



## WASHINGTON STATE ROAD USAGE CHARGE STEERING COMMITTEE MEETING

August 22, 2018 | Meeting Summary

### ATTENDEES

#### Steering Committee Members

Chair Joe Tortorelli, WSTC Commissioner

Roy Jennings, WSTC Commissioner

Hester Serebrin, WSTC Commissioner

Sen. Phil Fortunato

Ryan Acker, Specialized transportation needs

Meg McCann, Department of Licensing (DOL)

Scott Lindblom, Counties

Mayor Mary Lou Pauly, Cities

Sharon Nelson, Consumer Representative

Rep. Ed Orcutt

Janet Ray, Motoring Public

Frank Riordan, Becker Trucking, Inc.

Ted Trepanier, INRIX

Doug Vaughn, WSDOT

Bryce Yadon, Environment

#### WSTC Staff

Reema Griffith, Executive Director

Paul Parker, Deputy Director

Carl See, Senior Financial Analyst

#### Other Attendees

Anthony Buckley, WSDOT

Jeff Finn, Seattle Electric Vehicle Association

Jennifer Cook, AAA

Angela Jacobs, FHWA

Jennifer Harris, House Transportation  
Committee

Mark Matteson, House Transportation  
Committee

Jackson Maynard, Senate Staff

Dana Quam, House Republican Caucus

Sonika Sethi, Leidos

Sadeeq Simmons, DOL

Haiping Zhang, DOL

**NOTE:** Presentation materials are available on the Washington State Road Usage Charge website (<https://waroadusagecharge.org/library-2/>). Responses to questions and comments are in *italics*.

### WELCOME

Chair Tortorelli called the meeting to order.

### MEETING OVERVIEW & OBJECTIVES

Jeff Doyle of D'Artagnan presented an overview of the meeting agenda.

## STATUS REPORT: LIVE PILOT OPERATIONS

### Review of the Participant Pool, Open Enrollment Results and Feedback

Ara Swanson of EnviroIssues presented on several participant issues: the participant pool, open enrollment results, and feedback to date via the helpdesk, emails and phone calls.

- Recruitment resulted in participants that closely match the geographic distribution of the state.
- Less than 10 participants changed provider or reporting method.
- With 227 new drivers enrolled, we are at 2,089 pilot participants.
- Over 1,500 communications via email and phone from September 2017 to July 2018

#### Discussion

There were some questions about whether enrollment emails may have been caught in spam filters. Ara reported that the email open rate was 62% which is consistent with other emails.

Jeff Doyle noted that participants can change providers or methods at any time if they make a direct request.

### General operational issues and observations

Jeff Doyle shared some observations from the pilot to date.

#### Discussion

The pilot really assumes a detail of technological savvy. Do we know who chose the mileage reporting option? Age and income? Do we know anything about their devices? Ease of access is something we need to be concerned about.

*Ara noted that there have been some help desk communications around these issues. There have been some workarounds created related to taking a picture of the odometer, for example. The Evaluation report will discuss these issues.*

Why did we select Amazon gift cards? Are we promoting a private company?

There was a lot of discussion around this as we needed something with low fees and that was easy to administer.

Could you ask participants about party affiliation?

*This could potentially be added to a future survey.*

Can we recruit low-income participants to focus groups given some of the challenges mentioned earlier?

*Yes, there is one focus group that includes low – and moderate-income participants.*

Is common messaging something that RUC West is focused on?

*Per mile charge is something that people seem to understand but there has not been a coordinated effort around consistent messaging.*

## MULTIJURISDICTIONAL RUC INTEROPERABILITY TEST

### WA, OR, BC and ID interoperability (non-financial)

Matthew Dorfman of D'Artagnan presented the update on the assessment of non-financial aspects of the multi-state demonstration.

#### Discussion

When I was in Virginia my app picked up miles in taxis.

*This is because the technology to tie the app to a specific vehicle was unavailable.*

Commissioner Jennings noted that he has driven in several states and when he reconciled the miles with the invoice it was very close.

Is the RUC based on declining gas tax revenues based on higher CAFE standards?

*The assumptions are also due to long term trends and changes in fleet, not all of which are related to EPA standards. Gross revenues for gas tax may be up with increased population, but per mile amounts have gone down.*

Could someone gas up in Oregon and drive to Seattle and back and never buy gas in our state, and then get a rebate?

*Yes, under the current pilot, that would be possible.*

Would a constitutional amendment be needed to put RUC revenues into the gas tax account?

*This has been a long-standing parking lot issue for this Steering Committee.*

Cars today will adapt to these systems as they are highly computerized.

### Financial interoperability: WA and OR participants paying real money

Travis Dunn of D'Artagnan presented on the real money payment demonstration that is attempting to understand how multiple states collecting a road usage charge could reconcile amounts.

#### Discussion

How long will this run?

*Through Q4. Numbers will be a slightly larger. Closer to \$90 than \$10.*

## PILOT EVALUTION

### Overview of the Survey Process and Survey #1 Results

Allegra Calder of BERK Consulting presented the results from the first survey.

Were these participants chosen from pilot or from the general public?

*As we are in the pilot study period, these are all pilot study participants. All participants received a link to the survey and about 83% completed it.*

It would be nice to ask a question says should we keep gas tax and have supplemental income/funding. Would also like to ask people, should we do this with existing revenue or new revenue? (Slide 73) Do you think we need to increase funding? If so, should this be a new funding source or an existing revenue source?

*We still have time to add questions to the survey so we can look into incorporating this and other suggestions the Committee has.*

Did you consider a timed permit process?

*A timed permit could be included in a future system, but because it operates so much like a vehicle operating fee it was not included in the pilot.*

Could we ask about this as an option in future surveys?

*Yes. It's worth noting that the RUC is being explored as one option to the gas tax, and we were given direction by the steering committee and the legislature to do a deep dive on the RUC through the pilot.*

## Participant Focus Group Plan

Jennifer Tippins of BERK presented the plan for focus groups in September 2018 and at the end of the pilot.

What about doing focus group with non-users and other non-participants?

*We are currently focused on those who are participating in the pilot.*

As a steering committee we are also focused on those who use the road as the charge to this group is to find a replacement for the gas tax.

Why is there no focus group in the Southwest? There are cross border issues, rural drivers etc. and we should be hearing those perspectives.

*We budgeted for five and started with geography and the decided that doing more in the greater Puget Sound region would allow us to spend some time meeting with certain groups – low-income, high mileage etc. In some regions, the total number of participants may not be large enough to do a focus group drawing on one driver characteristic.*

Has anyone figured out what it is going to cost to collect the same 49.4 cents/gallon under these new systems? We will have a whole new agency doing this and we will be rebating the other states. There is a lot of manual work and we know that people don't trust government. If we are telling them 2.4 cents per mile and then we can't deliver on that, they won't trust government.

*We have looked at this and we know it won't cost the same as the gas tax. 2.4 cents was selected as a test rate. We have never said that the legislature would enact this rate and have been asked not to imply that we know what the rate will be. We kept it revenue neutral to be able to compare gas tax to a RUC. We also don't know what reporting methods will be enacted in the future either so it's hard to estimate the costs.*

We now have a lot of new members who were not here in 2012 and we may need to do a session that covers past work so that everyone is on the same page.

## Scofflaw Exercise

Travis Dunn of D'Artagnan reported on the scofflaw exercise which looks at ways that people could possibly evade paying a RUC.

Why not say how many miles are on your car when you buy your car and then sell your call and you could pay monthly. Why not do this? No GPS, no smartphone needed.

*There are a few mechanisms in place, for example, recording title. Sadeeq Simmons from DOL noted that if your odometer is over 100,000 you don't have to report.*

*The odometer reading is the method we are testing that is closest to this. Currently asking for quarterly – this could be more costly and in an actual system, you might be able to do it less frequently.*

## STSFA Grant Program

Angela Jacobs of FHWA presented a summary of the Surface Transportation System Funding Alternatives (STSFA) grant program, including the Congressional mandate and FHWA program provisions, objectives, and procedures for evaluation.

## STSFA-funded pilot projects

Sonika Sethi of Leidos presented a summary of STSFA grantee projects, including a description of activities to date and upcoming efforts.

### Discussion

## POLICY ISSUES WORK PLAN AND PROGRESS

### Operationalizing the Four Mileage Reporting Methods

Matthew Dorfman of D'Artagnan Consulting presented on the white paper related to the four mileage reporting methods.

#### Discussion

We need to stay focused on the policy questions that we can solve. What level of government addresses which issues?

We should not be picking technology winners or losers.

What technology is out there and what the capabilities are is important to legislators so that we craft legislation that works.

What is the process for these parking lot issues?

*There are several issues that don't need to be solved during the pilot. In November, we'll take on half of these remaining topics.*

### Charging out-of-state drivers during the pilot

Mathew Dorfman presented on a white paper related to out of state drivers. Out of state drivers need to be considered differently and will need short-term options. Enforcement implications are also different for out of state drivers.

#### Discussion

How do we consider fairness for a time permit when some people have to drive further due to housing prices? Do we need to price that in?

*Pricing was not considered at this time for the time permit*

Does the price charged just get recalculated at the local rate in the case of Canada, for example?

*Yes, if 2.4 cents USD was actually 2.9 cents Canadian that would be the rate charged to Canadians. The International Fuel Tax Agreement allows for these conversions as they do this across multiple states and provinces.*

Travis Dunn noted that the Commerce Clause is an issue that will be reported on in November.

Paul Parker noted that many of these topics are related and the transition period is an important one.

### **RUC exemptions**

Travis Dunn presented on a white paper on exemptions which were for miles driven off of public roads and miles driven out of state. Several vehicles were also exempt: Heavy vehicles, RVs, motorcycles, off-road vehicles, vehicles older than 1996, and non-motorized vehicles.

### **UPCOMING ACTIVITIES AND NOVEMBER 2018 SC MEETING**

Jeff Doyle presented on the upcoming activities for the remainder of Stage 2 and expectations for the Steering Committee on November 29, 2018, the next Steering Committee Meeting.

Reema Griffith noted that it might make sense to have a Steering Committee meeting in Olympia during session.

### **PUBLIC COMMENT**

Ted Jackson, resident of Eatonville, Washington and doing advocacy for outdoor recreation since 2007. The NOVA account currently funds DNR and part of State Parks and Fish & Wildlife programs. There are concerns about losing this gas tax revenue as they are used to maintain and develop trails. US Forest Service also accessed these funds. Outdoor recreation has a \$21 billion/year economic impact in Washington, so this sector wants to be part of the conversation.

Reema Griffith noted that Doug Levy, who is very knowledgeable on this issue, will be provided the opportunity to provide input into this white paper.

### **ADJOURN**

Chair Tortorelli adjourned the meeting at 2:04.