



WASHINGTON ROAD USAGE CHARGE STEERING COMMITTEE MEETING

November 9, 2017 | Meeting Summary

ATTENDEES

Steering Committee Members

Chair Joe Tortorelli, WSTC Commissioner

Rep. Judy Clibborn

Rep. Jake Fey

Don Gerend, City of Sammamish Mayor

Roy Jennings, WSTC

Pat Kohler, Department of Licensing

Scott Lindblom, Counties

Sharon Nelson, Consumer Representative

Rep. Ed Orcutt

Janet Ray, AAA Washington

Frank Riordan, Becker Trucking, Inc.

Hester Serebrin, WSTC

Doug Vaughn, WSDOT

Brian Ziegler, Freight Mobility Strategic
Investment Board

WSTC Staff

Reema Griffith, Executive Director

Paul Parker, Deputy Director

Other Attendees

Don Buchanan, City of Surrey, B.C.

Councilor Tom Gill, City of Surrey B.C.

NOTE: Presentation materials are available on the Washington State Road Usage Charge website (<https://waroadusagecharge.org/about/steering-committee/>). Responses to questions and comments are in *italics*.

WELCOME

Chair Tortorelli called the meeting to order and introduced visiting guests Councilor Tom Gill and Don Buchanan from Surrey, BC.

Jeff Doyle of D'Artagnan Consulting provided a brief overview of the pilot project.

Discussion

Are we going to be meeting between now and 2020? Will there be interim reports to the legislature?

Yes, we will meet and have interim reports.

MEETING OVERVIEW & OBJECTIVES

Jeff Doyle of D'Artagnan Consulting introduced the consultant panel and presented an overview of the meeting agenda. Topics to be covered include: reporting on the work in progress, demonstrations of what participants will experience during the pilot project, descriptions of the back-office system, and gaining steering committee feedback on the two report products.

ROUND 2 STSFA GRANT UPDATES: WASHINGTON AND OTHER STATES' AWARDS

Jeff Doyle of D'Artagnan Consulting presented.

Discussion

Who was dropped as there were seven original grants and now there are only six?

Hawaii did not submit a proposal for this round and plans to use state funding instead. Colorado was the only new applicant. The six grant recipients are: Caltrans, Colorado DOT, I-95 Corridor Coalition, Missouri DOT, Oregon DOT, and the RUC West Consortium.

OVERVIEW OF STAGE 1 PILOT PROJECT ACTIVITIES

Jeff Doyle of D'Artagnan presented the update.

PILOT PROJECT VIRTUAL TOUR: FROM TEST DRIVERS' VANTAGE POINT TO BACK-OFFICE SET-UP

Pilot Project awareness, information and recruitment of test drivers

Ara Swanson and Alison Peters of Envirolssues presented. Topics covered include: project communications and volunteer recruitment activities, interest list, demographic survey, and e-newsletters.

PowerPoint slides in this section have been tagged in the upper left for the public perspective and in the upper right for the back-office perspective.

Discussion

Is the call center is staffed by local people?

Yes, it is.

How does Facebook know my driving habits?

Facebook has complex algorithms that can detect and predict various characteristics.

When you design the composition of the 2,000 participants, will demographics and other factors be proportional by the interest list rates or by the statewide rate?

This remains to be determined, electric and hybrid owners may intentionally be overrepresented.

Regarding selection criteria for the pilot, are there other criteria that will be considered in selecting the 2,000 participants, such as whether they are familiar with the concept of a RUC and what their initial attitude is toward the RUC, so that the results are not skewed towards those that support it?

This will be considered later. Initially we are looking at demographics, and we are encouraging people who may be skeptical to participate. Additionally, the early focus groups found that many adults have limited knowledge of a RUC program.

Are you looking at rural versus urban, especially within the more rural counties that have larger cities?

Yes, we are looking at those on the interest list by zip code to account for this difference.

Some individuals are not willing to participate because they are not in favor of the program, and we need to communicate that by signing up to participate you are not indicating support for the program. It is critical to have skeptics participate so that they have a voice at the table. If you don't ask this question early on, you cannot do a pre-test post-test process. How can you get enough people who are skeptical in the pool?

There will be another questionnaire later asking for initial awareness and opinion from among the pool once selections are occurring in earnest. If we don't have full representation in the pool, we can also hold focus groups to gather opinions.

Focus groups do not have the ability to test the concept through the pilot, so they would be relying on their preconceived notions.

Enrolling Test Drivers

Jeff Doyle from D'Artagnan presented. Topics covered include: participants from other jurisdictions: Oregon, Idaho and Surrey, BC; the invitation process for public and ex officio participants; the enrollment page: selecting your mileage reporting method and Service Provider; and the WA RUC Project Helpdesk.

Discussion

We are the only pilot involving another country, and there is interest in the outcome of that aspect. California and Oregon will begin their joint RUC pilot after us and we will coordinate with them to provide insight into interoperability. We are striving to advance the process and not test the same methods each time.

How much oversampling is too much, regarding the electric vehicle drivers?

The evaluation team is considering this. If we find extra enthusiasm from a particular subgroup, we would like to involve as many as possible within reason. For all populations of interest, we will try to balance and maintain proportions by sending out the invitations in waves or batches.

The electric vehicle drivers who pay the flat annual fee are essentially already opting into a version of the permit option, and some may find this system costs less depending on how many miles they drive.

We need to ensure we have at least some representation from each population. This needs to be done in advance of sorting through the interest list for the 2,000 participants as groups may be missing, skewing the data. It is also important to look at the representation of mileage range among gas powered vehicle drivers.

Back office processes will run, then invitations will be sent, and then is it first come first serve? Is there a way for the interested public to see the total number of participants enrolled?

Yes, invitations will be sent in batches.

What is the downside to having more than 2,000?

We are limited in budget, and the various offerings differ in cost.

Is it a hard stop at 2,000 participants?

It may not be.

If people sign up for the list and are not chosen will they be contacted?

Yes, we will contact them, and provide options to follow the project and participate through other means.

If participants are lost to attrition will more be added midway through the project?

It depends on what we are testing. That attrition rate is a useful finding. We could try to backfill but determining when that should occur may be discussed later.

You need an email address to enroll, and yet there is an option for subagent reporting. Is that intended to protect privacy so they may not need to continue using their email?

Yes, the subagent method allows for privacy, and for those wanting minimal tech users to participate. The time option (pay for an unlimited number of miles within a permitted year) was dropped from the test as it is similar to the current registration method for electric vehicles. That would have been the most private option.

Back-office detour: presentations by WA RUC Service Providers

Matthew Dorfman from D'Artagnan presented. Note: the term "service provider" has now replaced the former "account manager" term.

Intelligent Mechatronic Systems (IMS)

Dr. Ben Miners of IMS and Tim McGuckin of A-to-Be presented.

Discussion

Does another device need to be in the car to use the information?

No, you can leave your phone at home and the dongle will still record miles driven.

How failproof are these dongles, what happens if they come loose and don't track all the miles? Will customers be notified?

Yes, there is a requirement to notify recipients if the device stops reporting information. Some scenarios in which this might happen include if the vehicle was in a collision or sold, or perhaps after visiting a mechanic the dongle wasn't plugged back in.

How many vehicles are compatible?

95% of vehicles after 1996 are compatible, the 1999 Ford Ranger (which is an exception) and electric vehicles have workarounds.

Is there a government contract or is the incentive for the provider to give add on services? Is it expected that users would pay the service providers?

The business model is TBD. One possibility is that insurance companies who offer usage based insurance to have devices would also support the RUC.

What happens to the miles driven from the time that the dongle comes out and I get to plug it back in? What if I go on vacation?

The notification turnaround for a non-reporting dongle is 24-48 hours. Additionally, you can leave the car parked for an extended amount of time and be fine, the notification is triggered by the device becoming dysfunctional, such as by being unplugged.

Once a device is plugged into a vehicle does it become registered to that vehicle?

Yes, we compare the data from the device to the vehicle you enrolled. If there is a discrepancy the user is notified.

Emovis

Frederic Charlier of ClearRoad presented; Mahrokh Arefi of Emovis was unable to attend.

Discussion

What if the customer is not satisfied, is there an avenue of appeal for dispute resolution?

In OReGO, disputes have been managed between the service provider and the state helpdesk.

Do we believe we will replicate that in Washington?

Our general guidance is to raise an issue with the service provider, and then it may be brought to the WA RUC entity.

With all this data collected, is the State not getting any personal information at all? Are add-ons just between you and the user?

Yes, the location data stays with the vehicle and user, it does not connect to the Hub. Additional apps are not connected to the WA RUC process.

Back-office detour: in-person support for mileage permit and odometer charge

Jeff Doyle from D'Artagnan presented.

Discussion

If the participant has an iPhone already can they take a picture themselves and show it to the sub agent?

If the participant wishes to do that they may use the app option themselves and would not need to use the subagent option, thus saving a trip.

Many rural drivers may want this option rather than the automated version, and they are not going to want to drive all the way to the subagent location. How would you manage this?

We are hoping to get a preliminary indication of who is interested in which option, and where they are located, so that we can select a closer subagent for those that want it.

Do people only go to the subagent if they choose that option or don't have a smartphone?

Yes.

LIVE DEMONSTRATION: MILEAGE REPORTING BY MOBILE PHONE

Matthew Dorfman of D'Artagnan presented.

Fred Blumer and Joe Fuller from Vehcon, Inc. presented and conducted a live demonstration.

Discussion

How do you access the VIN?

There are a variety of third party vendors, we use Carfax.

Are confirmations sent to the user?

Yes, there is a confirmation when the photo has been uploaded and again when the reading has been processed successfully with the car license plate and mileage count.

If you sell your vehicle before reporting mileage what do you do?

That is a business rule for the program to work out. In California we had a participant give an estimate before exiting the program. Some situations are handled on a case by case basis with the service provider.

We have been pleasantly surprised by how compliant users have been. Sometimes a family with multiple vehicles submits the wrong one and we recognize it and assign to the correct vehicle.

The odometer reading should be given on the documents at the point of sale. These are often allowed to be estimates so this is something that should be researched further. What about trade-ins, would the dealer send the information in?

This would be a business rule question, but in most states, you do need to record the mileage at the date of transfer.

How many reminders do you send and how do you report noncompliance?

We remind users three times, and if they haven't responded after that we report to the RUC Authority, but these are business rules specific to the program to be set later.

What if you know someone with the same vehicle who drives less than you? How do you account for people taking pictures of another person's vehicle?

We have robust verification processes, one of which draws on verified data from other sources, such as odometer readings at emissions tests.

BACK-OFFICE DETOUR: MANAGEMENT OF RUC DATA AND PARTICIPANT INFORMATION

Shannon Crum of D'Artagnan Consulting presented. Topics covered included the RUC Participant Management (RPM) system and single sign-on capabilities.

Discussion

Do we audit compliance?

Yes, each service provider is required to be compliant and subject to audit.

After the pilot who owns the data?

It is deleted. We will keep aggregate data, individual data is deleted, and in most cases the location data is deleted even before that.

Since this is a state pilot do we have any record retention requirements?

We will look into this. The participant owns the data, and chooses if they wish to share it.

BACK-OFFICE DETOUR: MULTI-JURISDICTIONAL RUC FINANCIAL ACCOUNTING SYSTEM

Shannon Crum of D'Artagnan Consulting presented.

RPM System

Discussion

Will you be testing Payment Card Industry (PCI) compliance, since money is not exchanged for the majority of the pilot participants?

Yes, we will provide the funds for the few participants testing this aspect of the process in conjunction with OReGO so there is a net zero impact. These are estimated to total around \$8-10 per quarter. The vendor is already certified as compliant and we will ensure they maintain that compliance.

Have we looked at International Fuel Tax Agreement (IFTA)/International Registration Plan (IRP) models?

Yes. These were used to design this model.

REVIEW OF DRAFT WA RUC PILOT PROJECT EVALUATION PLAN

Travis Dunn of D'Artagnan Consulting and Allegra Calder of BERK Consulting presented.

Note: the top bar of the PowerPoint slides has a timeline to indicate when each activity would occur.

Discussion

Is there a way in which we can assess, with the survey, attitudes folks have about a willingness to think about a different way to get revenues?

Yes, this will be a baseline question in surveys and focus groups, to be repeated as the pilot goes on. If we are missing some key demographics we can convene focus groups to get thoughts on RUC more generally.

Do we expect to have professional drivers? Have we reached out to fleets?

Yes, we have just started outreach to fleets, taxis, rideshares, etc.

Are the agency interviews limited to those agencies which have been preselected or can other interested groups give feedback?

No, they are not limited and we welcome additional feedback.

Some people who live in the area are known to buy fuel in Oregon because the tax is less. Is this something that we could determine from a subset or focus group? Is it worth asking?

It would likely require guarantees of identity protection. You should ask the question, but it's not certain what the data would tell you.

What about others who are indirectly impacted or are influential such as dealerships?

We could include other groups.

REVIEW OF DRAFT POLICY ISSUE RESEARCH WORK PLAN

Travis Dunn of D'Artagnan Consulting presented.

Discussion

What is the plan for these policy issues?

The consulting team would present an outline to the working group for advisory level feedback, and continue making revisions. There was a draft policy issues workplan sent around earlier. This tries to tee-up each issue, its relevance to road usage charging, and resources to consider when answering those questions.

What is the role of legislators? Can we help with getting the best resources added to the conversation, or offer review but not directly participate?

Yes.

How do we avoid public perception that we are already leaning this way? It may appear that we are rushing toward a finish line. Perhaps we can focus on issues that are yes/no such as the financial, bonding, and institutional issues and work through the issues which we anticipate the pilot may answer.

The public is asking these questions as well, and some think that answering them must precede the pilot, while others think that answering them confirms a preconceived acceptance of the process. Which items do you want to prioritize for this group for the next few months and which should be passed off to officials?

The Commission needs to make a recommendation at some point in the future. What we need to know is which items stop the process. We should tackle the highest priority and greatest impact questions now. Please clarify the timeline; how long does the pilot run, when is the final report?

The pilot goes live for a full year, all of 2018. There is an evaluation and reporting period from January through June of 2019. Then July to December of 2019 the information is handed over to the Commission to write a report to be presented in the Legislature's 2020 session.

Some of these items are political, and may take extra time. The Steering Committee should focus on the process, and the interested stakeholders in gas tax distribution should be going directly to the legislature; most of us here are not policymakers.

Do we have different understandings of these topics? For example, discussion of replacing the gas tax may be complicated by laws on the bonds requiring we wait the full 40 years of the bond life cycle. How does the Bond market view the RUC and what does that do to our costs tomorrow?

We were asked to research feasibility. Some of the issues tie into feasibility. We may flag some of these topics as unanswered but with outlines for how to approach the questions in the future.

What did we end up deciding?

The consulting team will reorganize the issues. They will be screened for implications for RUC, the process for resolving and who needs to be involved, and then will be presented back to the Committee so members may volunteer if interested.

PILOT PROJECT SCHEDULE AND MILESTONES

Jeff Doyle of D'Artagnan presented. The next meeting date and location are TBD.

PUBLIC COMMENT

No members of the public commented.

ADJOURN

Chair Tortorelli adjourned the meeting.