

A stylized graphic of a road with a dashed yellow center line and solid blue outer lines, curving upwards and to the right against a green background.

WASHINGTON STATE ROAD USAGE CHARGE

Steering Committee Webinar

WELCOME AND INTRODUCTIONS

Joe Tortorelli, Chair
WA RUC Steering Committee;
Member, Washington State
Transportation Commission

- **Welcome and introduction of new Steering Committee members**

WEBINAR DETAILS

Jeff Doyle,
Project Manager
D'Artagnan Consulting

- **Conducting the webinar: slides, handouts, and session recording**

PARTICIPANT RECRUITMENT & ENROLLMENT

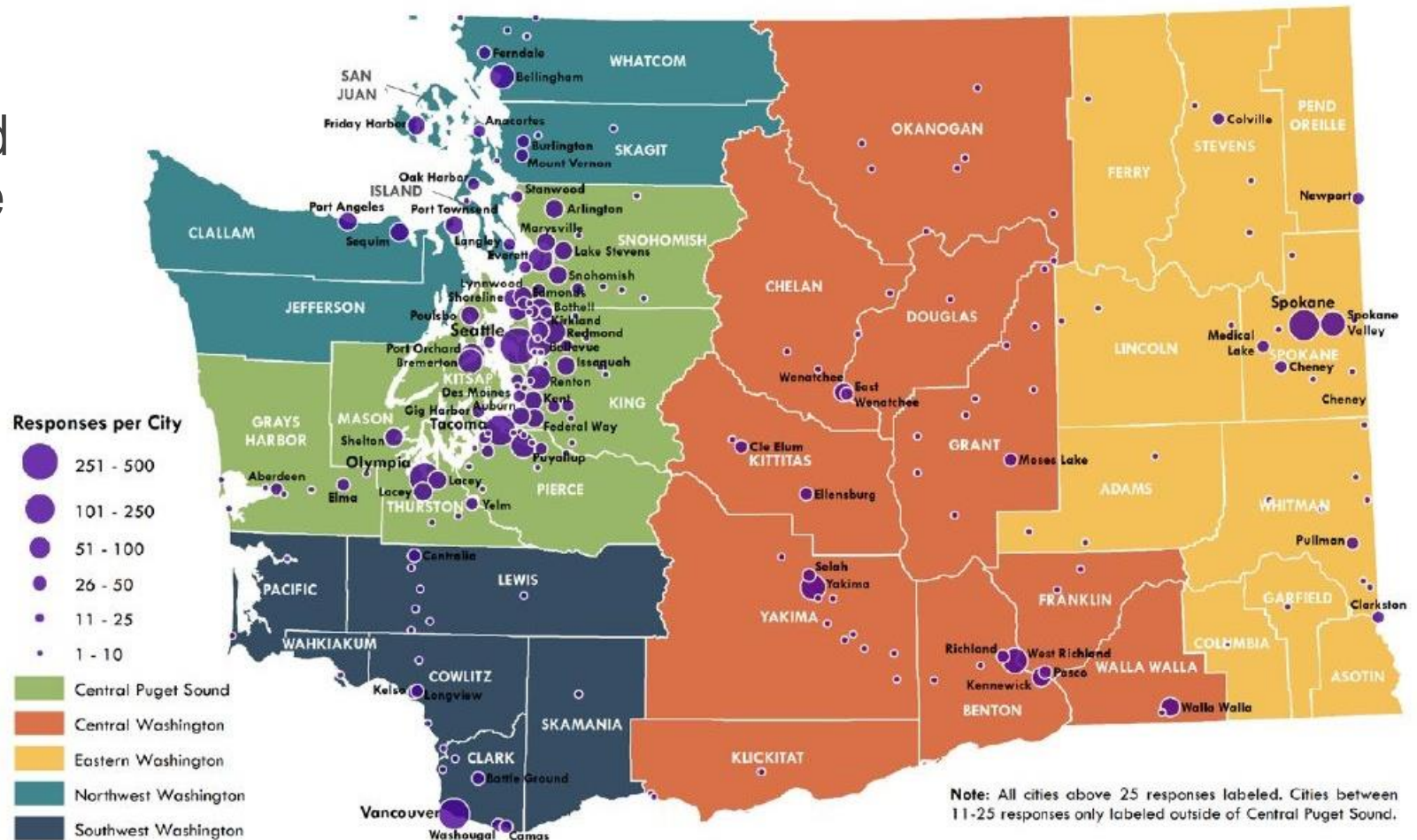
Ara Swanson,
Envirolssues

- **Recruiting and inviting volunteers for the pilot test**
- **Enrolling participants**

VOLUNTEER RECRUITMENT

NEARLY 5,000 INTERESTED DRIVERS

Nearly 5,000 drivers from across the state expressed interest in being part of the final pool of 2,000 participants



PARTICIPANT INVITATION PROCESS

General process

- Initial round of invites sent to 2,000 people who completed interest survey
- Invites sent in batches over the course of three weeks or until 2,000 complete enrollment

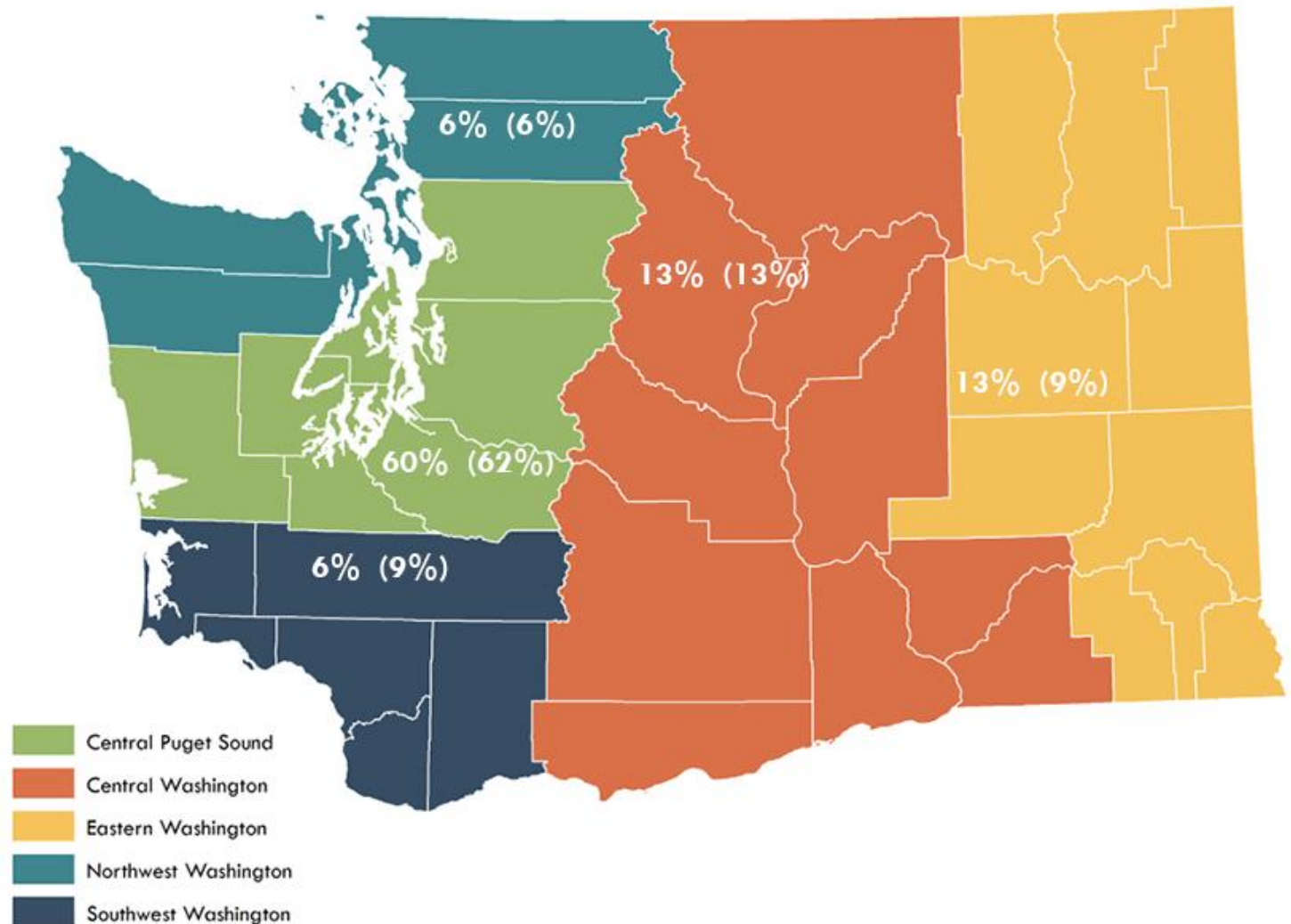
Who was invited to enroll

- At least one person from every County
- Geographical representation by survey regions
- Diverse group of people to best reflect Washingtonians
 - Identified race or ethnicity
 - Gender
 - Income
 - Vehicle type

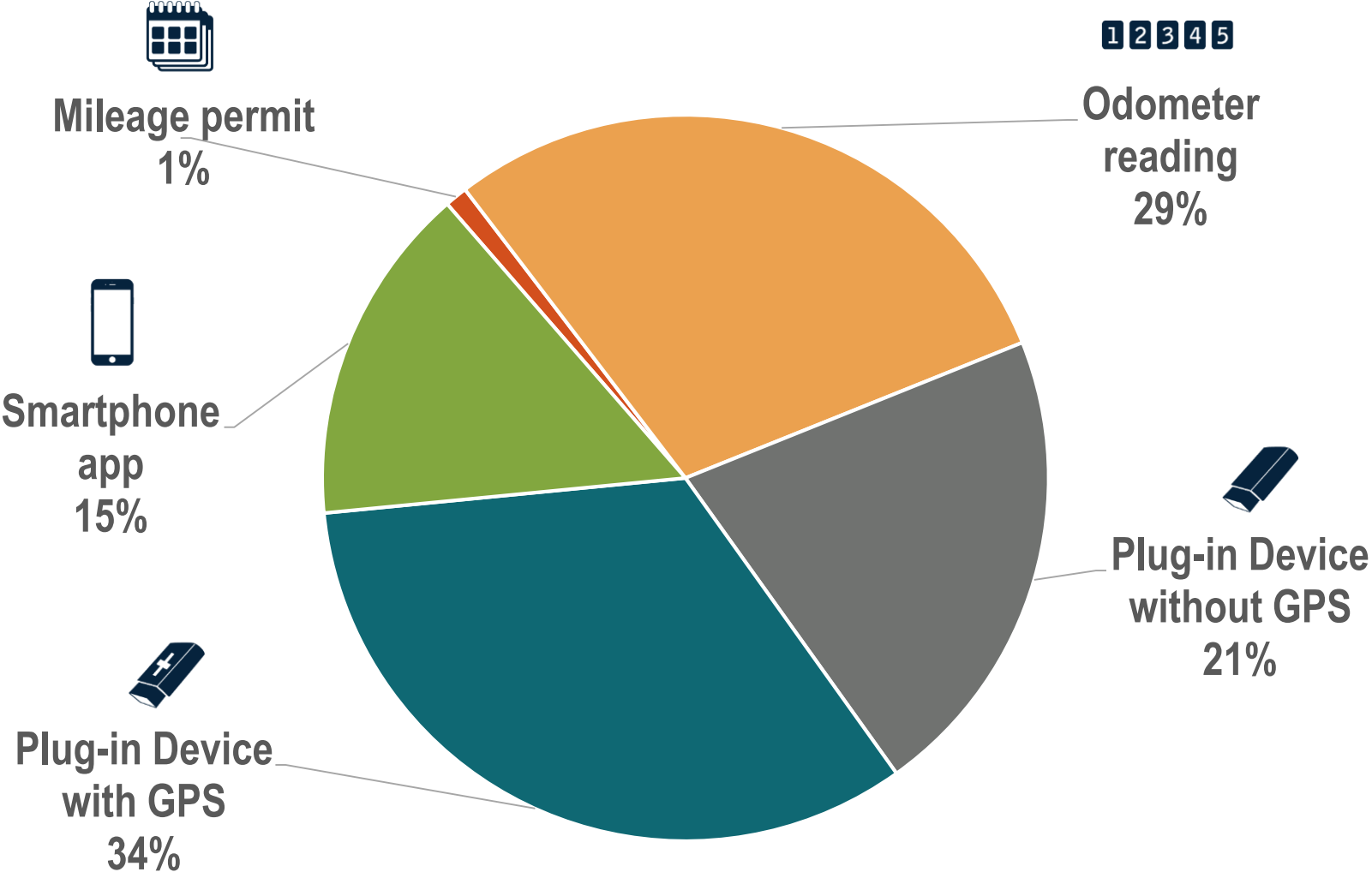
PARTICIPANT ENROLLMENT

PARTICIPANT POOL - GEOGRAPHIC DISTRIBUTION

- 2,000 drivers from across the state are now enrolled and participating
- These 2,000 participants reflect our state's geographic distribution



PILOT PARTICIPANTS SELECT MILEAGE REPORTING OPTIONS



PARTICIPANT POOL – GEOGRAPHIC DISTRIBUTION

Geographic Distribution			
Region	% of WA Population	% of WA RUC Participants	Difference
Northwest	6%	6%	0%
Central Puget Sound	62%	60%	-2%
Southwest	9%	6%	-3%
Central	13%	13%	0%
Eastern	9%	13%	4%
Unknown		1%	

Source: WA Office of Financial Management, April 2017 Population by Cities, Towns and Counties

PARTICIPANT POOL – BY GENDER

Identified Gender	% of WA Population	% of WA RUC Participants	Difference
Male	50%	49%	-1%
Female	50%	49%	-1%
Prefer not to answer		1%	
Prefer to self-describe		0%	
Unknown		1%	

Source: American Community Survey, 2012-16 5-year estimates

PARTICIPANT POOL – BY RACE OR ETHNICITY

Identified Race or Ethnicity	% of WA Population	% of WA RUC Participants*	Difference
African-American	3%	2%	-1%
American Indian or Alaska Native	1%	3%	2%
Asian (excl. Indian)	7%	5%	-2%
Caucasian or white	71%	85%	14%
Hispanic	12%	4%	-8%
Indian subcontinent	1%	1%	0%
Native Hawaiian or other Pacific Islander	1%	1%	0%
Other/None of the above		2%	
Prefer not to answer		3%	

Source: American Community Survey, 2012-16 5-year estimates

*As participants could select more than one option, the total equals more than 100%

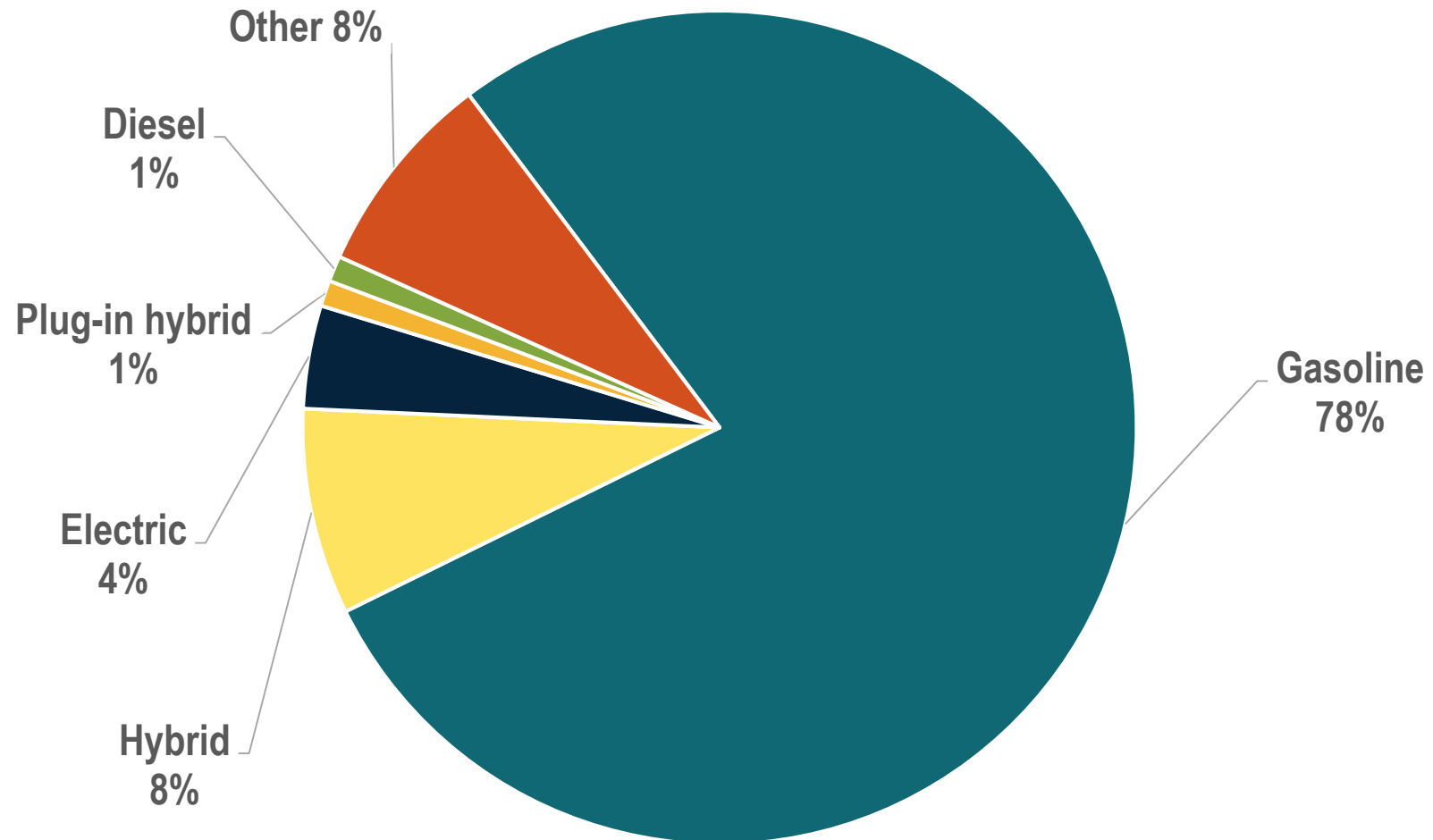
PARTICIPANT POOL – BY HOUSEHOLD INCOME

Household Income				
	% of WA Population	Household Income*	% of WA RUC Participants	Difference
Less than \$25K	12%	Less than \$30K	7%	-5%
\$25K-50K	19%	\$30K-60K	20%	1%
\$50K-100K	34%	\$60K-120K	43%	9%
\$100K-200K	27%	\$120K-200K	17%	-10%
More than \$200K	8%	More than \$200K	6%	-2%
Prefer not to answer		Prefer not to answer	5%	-3%
		Unknown	1%	

Source: American Community Survey, 2012-16 5-year estimates

*Participant categories varied slightly from American Community Survey categories

PARTICIPANT POOL – BY VEHICLE TYPE



PILOT EVALUATION & PARTICIPANT SURVEYS

Travis Dunn,
D'Artagnan Consulting

- **Pilot evaluation criteria**
- **Process for evaluating the pilot**
- **Status of participant surveys**

PILOT EVALUATION CRITERIA

WASHINGTON'S GUIDING PRINCIPLES FOR A RUC SYSTEM

Guiding Principle	Example of pilot measure
Transparency	Change in participant understanding of RUC rate, collection method, and use
Complementary policy objectives	Impact of pilot on driving habits of participants
Cost-effectiveness	N/A
Equity	Total and per-mile RUC vs. gas tax paid by participant income
Privacy	Participant perception of privacy protection, including any changes in perception during pilot
Data Security	Participant perception of data security, including any changes in perception during the pilot
Simplicity	Participant understanding of compliance requirements
Accountability	Accuracy of reported road usage, revenue collected, and revenue distributed
Enforcement	Reasons for non-compliance expressed by participants
System Flexibility	N/A
User Options	Reason for participant preferences of various mileage reporting methods
Interoperability and Cooperation	Participant understanding of interoperable RUC
Phasing	N/A

PILOT EVALUATION PROCESS

FINAL EVALUATION METHODS

1. Participant Surveys (including Quick Polls)
2. Participant Focus Groups
3. Participant Case Studies
4. Policymaker and Steering Committee Interviews
5. Pilot Data Analysis
6. Agency Interviews
7. Scofflaw Test

STATUS OF PARTICIPANT SURVEY #1

PARTICIPANT SURVEY #1

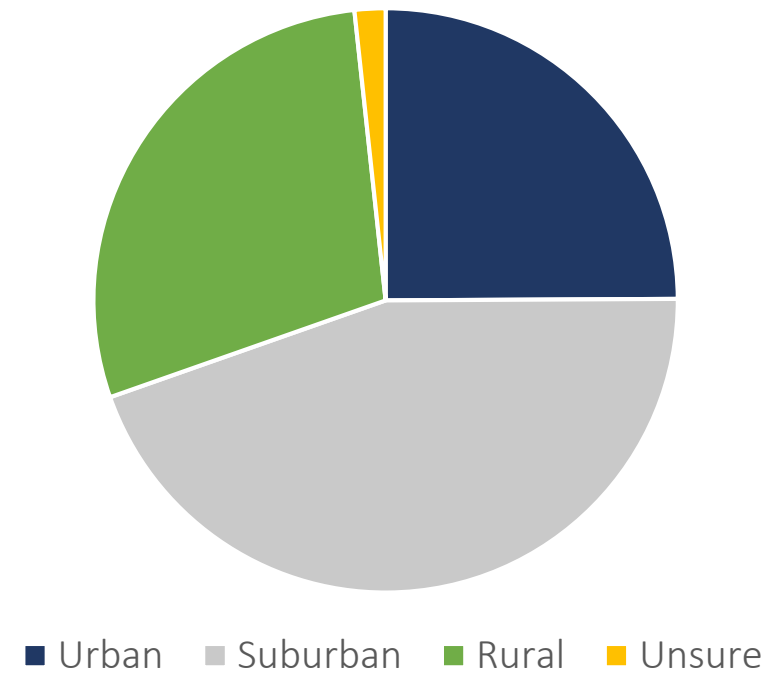
Two-step process:

1. After participants complete the setup of their WA RUC accounts, including adding a vehicle and selecting a mileage reporting method, they receive Survey #1.
 - By April 24, **1,860 participants had received** the first survey
 - Through April 24, **1,527 had completed** it and received a \$10 gift card (82.1% response rate)
 - April 12 survey issuance remains open (121 surveys still incomplete as of April 24)
 - There is one more batch to be sent
2. Participants that successfully complete this research task receive a \$10 gift card.
 - Gift cards to the remaining participants who complete Survey #1 will go out before the end of May

The last participants to add a vehicle to their account will receive Survey #1 before the end of April.

PARTICIPANT SURVEY #1

How would you describe where you live? n=1,521



STATUS OF PARTICIPANT SURVEYS

What happens next:

- Analysis of survey #1 will begin in May
- Development of survey #2 will begin in June
- Issuance of survey #2 is scheduled for August (near the mid-point of the pilot)
- The project team will develop and deploy “quick polls” in May and June -- short, less-than-four question surveys to all (or a subset of) participants -- to gather feedback on narrow issues such as understanding of invoices

MULTI- JURISDICTIONAL RUC INTEROPERABILITY TEST

Travis Dunn,
D'Artagnan Consulting

- **Two approaches to testing**
- **How the test will work**
- **Current testing schedule**

TWO APPROACHES TO TESTING

INTEROPERABILITY: TWO WAYS THIS WILL BE TESTED

1. **Data interoperability: WA, OR, ID, BC**

- Develop a HUB which is a clearinghouse that calculates and reconciles charges owed to and from participating jurisdictions
- Compute number of miles driven and fuel consumed by all pilot participants using GPS devices in all participating states (OR, WA, ID, BC), and the corresponding funds that would be paid into or out of the HUB by each state in a real system.
- Only GPS device participants are included

2. **Real money interoperability: WA, OR**

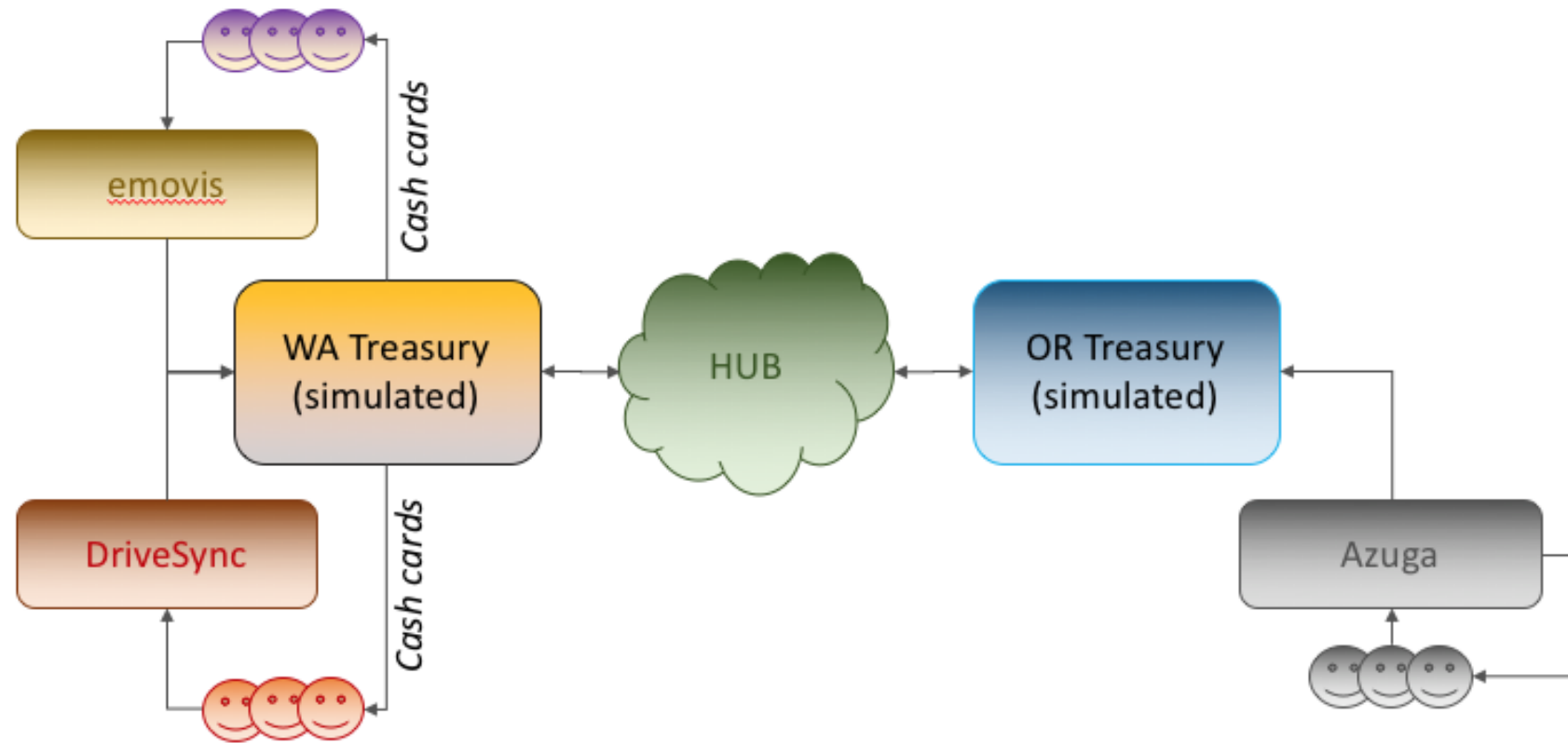
- Collect money from select WA (~30) and OR (~70) drivers for miles driven in WA
- Reconcile funds collected through HUB based on mileage driven in each state

HOW THE TEST WILL WORK

DETAILED STEPS FOR TESTING

- Washington and Oregon submit data to the HUB by 5th of each month
- In the month following the close of each quarter (April, July, October, January), HUB will compute:
 - RUC owed in all jurisdictions and fuel tax credits applied in all jurisdictions according to the rules of each, based on data submitted to the HUB; and
 - Net cash owed between Oregon and Washington.
- Service providers must submit appropriate funds, whether the participants have paid or not.
- Based on HUB data received and verified, the net amount owed between Oregon and Washington will be transferred accordingly through the HUB

FLOW OF FUNDS FOR “REAL MONEY” INTEROPERABILITY TEST



CURRENT INTEROPERABILITY TESTING SCHEDULE

TESTING BEGINS APRIL/MAY (BASED ON Q1 2018 DATA)

April 13: first invoices

Week of April 23: first service provider and OReGO reports to HUB

Week of April 30: first reconciliation calculation

By May 15: first WA real payments received by service providers

By May 15: first WA service provider and Azuga payments to respective treasuries

By May 31: first reconciliation transaction

By June 15: report on first reconciliation test

POLICY ISSUES WORK PLAN

Jeff Doyle,
Project Manager
D'Artagnan Consulting

- **Original 18 policy issues**
- **Approach for analyzing and presenting issues**
- **Policy work plan for Stage 2 (through January 2019)**

POLICY ISSUE PARKING LOT

SUMMARY OF POLICY ISSUES

Address in conjunction with pilot launch	Address based on pilot findings	Address apart from the pilot test
<ul style="list-style-type: none"> • How to operationalize the four RUC operational concepts • Whether and how to charge out-of-state drivers • Exemptions from road usage charges for demonstration • Refunds • Use of private sector account managers 	<ul style="list-style-type: none"> • Driver reaction to the proposed RUC system • Public understanding and acceptance of the proposed system • State information technology (IT) needs • Institutional roles in implementing any future RUC system 	<ul style="list-style-type: none"> • Interoperability with GoodToGo toll system • Legal issue: Interstate Commerce Clause • Legal issue: 18th Amendment • Per-mile rate setting process and roles • Motor fuel tax bond requirements • Permanent exemptions • Use or dedication of RUC revenue • Rate setting basis for time-based permit • Transition strategy - vehicles subject to paying RUC • Interoperability with other states

APPROACH FOR ANALYZING ISSUES

STEERING COMMITTEE DIRECTION

At the November 9, 2017 meeting, the Steering Committee decided and directed the project team to:

- Prepare policy white papers on the topics marked “Address apart from the pilot test” (see slide 35, third column), and present these to the Steering Committee for review, discussion and possible recommendation
- Confer with legislative and agency experts during the drafting of white papers, particularly on issues unique to those bodies (for example, whether RUC constitutes a tax vs. a fee)
- Prioritize analysis of issues related to RUC’s usefulness as a funding mechanism (e.g., ability to bond RUC)
- Keep policy papers focused on facts, analysis and providing a range of policy options – allowing the Steering Committee to make recommendations on topics of their choosing. As with all aspects of RUC, policy decisions will be made by the Legislature

APPROACH TO POLICY TOPICS – STAGE 2 (2018)

General:

- Address topics that do not require final pilot data
- Involve legislative and agency experts on topics unique to those bodies
- Provide research, analysis and options – not recommendations

Steps:

1. First, finalize papers on issues that had to be decided for pilot testing
2. Next, develop papers for issues that were proposed in the federal grant proposal
3. Next, address issues related to the usefulness of RUC as a funding mechanism
4. Last, address remaining issues that do not require completion of the pilot

POLICY WORK PLAN FOR STAGE 2

SCHEDULE FOR POLICY ISSUE PAPERS (STAGE 2 ONLY)

Research papers in progress:

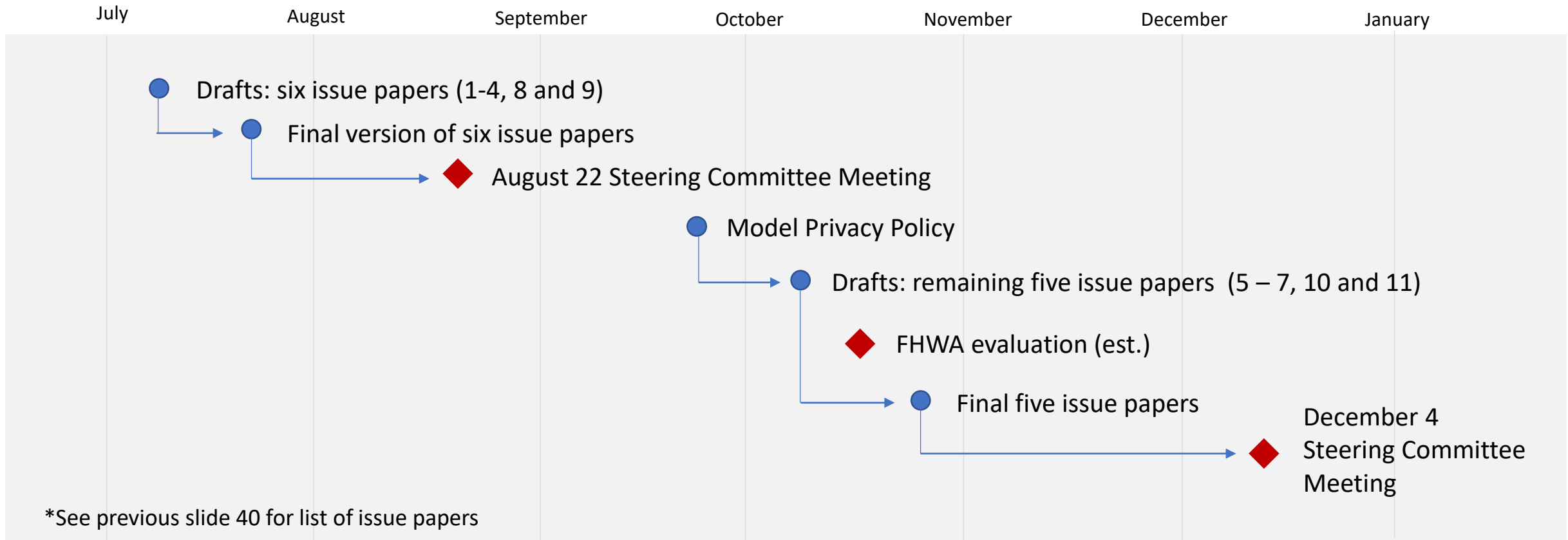
- (1) operationalizing four mileage reporting methods;
- (2) whether/how to charge out-of-state drivers (part 1 of 2)
- (3) exemptions from RUC during pilot
- (4) use of private sector service providers to collect RUC

Research papers scheduled in 2018:

- (5) Model Privacy Policy for RUC
- (6) Interoperability of RUC with Good-to-Go toll system
- (7) U.S. constitutional (Commerce Clause) impacts on RUC
- (8) WA constitutional (18th Amendment) impacts on RUC
- (9) Effects of gas tax bond requirements on RUC
- (10) Permanent exemptions from RUC payments
- (11) Use of revenue derived from a RUC system

POLICY WORK PLAN AT-A-GLANCE

Policy development schedule



UPCOMING ACTIVITIES

Jeff Doyle,
Project Manager
D'Artagnan Consulting

- **Stage 2 milestones**
- **Planned Steering Committee meetings**

STAGE 2 MILESTONES

UPCOMING STAGE 2 MILESTONES

May 2018 through January 2019:

- **May:** HUB revenue reconciliation dry run
- **June:** results from Participant Survey #1.
- **July:** multistate RUC payments and HUB revenue reconciliation
- **August 1-15:** Open Enrollment (participants can change mileage reporting methods)
- **August 22:** WA RUC Steering Committee meeting
- **September:** results from Participant Survey #2
- **October:** FHWA evaluation and site visit
- **November:** all policy issue papers completed
- **December 4:** WA RUC Steering Committee meeting
- **January 2019:** last full month of pilot test driving

STEERING COMMITTEE MEETINGS IN STAGE 2

WA RUC STEERING COMMITTEE MEETINGS

- **August 22:** WA RUC Steering Committee meeting, 9 AM – 4 PM, SeaTac Airport
- **December 4:** WA RUC Steering Committee meeting, 9 AM – 4 PM, SeaTac Airport

THANK YOU

Consultant support provided by:

