework
- ▶ **2014:** Final report issued focused on developing ConOps and technical approach
- ▶ **2016:** WSTC submits STFSA grant proposal
- ▶ **2018:** WSTC pilots and reports on a 12-month project with 2,000 volunteers

Focus of recent efforts

- ▶ Test and refine policy for potential future legislation
- ▶ Forecast RUC revenue through a financial analysis
- ▶ Identify legal, constitutional, financial, operational issues
- ▶ Gauge participant reaction to system and identify public acceptance factors

Key characteristics of pilot project

- ▶ Support choice (2 service providers, 5 mileage reporting methods, participation of vehicle licensing offices for in-person mileage reporting)
- ▶ First use of participatory design (to develop a WA RUC smartphone app)
- ▶ First national and international interoperability test (including financial transfer)
- ▶ Focus on user experience through integration of systems and user experience audit

FINDINGS FROM WSTC'S EARLY EXPLORATION OF RUC (PRE-PILOT)

Feasibility, and Desirability of RUC as replacement for state gas tax

Thorough RUC policy assessment overseen by large stakeholder committee allows initiative to continuously move forward.

Summary of findings from WSTC's work, 2012 - 2017

- Pay-per-Mile System is a feasible revenue option for Washington
- Business Case Evaluation: RUC would be more financially beneficial than the state gas tax
- Washington should establish Guiding Principles for a future RUC system
- Urban-Rural Analysis: Rural drivers may be better off under RUC than the gas tax
- Several viable options exist for charging drivers traveling between states
- “Just raise the Gas tax” scenario requires frequent tax increases, exacerbating inequities among drivers
- RUC mileage reports need to be exempt from public disclosure

WA RUC PILOT DESIGN REQUIREMENTS

Guiding Principles

Based on initial policy priorities enacted in law, the WA RUC Steering Committee adopted **13 Guiding Principles** that must be achieved in any RUC system in Washington state.

- › **Transparency.** A RUC system should provide transparency in how the transportation system is paid for.
- › **Complementary policy objectives.** A RUC system should, to the extent possible, be aligned with Washington's energy, environmental, and congestion management goals.
- › **Cost-effectiveness.** The administration of a RUC system should be cost effective and cost efficient.
- › **Equity.** All road users should pay a fair share with a RUC.
- › **Privacy.** A RUC system should respect an individual's right to privacy.
- › **Data Security.** A RUC system should meet applicable standards for data security and access to data should be restricted to authorized people.
- › **Simplicity.** A RUC system should be simple, convenient, transparent to the user, and compliance should not create an undue burden.
- › **Accountability.** A RUC system should have clear assignment of responsibility and oversight and provide accurate reporting of usage and distribution of revenue collected.
- › **Enforcement.** A RUC system should be costly to evade and easy to enforce.
- › **System Flexibility.** A RUC system should be adaptive, open to competing vendors, and able to evolve over time.
- › **User Options.** Consumer choice should be considered wherever possible.
- › **Interoperability & Cooperation.** A RUC system should strive for interoperability with systems in other states, nationally, and internationally, as well as with other systems in Washington. Washington should proactively cooperate and collaborate with other entities that are also investigating RUC.
- › **Phasing.** Phasing should be considered in the deployment of a RUC system.

MILEAGE REPORTING OPTIONS: DRIVERS CHOSE HOW THEY WANTED TO REPORT THEIR MILEAGE

Plug-in Devices (with or without GPS)



- › Automated mileage meter with GPS and non-GPS options
- › Plugs into OBD-II ports in vehicles 1996 or newer
- › GPS-enabled devices automatically deduct out-of-state miles

Odometer Reading



- › Post-pay for miles reported quarterly
- › Report miles either electronically or in person

Smartphone App (MileMapper)



- › Records miles using a smartphone
- › Works with all vehicles
- › Navigational GPS can be turned on/off
- › Available only on iPhone iOS

Mileage Permit



- › Pre-select a block of miles (1,000, 5,000, 10,000)
- › Report odometer either electronically or in person every three months
- › Obtain additional miles as needed to keep mileage permit valid

RUC PILOT PARTICIPANT RECRUITMENT AND ENGAGEMENT

COMMUNICATIONS GOALS



Inform and educate the public.



Recruit participants into the pilot project from across the state.



Generate broad understanding for the pilot project.

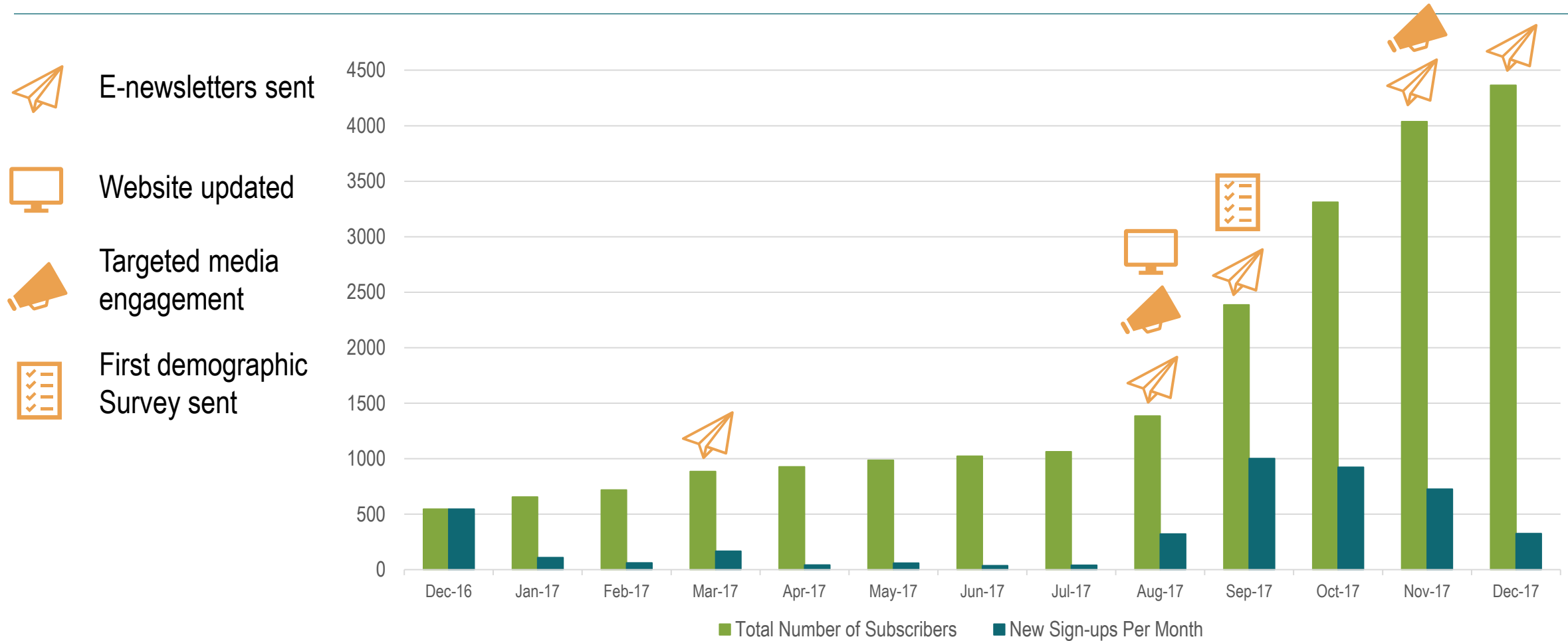


Cultivate balanced and accurate media coverage.



Assess public opinion before and throughout the course of the pilot.


INTEREST LIST GROWTH IN RESPONSE TO COMMUNICATIONS ACTIVITIES



PAID MEDIA – UTILIZING A/B TESTING

Washington State Transportation Commission
September 29 at 9:17am · 🌐

The gas tax pays for road, bridge and ferry repairs. But what if we paid by the mile, instead of by the gallons of gas we buy?
Help us test a road usage charge – sign up today!



Join the Pilot Project
Test drive the road ahead.

WWW.WAROADUSAGECHARGE.ORG [Sign Up](#)


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11 Shares 64 Comments

Washington State Transportation Commission
October 2 at 4:38pm · 🌐

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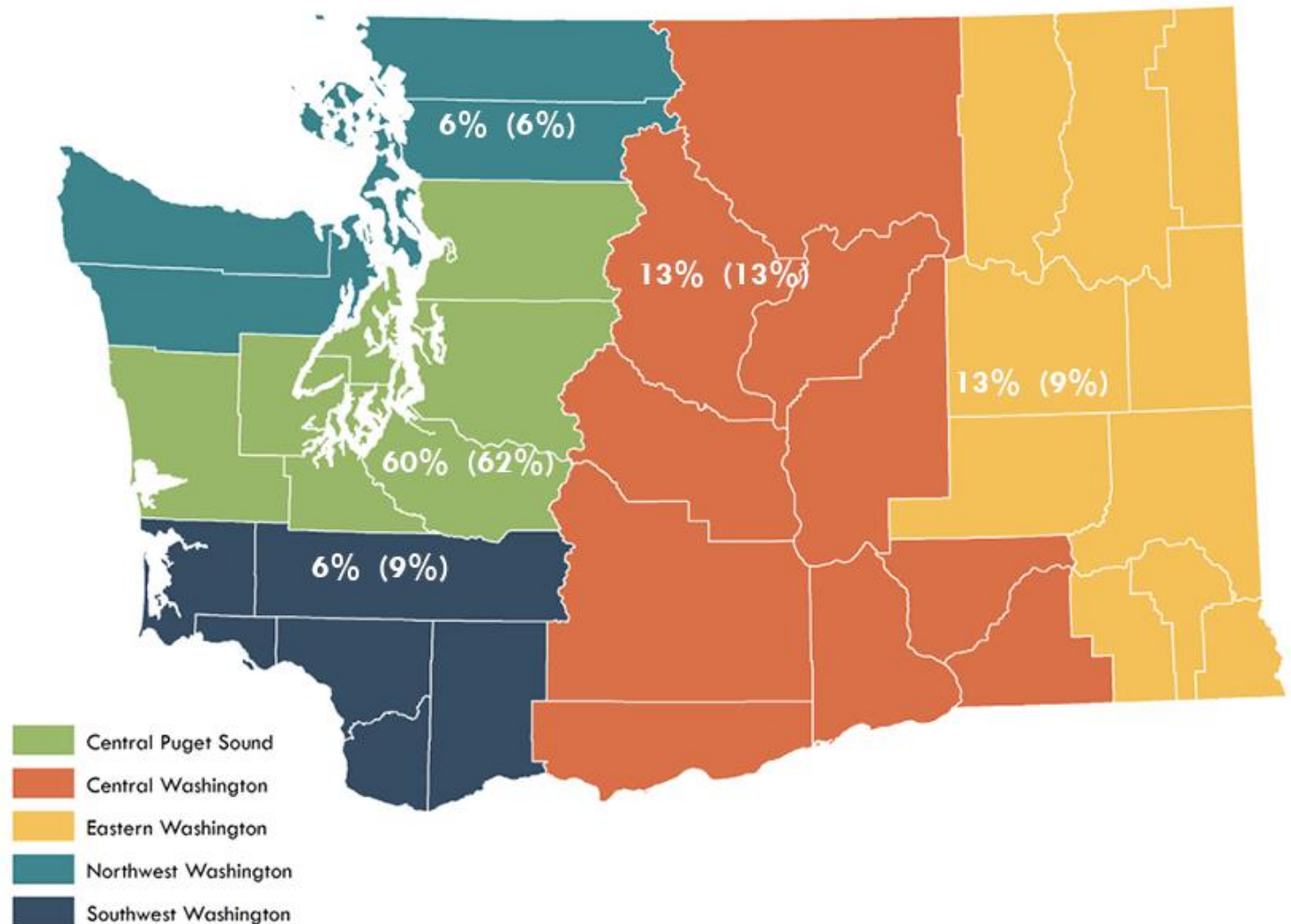
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PAID MEDIA – CONNECTION TO PLACE



PARTICIPANT POOL – GEOGRAPHIC DISTRIBUTION

- Nearly 2,000 drivers (selected from 5,000 interested drivers) were successfully enrolled and began participating in February 2018
- These nearly 2,000 participants reflect our state's geographic distribution



WHAT WE'VE HEARD FROM DRIVERS



Over 15 million miles reported and mock-charged at 2.4 cents per mile



3 surveys, 6 focus groups, and the project help desk actively gathered feedback



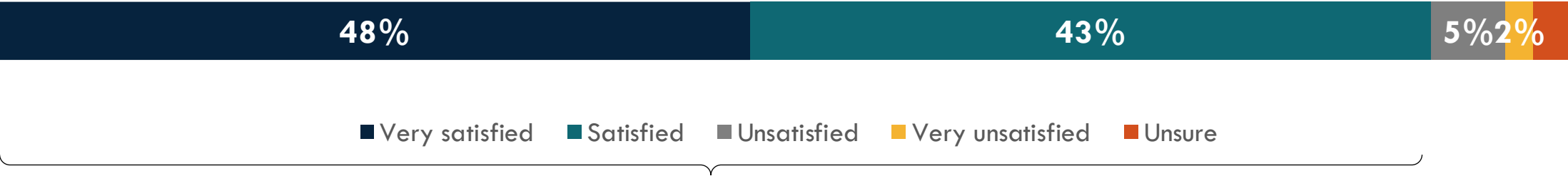
Over 1,900 emails and phone calls received from test drivers (62%) and members of the public (38%)



Top concerns and questions:

- Privacy and data collection
- Compliance and administration costs
- Fairness and equity
- Travel between states
- Operational viability

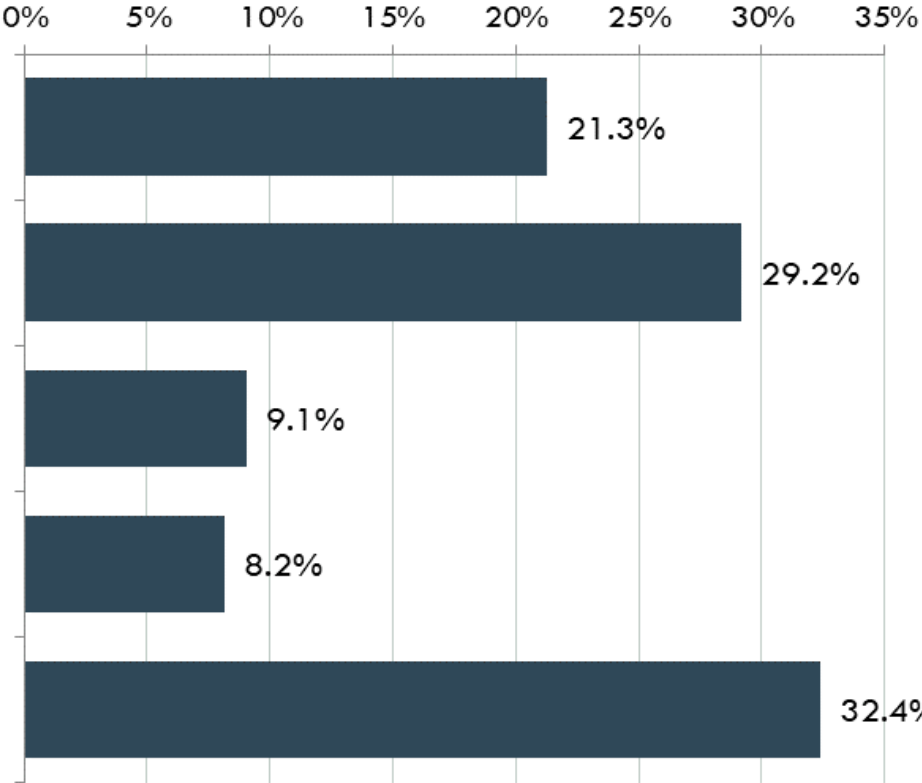
THINKING ABOUT YOUR FULL EXPERIENCE WITH THE RUC PILOT, HOW SATISFIED WERE YOU OVERALL?



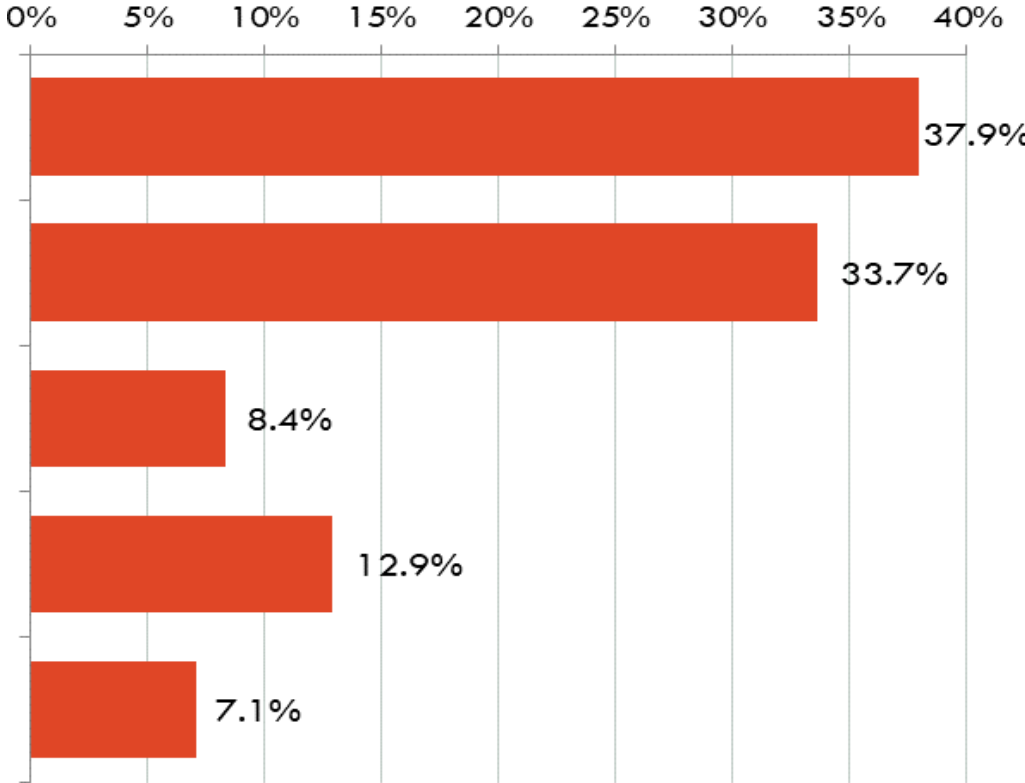
91% were satisfied or very satisfied

HOW DO YOU FEEL ABOUT IMPLEMENTING A RUC AS A REPLACEMENT TO THE GAS TAX TO FUND TRANSPORTATION INFRASTRUCTURE?

Survey 1 (n=1,683)



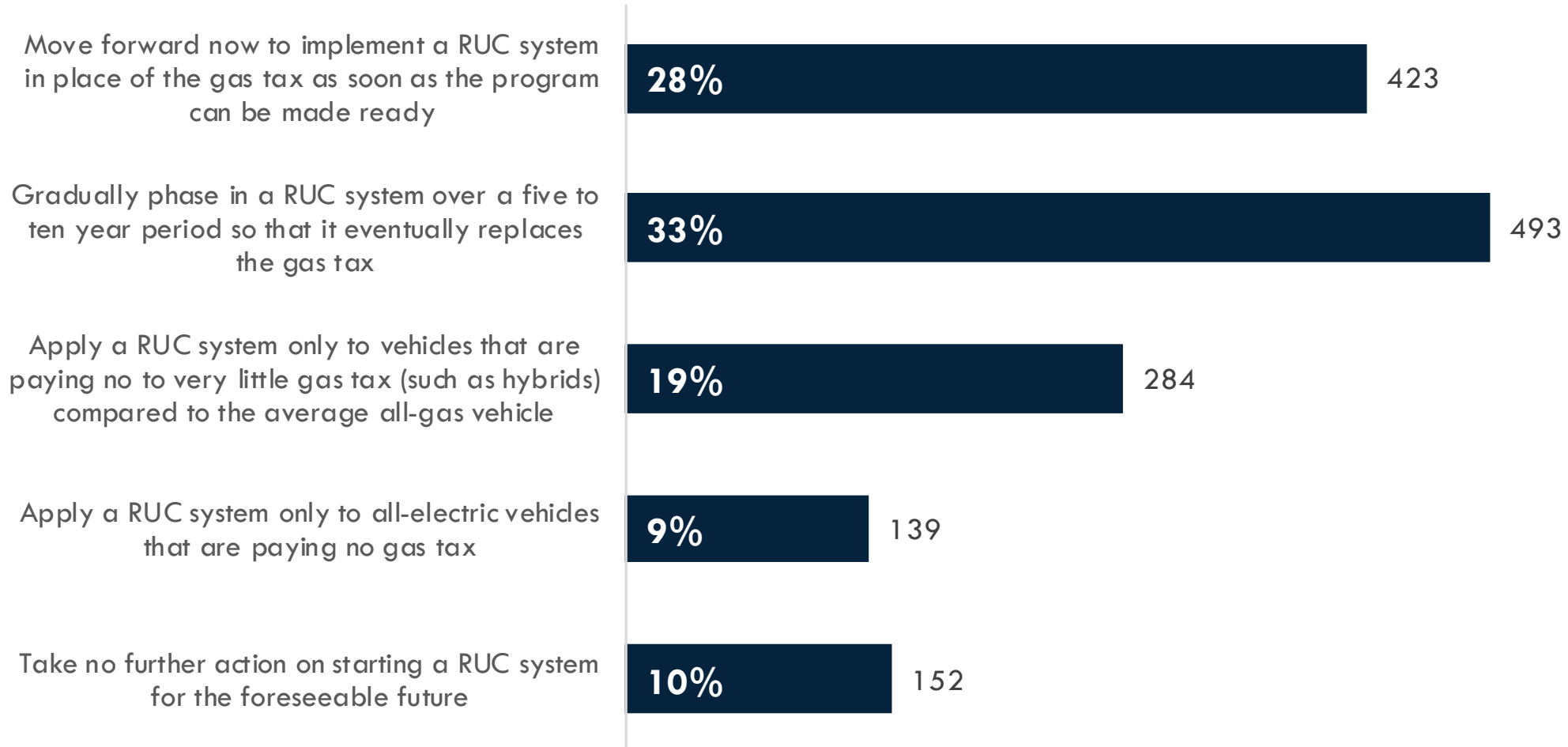
Survey 3 (n=1,468)



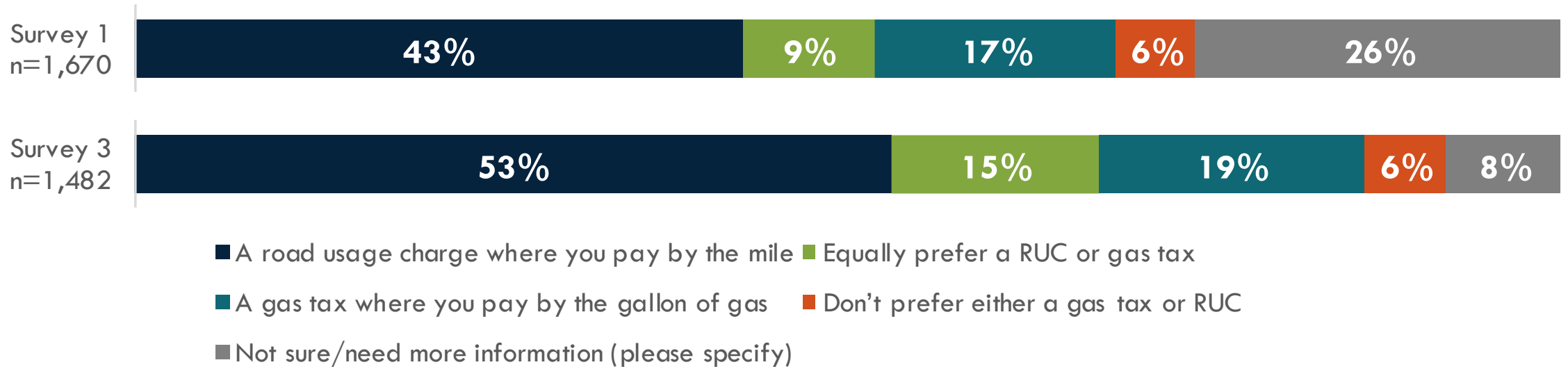
BASED ON YOUR EXPERIENCE IN THE PILOT, HOW HAS YOUR ATTITUDE TOWARDS A RUC SYSTEM CHANGED?



WHICH OF THE FOLLOWING BEST REPRESENTS YOUR ADVICE TO ELECTED OFFICIALS AS THEY CONSIDER THE NEXT STEPS IN IMPLEMENTING A RUC SYSTEM STATEWIDE:



KNOWING WHAT YOU KNOW TODAY, WHICH METHOD TO FUND TRANSPORTATION WOULD YOU PREFER?



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