WASHINGTON STATE ROAD USAGE CHARGE

Steering Committee | June 13, 2023

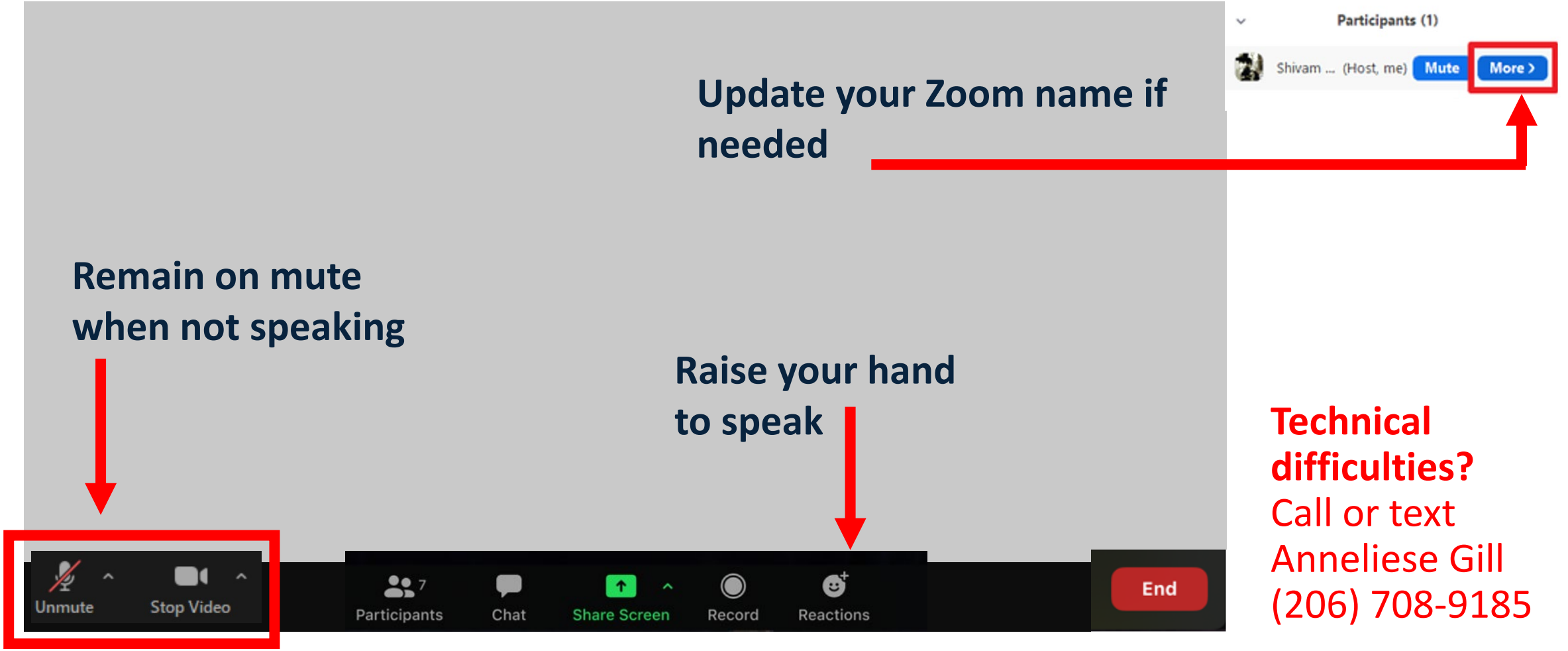
Washington State Transportation Commission

Welcome and Introductions

Roy Jennings
Commissioner, WSTC, and RUC Steering Committee Chair

WA RUC

Zoom Interface and Controls



Technical difficulties?
Call or text
Anneliese Gill
(206) 708-9185

WA RUC

Agenda

1) Welcome & Introductions
2) Forward Drive Project Update & National RUC Update
3) RUC Simulation Update and Initial Results
4) Break
5) Follow-on Experience Update and Initial Results
6) Q&A and Open Discussion

WA RUC

Forward Drive Project Update & National RUC Update

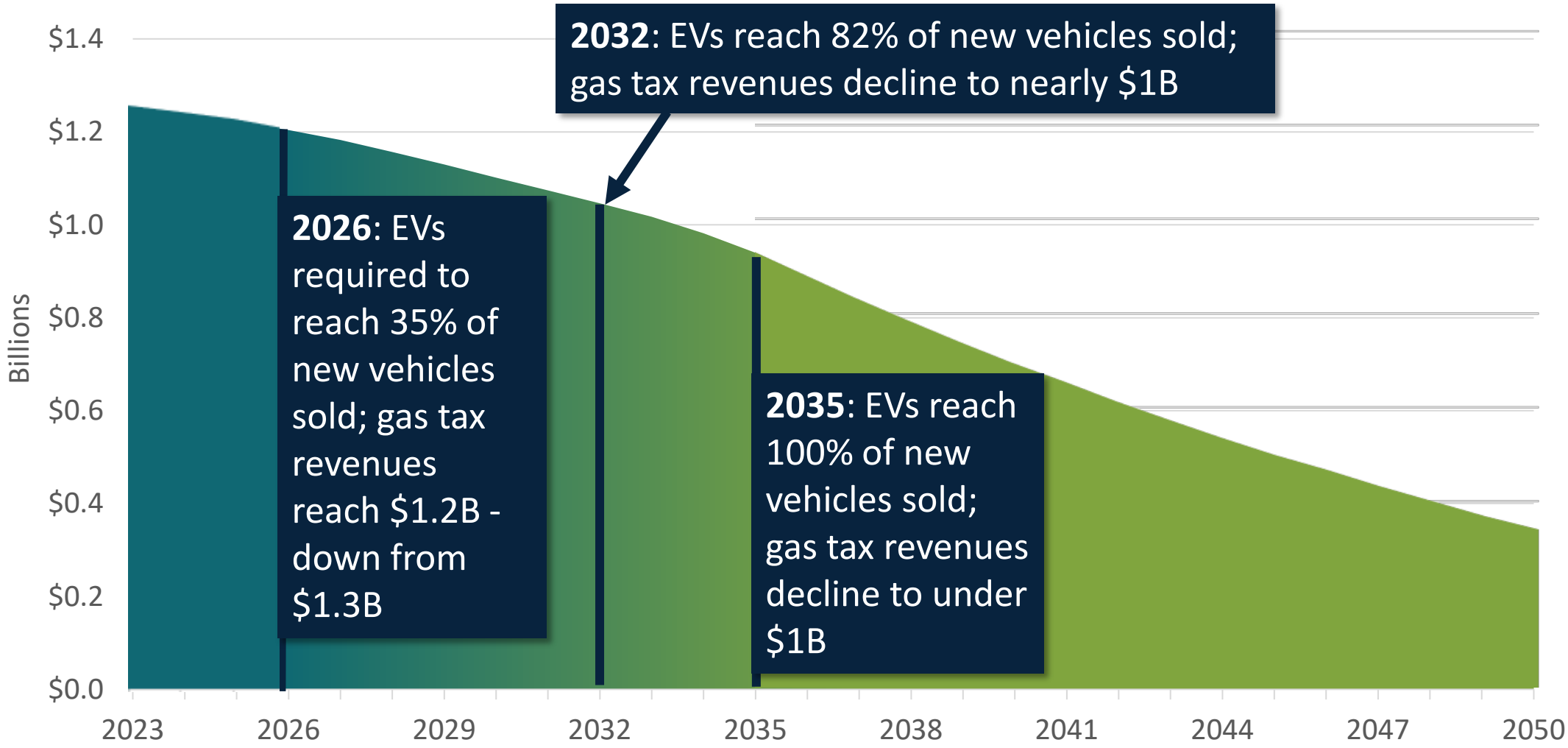
Travis Dunn, Project Manager, CDM Smith

Today's Objectives

Share results from the RUC Simulation

Provide a progress update on the 3 follow-on experiences

Gas Tax Revenues Will Decline as Zero Emissions Mandates Are Implemented



National Legislative Updates

bills approved by State Legislatures
add kWh taxes on public EV charging
Montana, Georgia, Utah

additional bills implements new
electric vehicle fees
Montana, Texas

Additional bill implements a **road usage charge program for electric vehicles**
Hawaii
**Legislation in Vermont pending*

additional bill implements a **new package delivery excise tax**
Minnesota

EPA Emissions-Reduction Proposed Rules

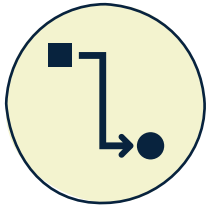
Light vehicle rule:

- Establishes more stringent vehicle emissions standards for criteria pollutant and greenhouse gas (GHG) emissions for model years 2027 through 2032
- Effectively requires new vehicles sales to be 67% EV/PHEV by 2032

Heavy vehicle rule:

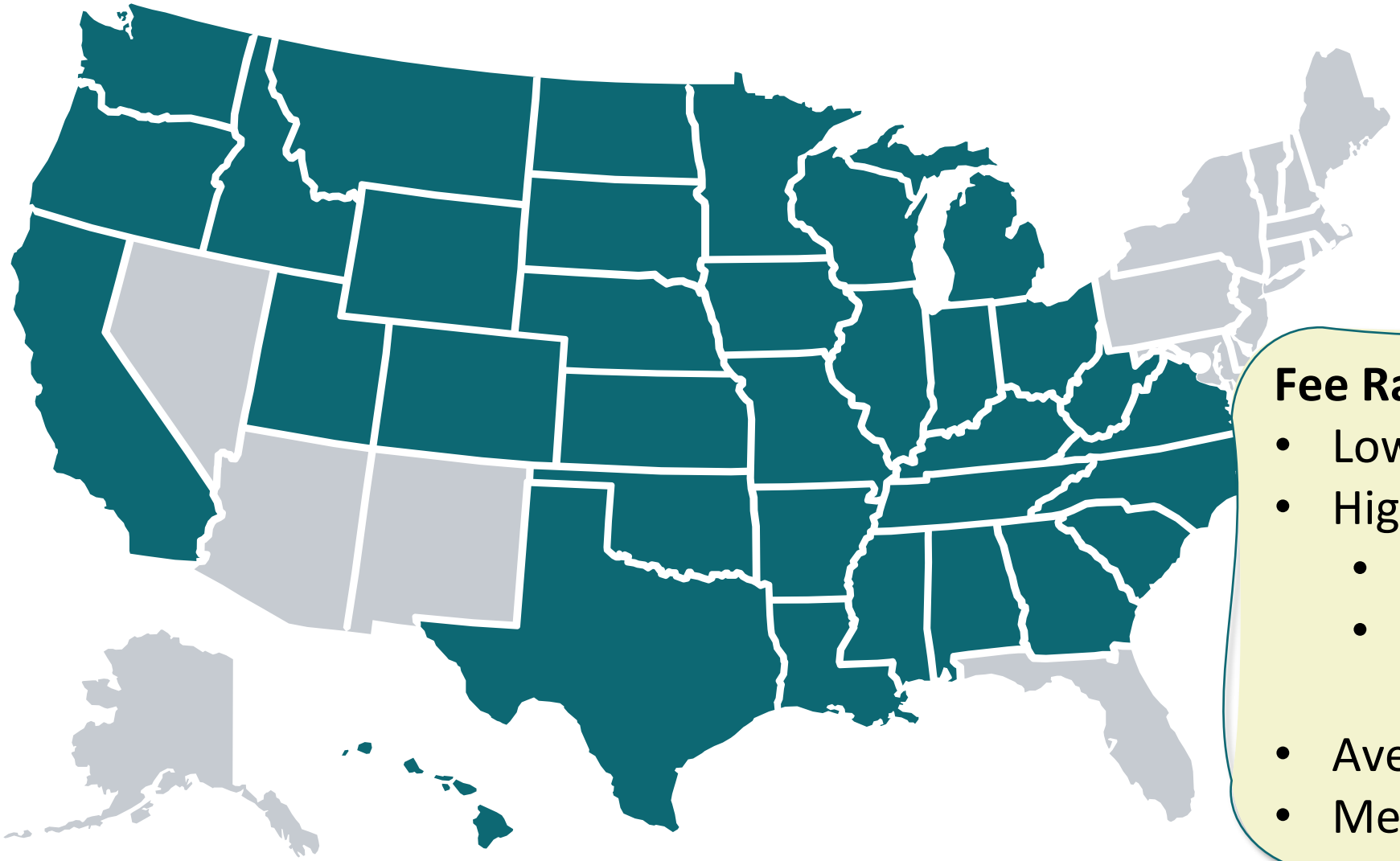
- Establishes new GHG standards for heavy-duty vehicles model years 2028 through 2032
- New standards aim to reduce emissions by 44%

Potential impacts



- Would accelerate decline of light-duty fuel consumption nationally, supporting Washington's more stringent mandates
- Heavy vehicle rules would undermine diesel tax receipts
- Comments on draft rule due July 5, 2023 before EPA can begin developing a final rule

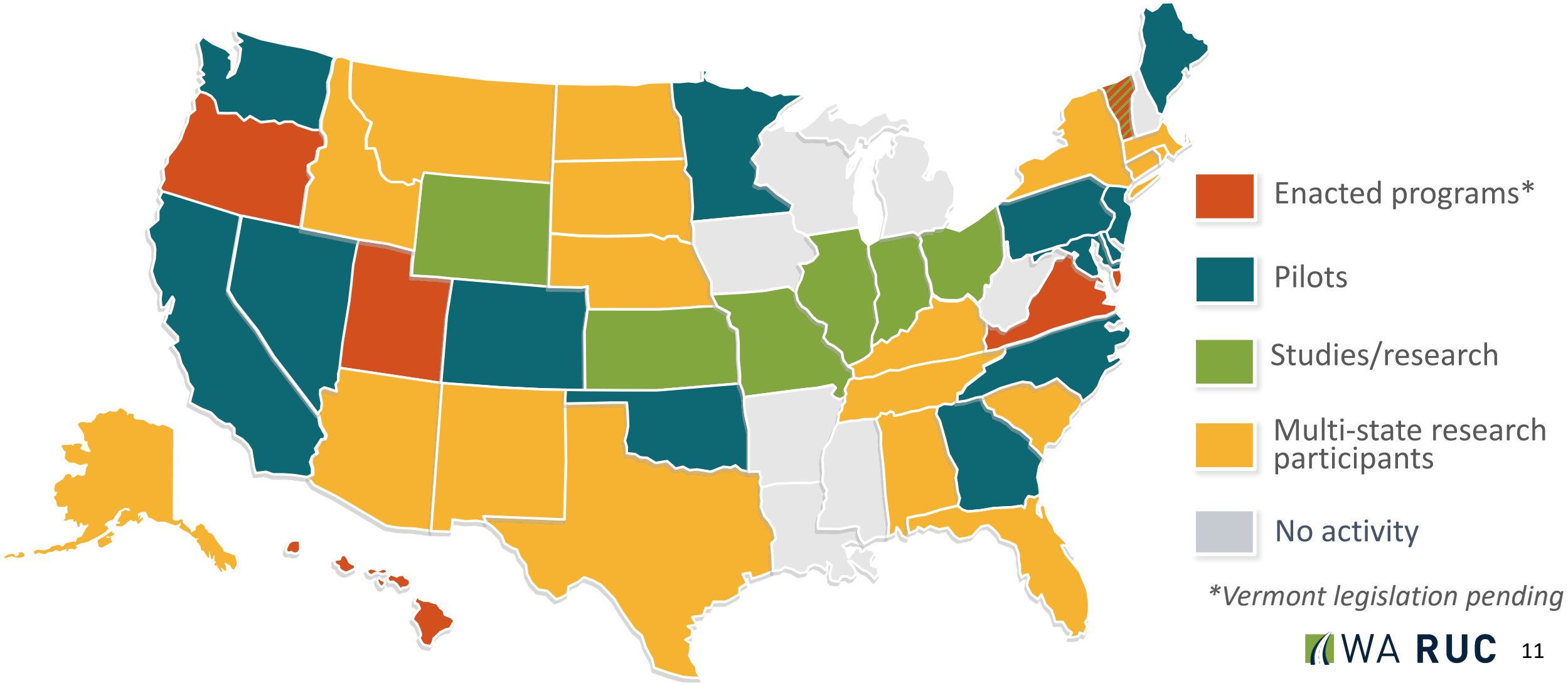
Annual EV Surcharges in 2023



Fee Range: $50 - $240

- Lowest: Hawaii ($50)
- Highest:
  - Washington ($225)
  - Michigan ($240 for vehicles over 8k lbs)
- Average: $130.45
- Median: $120

2023 RUC Landscape



Voluntary RUC Programs are Growing

ORe*GO*

Established
in July 2015
810 EVs, hybrids, and fuel-efficient vehicles

UDOT
Keeping Utah Moving
ROAD USAGE CHARGE

Established
in January 2020
4,000 EVs and hybrids

MILEAGE CHOICE PROGRAM

Established in July 2022
14,000 EVs, hybrids, and vehicles over 25 MPG

Hawaii: The Nation's Fourth Operational RUC Program

In 2023, Hawaii enacted a bill creating a RUC program for EVs starting in 2025. Until 2028, the program offers a choice between a flat annual surcharge or a per-mile fee capped at the annual surcharge amount

Pre-7/1/2025

Mandatory vehicle **safety inspections with odometer reading, $50 EV fee**

7/1/2025

Option to **opt in to RUC capped at $50** begins for EVs. Rate is 0.8¢/mile, based on state (not county) fuel tax

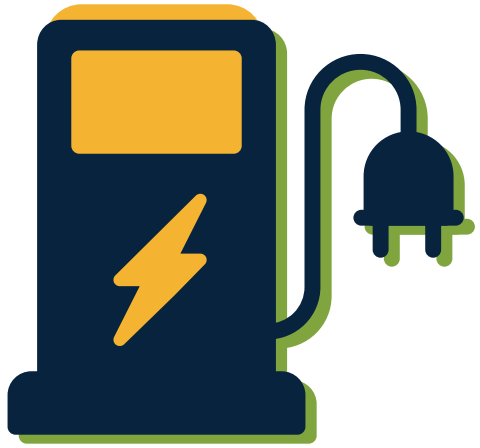
7/1/2028

RUC mandatory for EVs

2033

Target date to extend RUC to **all passenger vehicles**

Kilowatt-Hour Taxes Explained



A kilowatt-hour (kWh) tax is levied on motorists, EV charging station owners, and/or utilities per unit of kWh consumed.

Self-reporting: EV owners self report the kWh consumed each tax period, then file a return and pay the corresponding tax to the state (Pennsylvania).

At public charging stations: EV owners pay a tax on each kWh they purchase from a public (commercial) charging station. The tax can be levied at several points: on the utility supplying power to the charging site (Montana), on the charging station operator (Utah), or directly on the consumer who is purchasing electricity for their EV (Iowa, Oklahoma, Kentucky).

At home: Since 85%+ of charging occurs at home, capturing all electricity consumed by EVs through a kWh tax would require sub-metering all EV charge points at residences and businesses, with the electric utility applying and collecting the tax on those sub-metered locations (not enacted anywhere).

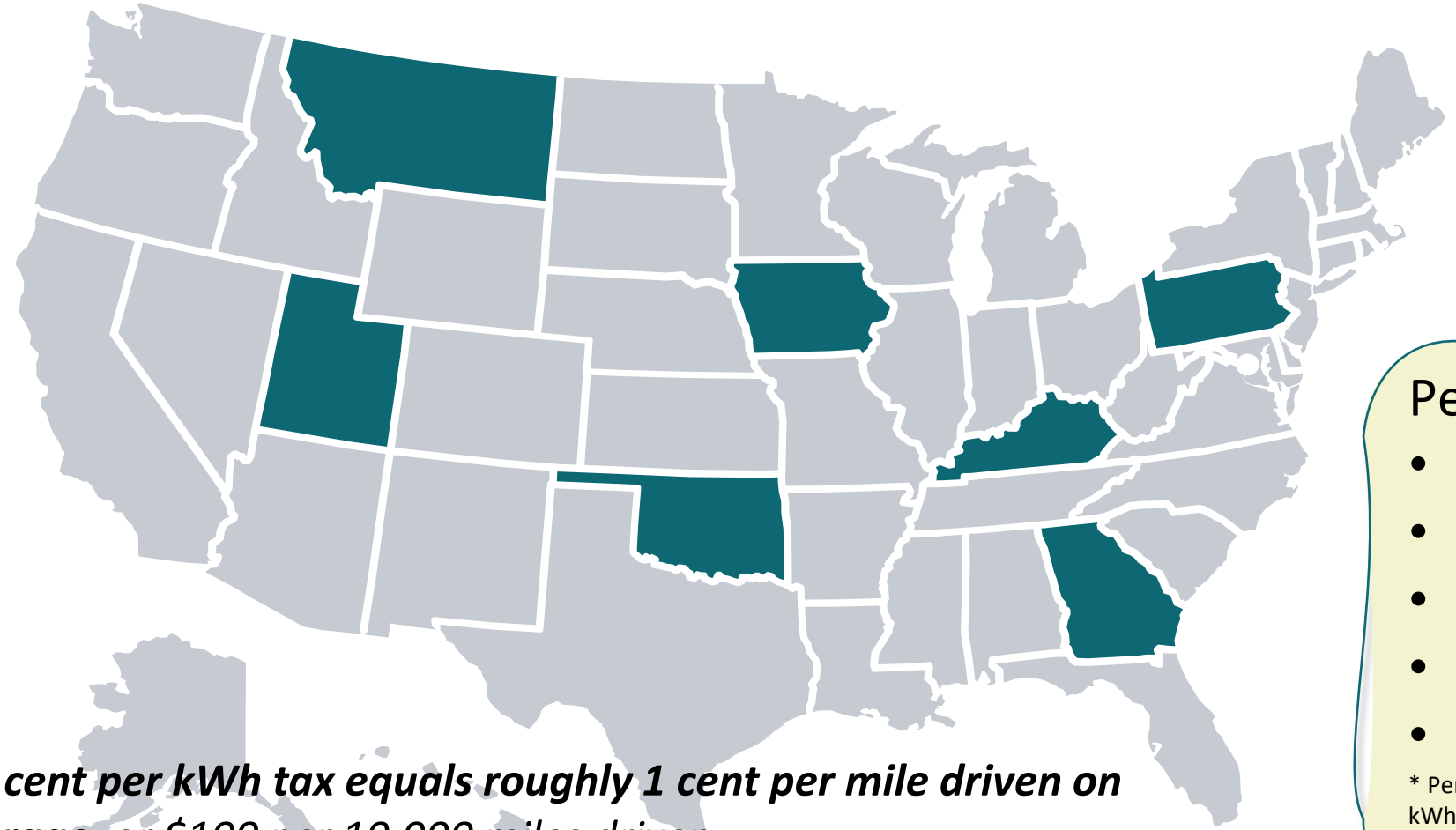
Kilowatt-Hour Taxes Policy Challenges

- Little relationship between taxes paid and road usage
- If assessed only at public charging stations, revenue potential is low given <15% of charging occurs at public charging stations
- For states with EV registration fees, EV owners see kWh tax as a double tax
- Where kWh tax is assessed only at public charging stations, it has disproportionate impact on low-income EV owners who are less likely to be able to charge at home
- In some states, “public charging stations” includes those at multi-family residents, leading to equity challenges since the tax applies to apartment-dwelling EV owners but not single-family-unit EV owners

Kilowatt-Hour Taxes Implementation Challenges

- If assessed via self-reporting, risk of high evasion (90%+ in PA)
- If assessed at all charging locations, high administrative costs due to the need to sub-meter every charge point (in residences, businesses, etc.)
- If assessed at public charging stations, compatibility challenges with EV charging provider payment models (i.e., how to tax kWh at free chargers or pay-by-time chargers)

Kilowatt-Hour (kWh) Taxes in 2023



States with kWh tax at public charging stations only

No EV kWh Tax

Per-kWh Tax Rates:

- ~1.7¢ (Pennsylvania)*
- ~2.4¢ (Georgia)
- 2.6¢ (Iowa)
- 3¢ (OK, KY, MT)
- ~4.4¢ (Utah)**

* Pennsylvania's tax is self reported and applies to all kWh consumed by EVs and PHEVs

** Utah's tax is 12.5% of the retail cost; assuming $0.35/kWh yields a tax of 4.4 cents.

***A 3 cent per kWh tax equals roughly 1 cent per mile driven on average**, or $100 per 10,000 miles driven*

Rate equivalencies vary by vehicle model and usage patterns

Recap of User-Based Funding Options

- Surcharges assessed at vehicle registration based on:
  - Engine type
  - Value
  - Fuel economy
- Motor fuel taxes (for internal combustion engine vehicles)
- Per-kWh taxes (for EVs)
- Per-mile RUC

The Federal STSFA and SIRC grant programs support state explorations of user-based funding options

2023 Federal STSFA Grant Recipients (Last Round)

California: $3M

Minnesota: $1.6M

TETC: $4.5M

Hawaii: $1M

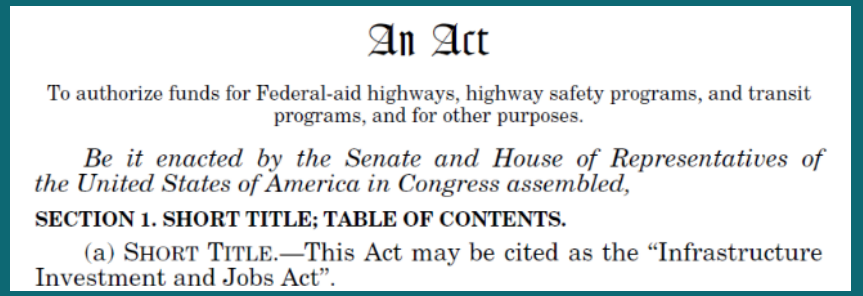
Oklahoma: $1.9M

Michigan: $2.6M

Virginia: $3.3M

Federal Activity Updates

- Bipartisan Infrastructure Law enacted November 2021
- SIRC Grants (replaced STSFA)
  - $75M over 5 years
  - Reduced match: 20% for new applicants, 30% for previous applicants
  - Expanded application eligibility to local governments and MPOs
  - Anticipated notice of funding opportunity: Summer 2023
- National RUC Pilot
  - $50 million over 5 years
  - Participants from all 50 states
  - Private and commercial vehicles
  - U.S. DOT in coordination with Treasury



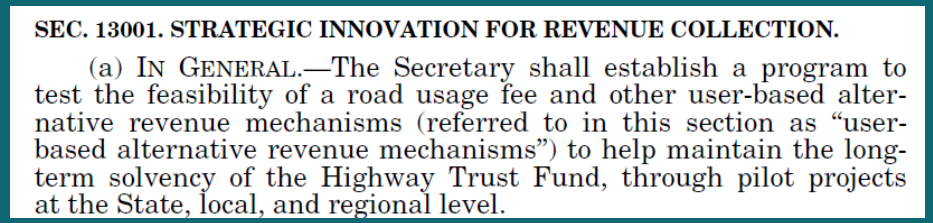
An Act

To authorize funds for Federal-aid highways, highway safety programs, and transit programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

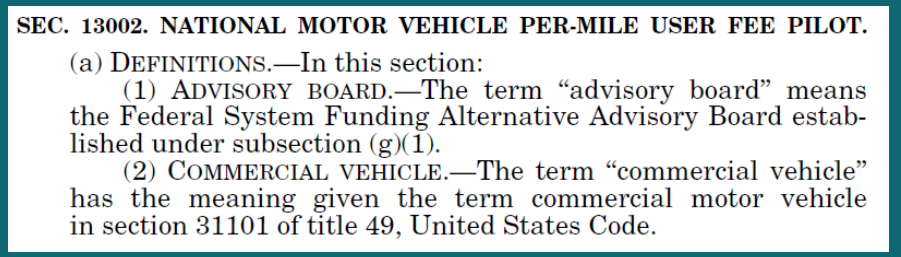
SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Infrastructure Investment and Jobs Act".



SEC. 13001. STRATEGIC INNOVATION FOR REVENUE COLLECTION.

(a) IN GENERAL.—The Secretary shall establish a program to test the feasibility of a road usage fee and other user-based alternative revenue mechanisms (referred to in this section as "user-based alternative revenue mechanisms") to help maintain the long-term solvency of the Highway Trust Fund, through pilot projects at the State, local, and regional level.



SEC. 13002. NATIONAL MOTOR VEHICLE PER-MILE USER FEE PILOT.

(a) DEFINITIONS.—In this section:

(1) ADVISORY BOARD.—The term "advisory board" means the Federal System Funding Alternative Advisory Board established under subsection (g)(1).

(2) COMMERCIAL VEHICLE.—The term "commercial vehicle" has the meaning given the term commercial motor vehicle in section 31101 of title 49, United States Code.

RUC Simulation Update and Initial Results

Ging Ging Fernandez, CDM Smith
Steven Marfitano, CDM Smith
Sabrina Santos, BERK Consulting

Simulation Objectives

Equity

Incorporate equity through prototype design

Cost Reduction

Measure **scalability, cost, and performance** of prototype features

User Experience

Validate design from user experience research and **gauge user perceptions and preferences**

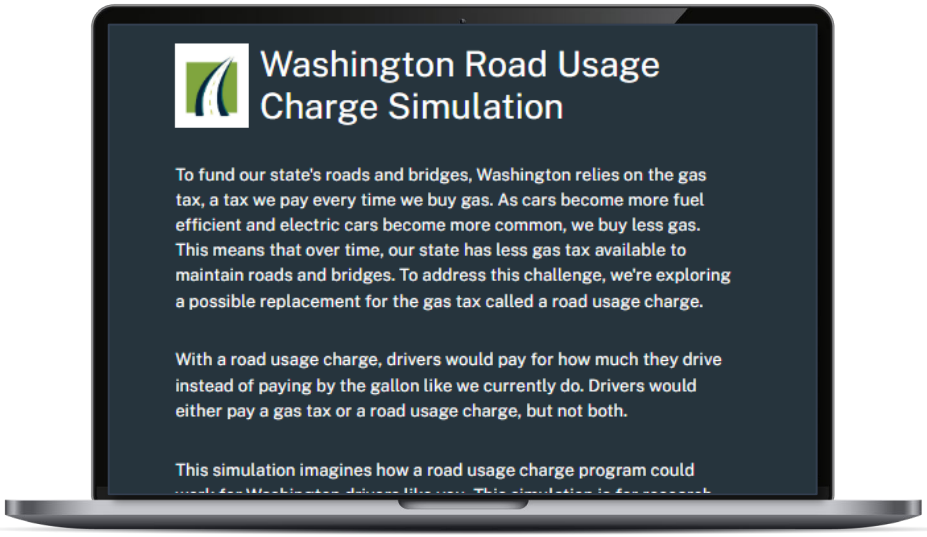
Concepts Explored in the Simulation

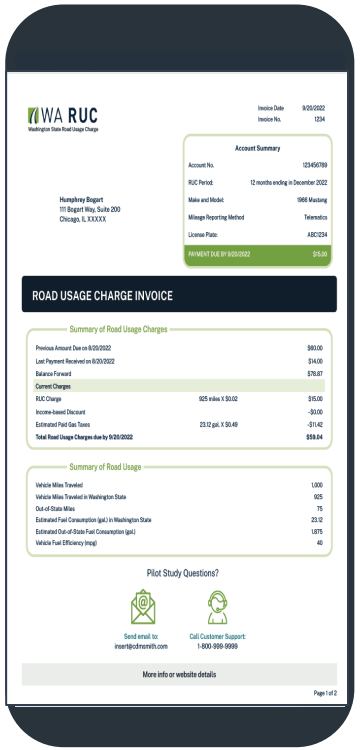
- Self-reporting of odometer readings at registration renewal (“RUC Basic”)
- Mileage reporting choices
- Accommodations for low-income vehicle owners
- Alternative invoice designs

- In-vehicle telematics as a mileage reporting choice
- Installment payment plans
- Out-of-state and off-road exemptions without GPS

FOLLOW-ON EXPERIENCES

Simulation Walk-through



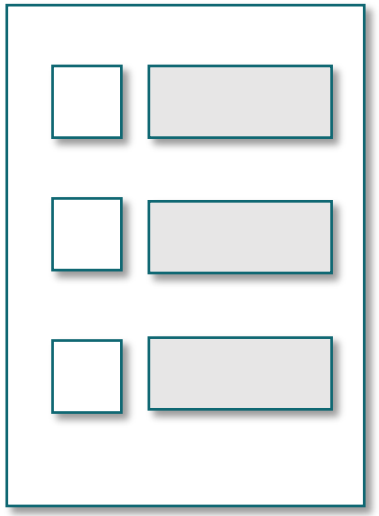


WA RUC FlexPay

WA RUC AutoPilot

WA RUC MilesExempt

SURVEY



19,000

Odometer Mileage

9,500 mi.

Estimated Miles Over Previous 12-months

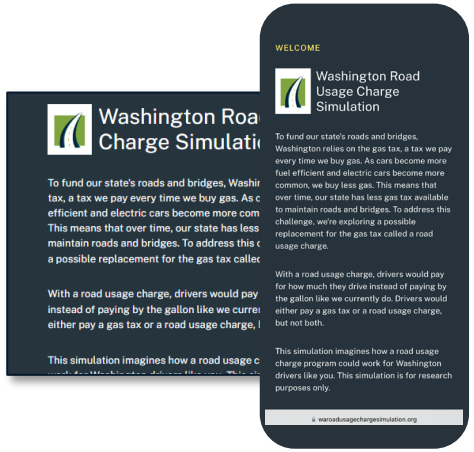
Total Reach of Simulation

1,145 participants

492 from organic recruitment

653 from statewide panel

- Responses weighted for a representative sample
- A representative sample minimizes favorability bias and prior RUC exposure



Simulation Experience

70%

were satisfied or very satisfied with the RUC payment and reporting process

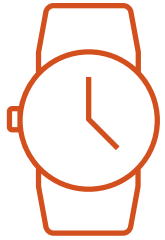
85%

said no steps were difficult to complete

82%

reported taking ≤10 mins to complete

Simulation Analytics



5 min. 20 sec.

median time to complete

Mileage reporting selection

is where participants spent the most time

Note: Data analytics captured 584 of 653 total statewide panel participant responses due to system design limitations.

Device Used to Participate in the Simulation

52%

used a phone

28% iPhone
+ 24% Android

43%

used a computer

30% Windows + 10% Mac
+ 3% Chromebook

4%

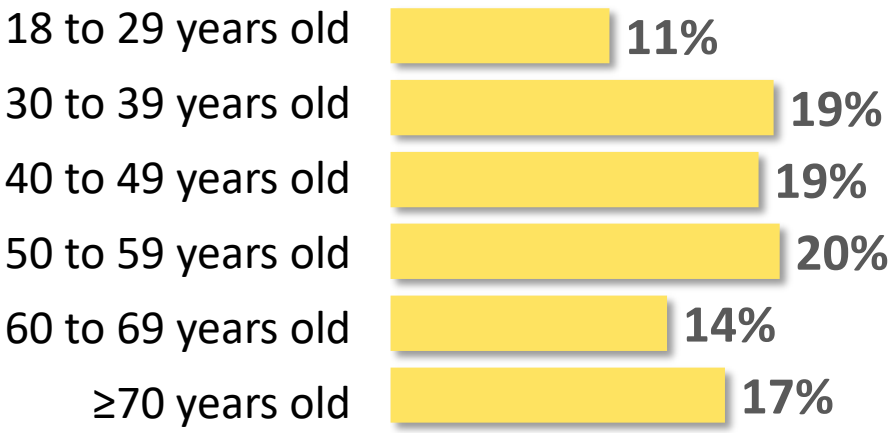
used other devices

Other include Kindle, iPad and multiple devices

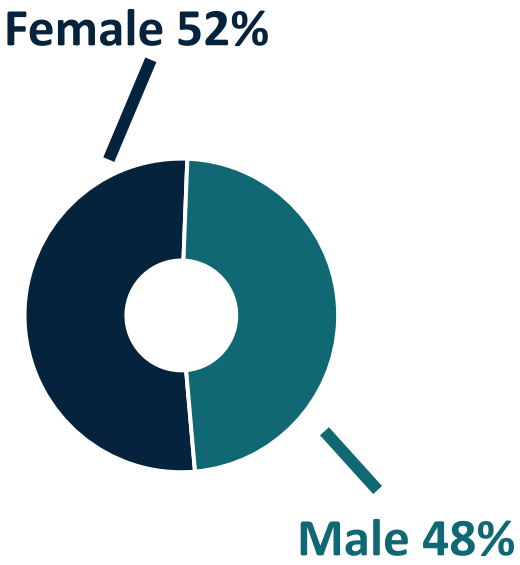
28

Characteristics of Simulation Participants

Age and Gender

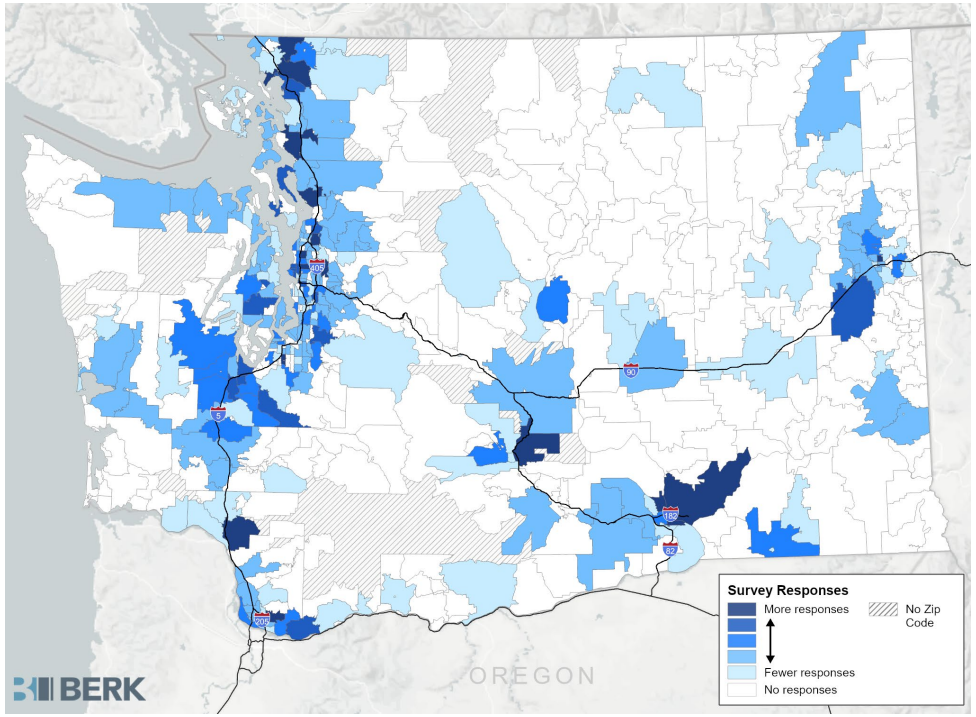


Respondents were evenly distributed among age groups and female and male respondents

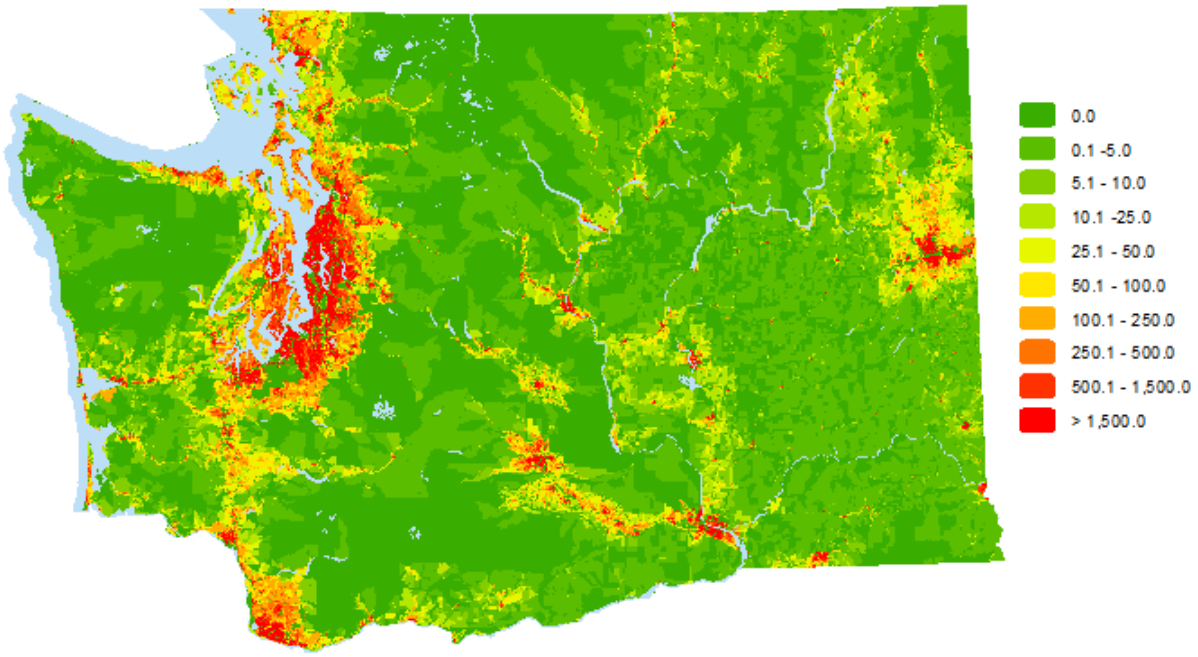


N= 648

Place of Residence

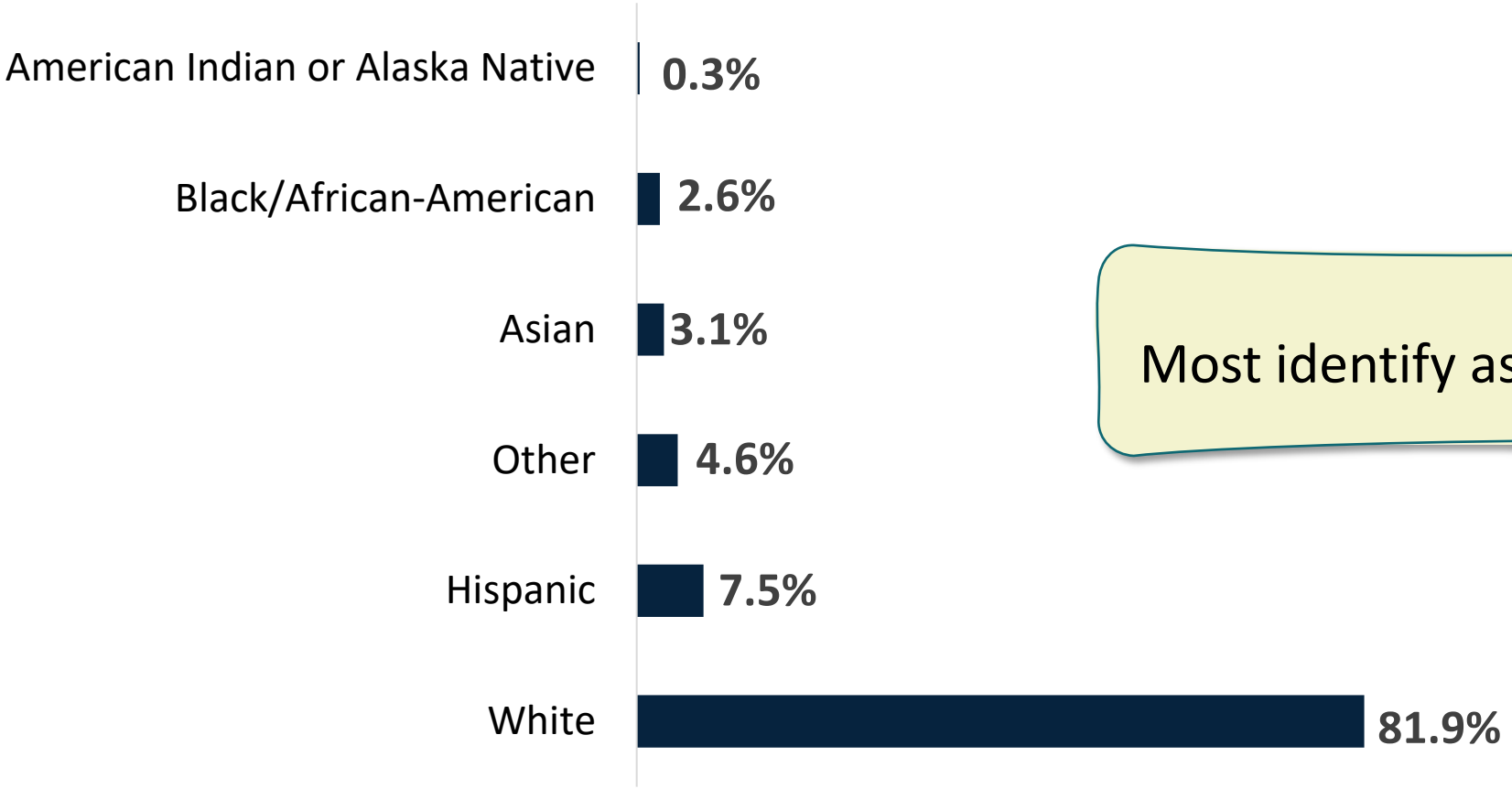


N=653



Source: State of Washington

Race and Ethnicity



Most identify as white, non-Hispanic

N= 649

Recruitment survey question: "Which racial or ethnic group do you consider yourself a part of or feel closest to?"

Household Demographics

Almost 6 in 10 respondents are married

Most work full time (50%) or part time (13%)

78% have completed at least some college

Most own (78%) or rent (20%) their housing unit

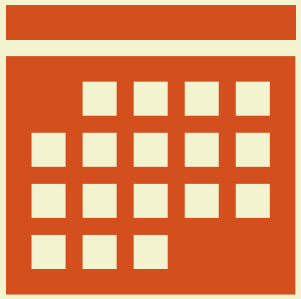
80% live in detached, single-family houses

Almost 6 in 10 live in 1- or 2-person households

N=653

Household Vehicle Information

Most live in households with 1-2 vehicles



Over half have at least one vehicle less than 10 years old

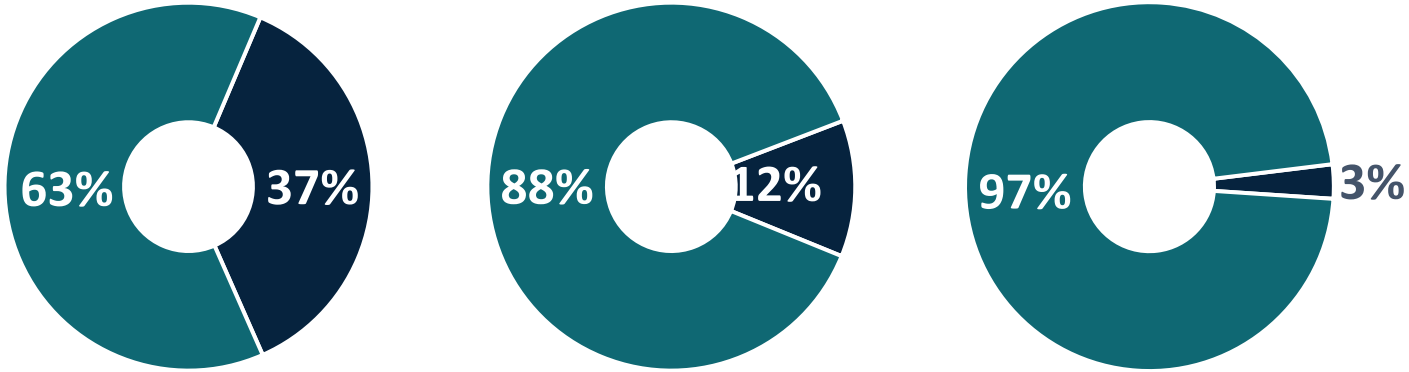
Most drive vehicles with average or below average MPG

N= 649

Enrollment in State Assistance Programs

12% of participants are currently enrolled in State assistance programs

- Enrollment differs by income
- More respondents who owed <$1 in RUC are enrolled in programs
- Medicaid is the most common program



Income <$50,000 *(weighted n = 120)*

Income $50,000 - $99,999 *(weighted n = 200)*

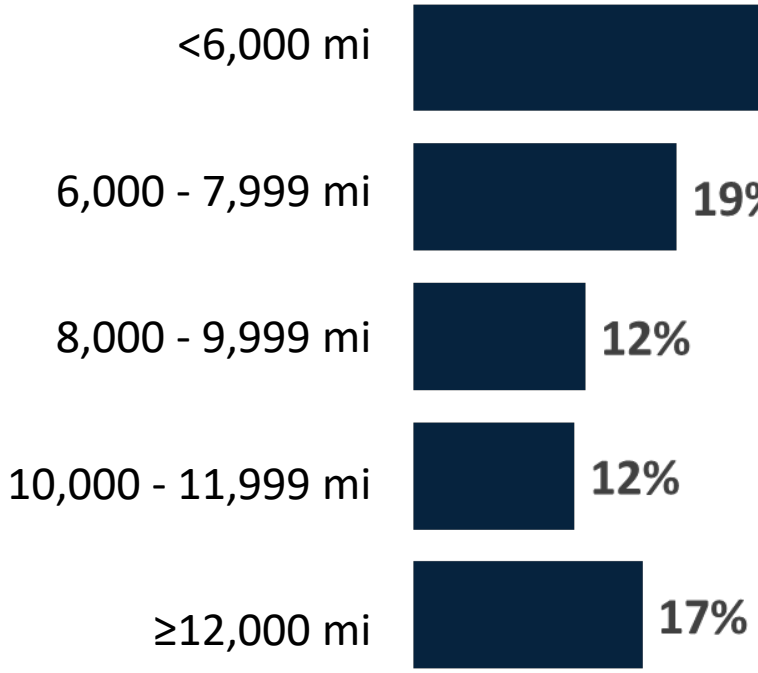
Income ≥$100,000 *(weighted n = 329)*

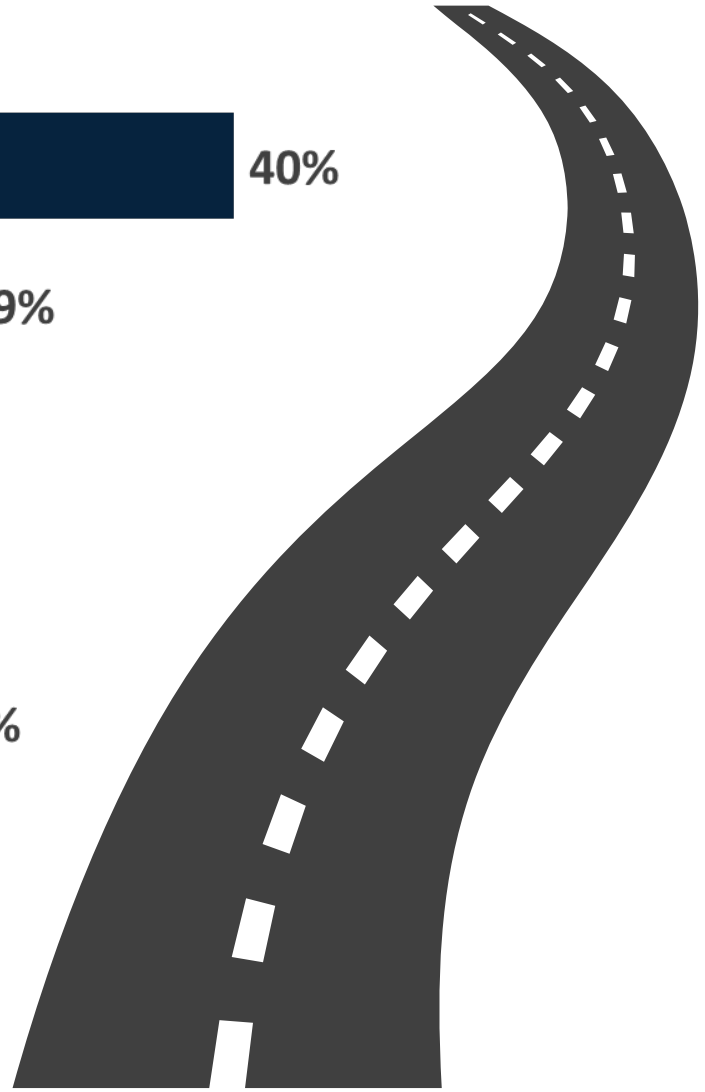
■ Currently enrolled in state assistance services

■ Not currently enrolled in state assistance services

N= 612

Driving Habits





61%

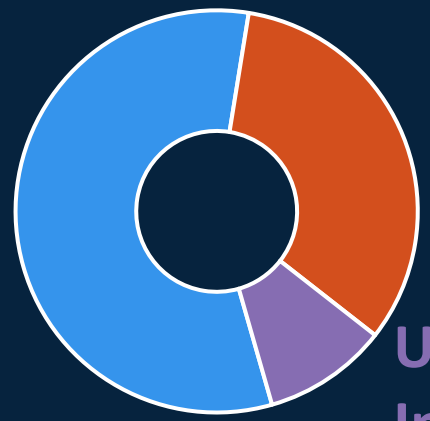
have vehicles with odometer readings of 100K or less

Respondents with lower incomes and rural respondents drive cars with higher mileage

N= 647

Political Affiliation

Party



Democrat 57%

Republican 33%

Undecided, Independent, or other 10%

N= 649

Ideology

Liberal 46%

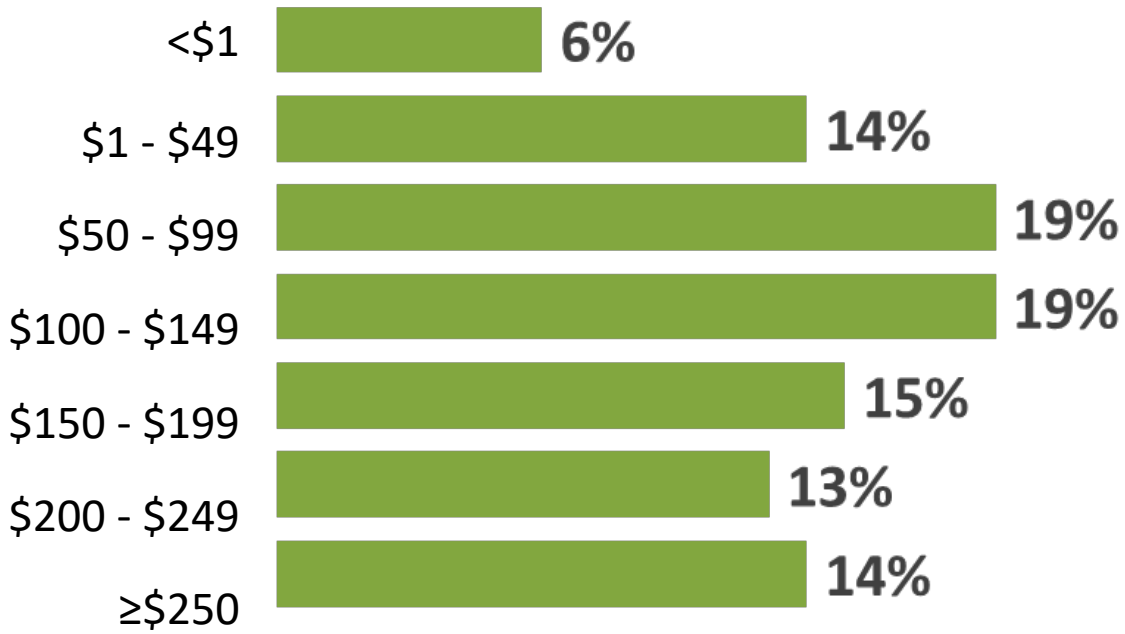
Conservative 28%

Moderate 26%

N= 631

Simulation Results & Findings

Results: Estimated Gas Taxes Paid in the Past Year



N= 643

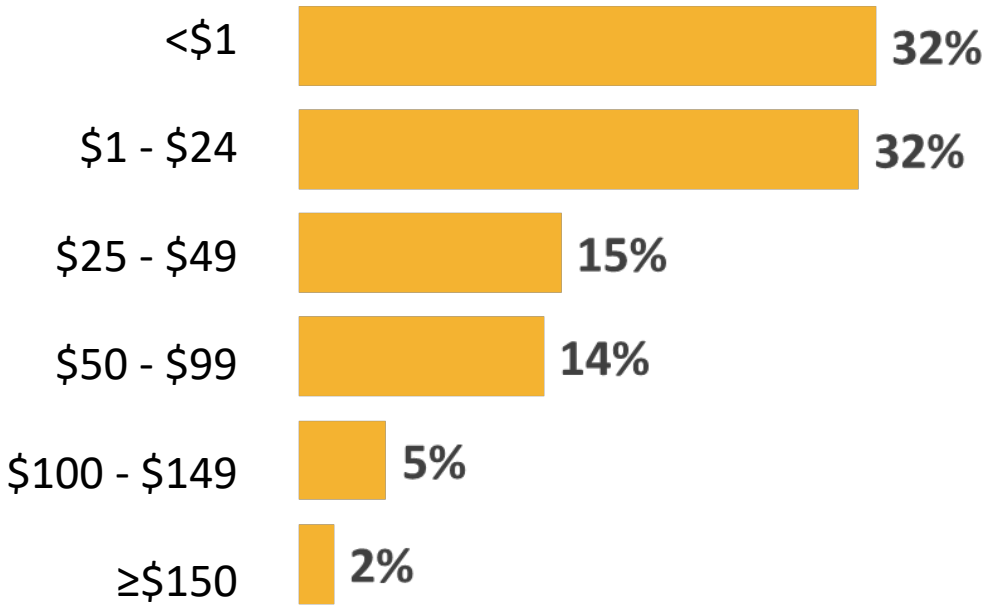
$146.40 Average gas taxes paid

$131 Median gas taxes paid

- Those who paid less in gas taxes typically owed more RUC
- Respondents who paid <$1 were typically those with higher incomes or living in rural ZIPs

The simulator automatically calculated participants' estimated gas taxes paid based on their miles driven over the prior 12 months and their vehicle MPG.

Results: RUC Owed (Net of Gas Tax Credits)



N= 648

$29.64
Average RUC owed

$12
Median RUC owed

Respondents with incomes <$50,000 and rural respondents typically owed less

The simulator automatically calculated participants' RUC owed based on their reported miles driven over the prior 12 months.

High-Level Findings

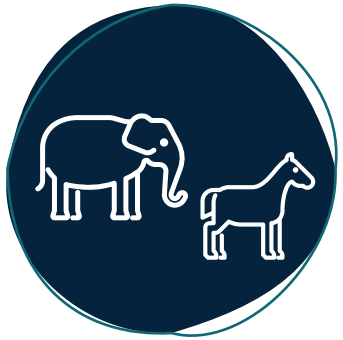
1 Most **support** a transition to RUC

2 Most want to **self-report** mileage

3 Most **did not want flexible payments** – but those who did tended to have lower household incomes

Finding #1

Most **support** a transition to RUC

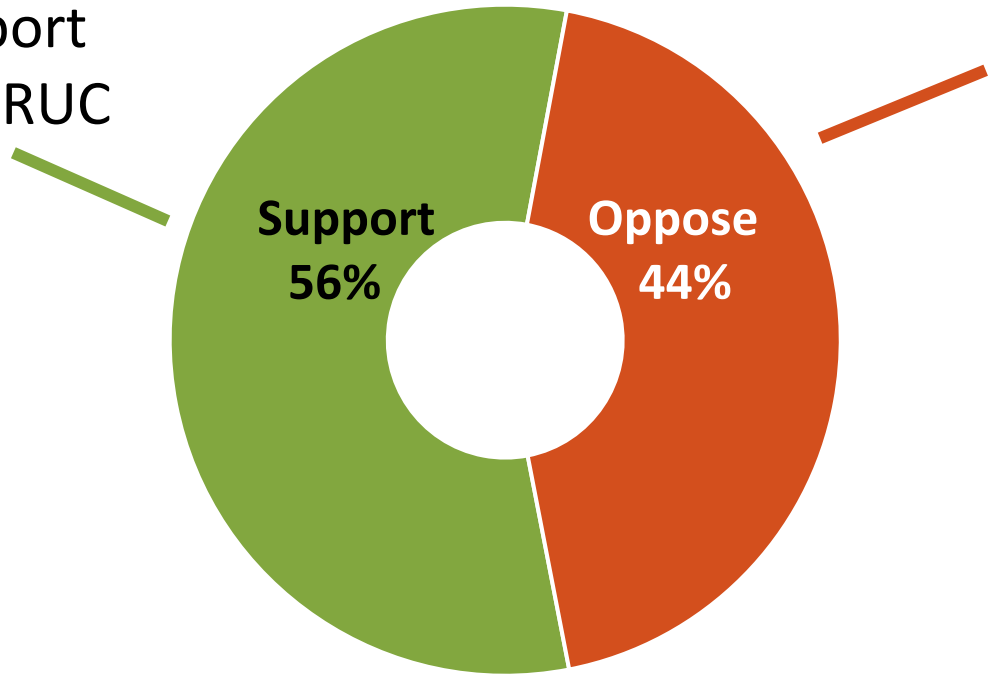


Support varies by political affiliation

The top concern about RUC among participants is data security

Support for Transition to a RUC

More than half of respondents support transitioning to a RUC



Common concerns among those who oppose:

- Fear that RUC would add a new tax
- Program logistics
- Fairness and equity
- Loss of incentive to buy hybrid or electric vehicles
- Privacy

N= 647

Data Security Concerns

54%

of respondents have data security concerns – with more concern among rural respondents

Common Concerns

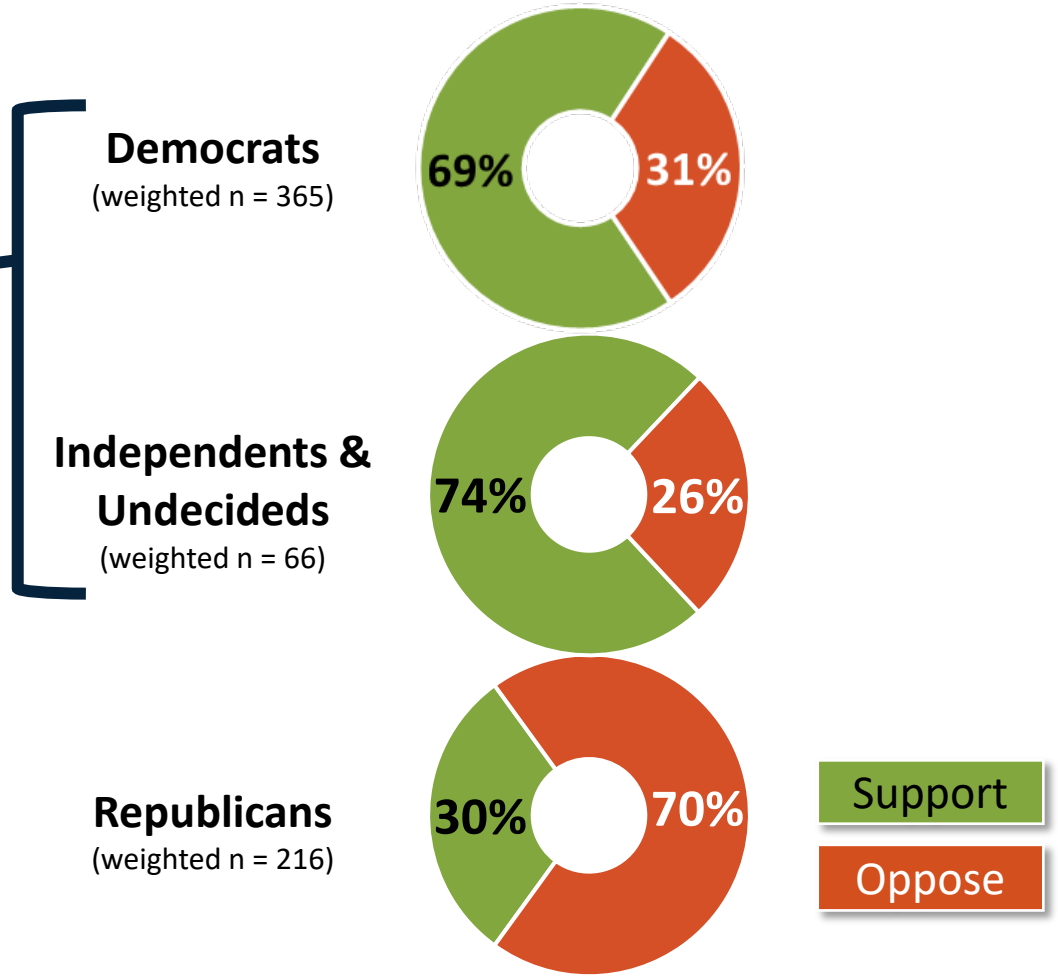
- Privacy and location sharing
- Hacking and data breaches
- Bank and payment information
- Individual accountability to provide accurate data

N= 647

Support by Political Party

Higher levels of support among:

- Independents and Democrats
- Respondents with higher incomes
- Respondents in western WA and urban ZIPs
- Liberals



Finding #2

Most want to self-report mileage

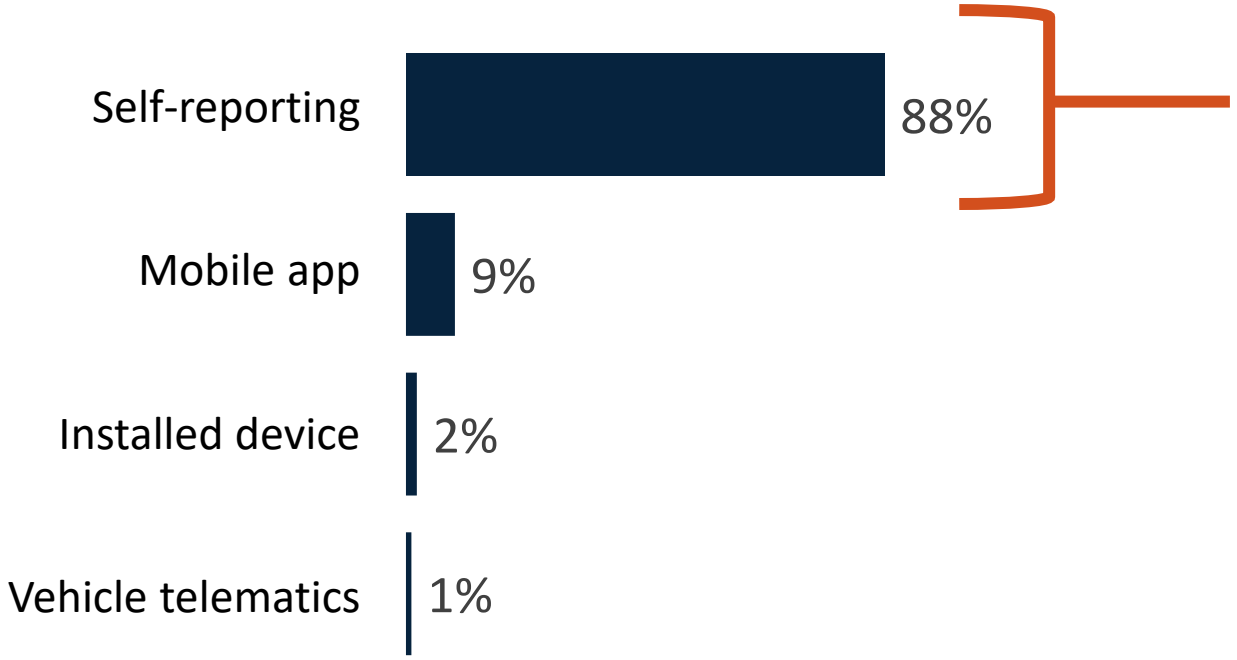
A desire for a low-cost option likely influenced mileage reporting selection

Most respondents said they would report accurately (though most also think others would be dishonest)

Most believe it’s important to have exemptions for out-of-state miles

Few reported driving >200 miles out of state, but more than half wanted to claim an exemption

The Choice to Self-Report



Most respondents opted to self-report mileage

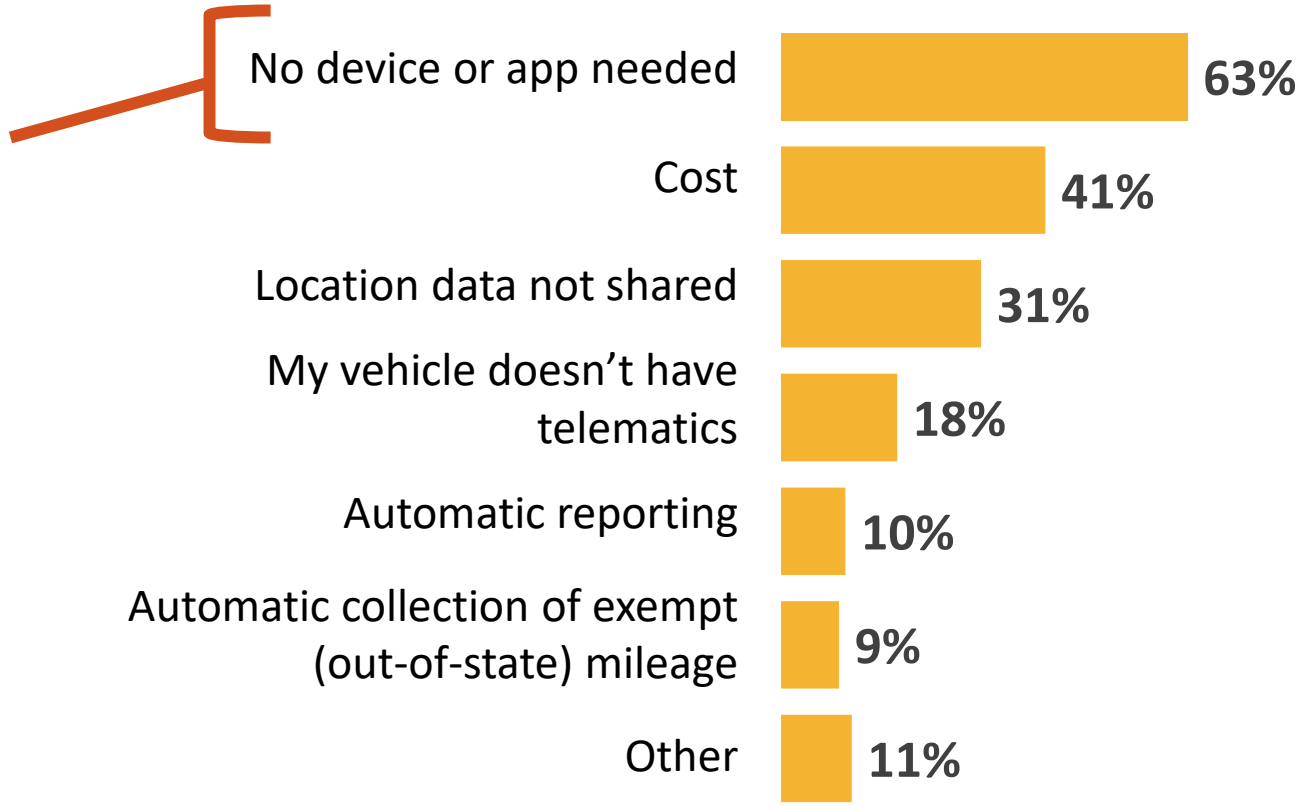
Respondents favored low-tech reporting options that don't require additional steps to complete the process

N= 647

Reasons for Choosing Reporting Method

Most respondents selected their mileage reporting method because no device or app was needed

Other common reasons include cost and the sharing of location data



N = 637. Note: Participants may select more than one reason for selecting their reporting method.

Willingness to Pay for Tech-Based Approaches

2

94%

were not willing to pay more than $5 per month for technology-based mileage reporting services

A higher proportion of rural respondents were **not willing to pay anything** for the use of technology-based approaches to mileage reporting

N=384

Informing Driver Decision Making

2

64%

said they **would not** need additional information to select a mileage reporting option

36%

said they **would** need additional information

- How mileage reporting options would work
- Cost
- How to report and verify exempt miles
- Privacy, including data collection and use

N= 636

Privacy and Data Security Concerns

2

Most (66%) reported privacy or data security concerns with one or more of the tech-based reporting options

There was more concern among rural respondents

Common concerns

- Data security: hacking, identity theft, and app security
- Government having too much information
- Being tracked

N= 644

Honesty in Reporting

2

85%

of respondents say they **would** accurately report their miles driven

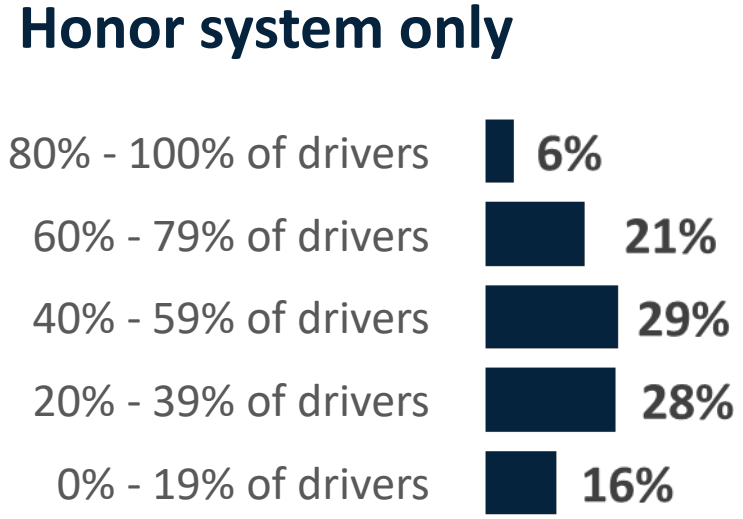
N= 646

Likelihood of Accurate Reporting: Others

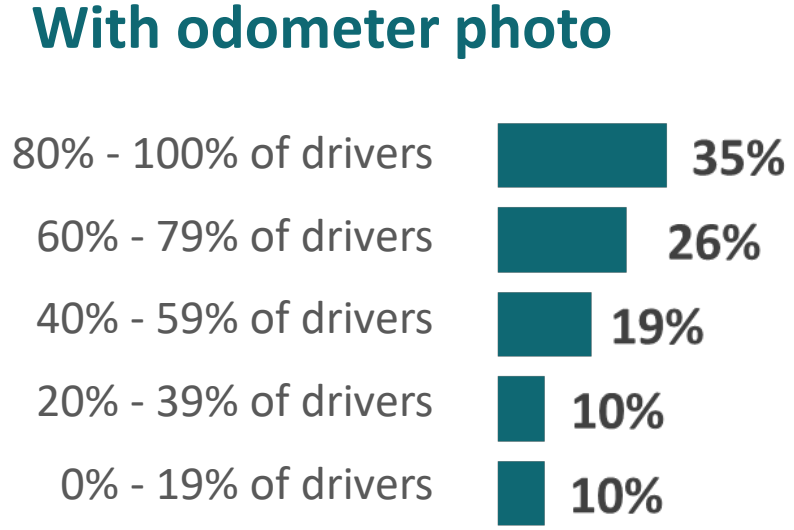
2

Requiring an odometer photo increases confidence in the accuracy of others' mileage reporting

According to respondents, the proportion of WA drivers that would accurately report their miles driven in the past year:

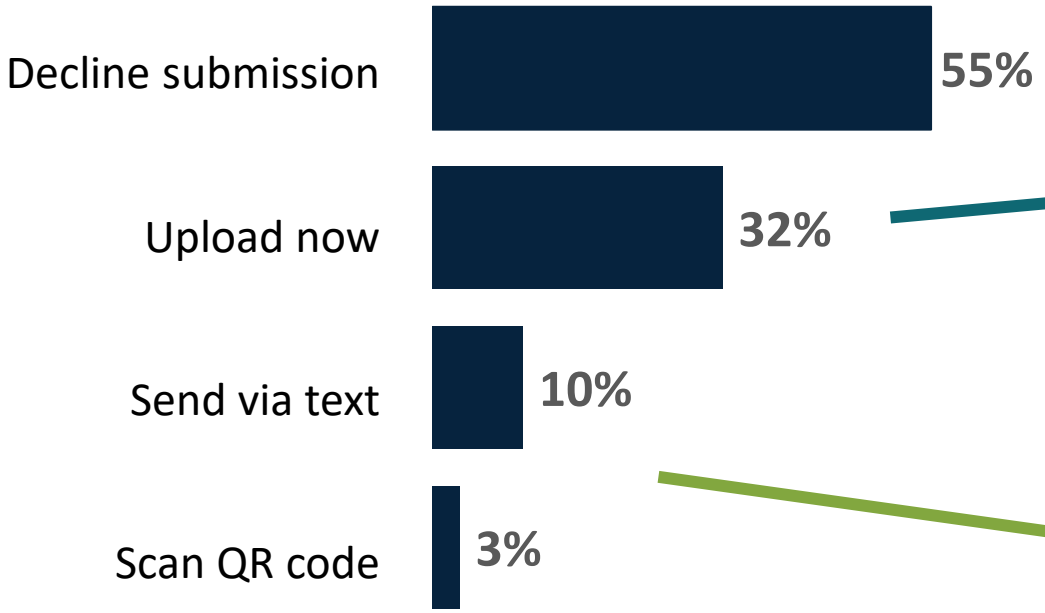


N= 620



N= 631

Submitting Odometer Photos



Over half declined odometer photo submission

"Upload now" was the most common submission selection

- Rural respondents chose this at a higher rate than urban

Urban respondents sent via text or QR code at a higher rate than rural

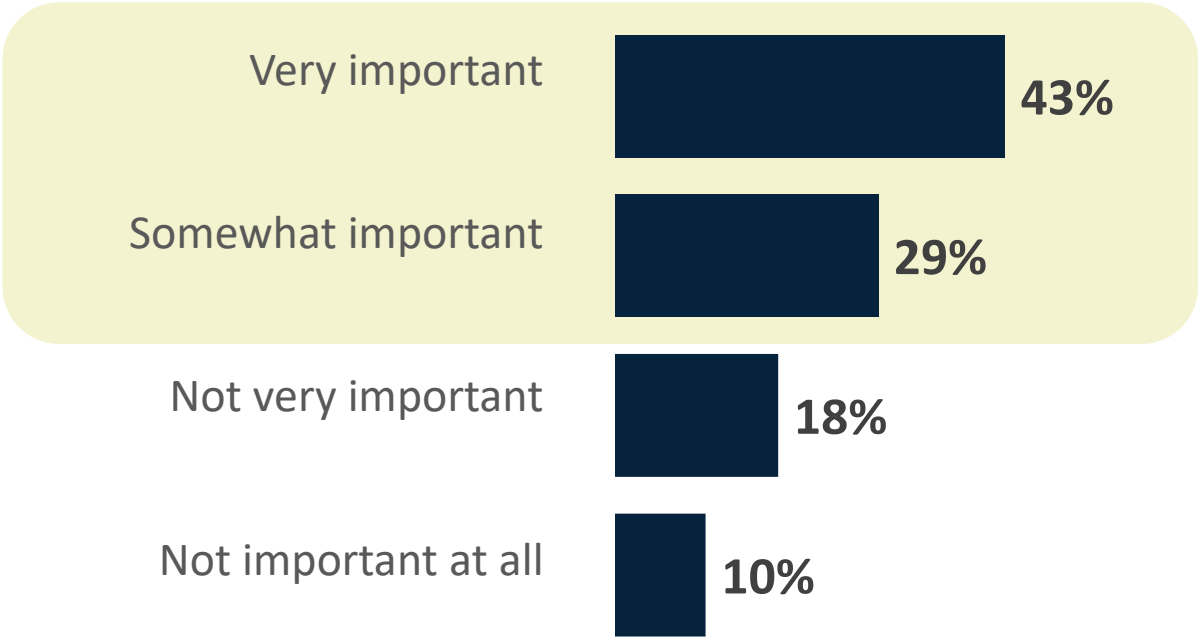
N= 648

Importance of Mileage Exemptions

72%

of respondents believe that **exemptions for miles driven on out-of-state and private roads** are important

Higher rates of respondents with higher incomes report that exemptions would be important



N= 646

Out-of-State Travel Exemptions

Almost half
claimed the standard exemption of 200 miles

Respondents in border counties chose this option at a lower rate than interior counties

N= 634

80%
drove 200 miles or **fewer** on out-of-state or private roads

N= 641

20%
drove 200 miles or **more** on out-of-state or private roads – and most drove drive 2K miles or fewer

N= 641

Finding #3

Most did not want flexible payments – but those who did tended to have lower household incomes

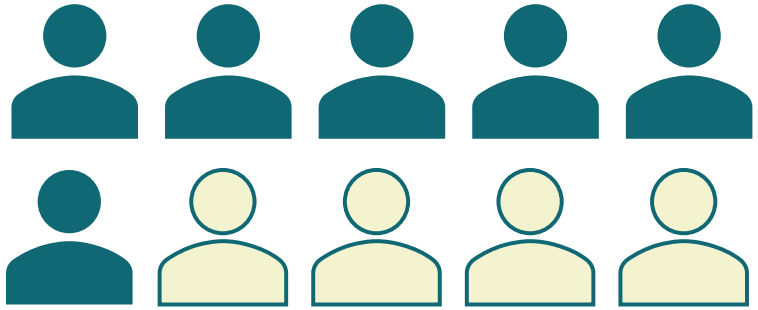
Many said having a flexible payment option is important

Those with lower incomes were more likely to choose installments than higher income individuals

Most respondents want to pay little to nothing for flexible payment options

Importance of Payment Installments

3

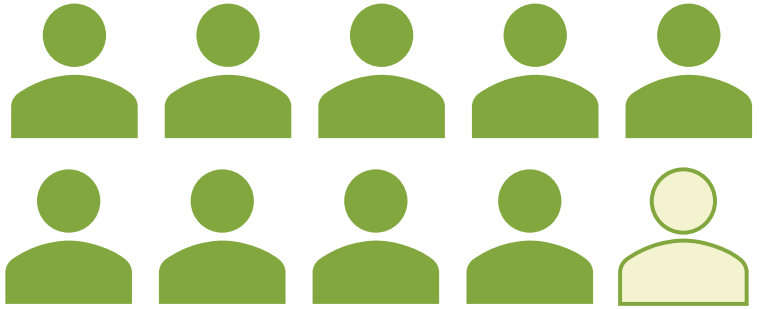


About 6 in 10 said this option is important for **themselves**

N= 644

Nearly all said this option is important for **others**

N= 636



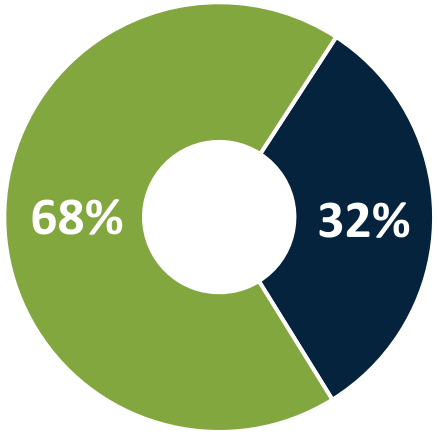
Paying Immediately vs. Installments

3

Most opted to pay immediately

- Choice differs by income
- More respondents with lower incomes opted for installment payments compared to higher income respondents

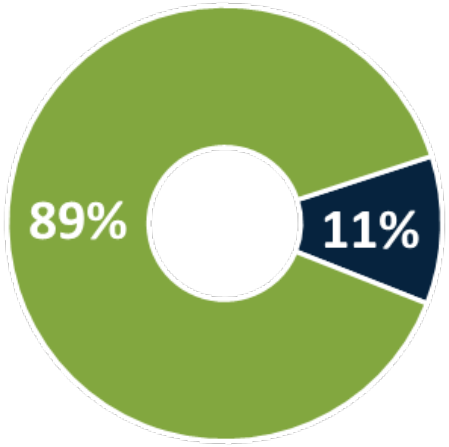
Average RUC Owed: **$26.11**



Income <$50,000

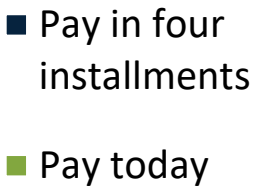
(weighted n = 120)

Average RUC Owed: **$30.02**

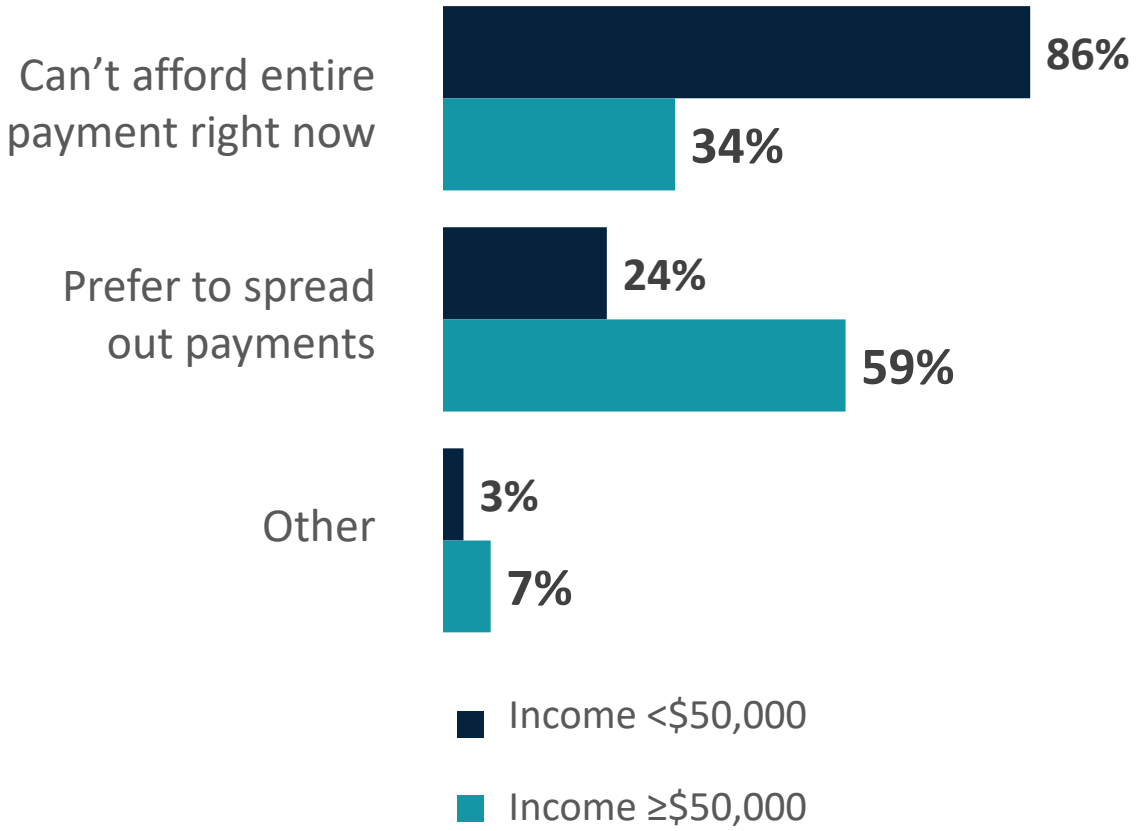


Income ≥$50,000

(weighted n = 529)



Payment Option Reasoning



For the 100 respondents who opted to pay in installments, more respondents with low incomes did so because they couldn't afford the entire payment at once

More rural respondents than urban respondents reported an inability to afford the entire RUC payment at once

N = 100. Note: Participants may select more than one reason for selecting their payment method

Payment Preferences

3

Willingness to Pay for an Installment Option

About 3/4 were willing to pay up to $1 per payment for flexible payment options

N= 345

Payment by Credit or Debit

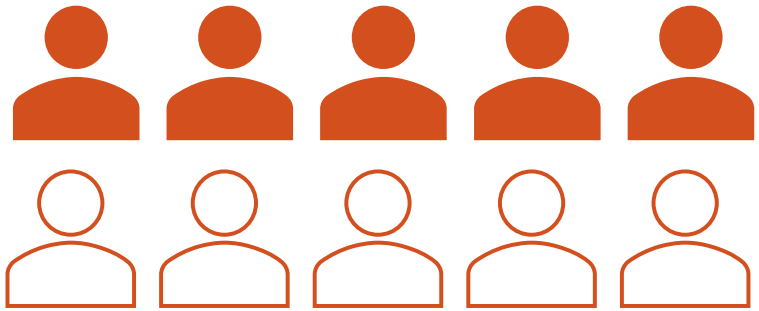
54% chose to use a credit or debit card – with rural and lower-income individuals choosing this option at higher rates

N= 641

Importance of Income-Based Discounts

3

Half rated income-based discounts as important for themselves



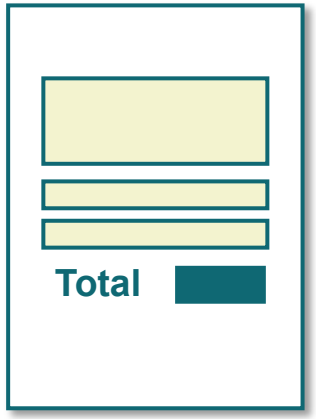
N= 647

Most (86%) rated income-based discounts as important for others

N= 642

Participant Feedback

Invoice Feedback



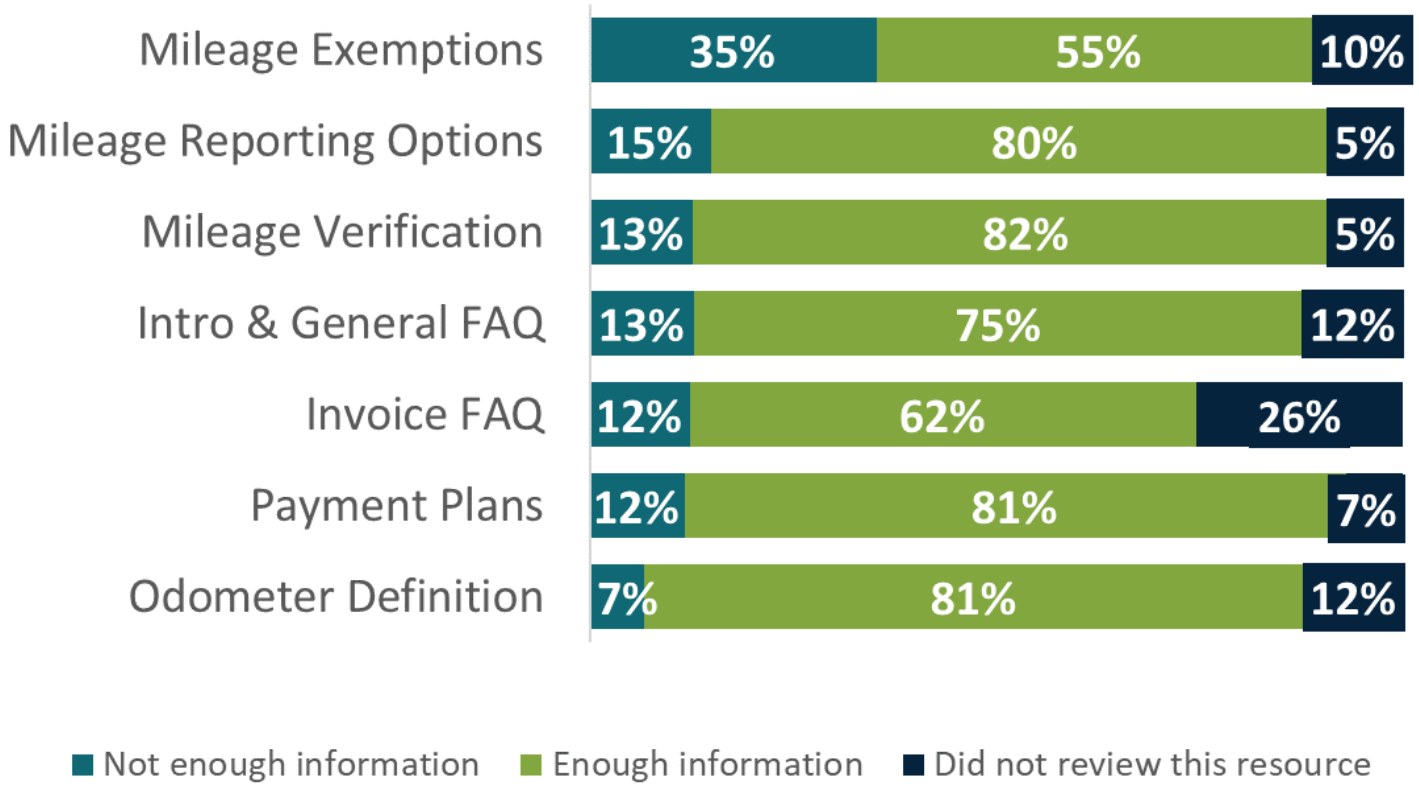
88%
of respondents said nothing should be changed in the invoice summary

N= 642

Suggestions for additions:

- Explanation of the calculation method for estimated gas taxes paid
- Information about how to correct information like vehicle MPG
- Explanation of the purpose of the transaction fee
- Total miles reported in prior years

Usefulness of Information



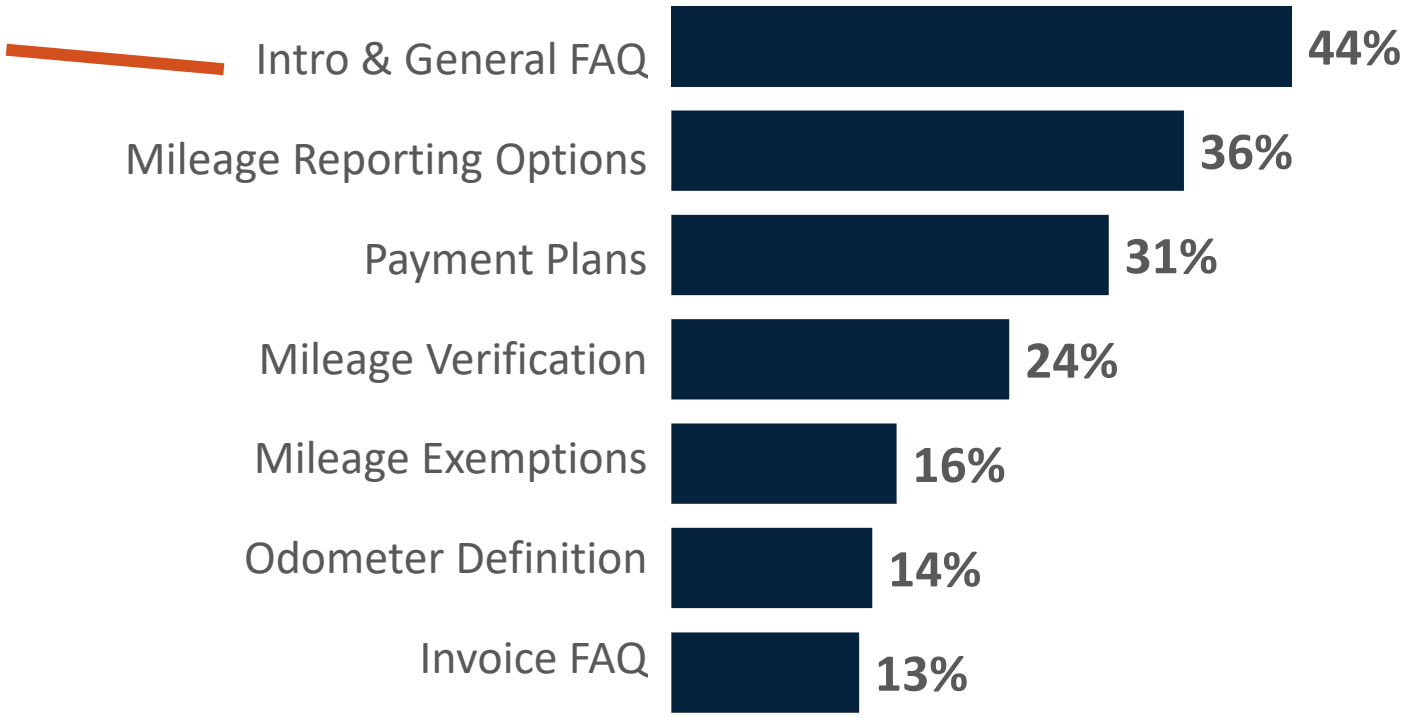
Most respondents had enough info for each component of the simulation

The largest proportion of respondents needed more info about mileage exemptions

N= 642 - 645

Most Helpful Resources

The resource respondents found most helpful was the **Intro and General FAQ**



N = 645. Note: Participants may select more than one helpful resource.

Break

Rejoin at 10:45 a.m.

Follow-on Pilot Experiences: Update and Initial Results

Baxter Shandobil, CDM Smith

Roberto Alvarado-Vazquez, CDM Smith

Mike Rabinowitz, CDM Smith

WA RUC
WASHINGTON ROAD USAGE CHARGE | FlexPay
FOLLOW-ON EXPERIENCE

Objectives

Test viability of providing payment flexibility for drivers unable to make lump-sum RUC payments

Test the behavior of drivers in a WA RUC FlexPay plan when real currency is exchanged

FlexPay Overview

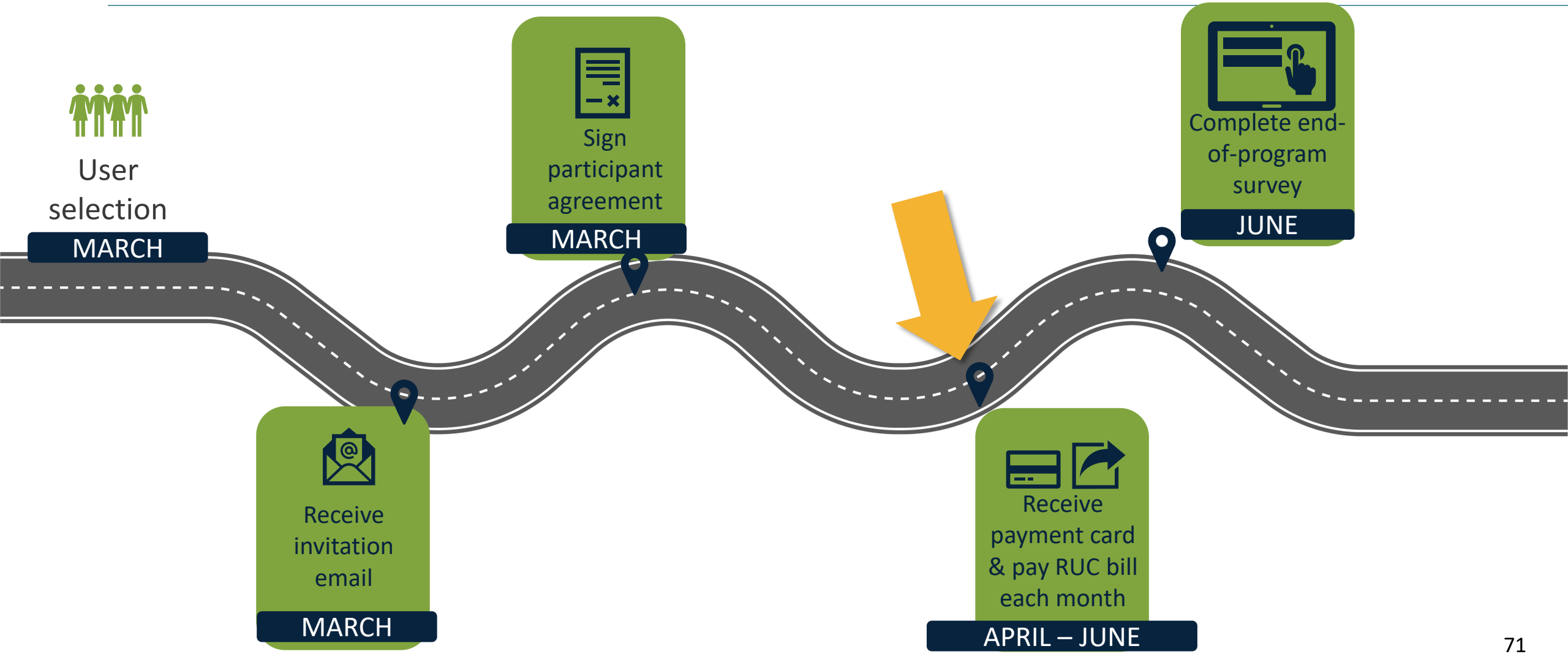
28 participants are currently test driving paying for RUC in installments rather than one lump payment

FOCUS 

User experience & equity

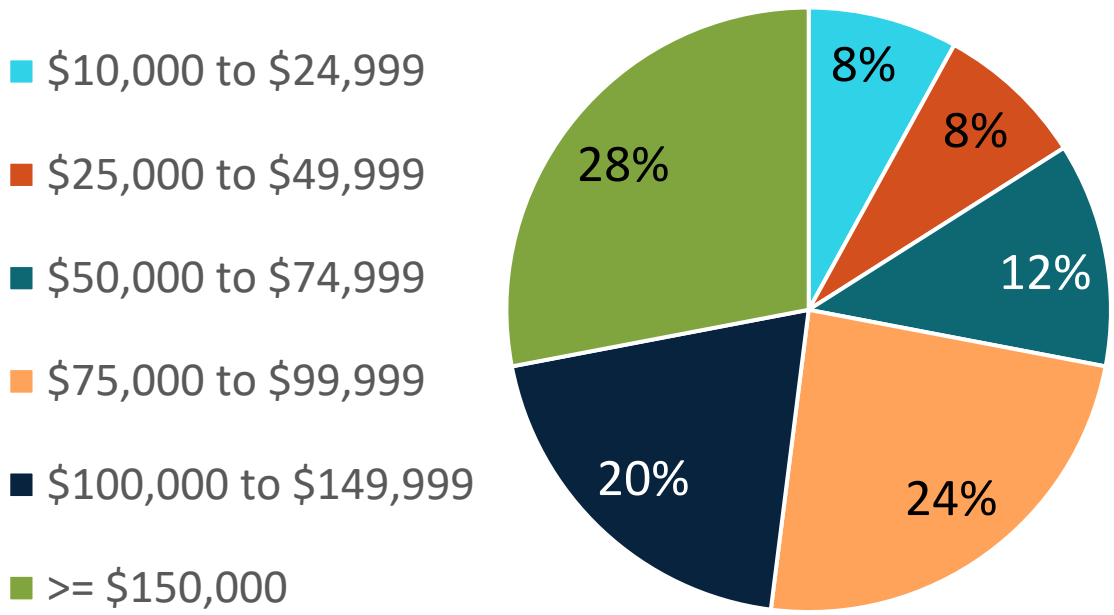
April – June

FlexPay Participant Experience

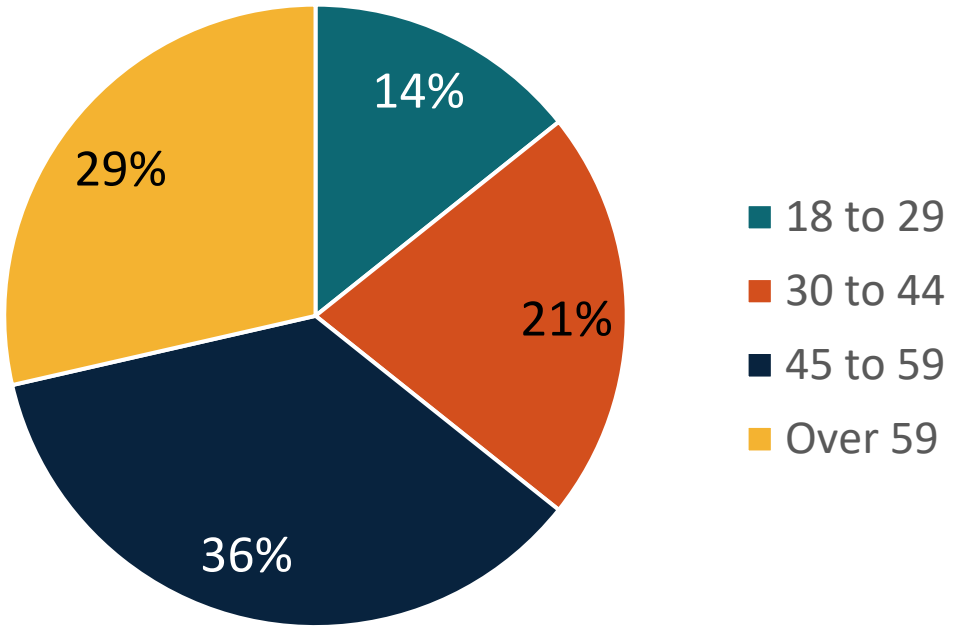


Participant Demographics: Income & Age

Household Income

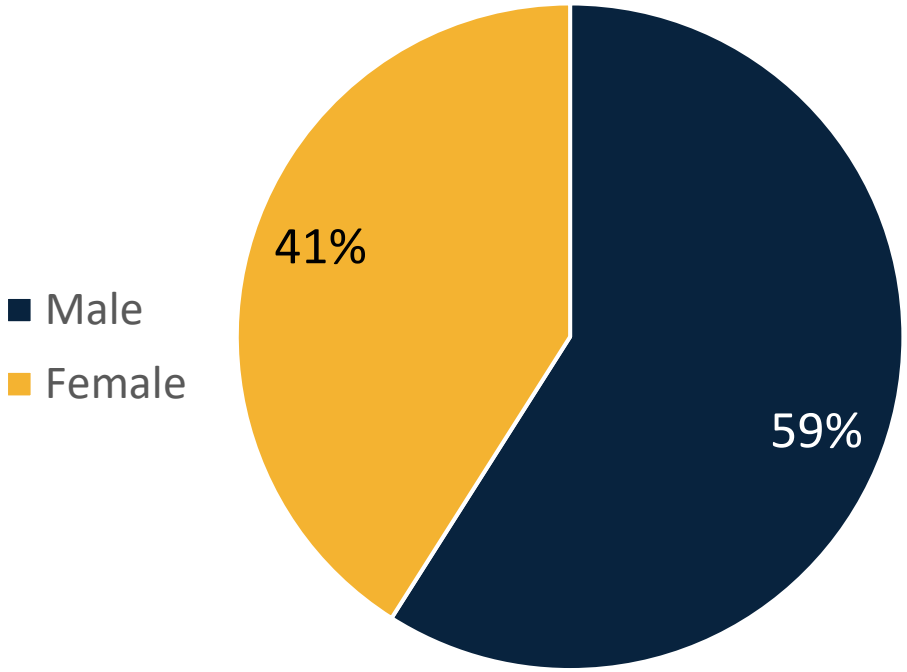


Age

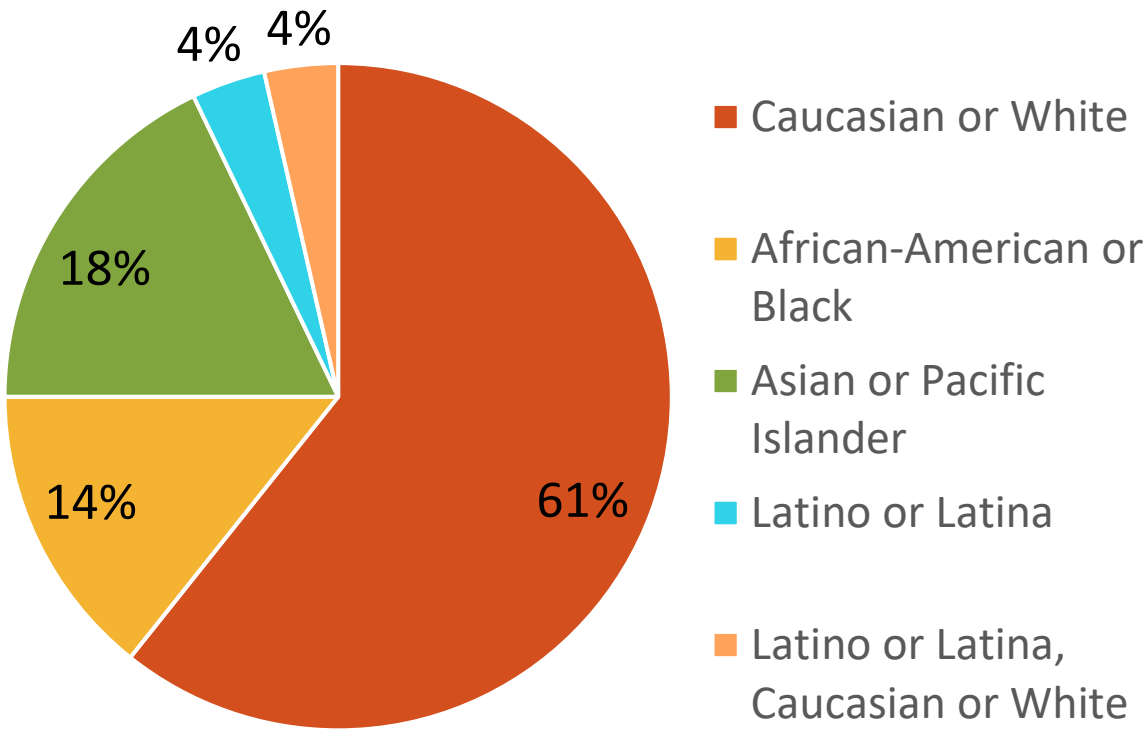


Participant Demographics: Gender & Ethnicity

Gender

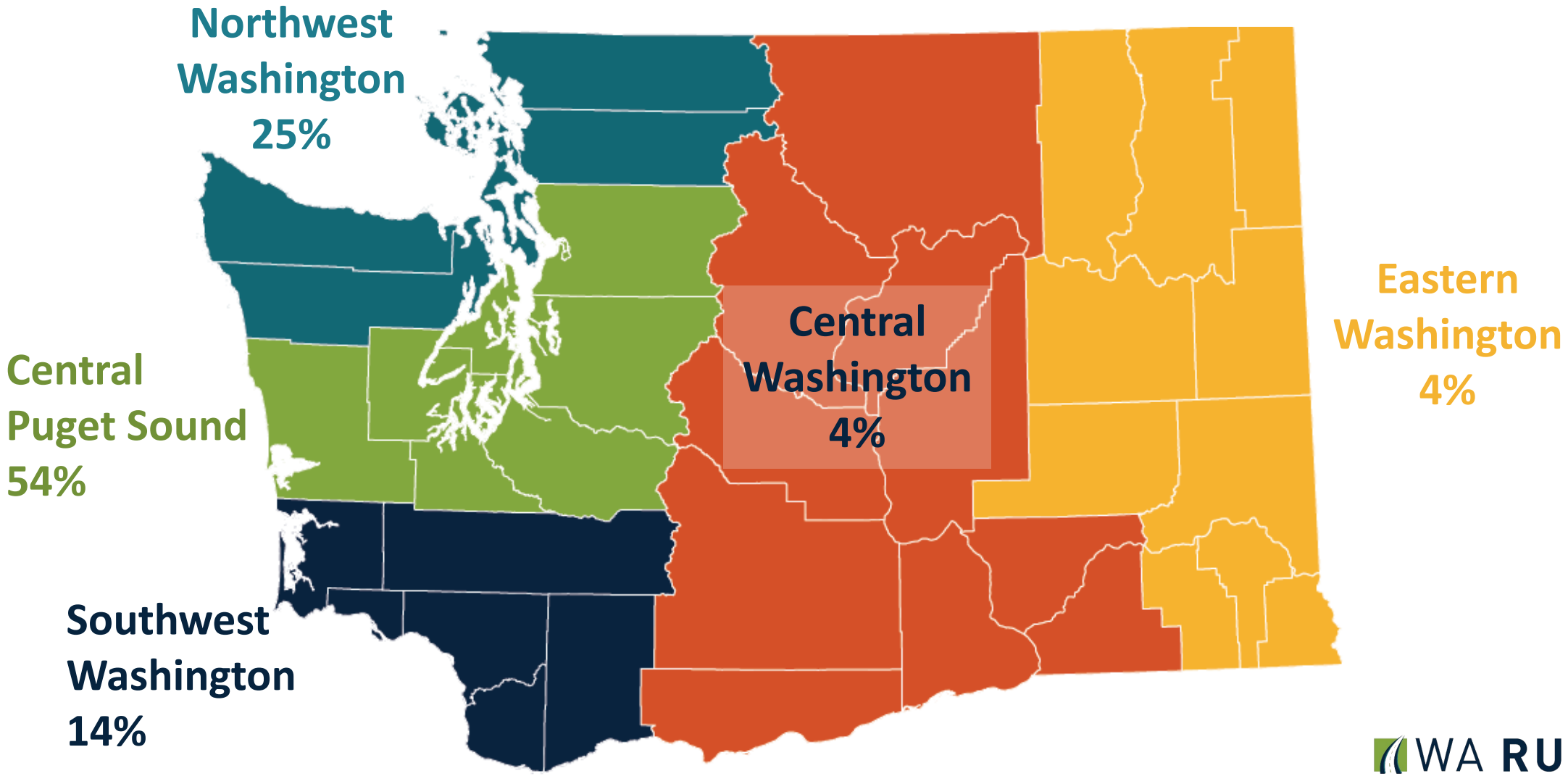


Ethnicity



Any differences due to rounding

Participant Location



Summary of FlexPay Participants' Balances

	Total RUC Owed	FlexPay Monthly Installment Amount Due
Average	$68.00	$17.00
Median	$63.00	$14.24
Minimum	$1.13	$0.28
Maximum	$231.23	$57.81

- The mean RUC owed among FlexPay participants was over twice that of simulator participants
- 86% of simulation participants with household incomes <$50,000 opted for flexible payments

FlexPay Follow-On: Attributes of the Customer Experience

Digital Gift Cards	• Mimics wage payment cycle to provide an element of realism • Minimizes financial risk to research team
Invoices	• Invoice viewing portal sent via email attachment
Payment	• Payment link embedded in invoice portal
Reminders	• Email reminders sent to participants who have not already paid one week ahead of the invoice due date and again on the due date

FlexPay Follow-On: Attributes of the Customer Experience

Help Desk

- Research team ready to field inbound emails and calls

Survey

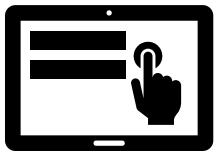
- Sent via email at the conclusion of the WA RUC FlexPay experience
- Additional datapoints and open-ended qualitative questions

Incentives

- Rewards are accrued by completing tasks throughout the experience
- Incentives provided using the digital gift card service used to provide the funds for participants to pay RUC

The FlexPay Pilot Informs User Experience, Equity, and Cost Effectiveness

WA RUC FlexPay Participant Experience

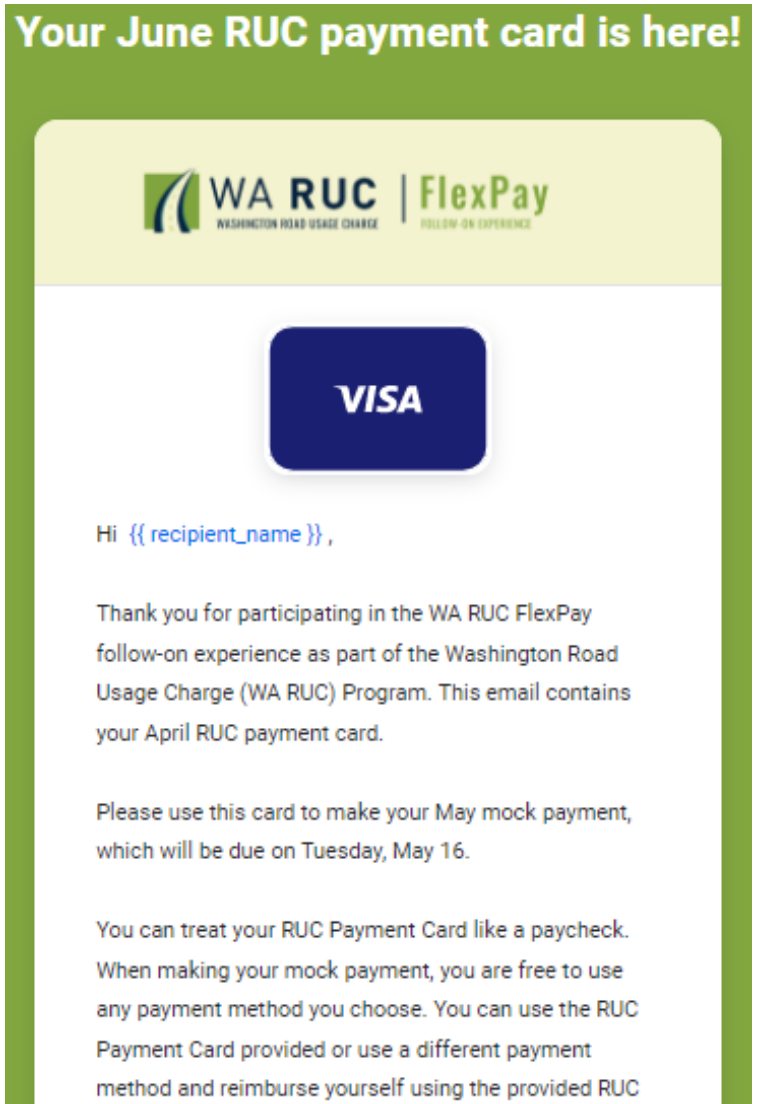


Exit Survey

WA RUC FlexPay Experience (Research Team)

- Comprehension and Usability
- Compliance Level
- Benefit to Drivers
- Administrative Burden

Paying for RUC Charges in Pilot



Shown at left is the email participants receive from digital gift card provider, Tremendous, describing the purpose of the RUC payment card. Show above is an example digital RUC payment card.

Payment Portal: Entering the Portal

Participants receive their invoices via a link in an email

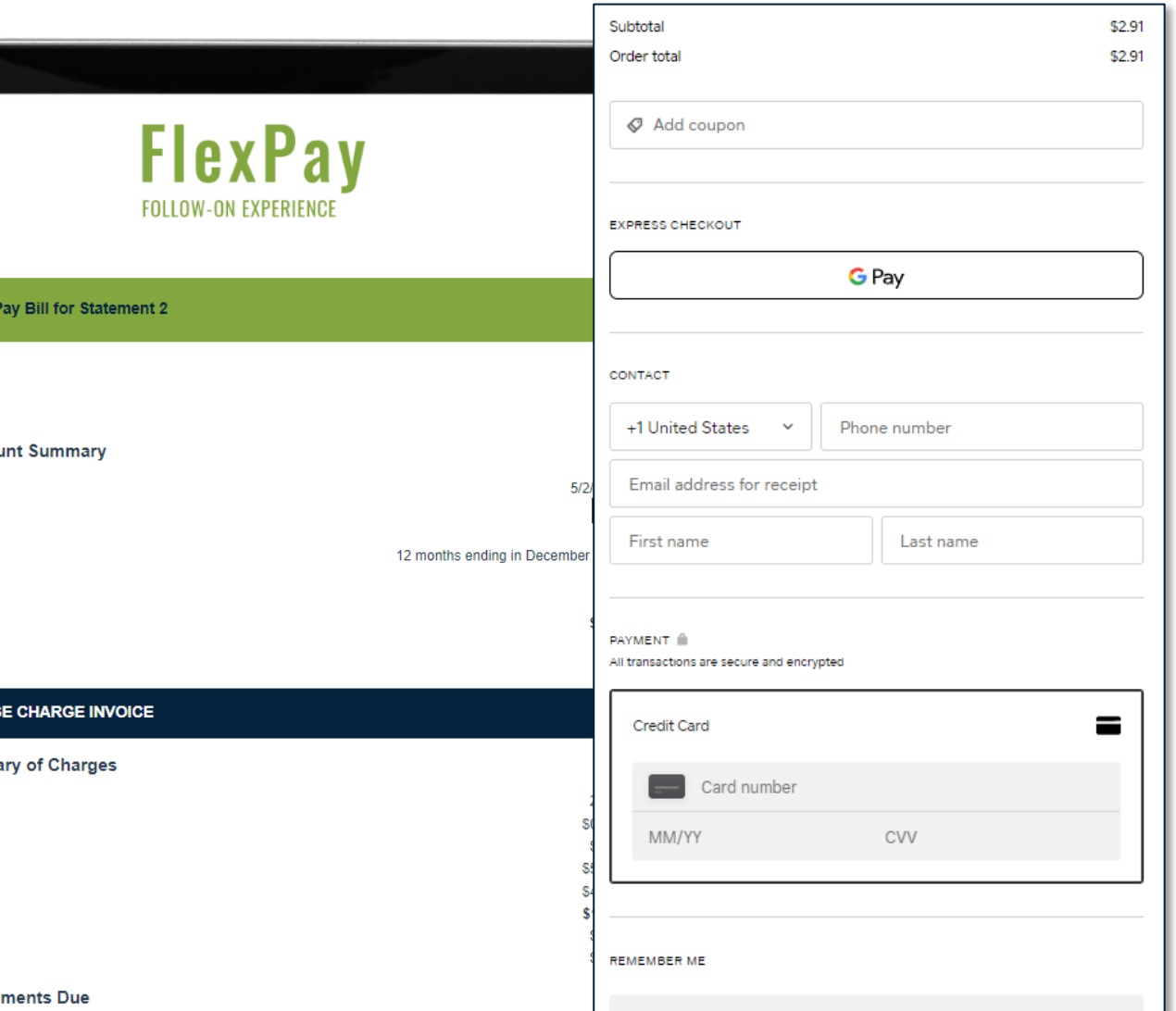
Payment Portal: Viewing the Invoice

They then select their current invoice

Payment Portal: Making Selections

Here, they can click to make their payment or view their invoice in greater detail

Payment Portal: Making the Payment

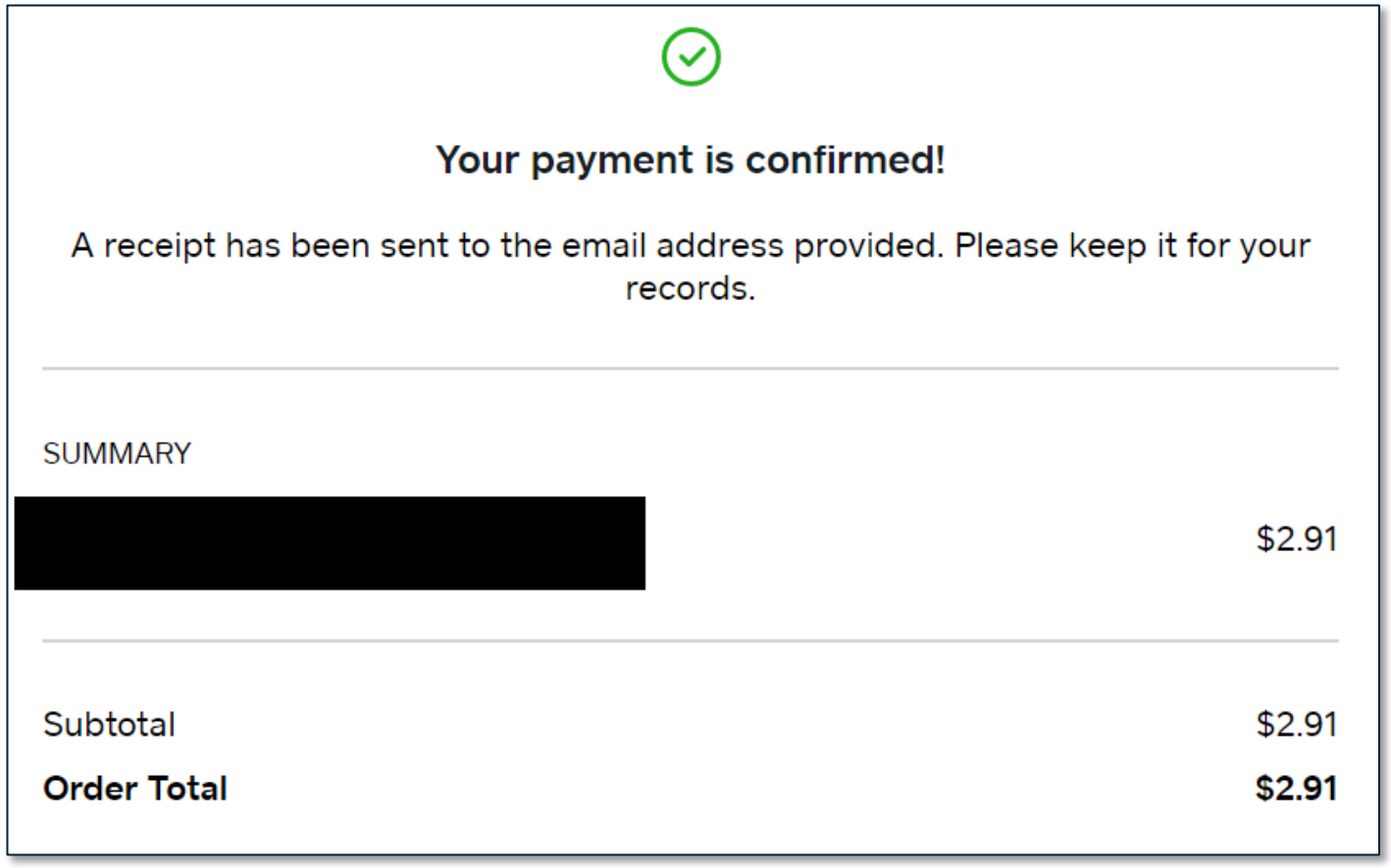


After clicking the payment link, they are sent to Square's* payment site to complete the transaction

**Square is a commercial retail payment processing service used to collect payments from participants*

Payment Portal: Getting the Receipt

Participants receive a payment confirmation email once the process is complete



Preliminary Findings

- A majority of participants paid the 1st cycle of their RUC FlexPay bill.
  - All but 1 participant paid on time.

- Participant engagement waned slightly between cycles 1 and 3.
  - Research team will ask about the reasons why engagement decreased in the post-FlexPay survey

	Cycle 1 (28 Participants)		Cycle 2 (28 Participants)		Cycle 3 (26 Participants)*	
	Participants	% of Participants	Participants	% of Participants	Participants	% of Participants
Paid Invoice	26	93%	20	77%	16	62%
On-time Payment	25	89%	18	69%	16	62%
Paid After Late Notice	1	4%	2	8%	TBD	TBD
Did not Pay	2	7%	6	23%	TBD	TBD

*Cycle 3 still in progress

Preliminary Findings

Automated late notices are an effective means of increasing on-time payments

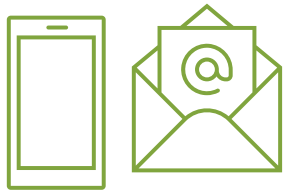
	Cycle 1 (28 Participants)		Cycle 2 (28 Participants)		Cycle 3 (26 Participants)*	
	Participants	% of Participants	Participants	% of Participants	Participants	% of Participants
Paid before 1st reminder	19	68%	8	31%	16	62%
Required 1st reminder (1 week before due date)	4	14%	3	12%	3	11%
Required 2nd reminder (day of due date)	2	7%	7	27%	TBD	TBD
Paid After Late Notice	1	4%	2	8%	TBD	TBD

*Cycle 3 still in progress

Help Desk Inquiries During FlexPay Follow-On

22

inquiries



Common themes

Compressed quarterly timeline made the payment schedule confusing

Mock payment card send-out and separate invoice was difficult

Some participants emailed the Help Desk to verify successful payment

Next Steps

Project team to finalize findings after June

+

Participants to complete survey by June 30th

WA RUC
WASHINGTON ROAD USAGE CHARGE | AutoPilot
FOLLOW-ON EXPERIENCE

Objectives

Test viability of using embedded telematics-based mileage reporting for RUC

Evaluate cost of collection and processing

AutoPilot Overview

31 participants will use the technology already built into their vehicle

FOCUS 

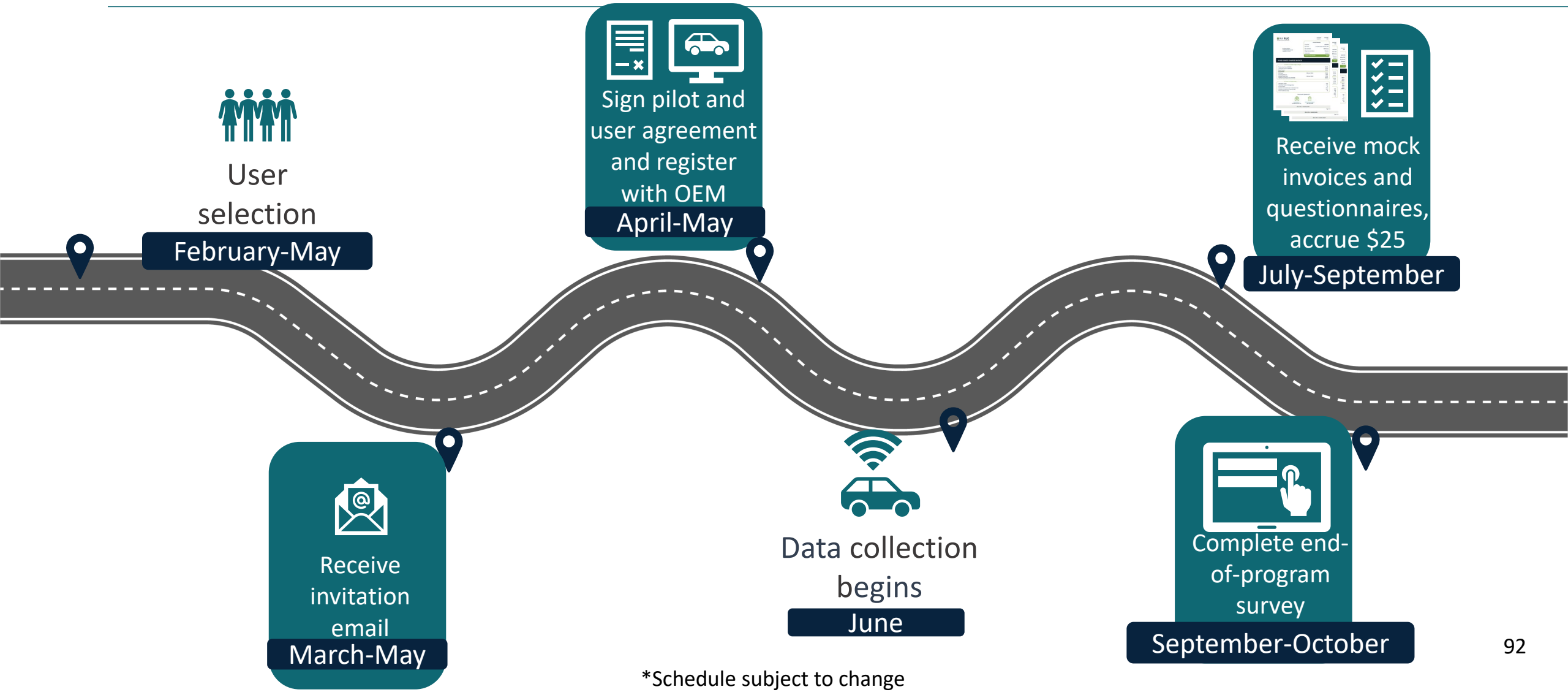
User experience & cost reduction

June – October

AutoPilot: Eligible Vehicles

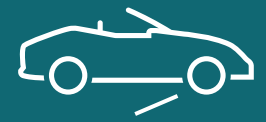
Target brands
*(2020+)

AutoPilot Participant Experience



*Schedule subject to change

AutoPilot Data Being Collected



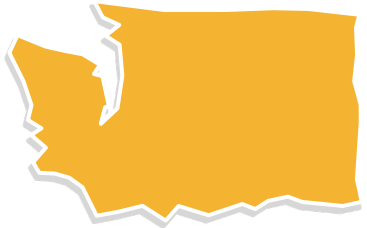
Vehicle Identification

Fuel Consumption

In-State Miles

Fuel Efficiency

Odometer Mileage

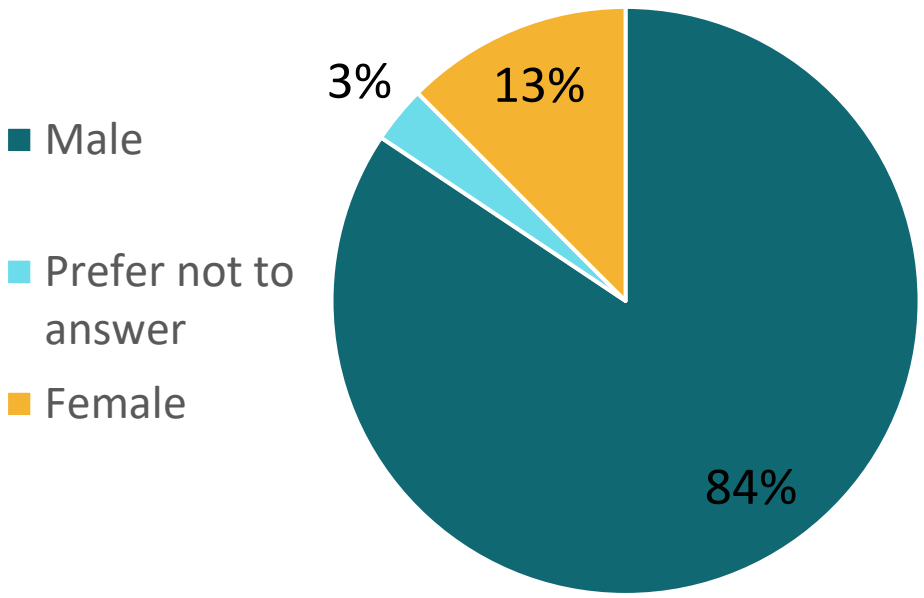


Out-of-State Miles

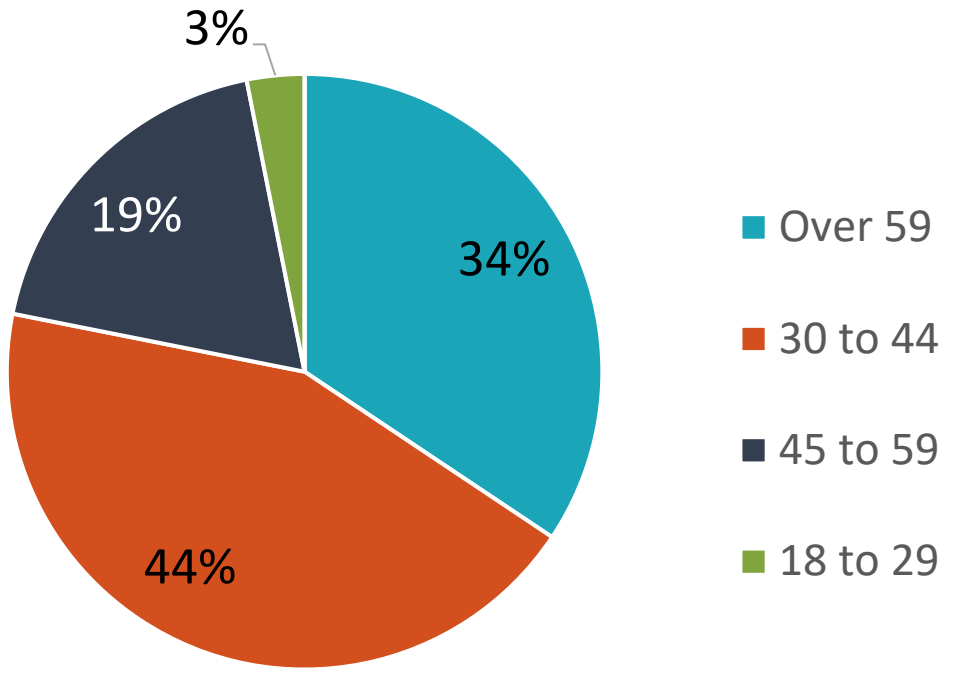
Test in progress – findings will be presented in October

Demographics of Enrolled Participants

Gender

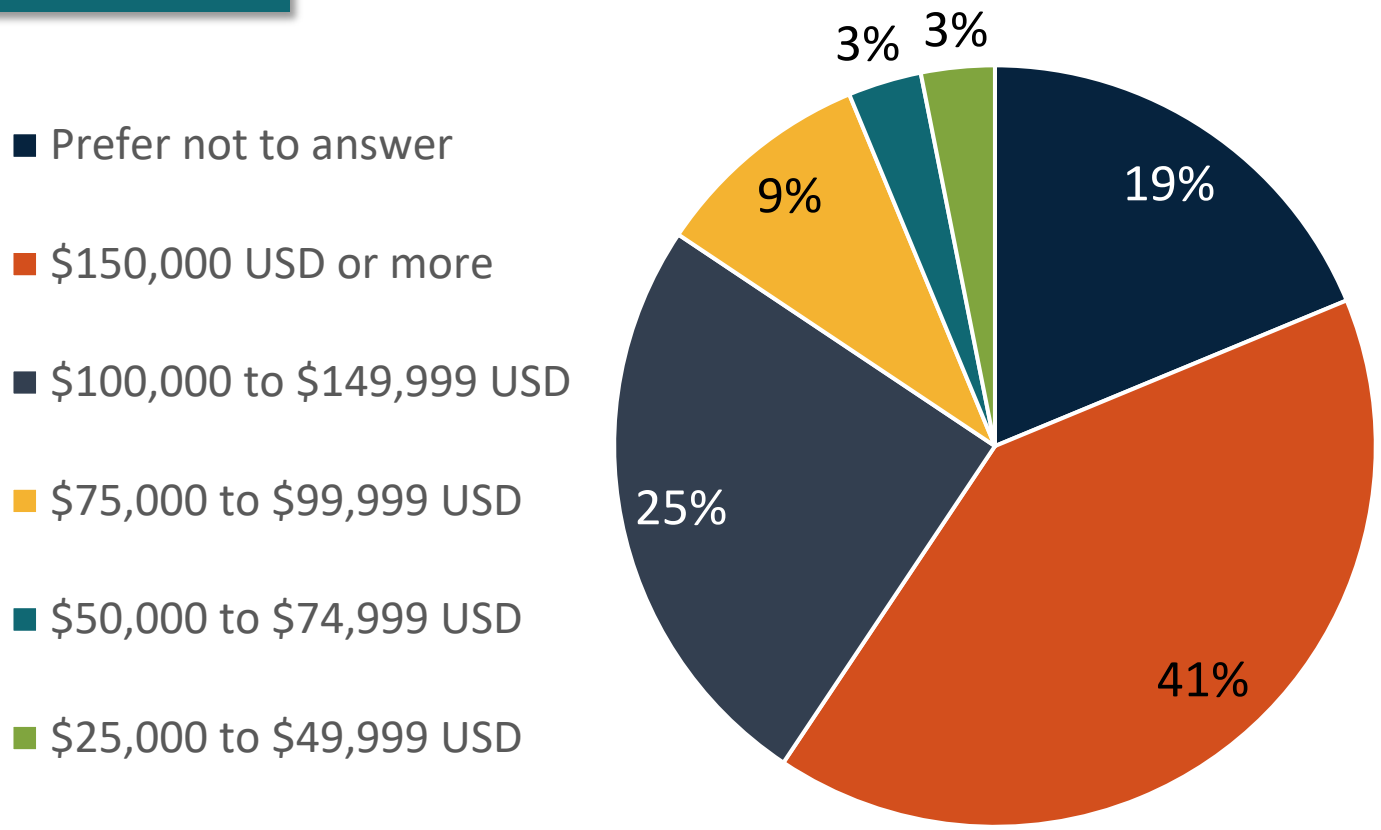


Age



Demographics of Enrolled Participants

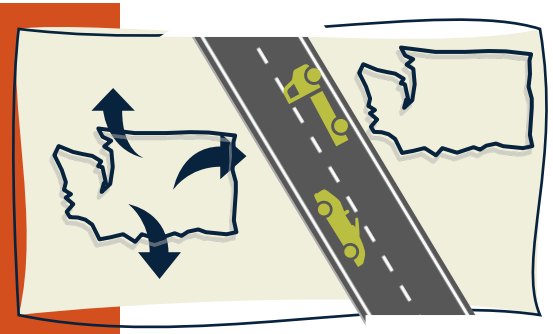
Household Income



WA RUC
WASHINGTON ROAD USAGE CHARGE

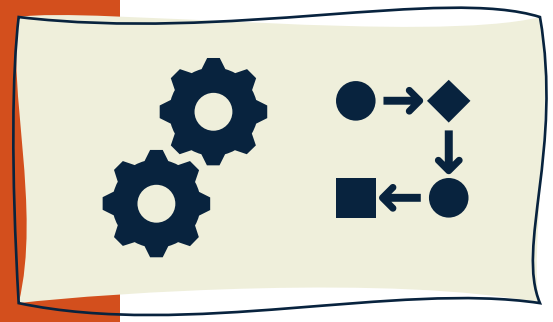
MilesExempt
FOLLOW-ON EXPERIENCE

Objectives



Explore options for providing exemptions for out of state and private road travel

Develop and test tools and procedures for self-reported mileage exemption claims



Understand the level of effort required to operate and enforce a mileage exemption program

MilesExempt Key Questions

Can we offer exemptions without relying on standard deductions or advanced technology?

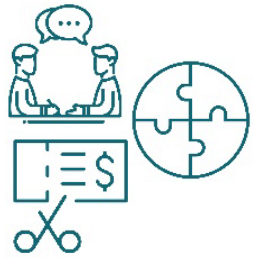
How can we balance user needs (ease of use, convenience, privacy) with state needs (claim check, cost reduction)?

Are participants willing to and able to manually compile and submit data for claiming exemptions?

MilesExempt Overview

76 participants tested the process of claiming exemptions for miles driven out of state or on private roads

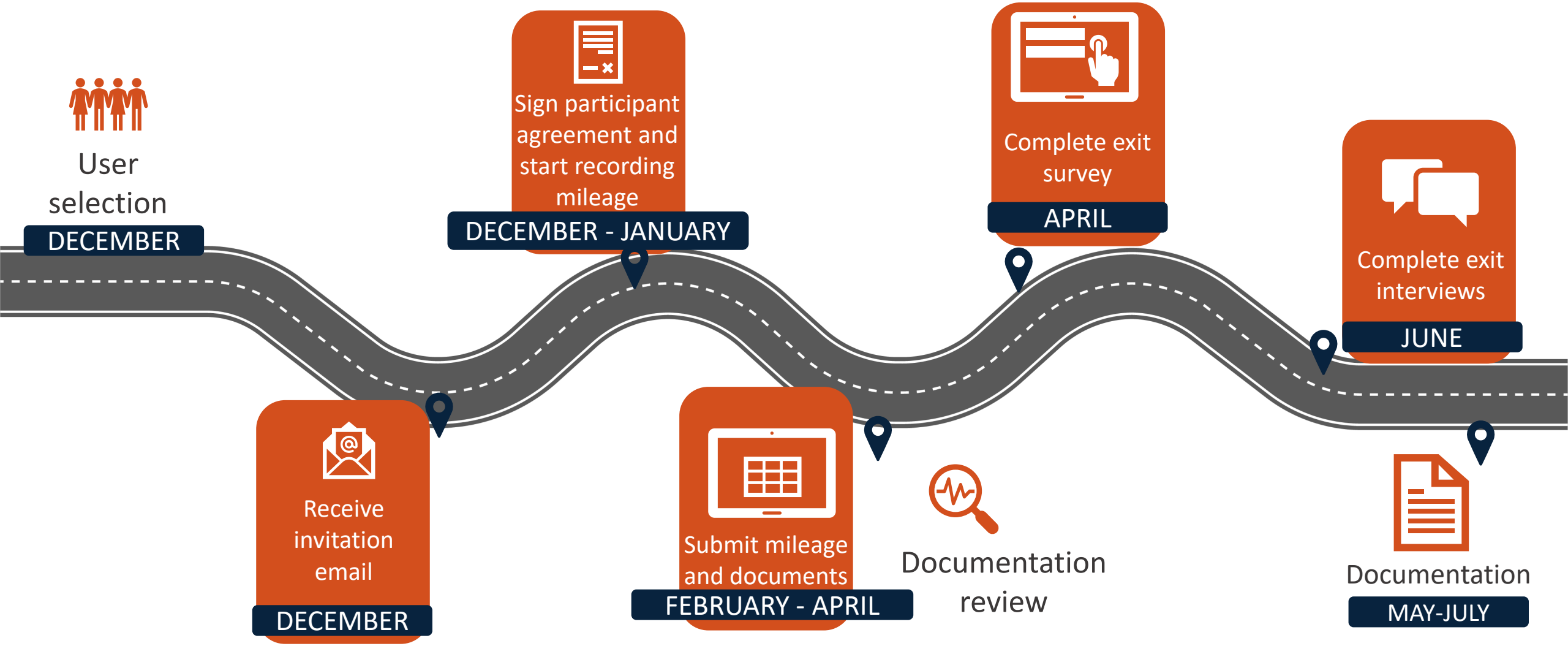
FOCUS



User experience, cost reduction, and equity

January – May

MilesExempt Participant Experience

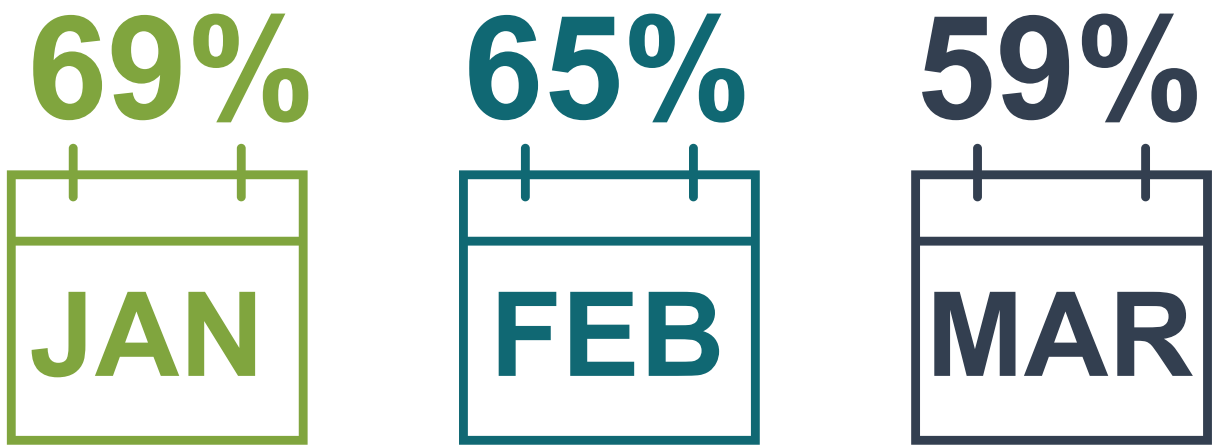


Participant Characteristics

76

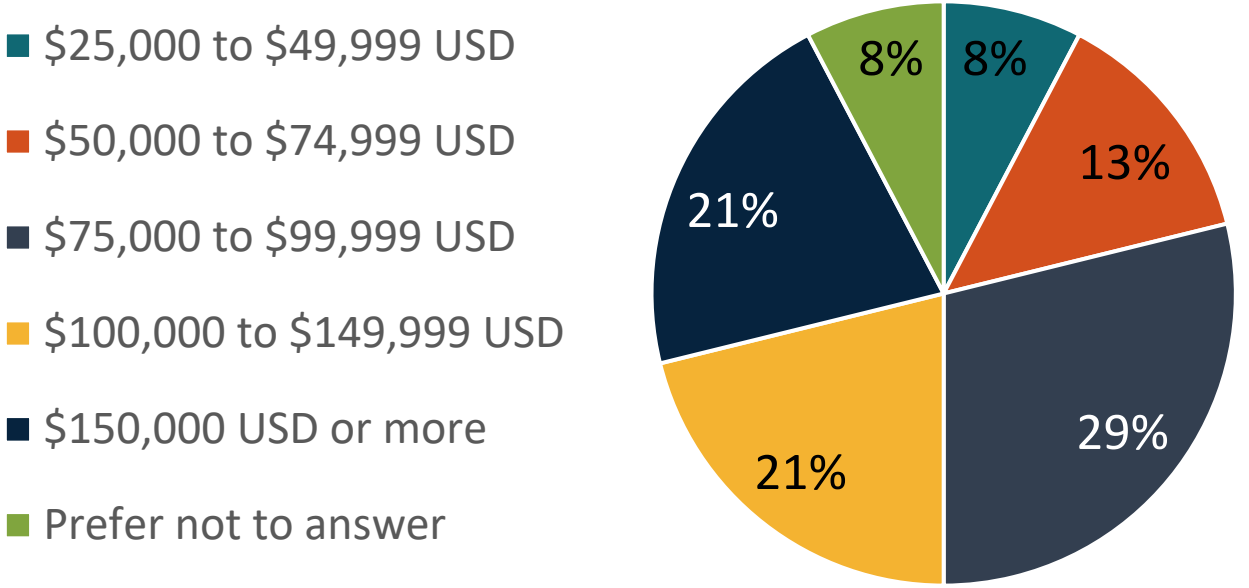
participants – 55 interacted at least once

Response percentage by month:

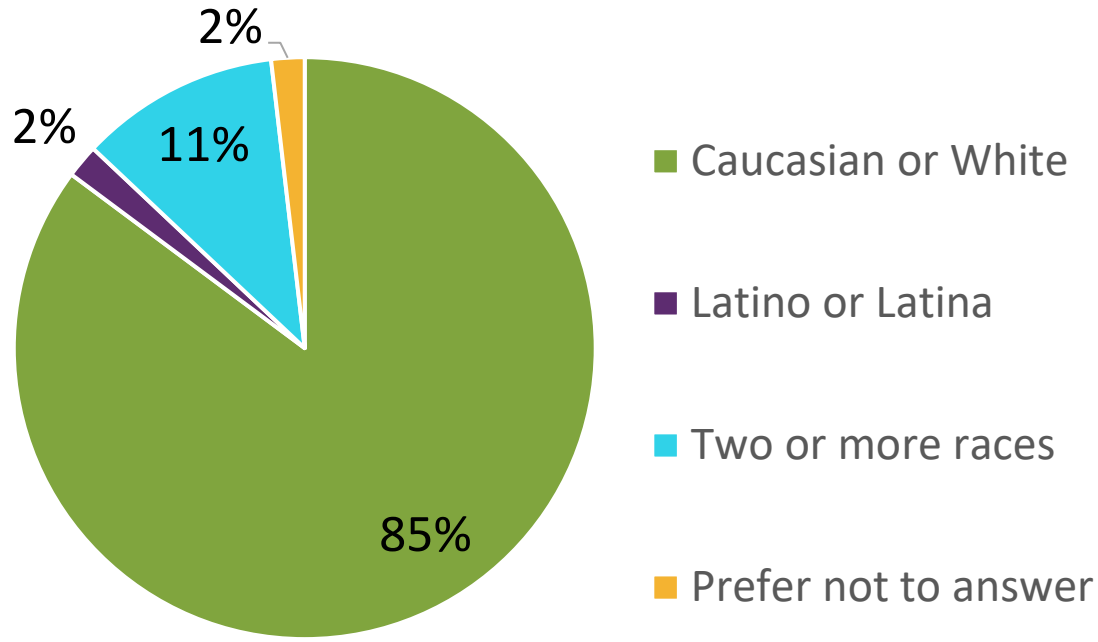


Participant Characteristics

Household Income

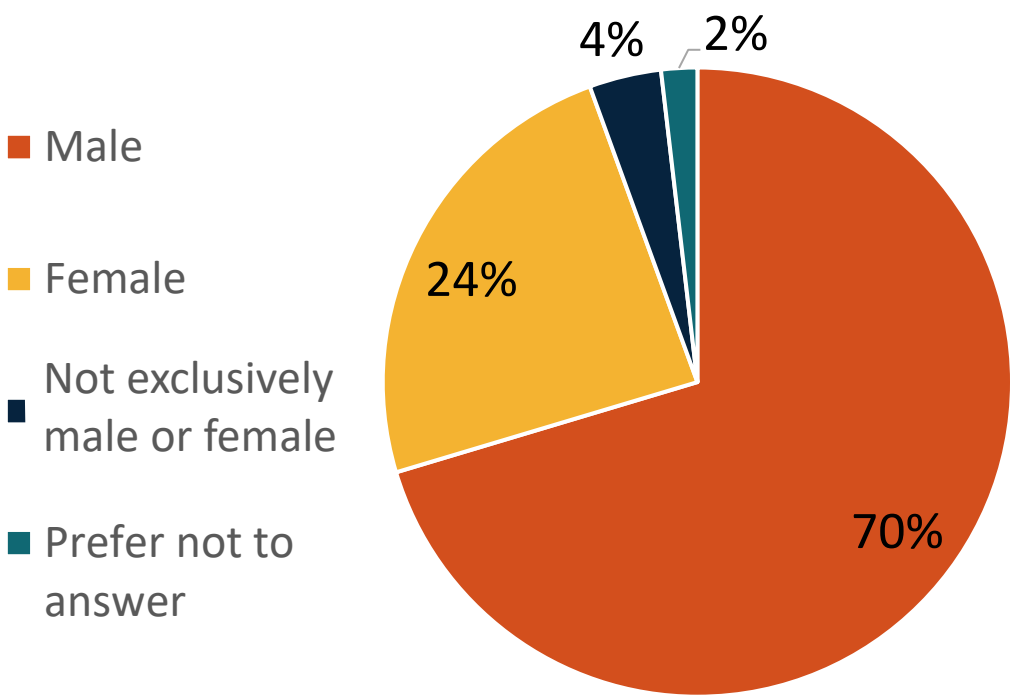


Race/Ethnicity

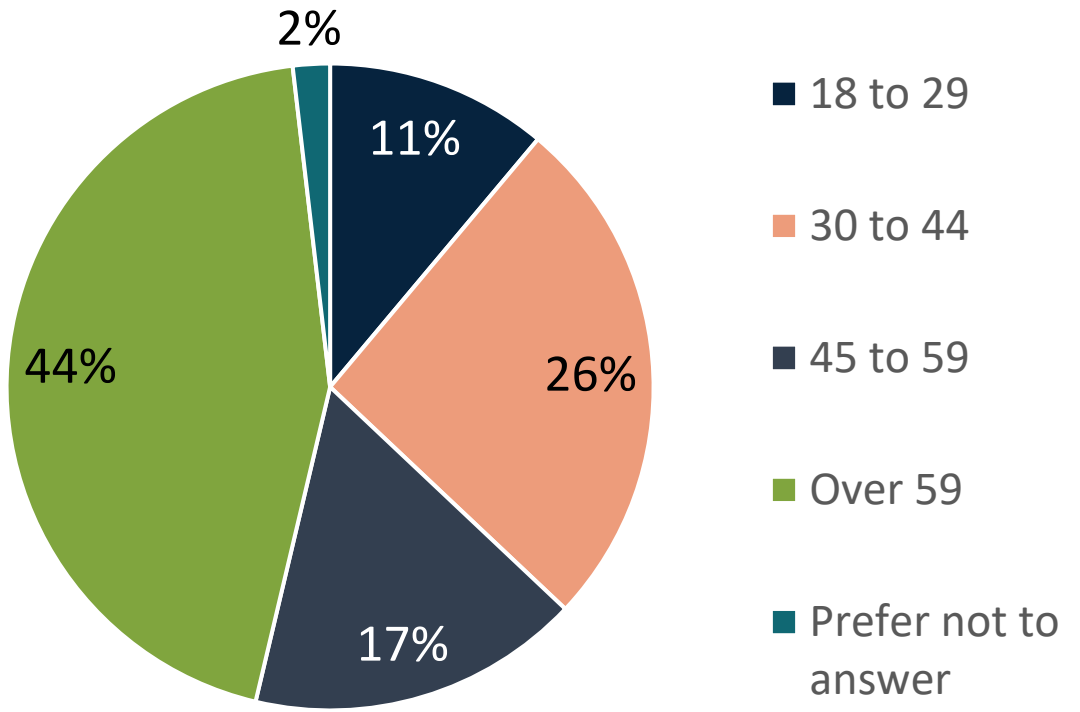


Participant Characteristics

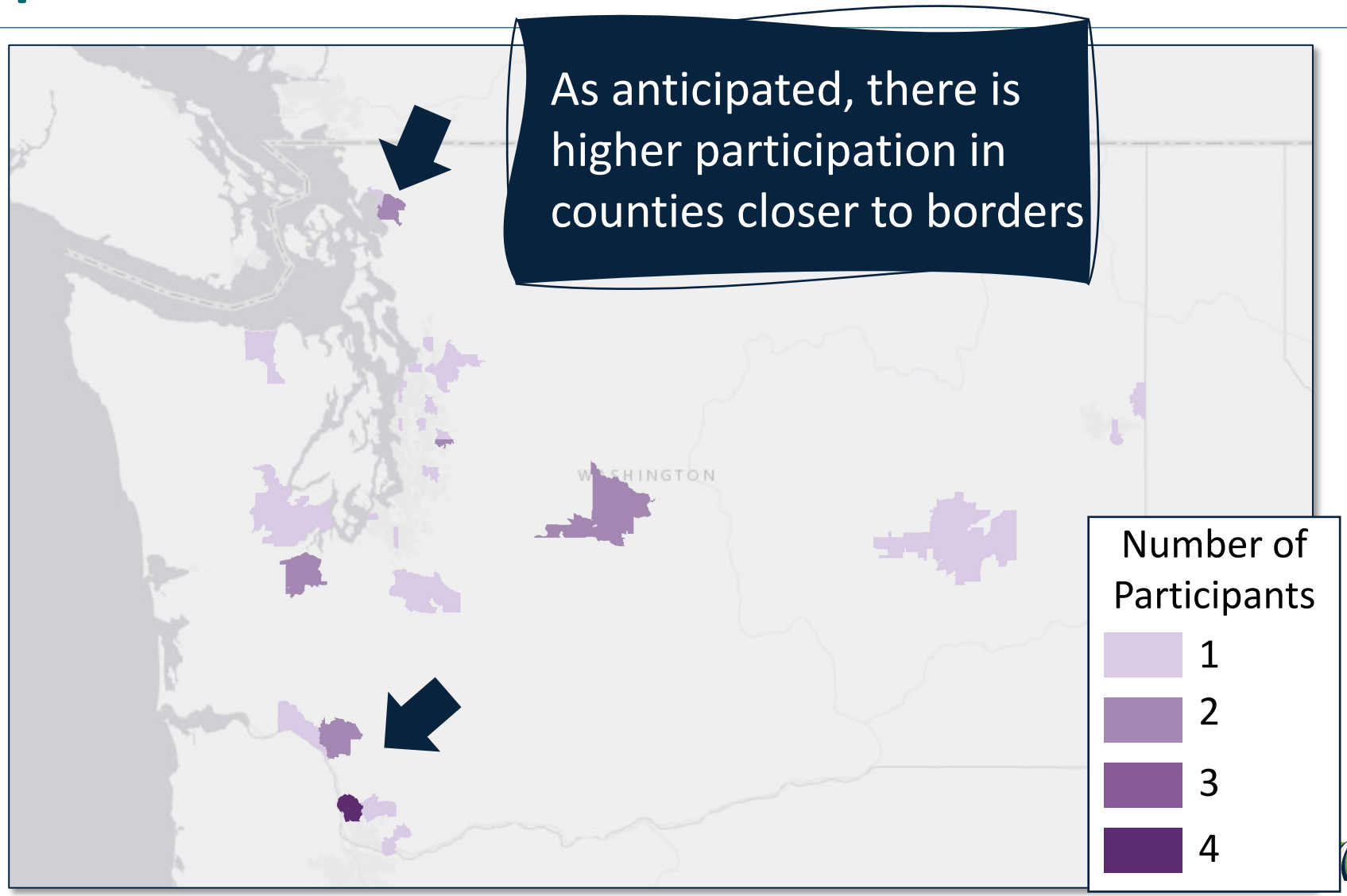
Gender



Age

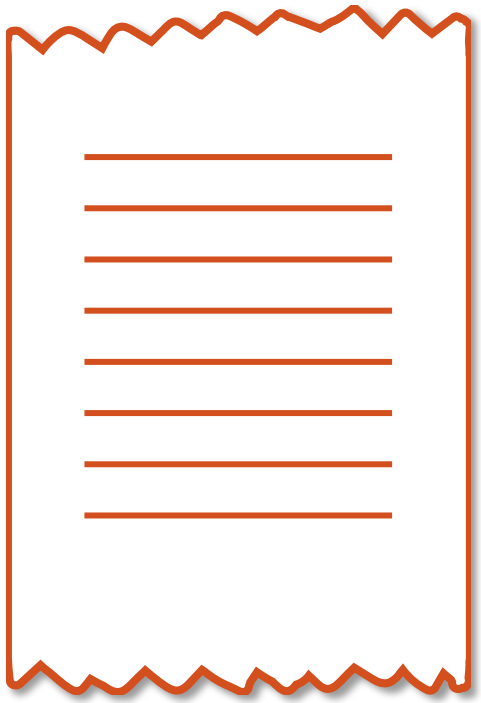


Participant Characteristics



To Maximize Learnings, Evidence Submittals Were Deliberately Non-Prescriptive

- **Documents we expected to receive from participants for required evidence submittals**
  - Gasoline receipts
  - Retail receipts
  - Employment records
- **Creative solutions submitted by participants**
  - HOA covenants
  - Invoices for private road maintenance
  - Annotated Google Maps Timelines



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MilesExempt Key Questions

Can we offer exemptions without relying on standard deductions or advanced technology?

How can we balance user needs (ease of use, convenience, privacy) with state needs (claim check, cost reduction)?

Are participants willing to and able to manually compile and submit data for claiming exemptions?

MilesExempt: Early Findings

10-20 mins average time to check in detail the submittals for 1 participant

Participant feedback

90% found the process easy or very easy to understand

80% would claim exemptions for every eligible trip if MilesExempt was the only mechanism available

63% of those who submitted claims found that collecting evidence was easy or very easy

90% of those who submitted claims found that submitting evidence was easy or very easy

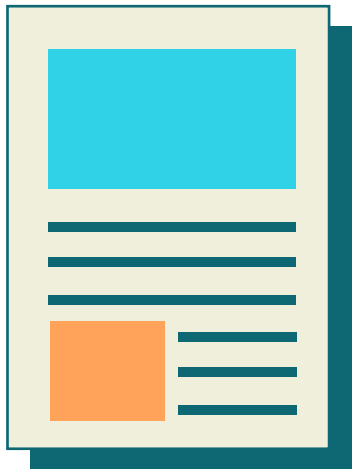
Q&A and Open Discussion

Travis Dunn, Project Manager, CDM Smith

November 1 Agenda: Sneak Peak

Final results of follow-on experiences

Update on mock standards committee



Preview of *Forward Drive* final report

THANK YOU!

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