

Washington State Road Usage Charge Steering Committee

December 8, 2020 | Meeting Summary

PARTICIPANTS

Steering Committee Members

Chair Roy Jennings, WSTC Commissioner

Curt Augustine, Auto Manufacturers

Josh Brown, PSRC

Judy Clibborn

Rep. Jake Fey

Sen. Phil Fortunato

Chris Herman, WPPA

Tom Hingson, Transit

Kelly Fukai, WSTC

Hester Serebrin, WSTC

Sharon Nelson

Rep. Ed Orcutt

Mayor Mary Lou Pauly

Beau Perschbacher, Department of Licensing

Rep. Bill Ramos

Janet Ray

Jason Richter, Treasurer's Office

Sen. Rebecca Saldaña

Neil Strege, Washington Roundtable

Ted Trepanier, INRIX

Doug Vaughn, WSDOT

Tom Walrath, Trucking

Brian Ziegler, FMSIB

Bryce Yadon, Futurewise

WSTC Staff

Reema Griffith, Executive Director

Carl See, Deputy Director

NOTE: Presentation materials are available on the Washington State Road Usage Charge website (<https://waroadusagecharge.org/about/steering-committee/>). What follows is a summary of the discussion that followed the presentations. Responses to questions and comments are in *italics*.

WELCOME AND INTRODUCTIONS

Ara Swanson from EnviroIssues opened the meeting and provided some Zoom meeting reminders. Roy Jennings, RUC Steering Committee Chair thanked Joe Tortorelli for his many years of service to the WSTC and as Chair of the RUC Steering Committee. He then introduced Kelly Fukai, the newest member of the Commission and RUC Steering Committee.

Roy shared that the Commission had secured a federal grant for this work and today's meeting will provide an overview of the work plan.

He then invited new member Beau Perschbacher, Legislative Policy Director from the Department of Licensing, to introduce himself. Ara then did a roll call of the Steering Committee members and the consultant team.

RECAP OF 2020 RUC RECOMMENDATIONS AND LEGISLATIVE ACTIVITY

Jeff Doyle, Milestone Solutions, did a brief recap of the WA RUC work (slide 5) and reminded the Steering Committee of the various roles played by the Committee (measures), the WSTC (recommends), and the Legislature (decides) (slide 6).

- Jeff recapped the 2019 Recommendations to the Legislature (slides 7, 8 and 9) and noted that most of the recommendations have been incorporated into the Forward Drive project work plan.
- 2020 ESHB 2322 included several directives to the WSTC and Jeff provided a status update of the various elements (slide 10)

Discussion

- Tom Hingson – Since the recommendation is to apply the 18th amendment are we going to discuss possible exemptions from a RUC – public transit and school transportation for example.
 - *Jeff Doyle clarified that there has been no legislative determination on the use of revenue. The Steering Committee itself did not recommend, but shared information on how it could be done. WSTC made a recommendation but no action has been taken.*

FORWARD DRIVE RESEARCH: WORK PLAN FOR 2020-2021

Travis Dunn, Project Manager, Milestone Solutions kicked off the presentation of the Work Plan and gave an overview of the seven tasks and the schedule for the work (slides 13-16).

Zubair Ghafoor, CDM Smith, presented to **Task 1: New mobility and RUC financial modeling** (slides 18-21). The task includes identifying plausible scenarios related to economic and mobility trends to produce revenue and cost of collection estimates (through 2050) in an Excel-based tool that can examine multiple policy options, drawing on publicly available datasets.

- Three alternative scenarios will examine technology penetration (electric and autonomous vehicles), new mobility, and changes in commuting patterns and auto ownership that may result from the pandemic (very new and dynamic)

Sherri Hsu, BERK Consulting and Henry Yates, Yates Consulting presented to **Task 2: Equity Analysis** (slides 23-25)

- Sherrie and Henry went through the four stages of define, assess, engage, and mitigate.
- Sherrie discussed several definitions and concepts of equity and noted that a financial analysis will look at a RUC on its own and relative to the motor vehicle fuel tax and the EV/hybrid flat fees. She also noted that we will want to leverage any existing work done by legislative staff and others.
- Henry walked through the approach to and techniques for engaging low income populations,

communities of color, and vulnerable populations across the state. He reviewed the ways we will work to mitigate identified barriers and co-design solutions and noted we will loop back to engage organizations once we have done more work.

Roshini Durand, Milestone Solutions, presented to **Task 3: Enhanced mileage reporting methods** (slides 27-31). She summarized four objectives: 1. Build on past efforts, 2. Explore new opportunities, 3. Build RUC scenarios, and 4. Conduct industry outreach.

- Looking to make the RUC process more convenient, efficient, and effective and to broaden the network of partners for automated and manual data and fee collection.
- Research and industry outreach to understand emerging entrants and to look across sectors – insurance, utilities, etc.
- Develop RUC scenarios based on previous activities and potential partners – system design documents will be created.
- Task 3 relies on inputs from Task 1 and 2, and also Task 4. For example, with an equitable RUC system defined, we would structure our research accordingly.

Travis presented **Task 4: Cost of collection reduction scrum approach** (slides 33-35). A scrum is an approach to problem solving used in the tech industry. The aim is to identify and orchestrate a RUC system with a lower cost of collection This will be done in concert with other states (OR, UT, and WA RUC pilot) working on this.

- We will create challenge statements to be solved through the sprint process – 1-2 weeks of dedicated work following an orientation. Following the sprints, we will look for policy elements and design concepts that would produce lower costs of collection. Some of these would be incorporated into the pilot phase and others would also be explored by other states. This task feeds back into Task 1 as well.

Discussion

- Bryce Yadon – Does the bill language on equity allow for exploring how funding generated can be used to mitigate impacts? What are preferred mobility options for populations when there is limited/no transit in some of the communities people are displaced to?
 - *We want to define precisely what is included in the scope of the analysis and are doing that now. We will explore options available and choices individuals make. Accessibility challenges and barriers are part of that. Revenue distribution is not currently scoped as part of our work.*
 - *Jeff noted that the legislature was interested in how policy choices can be framed in light of total revenue expectations.*
- Sen. Fortunato – all models basically calculate what would be paid in gas tax and then credit the MVFT account. Point is not to fund transit, but to fund the road account. The simple way is to do this at registration and do it annually (possibly with monthly payments). Would be settled upon resale as well. Doesn't account for out of state, but cost of collection would be so minimal this seems like the simplest approach.
 - *Travis noted the simple approach was tested in the pilot with the odometer reading approach and we think there may be other ways to explore this in Task 3.*

- Sen. Fortunato noted that for some we will rely on honor system for out of state miles and it's unclear how that works, but perhaps you can make an arrangement with Oregon. Not in favor of GPS approach or paying a third-party vendor.
- Beau – as we get closer to implementation, I'd like to facilitate working with DOL staff as we are likely to be involved so that we can discuss compatibility with our systems.
- Sharon – planning horizon is 2050 but work is complete by 2023 and if this year has taught us anything it's that factors can easily upset a whole economy. How are we accounting for uncertainty in a long term planning model?
 - *Zhubair responded that scenarios avoid a fixed assumptions approach and can be changed at any time.*

Ging Ging discussed how the results of Tasks 2 through 4 will help inform **Task 5 Detailed pilot phase-in plan** (slides 38-39) which will help us understand what could be tested. We are looking to identify partners with ongoing projects/opportunities we could join with. Research tasks will produce outputs at different granularity with different pilot tests needed.

She then talked through **Task 6 RUC prototype “sub test”** (slides 41-43) which will help us understand behavior through testing. We'll get a better sense of whether barriers are real, if operations issues can be mitigated, etc. Participant experience will be addressed from the onset not just at the end. Website will evolve to support the tasks.

Finally, Jeff discussed **Task 7 the final report and the RUC Roadmap** (slides 45-50). Main objectives are to translate data and information into knowledge and recommendations about what should be done based on what we've learned.

- Legislature asked for final report but also a framework for how policy choices can be reexamined in light of changing revenues or other trends.
- FHWA also wants information to be shared with other states.
- Jeff then showed a graphic of how the seven tasks work together. He also noted how they could relate to any small phase-in RUC project that might occur over the work plan period.

Discussion

- Tom H - will financial analysis account for expected fraud compared to what it would cost to be more accurate?
 - *In previous versions of the model we had an evasion rate estimate to understand when does it stop making sense to invest in compliance to collect the last dollars and will include this again.*

RUC STEERING COMMITTEE FUTURE PLANS & ROLE

Reema Griffith, Executive Director, Washington State Transportation Commission presented some possible Steering Committee roles and a proposed meeting cadence.

- Some information will be shared via email with an invitation to reach out with questions or input.
- The proposal is to check in at major milestones. The next check-in would be in Q4 2021 to review the research findings, then Q4 2022 to review interim findings, and Q2 2023 to review the final report.

- Reema thanked members for their long service and would be understanding if anyone desired to step down from the Committee.

Discussion

- Rep Orcutt – hope we could meet in person by Q4. Should subcommittee be more about answering technical questions and providing feedback so that research doesn't get held up waiting for feedback. This might help things keep moving along.
- Tom H – I like the plan and am willing to meet more frequently, especially in this format (max 2 hours).
- Brian Z – Second Tom. Thanks for asking how often we want to meet.
- Janet R – Like the outline. I find it hard to stay engaged if I'm only advisory one time per year so that's a concern – and it might be more like a report-out than a real conversation. I think using break out groups would allow for more conversation – want to hear from and learn from my colleagues – subcommittee work is of interest to me, especially the communications and engagement work.
- Mayor Pauly – two hour meeting is doable, but I'd like this to be at decision points – give us the questions ahead of time, show the information, and have us dig in on the policy questions.
- Sharon Nelson – our interest and expertise is generally known so feel free to call on us as needed. I would suggest whether the WSTC has employed academics at major universities as advisors on some of these tasks. For example, presenting opposing points of view on a policy question can be really instructive.
- Roy – as Chair, this meeting was intended to serve as an update and we wanted to hear how you want to be involved so thanks for sharing your perspectives
- Hester – I wanted to lift up the idea of getting feedback from this group in various ways. Surveys before or after would be one approach.
- Ed – I appreciated Janet's comments about breakout rooms – great way to do subcommittees. I agree more than once a year is helpful and we want to be careful not to meet for the sake of meeting. Aim for two meetings per year and cancel or add as needed.

Reema recapped that there seemed to be support for subcommittee and/or smaller group discussions to explore the issues and provide feedback on the research. We could aim for two meetings each year and be flexible depending on whether there are questions we want your help with. Reema invited members to provide feedback if there is a particular topic of interest they would like to spend time on.

Reema noted that we will reach back out to the group after the holidays with what we heard and the plan going forward. Schedule will need to accommodate legislative session.

Chair Jennings adjourned the meeting at 11:53.