WELCOME AND INTRODUCTIONS

• Welcome and introduction of new Steering Committee members

Joe Tortorelli, Chair
WA RUC Steering Committee;
Member, Washington State
Transportation Commission
• Conducting the webinar: slides, handouts, and session recording
PARTICIPANT RECRUITMENT & ENROLLMENT

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

Ara Swanson, Envirolissues
VOLUNTEER RECRUITMENT
NEARLY 5,000 INTERESTED DRIVERS

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

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

Who was invited to enroll
• At least one person from every County
• Geographical representation by survey regions
• Diverse group of people to best reflect Washingtonians
  • Identified race or ethnicity
  • Gender
  • Income
  • Vehicle type
PARTICIPANT ENROLLMENT
PARTICIPANT POOL - GEOGRAPHIC DISTRIBUTION

- 2,000 drivers from across the state are now enrolled and participating.
- These 2,000 participants reflect our state’s geographic distribution.
PILOT PARTICIPANTS SELECT MILEAGE REPORTING OPTIONS

- Mileage permit: 1%
- Odometer reading: 29%
- Smartphone app: 15%
- Plug-in Device without GPS: 21%
- Plug-in Device with GPS: 34%
### Geographic Distribution

<table>
<thead>
<tr>
<th>Region</th>
<th>% of WA Population</th>
<th>% of WA RUC Participants</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwest</td>
<td>6%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Central Puget Sound</td>
<td>62%</td>
<td>60%</td>
<td>-2%</td>
</tr>
<tr>
<td>Southwest</td>
<td>9%</td>
<td>6%</td>
<td>-3%</td>
</tr>
<tr>
<td>Central</td>
<td>13%</td>
<td>13%</td>
<td>0%</td>
</tr>
<tr>
<td>Eastern</td>
<td>9%</td>
<td>13%</td>
<td>4%</td>
</tr>
<tr>
<td>Unknown</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Identified Gender

<table>
<thead>
<tr>
<th>Identified Gender</th>
<th>% of WA Population</th>
<th>% of WA RUC Participants</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>50%</td>
<td>49%</td>
<td>-1%</td>
</tr>
<tr>
<td>Female</td>
<td>50%</td>
<td>49%</td>
<td>-1%</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prefer to self-describe</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td>1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: American Community Survey, 2012-16 5-year estimates
### Identified Race or Ethnicity

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

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

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

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

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

*Participant categories varied slightly from American Community Survey categories
PARTICIPANT POOL – BY VEHICLE TYPE

- Gasoline: 78%
- Hybrid: 8%
- Electric: 4%
- Plug-in hybrid: 1%
- Diesel: 1%
- Other: 8%
PILOT EVALUATION & PARTICIPANT SURVEYS

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

Travis Dunn,
D'Artagnan Consulting
PILOT EVALUATION CRITERIA
### Washington’s Guiding Principles for a RUC System

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

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

Two-step process:

1. After participants complete the setup of their WA RUC accounts, including adding a vehicle and selecting a mileage reporting method, they receive Survey #1.
   - By April 24, **1,860 participants had received** the first survey
   - Through April 24, **1,527 had completed** it and received a $10 gift card (82.1% response rate)
   - April 12 survey issuance remains open (121 surveys still incomplete as of April 24)
   - There is one more batch to be sent

2. Participants that successfully complete this research task receive a $10 gift card.
   - Gift cards to the remaining participants who complete Survey #1 will go out before the end of May

*The last participants to add a vehicle to their account will receive Survey #1 before the end of April.*
How would you describe where you live? n=1,521

- Urban
- Suburban
- Rural
- Unsure

PARTICIPANT SURVEY #1
STATUS OF PARTICIPANT SURVEYS

What happens next:

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

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

Travis Dunn,
D’Artagnan Consulting
TWO APPROACHES TO TESTING
INTEROPERABILITY: TWO WAYS THIS WILL BE TESTED

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

2. **Real money interoperability: WA, OR**
   - Collect money from select WA (~30) and OR (~70) drivers for miles driven in WA.
   - Reconcile funds collected through HUB based on mileage driven in each state.
HOW THE TEST WILL WORK
DETAILED STEPS FOR TESTING

• Washington and Oregon submit data to the HUB by 5th of each month

• In the month following the close of each quarter (April, July, October, January), HUB will compute:
  ◦ RUC owed in all jurisdictions and fuel tax credits applied in all jurisdictions according to the rules of each, based on data submitted to the HUB; and
  ◦ Net cash owed between Oregon and Washington.

• Service providers must submit appropriate funds, whether the participants have paid or not.

• Based on HUB data received and verified, the net amount owed between Oregon and Washington will be transferred accordingly through the HUB
FLOW OF FUNDS FOR “REAL MONEY” INTEROPERABILITY TEST
TESTING BEGINS APRIL/MAY (BASED ON Q1 2018 DATA)

April 13: first invoices

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

Week of April 30: first reconciliation calculation

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

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

By May 31: first reconciliation transaction

By June 15: report on first reconciliation test
POLICY ISSUES
WORK PLAN

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

Jeff Doyle,
Project Manager
D’Artagnan Consulting
POLICY ISSUE PARKING LOT
### SUMMARY OF POLICY ISSUES

<table>
<thead>
<tr>
<th>Address in conjunction with pilot launch</th>
<th>Address based on pilot findings</th>
<th>Address apart from the pilot test</th>
</tr>
</thead>
<tbody>
<tr>
<td>• How to operationalize the four RUC operational concepts</td>
<td>• Driver reaction to the proposed RUC system</td>
<td>• Interoperability with GoodToGo toll system</td>
</tr>
<tr>
<td>• Whether and how to charge out-of-state drivers</td>
<td>• Public understanding and acceptance of the proposed system</td>
<td>• Legal issue: Interstate Commerce Clause</td>
</tr>
<tr>
<td>• Exemptions from road usage charges for demonstration</td>
<td>• State information technology (IT) needs</td>
<td>• Legal issue: 18th Amendment</td>
</tr>
<tr>
<td>• Refunds</td>
<td>• Institutional roles in implementing any future RUC system</td>
<td>• Per-mile rate setting process and roles</td>
</tr>
<tr>
<td>• Use of private sector account managers</td>
<td></td>
<td>• Motor fuel tax bond requirements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Permanent exemptions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Use or dedication of RUC revenue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rate setting basis for time-based permit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Transition strategy - vehicles subject to paying RUC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interoperability with other states</td>
</tr>
</tbody>
</table>

35
APPROACH FOR ANALYZING ISSUES
At the November 9, 2017 meeting, the Steering Committee decided and directed the project team to:

- Prepare policy white papers on the topics marked “Address apart from the pilot test” (see slide 35, third column), and present these to the Steering Committee for review, discussion and possible recommendation
- Confer with legislative and agency experts during the drafting of white papers, particularly on issues unique to those bodies (for example, whether RUC constitutes a tax vs. a fee)
- Prioritize analysis of issues related to RUC’s usefulness as a funding mechanism (e.g., ability to bond RUC)
- Keep policy papers focused on facts, analysis and providing a range of policy options – allowing the Steering Committee to make recommendations on topics of their choosing. As with all aspects of RUC, policy decisions will be made by the Legislature
APPROACH TO POLICY TOPICS – STAGE 2 (2018)

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

Steps:
1. First, finalize papers on issues that had to be decided for pilot testing
2. Next, develop papers for issues that were proposed in the federal grant proposal
3. Next, address issues related to the usefulness of RUC as a funding mechanism
4. Last, address remaining issues that do not require completion of the pilot
POLICY WORK PLAN FOR STAGE 2
SCHEDULE FOR POLICY ISSUE PAPERS (STAGE 2 ONLY)

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

Research papers scheduled in 2018:
(5) Model Privacy Policy for RUC
(6) Interoperability of RUC with Good-to-Go toll system
(7) U.S. constitutional (Commerce Clause) impacts on RUC
(8) WA constitutional (18th Amendment) impacts on RUC
(9) Effects of gas tax bond requirements on RUC
(10) Permanent exemptions from RUC payments
(11) Use of revenue derived from a RUC system
## POLICY WORK PLAN AT-A-GLANCE

### Policy development schedule

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>Drafts: six issue papers (1-4, 8 and 9)</td>
</tr>
<tr>
<td>August</td>
<td>Final version of six issue papers</td>
</tr>
<tr>
<td></td>
<td>August 22 Steering Committee Meeting</td>
</tr>
<tr>
<td>September</td>
<td>Model Privacy Policy</td>
</tr>
<tr>
<td>October</td>
<td>Drafts: remaining five issue papers (5 – 7, 10 and 11)</td>
</tr>
<tr>
<td></td>
<td>FHWA evaluation (est.)</td>
</tr>
<tr>
<td>November</td>
<td>Final five issue papers</td>
</tr>
<tr>
<td>December</td>
<td>Drafts: remaining five issue papers (5 – 7, 10 and 11)</td>
</tr>
<tr>
<td></td>
<td>FHWA evaluation (est.)</td>
</tr>
<tr>
<td></td>
<td>Final five issue papers</td>
</tr>
<tr>
<td>January</td>
<td>Date: Steering Committee Meeting</td>
</tr>
</tbody>
</table>

*See previous slide 40 for list of issue papers*
UPCOMING ACTIVITIES

• Stage 2 milestones
• Planned Steering Committee meetings

Jeff Doyle,
Project Manager
D'Artagnan Consulting
STAGE 2 MILESTONES
UPCOMING STAGE 2 MILESTONES

May 2018 through January 2019:

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

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

Consultant support provided by: