



Appendix B-3: Detailed Approach and Findings from the FlexPay Follow-On Experience

December 2023

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PREFACE

Forward Drive was a research, development, demonstration, and public engagement effort of the Washington State Transportation Commission. The project sought to advance understanding of and implementation pathways for per-mile road usage charging (RUC) as an alternative to motor fuel taxes and alternative fuel vehicle registration surcharges. The project aimed to address several key issues for RUC including principally equity, user experience, and cost of collection. As reported in Volume 1, the project unfolded in several stages. A series of appendices contain more detailed results. These appendices are organized as explained and illustrated below.

Appendix A. Forward Drive began with research spanning several activities including financial analysis, equity outreach and analysis, user experience research, and cost of collection reduction workshops (Appendices A-1 through A-4, respectively). The purpose of the research was to explore the financial, equity, user experience, and cost impacts of RUC under a variety of deployment scenarios. This research informed the design of experience-based simulations and pilots of various elements of a RUC program.

Appendix B. The research stage led directly to the design and development of simulations and pilots of RUC program elements spanning several areas to reflect the multiple objectives and research findings. The centerpiece of the simulation and pilot testing stage was an interactive simulation of RUC enrollment, reporting, and payment. As described in Volume 1, the simulation offered over 1,100 Washingtonians an opportunity to experience RUC in as little as a few minutes, followed by a survey about their preferences and opinions. The detailed results of the simulation survey and the measurements of the simulation itself are presented as separate reports (B-1 and B-2, respectively).

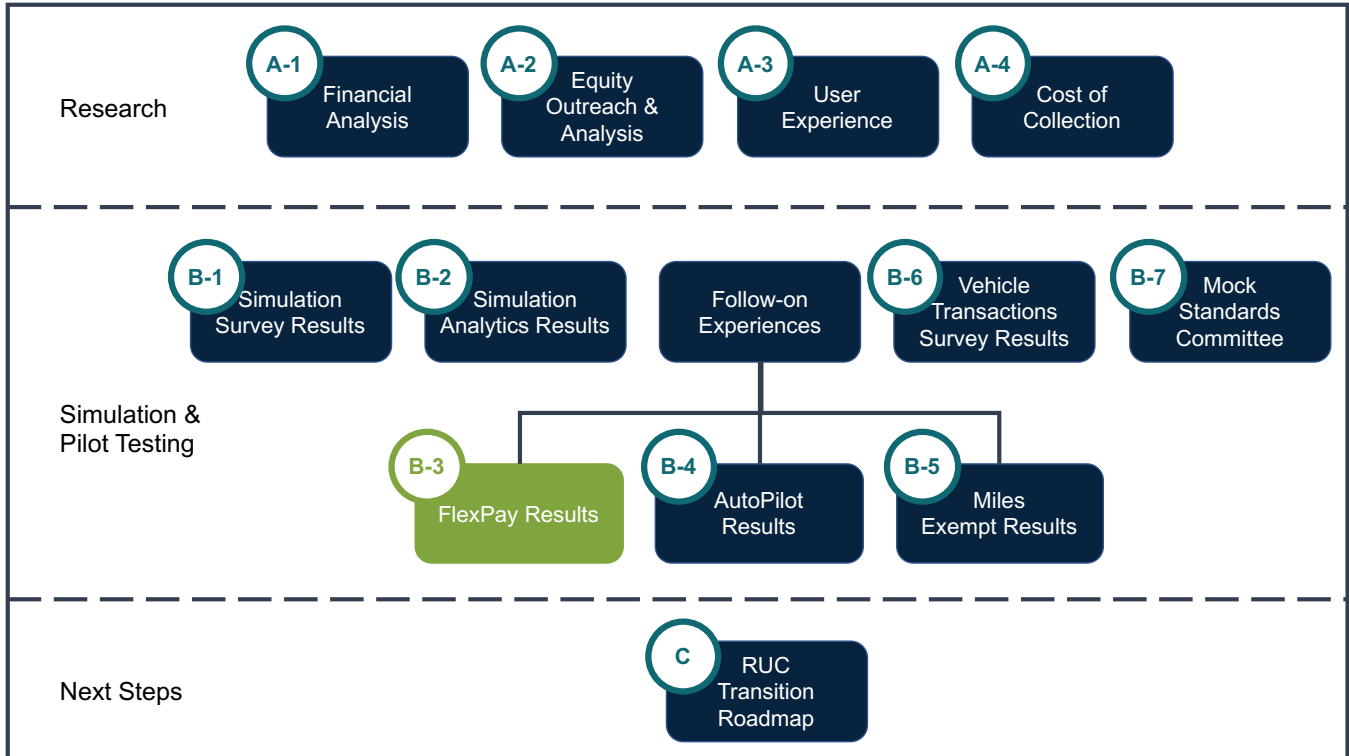
Within the simulation, participants could opt into one of three follow-on experiences, each designed to further test a specific feature of RUC of interest to Washington stakeholders and policymakers:

- FlexPay tested installment payments, allowing participants to pay their RUC over four payments instead of all at once (B-3).
- AutoPilot tested using native automaker telematics to report road usage as an alternative to self-reporting or other technology-based approaches to reporting (B-4).
- MilesExempt tested a self-reporting approach for claiming miles exempt from charges, such as off-road and out-of-state driving (B-5).

The simulation and pilot testing stage also included a statewide survey of Washingtonians' vehicle transactions designed to understand existing transactions and preferences and possibilities for how RUC reporting and payment could potentially be bundled with such transactions (B-6).

Lastly, the simulation and pilot testing stage included a mock standards committee of RUC experts from jurisdictions and industry. The committee simulated the process of creating standards for RUC to support cost reduction, enhanced user experiences, and multi-jurisdictional interoperability (B-7).

Appendix C. Appendix C details a transition roadmap for RUC in Washington drawing on the results of the research and simulation and pilot testing, as well as the updated recommendations regarding RUC implementation from the Commission to the Washington Legislature in 2022.



Appendix B-3 covers detailed results from the FlexPay follow-on experience, including methodology, survey results, and key findings.

1.0 FLEXPAY FOLLOW-ON EXPERIENCE

1.1 Background

Under the current Washington motor vehicle fuel tax, drivers pay for road usage incrementally each time they fill up their tank. This tax is “invisible” to many motorists as it is bundled into the price of gasoline sold to retailers and passed on to consumers, rather than a separate line item for road usage. However, under a potential future RUC, motorists may owe road usage charges in one lump sum depending on how the program is structured—for example, if motorists have the option to report and pay RUC as part of the registration tab renewal process once per year. And while fuel taxes paid are assumed to be credited towards RUC charges, the balance of RUC charges may represent a financial hardship for some motorists, particularly for low-income drivers.

Results from the RUC enrollment simulation survey indicate that 59% of all participants said the option to pay their own RUC bills in installments was either very important or somewhat important. Among low-income respondents, 88% said that a flexible payment plan for their RUC bill was somewhat important or very important. While not all simulation survey respondents, particularly those in the highest income brackets, felt that a flexible payment option was important for themselves, the majority (91%) either somewhat agreed or strongly agreed that a RUC installment plan was important for others (Figure 1).

Survey Question: “During the simulation, two payment options were offered: pay today or four equal payments. How important is it to have payment options as a part of a road usage charge system?”

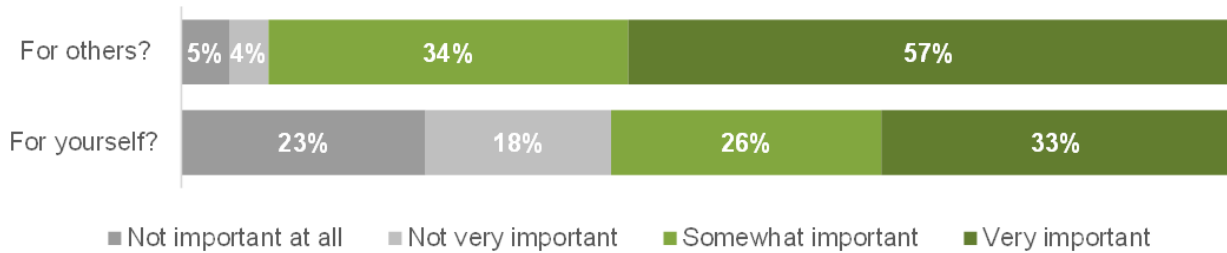


Figure 1: Responses to RUC Simulation Survey Question on the Importance of Flexible Payment Options

The *FlexPay* pilot and follow-on experience, which ran from March 2023 through June 2023, was designed to test the viability of providing payment flexibility for drivers unable to make lump-sum RUC payments, and to test the behavior of drivers in a flexible payment plan when real money is exchanged.

Three of the key focus areas for *FlexPay* were equity, the user experience, and cost-effectiveness:

- **User Experience:**
 - Do participants find the flexible payment plan easy and transparent to use?
 - Do participants remember to make on-time payments?

- Do email reminders increase the percentage of on-time payments?
- **Equity:**
 - Does the flexible payment option ease the burden of lump-sum RUC payments in a meaningful way?
- **Cost-effectiveness:**
 - What was the administrative effort required to run the FlexPay program?
 - How many inquiries did the help desk receive?
 - What was the nature of the inquiries?

1.2 Overview of FlexPay

In the RUC simulation, participants had the option to pay their mock RUC bill in four equal payments rather than in one lump-sum. Participants that selected four equal payments were given credit for their first payment of 25% of their total RUC bill within the simulation.

Some participants that chose this option were invited to participate in the FlexPay follow-on experience for an additional reward of up to \$120. After signing a participant agreement, participants were sent an email that contained a link to an online portal where they could view and pay invoices on the three remaining installment payments. The remaining three invoices were sent to participants every four weeks over a period of three months.

Prior to making each installment payment, participants were distributed digital Visa gift cards in the exact amount owed so that they had to spend no personal money out of pocket while still simulating paying a RUC bill with real currency.

A help desk was set up so that participants could contact live support staff via phone or email should any questions arise about their invoices, their digital gift card, or the payment process.

At the conclusion of the FlexPay follow-on experience, participants received a survey to answer questions and share more about their experience in the program and their opinions about flexible payments.

2.0 APPROACH

2.1 Recruitment

FlexPay participants were recruited from the pool of RUC enrollment simulation participants that both selected “four equal payments” as their payment option and opted-in to being contacted about future RUC research opportunities (see Section 5.0 of this Appendix for participant communication materials).

Due to limitations on how Ipsos can deploy its KnowledgePanel® (the source of the statistically valid panel respondents), only the organically-recruited participants were eligible for the FlexPay follow-on experience. From the pool of 491 organically recruited participants who experienced the RUC simulation, a total 36 (7%) expressed interest in joining the FlexPay follow-on experience. Of them, 28 (6%) signed the participant agreement and joined the FlexPay follow-on experience.

Among the 28 FlexPay participants, the mean net RUC due (RUC less gas taxes paid and out-of-state miles exempted) was \$68.00, which was more than double that of the general pool of participants in the RUC simulation (\$29.64). The distribution of net RUC due was positively skewed, however (Figure 2). Ten FlexPay participants had a total net RUC due under \$34, and five participants had a total net RUC due of under \$10, the latter resulting in installment payments as low as \$0.28.

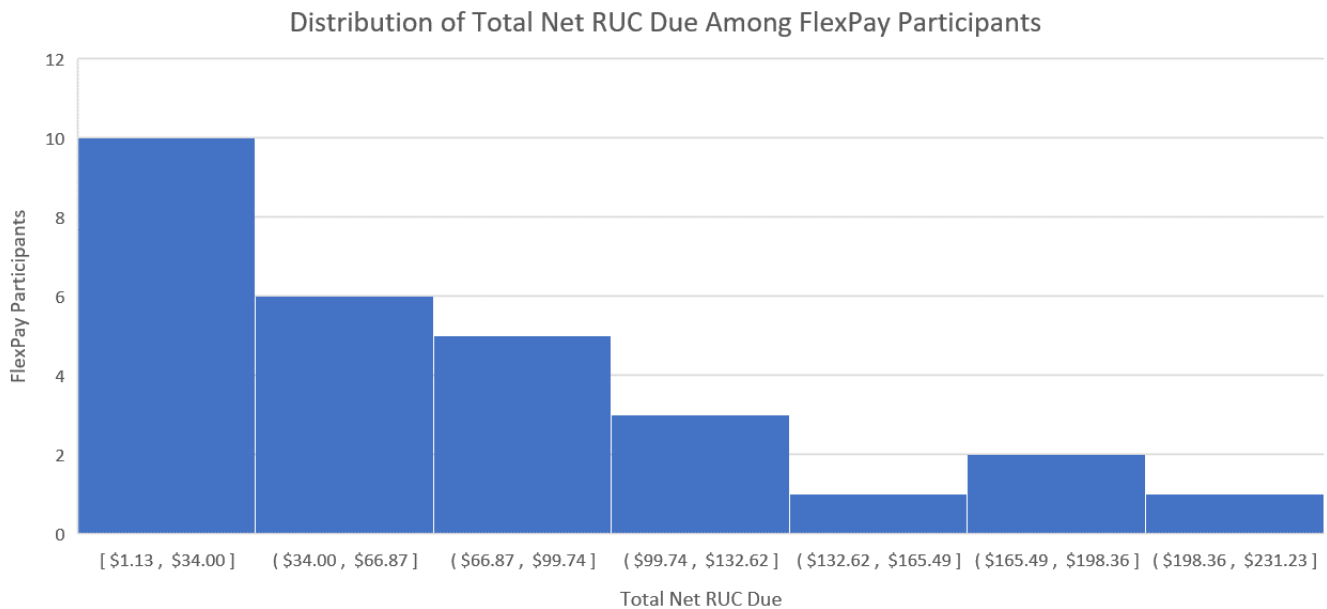


Figure 2: Distribution of Total Net RUC Due Among FlexPay Participants

2.2 Participant Agreement and Payment Cards

Along with a formal invitation to the FlexPay pilot and follow-on experience, invitees were sent a participant agreement and privacy policy that detailed the requirements for their participation in the program, how rewards would be earned and distributed, what data would be collected and how that data would be used and protected.

Digital Visa gift cards were distributed to each participant monthly via the paid research incentive payout provider, Tremendous, in the exact amount needed to pay the participant’s upcoming RUC installment payment so they did not incur any out-of-pocket costs for paying their RUC charges.

The digital gift cards were distributed monthly, rather than in one lump sum, to more closely simulate a paycheck from an employer, and to minimize risk by preventing participants from leaving the follow-on experience with all of the funds intended to be used for making RUC payments.

Once a digital gift card had been sent, participants received an email from Tremendous describing what the card was to be used for, a reminder of upcoming payment due dates, and a link to their digital gift card.

2.3 Invoicing and Payments

One week after participants received their digital Visa RUC payment cards, each participant received an individualized RUC invoice based on the data they input (vehicle year, make, model, annual mileage, out of state mileage, and total RUC due) during the RUC simulation. The invoice notices were sent via email and accessible using a link to a portal designed in the online survey tool, Alchemer, where participants could view past and current invoices (Figure 3).



Figure 3: FlexPay Invoice Viewing and Payment Portal

Each invoice was due two weeks after the RUC invoice was sent to participants. To make a payment, participants clicked a link on their invoice which directed them to the online payment platform, Square (Figure 4).

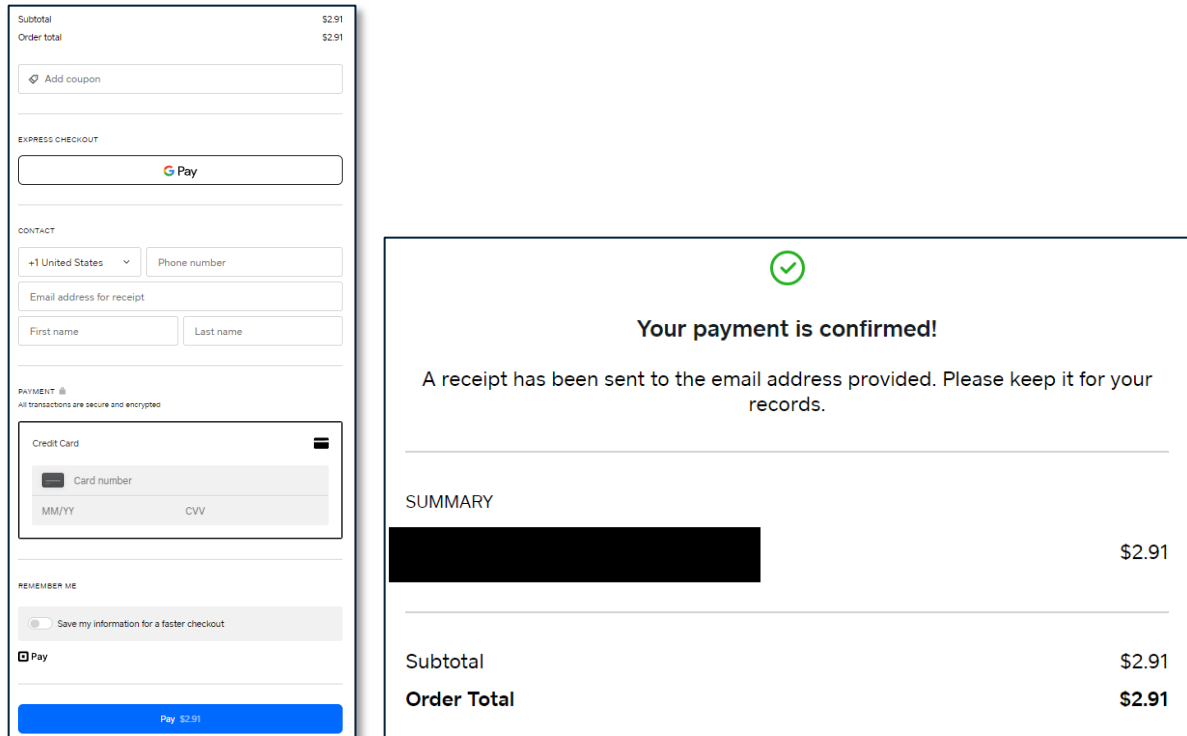


Figure 4: Square Payment Portal (Left) and Payment Confirmation (Right)

Payment reminders were sent to any participant that had not already paid their RUC one week before the due date and again on the payment due date. Late notices were sent to participants the day after the payment due date.

A team of live support agents was available for participants to contact via phone or email should any questions about the program or how to make a payment arise during the FlexPay follow-on experience.

2.4 Rewards and Survey

FlexPay participants had the opportunity to earn a total of \$120 in possible rewards for their participation in the FlexPay follow-on experience. Rewards were earned in \$30 increments for completing each step of the follow-on experience, which included on-time payment of each of the three billing cycles and completion of the survey at the conclusion of the follow-on experience.

Rewards earned by each participant were tracked throughout the follow-on experience and distributed to participants in one lump sum at the end of the program via Tremendous, the same digital Visa gift card provider used for the RUC payment cards.

At the conclusion of the FlexPay follow-on experience, participants were sent an email that contained a link to a 19-question survey built in Alchemer. The survey provided an opportunity for participants to answer follow-up questions about their experience in the FlexPay program that were not captured by the quantitative data gathered during through their direct participation.

3.0 FINDINGS FROM FLEXPAY OPERATIONS

3.1 Payments

During the initial FlexPay billing cycle, the majority of participants (93%) paid their RUC invoice. Among those that made a payment, all but one participant paid on time (Table 1). However, participant engagement waned slightly during subsequent billing cycles. During the second billing cycle, 71% of participants paid their RUC bills, and of them 90% paid on time. Between the 2nd and 3rd billing cycles, 2 of the 28 participants dropped out of the FlexPay follow-on experience—one asked to be removed from the program, and one had an email address bounce back after two unpaid RUC bills. On the final billing cycle, 81% of the 26 remaining participants made a payment on their RUC bill. Among those that paid their final RUC installment, all but one participant paid on time.

Table 1: On-Time FlexPay Payment Performance

	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	71%	21	81%
On-time Payment	25	89%	18	64%	20	77%
Paid After Late Notice	1	4%	2	7%	1	4%
Did not Pay	2	7%	6	21%	5	19%

In general, email reminders helped increase the percentage of participants that paid their RUC bill. During all three invoice cycles, there was an increase in payments processed immediately following the distribution of reminder emails and late notices (Table 2). Anywhere from 29% to 68% of participants paid without any reminder. Reminders help generate payments from an additional 21% of participants in cycle 2, 36% in cycle 2, and 27% in cycle 3.

Table 2: Reminders Required for On-Time FlexPay Payments

	Cycle 1 (28 Participants)		Cycle 2 (28 Participants)		Cycle 3 (26 Participants)	
	Participants	% of Participants	Participants	% of Participants	Participants	% of Participants
Paid before 1 st reminder email (1-week)	19	68%	8	29%	13	50%
Required 1 st reminder (1-week prior to due date)	4	14%	3	11%	3	12%
Required 2 nd reminder (day of due date)	2	7%	7	25%	4	15%
Paid After Late Notice	1	4%	2	7%	1	4%

Automated reminders of upcoming due dates and late notices appear to be a cost-effective means of increasing compliance with RUC payments.

3.2 Help Desk

Throughout the FlexPay follow-on experience, the help desk fielded a total of 22 inquiries via phone and email. Most of the questions were specific to the mechanics of the follow-on experience. For example, some participants reached out to find the email that contained their RUC payment card either because they did not recognize the sender (Tremendous), or it was sent to a “junk” or “promotions” folder by their email provider’s spam filters. Others asked for help navigating the payment process or for payment confirmation because they had trouble accessing the RUC payment cards or reading the online invoice viewer and payment interfaces.

The FlexPay follow-on experience simulated a RUC process that most participants are unfamiliar with and required additional steps that would not be required during a flexible payment plan in reality (e.g., accessing the digital gift card to use for making RUC payments). Because of this, it is likely that the volume of per-capita help desk inquiries received during the follow-on experience is greater than what would be experienced during a live RUC flexible payment program.

4.0 FINDINGS FROM PARTICIPANT SURVEY

4.1 Key Takeaways

FlexPay largely replicated the features of a typical installment plan would resemble, whether offered by a public agency or a commercial business. Key differences included the distribution of a cash-equivalent electronic gift card one week prior to the due date of each RUC installment payment and the need for an extra click to open a payment portal operated by a provider (Square) separate from the display of the online invoice (Alchemer). Despite these two distinctions, most participants found FlexPay easy and straightforward to use.

Participation in FlexPay appeared to be driven not by cost, but rather by curiosity. The average simulation participant owed \$30 in net RUC after subtracting gas tax credits and exempt miles, which is well below the threshold for which most FlexPay participants would want an installment payment plan.

Perhaps driven by the relatively modest typical RUC amount owed in a year, a large majority of participants indicated that two, three, or four installment payments would be sufficient for a RUC program. In addition, most participants were willing to pay a small service fee for the benefit of an installment payment option. This willingness increased following participation in FlexPay. Four out of five participants were willing to pay something between \$1 and \$5 per transaction, with over half preferring \$1 or \$2. Despite the perceived benefits of an installment payment plan for some customers and the relative ease with which it could be offered, FlexPay participants expressed a strong desire from experience with real-world installment plans that any service fees be transparent.

4.2 Detailed Findings

4.2.1 Payment Process

While the majority of participants (70%) either strongly agreed or somewhat agreed that completing the payments for each invoice was straightforward, 30% either disagreed somewhat or strongly disagreed that the payment process was straightforward (Figure 5).

For the FlexPay pilot and follow-on experience, participants were directed to an “invoice viewer” via an email link before being directed to the online payment processor, Square, to make the payment. While it is not uncommon to be re-directed to a new page for payment processing when paying bills online, the multi-step process may have caused confusion for some participants. A live flexible payment plan may benefit from a streamlined “one click” checkout.

Completing the payments for each invoice was straightforward

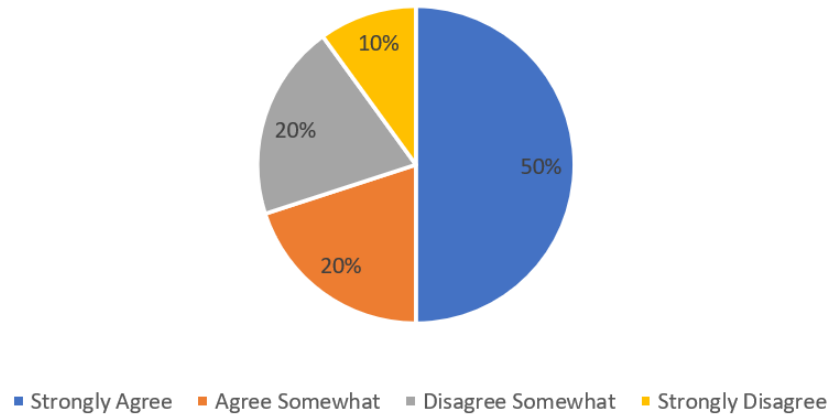


Figure 5: FlexPay Survey Question: Was Completing the Payment for Each Invoice Straightforward?

The majority of participants (85%) either strongly agreed or agreed somewhat that accessing the RUC payment cards (digital gift cards distributed via Tremendous) was straightforward (Figure 6).

The process of distributing digital gift cards for participants to use to make their RUC payments with was a necessary step for the design of the FlexPay pilot and follow-on experience so that participants could exchange real money without spending anything out of pocket themselves. In a live flexible payment program, this step would not exist as drivers would pay their own RUC. This additional step added a layer of complexity and created an additional action item that could potentially cause confusion.

Accessing the payment card provided for making my payments was straightforward

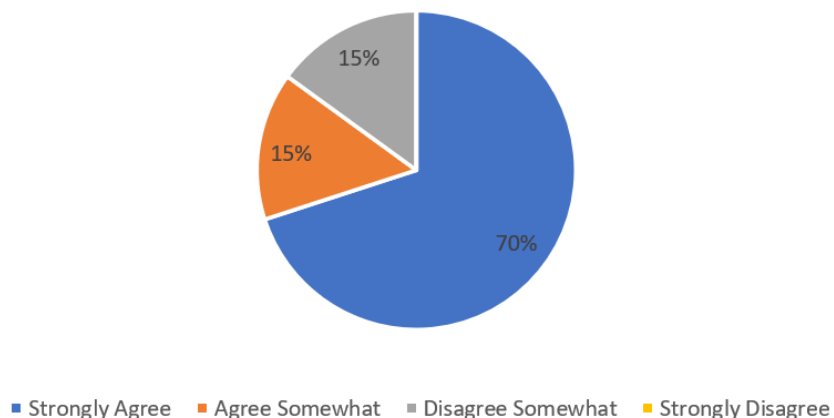


Figure 6: FlexPay Survey Question: Was Accessing the Payment Card for Making Payments Straightforward?

4.2.2 Payment Preferences

95% percent of survey respondents stated a preference for making their RUC payments via credit or debit card, while 5% of respondents would prefer to use a payment app like Venmo or Cash App (Figure 7).

I would prefer to make payments with:

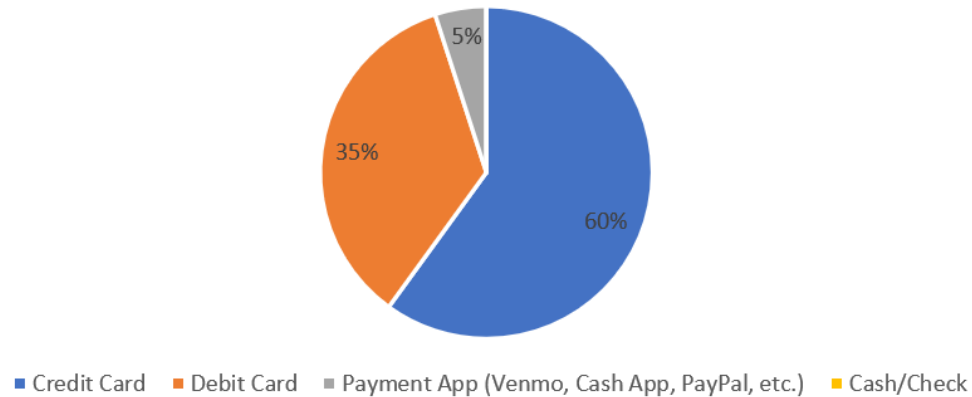


Figure 7: FlexPay Survey Question on Payment Method Preference

This differs from the preferred payment method expressed by FlexPay participants previously, during the RUC simulation. In response to the simulation, only 35% chose to use a debit or credit card, while 35% used a payment app and 20% used a bank account transfer.

Four equal payments billed quarterly was the most preferred payment schedule among FlexPay survey respondents; however, there was no clear consensus as other payment schedules (3 payments billed monthly, 2 payments billed semi-annually, and 12 payments billed monthly) were preferred by 55% of respondents combined (Figure 8). Six equal payments billed bi-monthly, preferred by only 5% of respondents, was the least popular option.

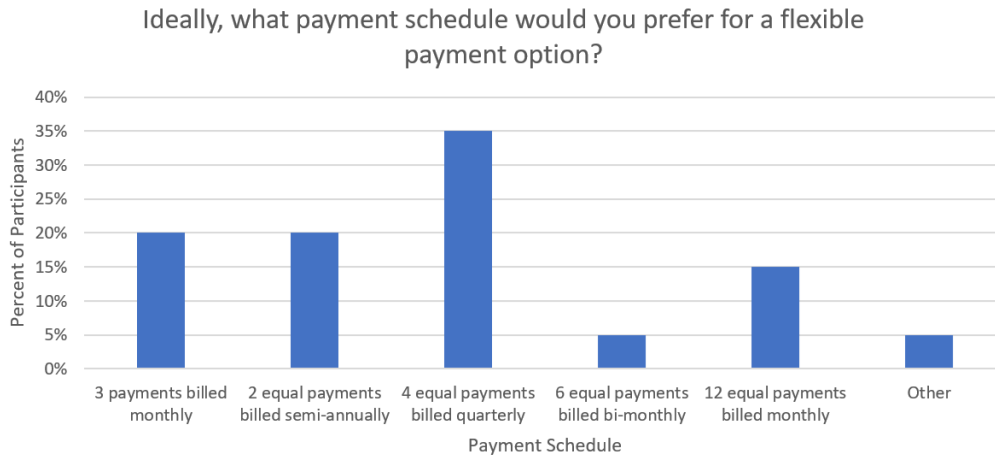


Figure 8: FlexPay Survey Question on Preferred Payment Schedule

Half of FlexPay survey participants said they would prefer to make their payments automatically (autopay), while half said they would prefer to make their payments manually (enter the credit card details each time).

4.2.3 Email Notifications

Email notifications helped participants remember to make their RUC installment payments.

Among all survey respondents that said they received email reminders at some point during the FlexPay experience (19/20), all either strongly agreed (15/19) or agreed somewhat (4/19) that the reminders helped them make on-time payments.

4.2.4 Service Fees

A flexible payment option will increase the costs of administering RUC as it multiplies the total number of transactions processed for those participating in the program. Costs associated with transactions as well as customer service inquiries related to payments will increase. It is possible to offset these costs by assessing a fee on customers who opt for installment payments. However, it is important to balance additional fees against the fact that low-income respondents expressed interest in FlexPay at much higher rates than other respondents.

In the RUC simulation survey, 66% of those who would go on to participate in FlexPay indicated a willingness to pay a service fee for installment payments. Of those, 44% expressing a willingness to pay \$1 per payment and 22% expressed a willingness to pay \$2 per payment (Figure 9).

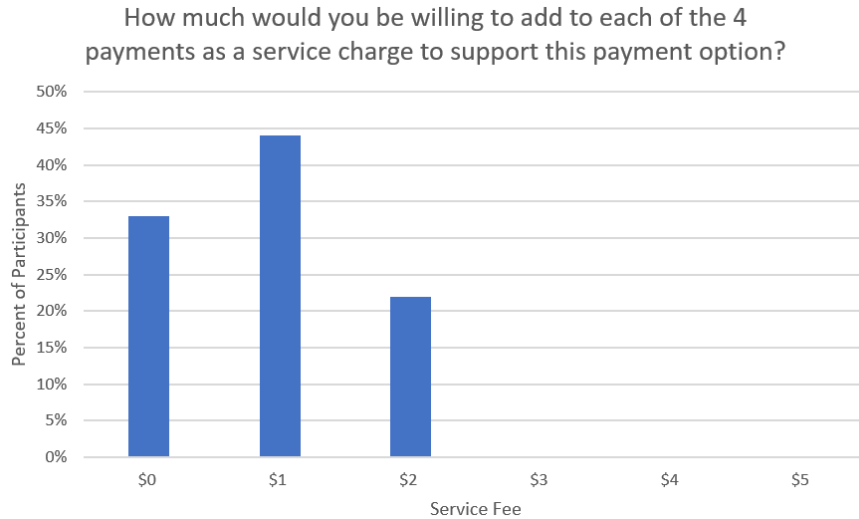


Figure 9: Participant Opinions on Willingness to Pay a Service Fee for the Convenience of a Flexible Payment Option Prior to Experiencing Flex Pay

Participation in FlexPay resulted in a higher level of willingness to pay a service fee for the benefit of an installment payment plan. After participation in FlexPay, the number of survey respondents open to paying a small fee increased to 80%, with 10% willing to pay up to \$3 and 15% willing to pay up to \$5. (Figure 10).

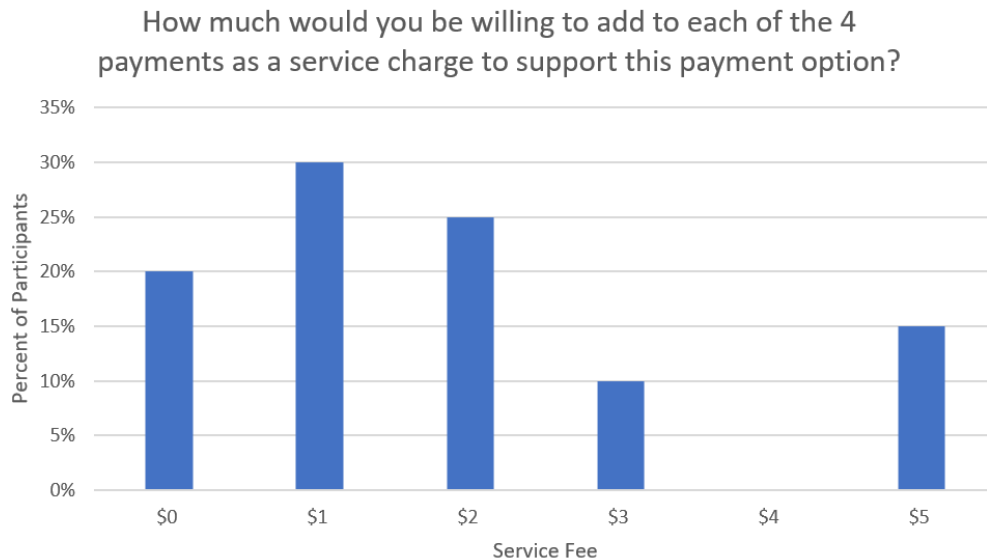


Figure 10: FlexPay Survey Question on Willingness to Pay a Service Fee for the Convenience of Flexible Payments

While many participants are willing to pay for the convenience of a flexible payment plan, a service fee may negate some of the benefit of payment flexibility for low-income drivers. It is thus important to consider what the goal of a flexible payment option is: an enhanced user experience for those willing to pay for it, or a way to ease the burden of lump-sum payments for low-income drivers.

4.2.5 Reasons for Using Flexible Payment Option

Curiosity about experiencing an installment plan, not cost, was the primary reason FlexPay participants chose the flexible payment option over a lump-sum payment (Figure 11).

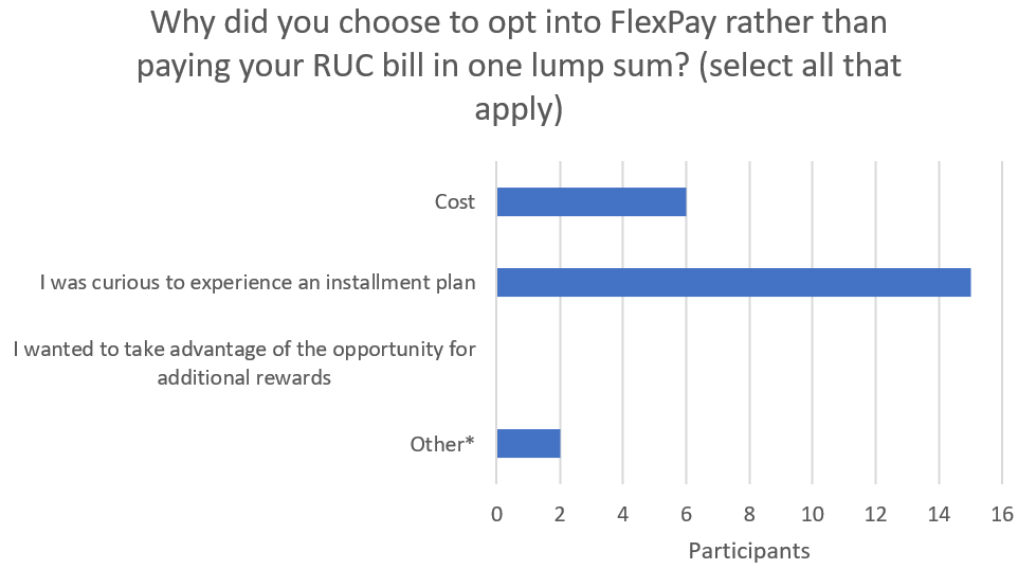


Figure 11: FlexPay Survey Question: Why Did you Choose to Opt Into FlexPay Rather Than Paying Your RUC Bill in One Lump Sum

A similar question was asked of participants during the RUC simulation survey. Among those that took both the RUC simulation survey *and* the FlexPay survey (n=18), a preference for spreading out payments was the primary reason for selecting “four equal payments,” not affordability (Figure 12).

Why did you choose four equal payments? Select all that apply.
(Simulation survey)

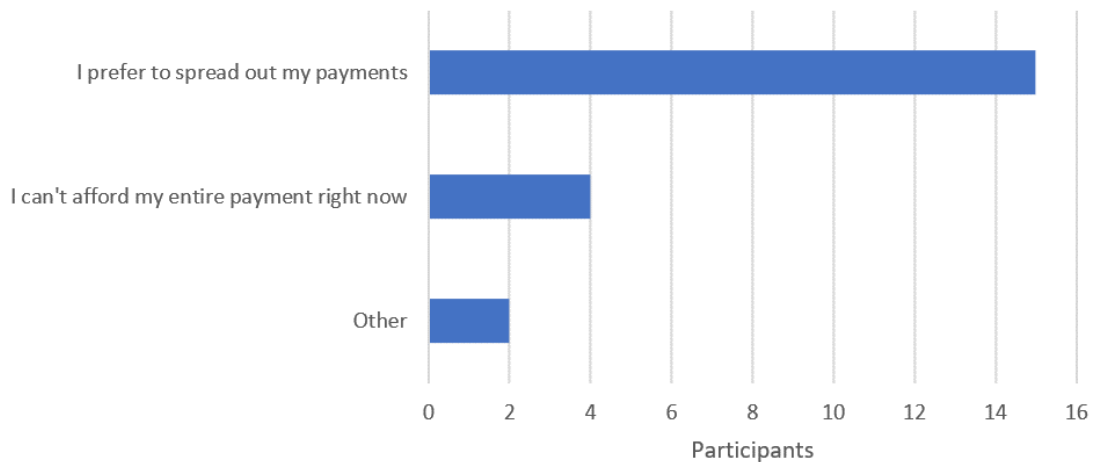


Figure 12: WA RUC Simulation Survey Question: Why Did You Choose Four Equal Payments?

4.2.6 On-Time Payments

Responses to some survey questions were inconsistent with the observed participant behavior during the FlexPay follow-on experience. For example, survey respondents were asked how many of the three invoices sent they made payments on. All of the survey respondents indicated that they had paid all three installment payments when, in fact, 4 of the 20 respondents (20%) missed one payment—two during the first billing cycle and two during the third billing cycle.

Survey respondents were also asked how many of the three invoices were paid on or before the due date. Three survey respondents (15%) indicated that they were late on 1 billing cycle. Of those three, only two were actually late on payments. Of the two participants that indicated being late on a payment, one had missed the payment altogether (but did not indicate so on the previous question).

4.2.7 RUC Bill Threshold for FlexPay vs. Lump Sum Payment

Participants were asked how low their RUC bill would need to be before they considered paying in one lump sum rather than spreading their payment across several installments with a slider ranging from \$1 to \$300. A plurality of survey participants (35%) indicated that a RUC bill between \$101 and \$140 would be sufficiently low enough to pay in one lump sum; however, there was no clear consensus (Figure 13).

How low would your total annual RUC bill need to be before you considered paying in one lump sum once per year rather than spreading your payment across several installment payments?

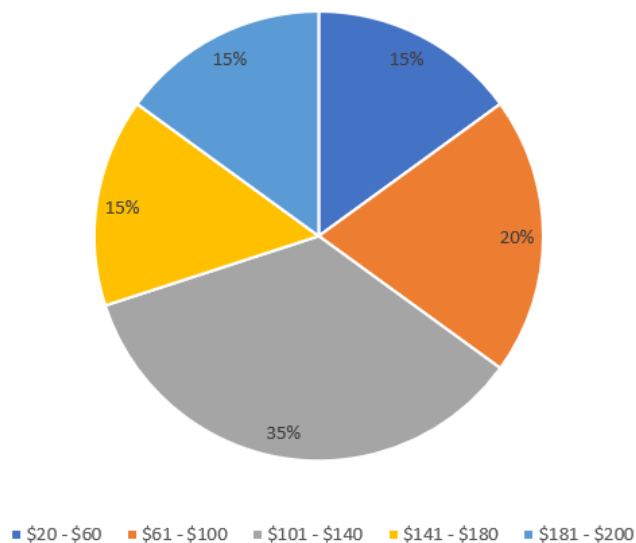


Figure 13: FlexPay Survey Question: How Low Would Your RUC Bill Need to be Before You Considered a Lump Sum Payment Over an Installment Plan?

Table 3: Summary of Stated Thresholds for Considering Lump Sum RUC Payments

Minimum	\$24
Maximum	\$200
Range	\$176
Mean	\$109.20
Median	\$101

Interestingly, for 70% of participants (14/20), the dollar amount at which they stated they would consider paying their RUC bill in one lump sum was significantly higher than their total net RUC during the simulation (Table 3 and Table 4). This aligns with the result that most participants expressed a desire to experience FlexPay out of curiosity, and not necessarily due to cost issues.

Table 4: Difference Between Stated Threshold for Considering Lump-Sum Payment and Actual RUC Paid

Stated threshold for considering lump-sum payment	Net RUC (from simulation)	Difference over/under net RUC	% Difference
\$ 24.00	\$ 15.94	\$ 8.06	51%
\$ 30.00	\$ 46.60	\$ (16.60)	-36%
\$ 40.00	\$ 92.18	\$ (52.18)	-57%
\$ 75.00	\$ 120.62	\$ (45.62)	-38%
\$ 75.00	\$ 11.63	\$ 63.37	545%
\$ 75.00	\$ 22.87	\$ 52.13	228%
\$ 75.00	\$ 51.56	\$ 23.44	45%
\$ 100.00	\$ 1.13	\$ 98.87	8750%
\$ 100.00	\$ 153.93	\$ (53.93)	-35%
\$ 101.00	\$ 56.97	\$ 44.03	77%
\$ 101.00	\$ 70.72	\$ 30.28	43%
\$ 110.00	\$ 6.48	\$ 103.52	1598%
\$ 112.00	\$ 40.75	\$ 71.25	175%
\$ 116.00	\$ 116.32	\$ (0.32)	0%
\$ 150.00	\$ 44.85	\$ 105.15	234%
\$ 150.00	\$ 231.23	\$ (81.23)	-35%
\$ 150.00	\$ 74.99	\$ 75.01	100%
\$ 200.00	\$ 170.98	\$ 29.02	17%
\$ 200.00	\$ 167.70	\$ 32.30	19%
\$ 200.00	\$ 16.19	\$ 183.81	1135%

4.2.8 Other Flexible Payment Plans

Most participants (65%) said that they occasionally use flexible payment options when purchasing other products, while another 10% said that they frequently use flexible payment options when purchasing

other products (Figure 14). One quarter of participants seldom or never use flexible payment options when purchasing other products.

How frequently do you use flexible payment plans when purchasing other products?

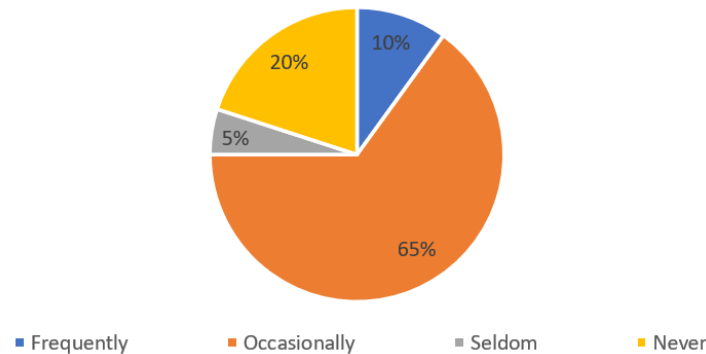


Figure 14: How Frequently Do You Use Flexible Payment Plans When Purchasing Other Products?

FlexPay survey respondents were asked to describe some features they like about other flexible payment plans they have used when purchasing products. Most of the comments (75%; n = 16) were on the theme of cost and the flexibility to spread out payments in order to help their budget:

- “I can defer lump sum payments to be done overtime at no additional cost”
- “Flexibility, spread cost”
- “Easy on the budget”
- “No additional fees. Cost the same as a lump sum payment”
- “The ability to space out payments to be able to make other purchases in between”
- “It helps avoid paying a large bill/fee all at once. It’s nice to have options when dealing larger expenses. Also, the ability to change or adjust services without waiting for an entire year has been helpful to understand if I’m paying more than I can afford”
- “Ability to choose set amount, ability to choose due date”
- “Flexible payment plans allow me to budget my bills”
- “Convenient, reminders are nice, flexibility”
- “I like the ability to spread out larger payments”
- “No interest and better able to pay in smaller amounts over time”
- “Affordability”

Common themes on features participants did not like about other flexible payment plans they have experienced include additional or hidden fees, and keeping track of payments or automatic withdrawal dates:

- “I won’t use them if they have additional fees”

- “The fees, charges, and additional costs”
- “I don't like hidden costs or fees”
- “Forgetting/missing a payment. Increased cost.”
- “I forget about when the money is being withdrawn”
- “Reminder to pay monthly instead of at once, debating if I should pay all at once or monthly”
- “Hard to keep track”
- “Lack of reminders”

Others commented on having to set up an account or manually enter payment details each time:

- “Having to deal with setting up an account, remember a password, and possible additional fees.”
- “Manually entering info every time”

5.0 PARTICIPANT DEMOGRAPHICS

The household incomes of many participants in both the RUC simulation and the FlexPay pilot and follow-on experience were above the statewide median household income of \$82,400.¹ About 50% of both the RUC Simulation and FlexPay participants had household incomes over \$100,000 per year. Statewide, 36% of households earn \$100,000 or more annually (Figure 15 and Figure 16).

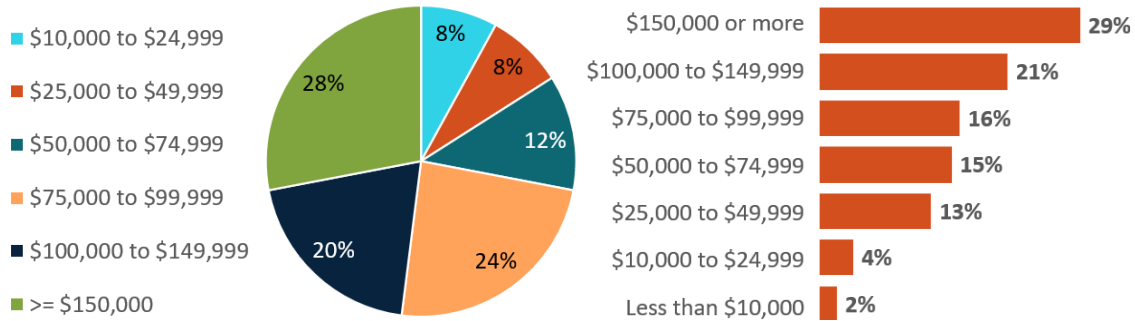


Figure 15: Median Household Income of FlexPay (Left) and Simulation (Right) Participants

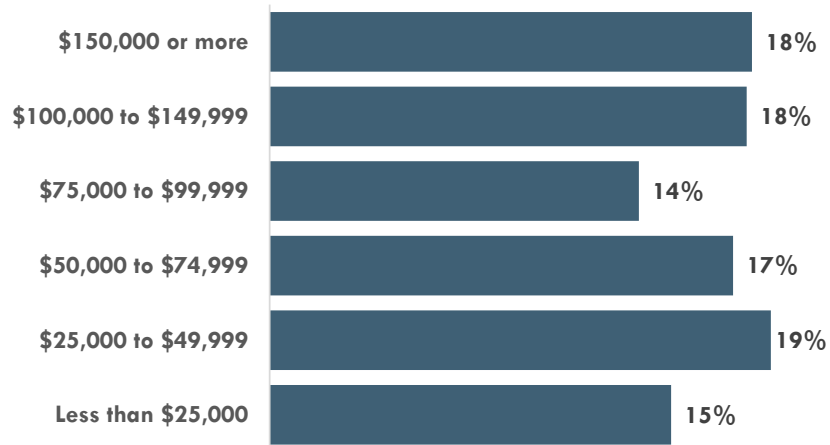


Figure 16: Households by Income Bracket, Washington State Households

Sources: American Community Survey 5-Year Estimates, 2019; BERK, 2021.

The age ranges of FlexPay participants were similar to the age ranges of the participants in the RUC simulation (Figure 17).

¹ American Community Survey 2017-2021 5-Year Estimate.

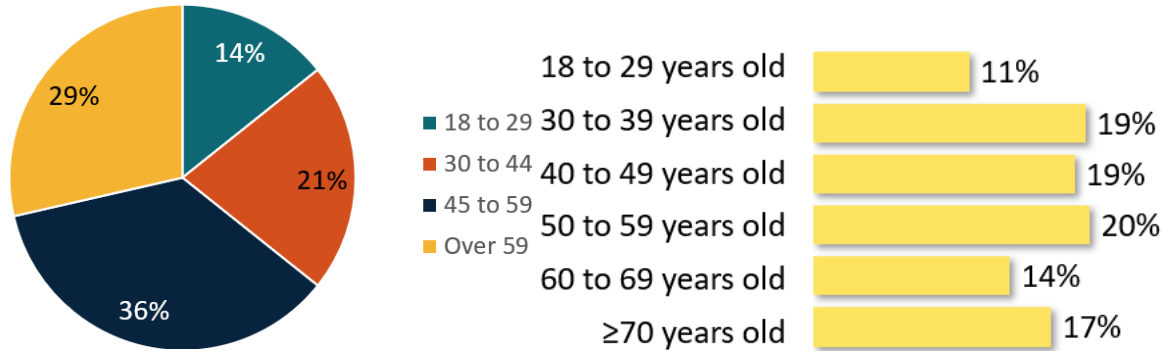


Figure 17: Age Ranges of FlexPay (Left) and WA RUC Simulation (Right) Participants

FlexPay participants that identified as African-American or Black and Latino or Latina were slightly underrepresented relative to the statewide demographics, while those that identified as Asian or Pacific Islander were slightly overrepresented in the follow-on experience (Figure 18).¹

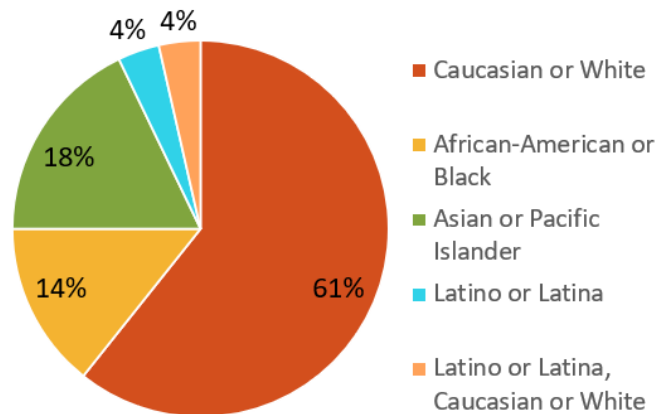


Figure 18: Race/Ethnicity of FlexPay Participants

FlexPay participants that identified as male were slightly overrepresented in the follow-on experience (Figure 19).

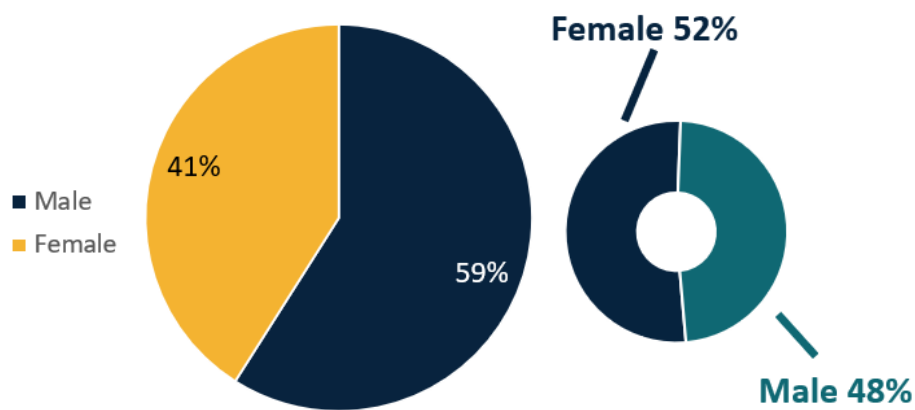


Figure 19: Gender of FlexPay (Left) and RUC Simulation (Right) Participants

As was the case in the RUC Simulation, and consistent with statewide population distribution, there was greater FlexPay participation among drivers living in Western Washington than Eastern Washington (Figure 20).

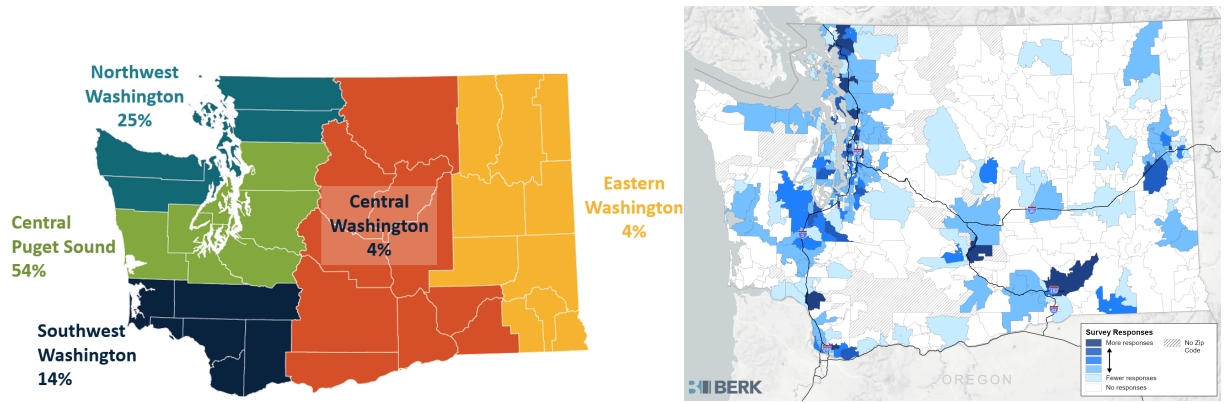


Figure 20: Spatial Distribution of FlexPay (Left) and RUC Simulation Participants (Right)

6.0 PROJECT MATERIALS

6.1 FlexPay Invitation

From: WA RUC Team

To: All participants in WA RUC FlexPay Experience

Subject: Continue participation in Washington state research!

Preview Text: *Here's your invitation to participate in Washington state research for up to \$120 in WA RUC Program Rewards!*

Email:



Congratulations, [First Name]! You've been selected to participate in the WA RUC FlexPay follow-on experience as part of the Washington Road Usage Charge (WA RUC) Program. Thank you for expressing interest in being a part of this work, and for participating in our research simulation. During the simulation, you opted to pay your mock RUC bill in four equal installments. The first of these four installments was "paid" during the simulation you already completed. Because this was a simulation only, no actual money was exchanged.

For the WA RUC FlexPay follow-on experience, we'd like you to continue making the remaining three installment payments on your mock RUC bill using an electronic RUC Payment Card we'll provide you each month. We'll send this RUC Payment Card approximately one week before your mock payment due date. **You will not be required to spend any money out of pocket for your participation.**

This research will inform discussions and decision-making at the state level regarding a possible road usage charge, which is a per-mile charge that would replace the state gas tax.

Get started now – sign the participant agreement!

As a participant, you can earn up to \$120 in WA RUC Program Rewards. Here's how:



Sign the participant agreement.

Make 3 mock RUC payments using the RUC Payment Card we provide to you.

Complete the end-of-program survey.

*All WA RUC Program Rewards distributed at end of program

Questions?

We're here to help. If you need assistance, please reach out to us at outreach@waroadusagecharge.org or 1-877-23WARUC (239-2782). In the meantime, learn more about WA RUC FlexPay below.

-- The WA RUC FlexPay Team

Joining WA RUC FlexPay

To get started in the program and begin accruing WA RUC Program Rewards, you must sign the participant agreement.

Accruing WA RUC Program Rewards

After you've signed the participant agreement, you can accrue up to \$120 in WA RUC Program Rewards for participating in this program:

- Accrue \$30 in WA RUC Program Rewards every month you pay your mock RUC bill on time during the program, for a total of \$90.
- Accrue \$30 in WA RUC Program Rewards after completing a 10-minute survey when the program ends.

You'll receive all WA RUC Program Rewards in the form of a digital Visa gift card when the program ends.

Your Electronic RUC Payment Card

If you agree to the terms of the participation agreement and privacy policy, we'll email your first electronic RUC Payment Card on Tuesday, March 28th. This card will contain the amount of your first mock RUC charge. Your RUC Payment Card will be sent from our rewards partner, Tremendous. Check your "Spam" or "Junk" folder if you don't see your RUC Payment Card in your inbox.

You can treat your RUC Payment Card like a paycheck. When making your mock payment, you are free to use any payment method you choose. You can use the RUC Payment Card provided, or use a different payment method and reimburse yourself using the provided RUC Payment Card.

When your mock payment is due, you will receive an email with a PDF of the invoice and a link to make your payment.

The WA RUC Help Desk

If you need assistance, please reach out to us at outreach@waroadusagecharge.org or 1-877-23WARUC (239-2782).

6.2 FlexPay Participant Agreement and Privacy Policy

Read these policies before joining the WA RUC FlexPay Follow-On Experience.

These policies will help ensure that the goals of the WA RUC follow-on experience are met, and that your personal information is protected and shared only as you authorize.

Before agreeing to participate in WA RUC FlexPay, read these policies, including our Privacy Policy. Let us know if you have any questions by emailing us at outreach@waroadusagecharge.org or calling us at 1-877-239-2782. Do not click “accept” until you have reviewed and understand these policies – including the Privacy Policy.

We need your participation for the full 4 months of the WA RUC FlexPay Follow-On Experience.

WA RUC FlexPay expects you to participate for the full 4-month duration of the follow-on experience. “Participation” requires making on-time payments for each of the three (3) WA RUC FlexPay billing cycles for your simulated RUC charges, and completing a survey at the conclusion of the WA RUC FlexPay Follow-On Experience.

Your light-duty passenger vehicle must be registered in Washington to be enrolled in the WA RUC FlexPay Follow-On Experience.

Only light-duty passenger vehicles registered in Washington are eligible for the WA RUC FlexPay Follow-On Experience. Motorcycles, motorhomes and heavy commercial trucks are not eligible for the WA RUC FlexPay Follow-On Experience.

You must provide your personal information to enroll in the WA RUC FlexPay Follow-On Experience.

“Enrollment” requires you to provide:

- Year, make, and model of the vehicle you have enrolled in the follow-on experience
- Mileage of the vehicle enrolled in the follow-on experience
- Number of vehicles owned by participant
- Ownership status of vehicle (own/lease)
- Primary use of vehicle (personal/business)
- Occupation
- Your age range (for example, age 18 – 45, or 46 – 65, or older than 65)
- Your gender, unless you prefer not to disclose
- How many persons reside in your household
- Housing type (e.g., single-family detached, condo, townhouse, apartment, etc.)
- Ownership status of home
- The Washington zip code you live in
- Your household income range (for example, under \$30,000 per year, or between \$30,000 and \$60,000 per year, etc.)

- Your race and/or ethnicity
- Employment status
- Marital status

You do not have to pay anything out of pocket to pay a simulated WA RUC FlexPay invoice.

RUC payment cards, in the form of digital Visa gift cards, will be provided to participants to use to make payments on the WA RUC FlexPay invoices. The RUC payment card will be pre-loaded with the exact funds required to pay the invoice in full and will be distributed electronically one week before each invoice is received. Unclaimed or unused funds on the RUC payment cards/digital gift cards expire within six months of redeeming the card.

Accruing WA RUC Program Rewards

After you've signed this participant agreement, you can accrue up to \$120 in WA RUC Program Rewards for participating in this program:

- Accrue \$30 in WA RUC Program Rewards every month you pay your mock RUC bill on time during the program, for a total of \$90.
- Accrue \$30 in WA RUC Program Rewards after completing a 10-minute survey when the program ends.

You'll receive all WA RUC Program Rewards in the form of a digital Visa gift card when the program ends in April.

If you stop participating in the WA RUC FlexPay Follow-On Experience, we may revoke your participation.

Your participation privileges in the WA RUC FlexPay Follow-On Experience may be revoked if you do not complete the tasks that make up the WA RUC FlexPay Follow-On Experience, including on-time payment of invoices and completion of the survey.

We will protect your personal information and use it only as authorized.

The WA RUC FlexPay Follow-On Experience has adopted a Privacy Policy to let you know how your personal information will be collected, used, and protected. You must read this Privacy Policy before agreeing to participate in the WA RUC FlexPay Follow-On Experience.

If you click “accept”, you agree with all policies, including our use of your demographic and driving information.

By clicking “accept”, you are agreeing to fully participate in the WA RUC FlexPay Follow-On Experience in accordance with these policies, and that you are allowing your demographic and personal information to be used for WA RUC account management and research purposes only as specified in the Privacy Policy.

WA RUC FlexPay Follow-On Experience Privacy Policy

What is ‘Personal Information’?

Personal information is any information about a person which, on its own or when combined with other information, is reasonably capable of revealing the identity or activities of that person. Personal

information includes items such as a person's name, address, telephone number, email address, account numbers, travel or trip details, and similar information associated with a specific person.

How your Personal Information will be collected and used:

Since this follow-on experience is being conducted for research purposes, we may ask for demographic information to help us better understand how a future road usage charge system might affect people differently, depending on where they live, their gender, ethnicity, general income bracket, etc. This kind of demographic information would not be needed if this were an actual live road usage charge system. This information is only used for research purposes.

For research purposes only, we will collect:

- Year, make, and model of the vehicle you have enrolled in the follow-on experience
- Mileage of the vehicle enrolled in the follow-on experience
- Number of vehicles owned by participant
- Ownership status of vehicle (own/lease)
- Primary use of vehicle (personal/business)
- Occupation
- Your age range (for example, age 18 – 45, or 46 – 65, or older than 65)
- Your gender, unless you prefer not to disclose
- How many persons reside in your household
- Housing type (e.g., single-family detached, condo, townhouse, apartment, etc.)
- Ownership status of home
- The Washington zip code you live in
- Your household income range (for example, under \$30,000 per year, or between \$30,000 and \$60,000 per year, etc.)
- Your race and/or ethnicity
- Employment status
- Marital status

For research and account management purposes, we may also collect:

- Your full name and mailing address
- Your email address and phone number

Occasionally, we may need to contact you or send important notices about the WA RUC FlexPay Follow-On Experience.

We will protect against unauthorized use of your personal information.

We will not voluntarily use or share your personal information for any purpose unrelated to the WA RUC FlexPay Follow-on Experience unless necessary to comply with a subpoena, court order or disclosure required under the Washington State law RCW 42.56 (Public Records Act). If we receive a demand for

disclosure of any data or information that includes your personal information, within 10 days we will notify you that we have received such demand, providing you an opportunity to object to its release.

We will destroy all Personal Information we collect within 30 days of the end of the WA RUC FlexPay Follow-On Experience.

To ensure your sensitive information and data is not kept longer than necessary, all personal information we collect during the course of the WA RUC FlexPay Follow-On Experience will be permanently destroyed within 30 days of the conclusion of the project. After this period, we will retain information and data only in an anonymized and aggregated form (meaning, everyone's driving data and information will be stripped of personal identifiers and will be grouped together to be used for research and analysis purposes).

6.3 FlexPay Survey Questions



1. **During the FlexPay follow-on experience, there were three rounds of invoices sent. How many invoices did you pay?**

1. **What was the reason or reasons for the missed payment(s)? (select all that apply)***
 - a. * This question was conditional on having indicated a missed payment. No answers were provided as all 20 participants indicated completing all 3 payments.

2. **When you have participated in other installment payment programs, how often would you estimate that you paid on time?**
 - a. *This question was conditional on having indicated a missed payment. No answers were provided as all 20 participants indicated completing all 3 payments.

3. **If you were late on a payment on any of the three invoice cycles, what was the reason for the late payment?***
 - a. * This question was conditional on having indicated a being late on a payment for a different flexible payment program. No answers were provided as all 20 participants indicated completing all 3 payments (Q1), and therefore did not see questions 2 and 3.

4. **How many of the three invoices you received did you pay on or before the due date for the WA RUC FlexPay program?**
 - a. 0
 - b. 1

- c. 2
 - d. 3
- 5. Did you receive any email reminders of upcoming invoice due dates?**
- a. Yes
 - b. No
- 6. The email reminders helped me make payments on time.**
- a. Strongly Agree
 - b. Agree Somewhat
 - c. Disagree Somewhat
 - d. Strongly Disagree
- 7. Accessing the payment card provided for making my payments was straightforward.**
- a. Strongly Agree
 - b. Agree Somewhat
 - c. Disagree Somewhat
 - d. Strongly Disagree
- 8. Completing the payments for each invoice was straightforward:**
- a. Strongly Agree
 - b. Agree Somewhat
 - c. Disagree Somewhat
 - d. Strongly Disagree
- 9. The rules of the FlexPay program for receiving a reward for participation (such as payment due dates) were transparent.**
- a. Strongly Agree
 - b. Agree Somewhat
 - c. Disagree Somewhat
 - d. Strongly Disagree
- 10. Why did you choose to opt into FlexPay rather than paying your RUC bill in one lump sum? (select all that apply)**
- a. Cost
 - b. I was curious to experience an installment plan
 - c. I wanted to take advantage of the opportunity for additional rewards

d. Other (write in response)

11. How low would your total annual RUC bill need to be before you considered paying in one lump sum once per year rather than spreading across several installment payments?

- a. \$20 - \$60
- b. \$61 - \$100
- c. \$101 - \$140
- d. \$141 - \$180
- e. \$181 - \$200

12. Ideally, what payment schedule would you prefer for a flexible payment option?

- a. 3 equal payments billed monthly
- b. 2 equal payments billed semi-annually
- c. 4 equal payments billed quarterly
- d. 6 equal payments billed bi-monthly
- e. 12 equal payments billed monthly
- f. Other

13. I would prefer to make my payments with a

- a. Credit Card
- b. Debit Card
- c. Payment App (Venmo, CashApp, PayPal, etc.)
- d. 6 equal payments billed bi-monthly
- e. Cash/Check

14. I would prefer to make my payments:

- a. Automatically (Auto-Pay)
- b. Manually (I enter my payment details each time)

15. A flexible payment option could increase the administrative costs of a road usage charge. How much would you be willing to add to each of the 4 payments as a service charge to support this payment option?

- a. \$0
- b. \$1
- c. \$2
- d. \$3
- e. \$4

f. \$5

16. How frequently do you use flexible payment plans when purchasing other products?

- a. Frequently
- b. Occasionally
- c. Seldom
- d. Never

17. Please describe some features that you like about flexible payment plans you have used when purchasing other products.

- a. Write in response

18. Please describe some features that you do not like about flexible payment plans you have used when purchasing other products.

- a. Write in response