

# Washington State Road Usage Charge Steering Committee

## Meeting #3

Meeting Notes | December 4, 2012

### Attendees

#### **Steering Committee Members**

Tom Cowan, Chair, WSTC Commissioner  
Curt Augustine, Alliance of Automobile Manufacturers  
Rod Brown Jr., Cascadia Law Group PLLC  
Kurt Beckett, Port of Seattle  
Cynthia Chen, University of Washington  
Scott Creek, Crown Moving Company  
Pete Capell, Clark County Public Works  
Senator Tracey Eide  
Don Gerend, City of Sammamish Councilmember  
Anne Haley, WSTC Commissioner  
Paula Hammond, WSDOT Secretary  
Kush Parikh, INRIX (via telephone)  
Janet Ray, AAA Washington  
Charles Royer, WSTC Commissioner

#### **Washington State Transportation Commission Staff**

Reema Griffith  
Paul Parker

#### **Washington State Department of Transportation Staff**

Jeff Doyle

#### **Consultants**

Jeff Buxbaum, Cambridge Systematics  
Jack Opiola, D'Artagnan Consulting  
Travis Dunn, D'Artagnan Consulting  
Steve Morello, D'Artagnan Consulting  
Allegra Calder, BERK  
Gary Simonson, BERK  
Natalie Quick, Quick Consulting

#### **Other Attendees**

Lyset Cadena, Democratic Caucus  
Amanda Cecil, Senate Transportation Committee  
Jeff Finn, Volt  
Clare Gallagher, Port of Seattle  
Alison Hellberg, House Transportation Committee  
Doug Klunder, ACLU  
Jackson Maynard, Republican Caucus  
Carl See, Department of Licensing  
Sandi Swarthout, Alliance of Automobile Manufacturers

NOTE: As presentation materials are available on the Washington State Road Usage Charge website (<https://waroadusagecharge.wordpress.com/meetings/>), this meeting summary focuses on the discussion and not the presentation content.

## Agenda Overview and Introductions

Tom Cowan, Steering Committee Chair, reviewed the agenda and meeting objectives. All Committee members and other attendees introduced themselves.

## Public Comment

Tom Cowan provided an opportunity for public comment. Two comments were offered.

- Jeff Finn of the Seattle Electric Vehicle Association stated that his group supports a road usage charge. He noted the Association's interest in monitoring what is occurring in Steering Committee meetings, and stated that they are impressed so far with the consultant's presentations and the questions asked by the Committee. He thinks the difficulty will be in passing a road usage charge package that includes more than just road transportation. For example, issues like the recent negative press regarding the SR 520 bridge pontoons makes it more challenging to convince the public and lawmakers that the State is spending transportation funds wisely.
- Doug Klunder of the Washington State American Civil Liberties Union (ACLU) stated that, while the ACLU is neutral with respect to the feasibility or desirability of a road usage charge, they are concerned that any system that is developed maintain the privacy of drivers. Thus far, based on the materials he has seen, he is glad to see that privacy concerns are being addressed. From the ACLU's perspective, there are two key privacy issues: 1) the base model for tracking how many miles a vehicle has travelled; and 2) the enforcement mechanisms used to monitor and penalize drivers, for example, cameras capturing license plate numbers. He also noted that while having a variety of options is good, for those people who choose options with more potential for privacy invasion, there are ways to mitigate privacy concerns for these drivers.

## Draft Feasibility Assessment

Jeff Buxbaum of Cambridge Systematics reviewed the purpose of the presentation and discussion related to the feasibility assessment noting that it would primarily involve ensuring that the report reflects the findings and views of the Steering Committee.

Jeff Buxbaum began by discussing the feasibility assessment, and noted that the report includes a high-level summary of how the Steering Committee came to its recommendation that covers process, rationale, and recommendations. He noted that the details of the feasibility assessment are in the draft report, but that they are not being presented because they were covered extensively in Steering Committee Meeting #2. Jeff Buxbaum then reviewed the key findings of the assessment, based on the previous meeting's discussion, and asked the Steering Committee to confirm that these findings accurately reflect their views.

- The Steering Committee unanimously concludes that a road usage charge is feasible in Washington and recommends further study.
- The Steering Committee recognizes that the gas tax is not a sustainable revenue source for transportation in Washington.
- The Steering Committee recognizes that the road usage charge will not be perfect, but also that no tax mechanism is perfect.

## Discussion

- The Steering Committee reached consensus that the findings accurately reflect the Committee's views.
- There was a clarification that while the Committee agrees that the gas tax is not sufficient or a sustainable source of funding, a decision was not made about whether to recommend replacing the gas tax with a road usage charge or supplement the gas tax.
- The arrow graphic on pages 8 and 28 of the draft report emphasizes the continuum of choices and indicates that all options are still on the table. This point should be reinforced throughout the Feasibility Report.

## Draft Work Plan and Budget: Refining the Work Plan

Jeff Buxbaum outlined the draft work plan and budget, describing the two primary phases:

- Phase 1 will involve tackling deferred policy issues and deciding if a road usage charge is desirable. It will also involve determining what the broad operational concept will look like, and ensuring that a recommendation on whether road usage charging is desirable is ready for the 2015 legislative session. Phase 1 is estimated to take 2 years, with findings to the Legislature in December 2014.
- Phase 2, occurring only if the Legislature deems road usage charging is desirable and provides the budget, will move a road usage charge to the point where it is "ready to implement," meaning that vendors will be ready to be procured and the government administrative structure will be ready to be implemented. Phase 2 will shift from broad policy concepts to determining operational details, and will take several years.

Jeff Buxbaum then described the specific elements that will likely be involved in both phases:

- Engaging the public;
- Policy framework;
- Operational concepts;
- System design; and
- Business analysis.

Jeff Buxbaum also presented a task-by-task budget: \$1.6 million for Phase 1 and \$1.9 million for Phase 2.

## Discussion

- The Legislature needs to be heavily involved in a significant part of the process. We should establish a sub-committee in the Legislature to educate this group and get them on board. Consider adding a description of how the Legislature will be educated to our recommendations.
  - It can be difficult when you engage with someone on this topic because they start with pre-conceived ideas and it typically takes a lot of time and effort to properly explain the rationale and benefits.
- Communications and messaging for a road usage charge should not undermine other issues such as tolling or a transportation revenue package anticipated for discussion this Legislative session. Each issue has its own messaging challenges and we could confuse people.

- We should develop a communications plan for consistent and accessible messaging. The road usage charge concept requires understanding of a lot of challenging transportation concepts and funding aspects. Integration with other efforts is critical and Steering Committee members need consistent talking points.
  - Create a PowerPoint presentation for briefings to associations and regional forums to get early input.
  - Consider asking for feedback from the State’s Metropolitan Planning Organizations (MPOs) and the Regional Transportation Planning Organizations (RTPOs).
- Even though there is no entirely equitable solution, we need to highlight how each option is equitable in different ways.
  - We also must describe how equity issues relating to road usage charging differ from other transportation issues.
- We should add “Who owns the data and what happens to it?” to the list of policy issues to be addressed.
- Q: Is it possible to determine desirability without a pilot?
  - It’s very difficult to get the design right without a pilot test. This is more due to the need to sort out administration and enforcement questions than a need to test the technology. By conducting a pilot test, you demonstrate to decision-makers that it can be done.
  - One of the reasons we are collaborating with other states is so that we can learn from their pilot tests.
- Be clear in the Final Report about the Steering Committee’s role in signing off on the budget. Committee members do not feel qualified to vet the details or verify the numbers and the report should make clear that is not what we did. The Steering Committee’s role is to review tasks and identify risks. They are relying on WSDOT and WSTC staff to vet the details.
  - The Steering Committee should determine whether the right items are in the budget and provide general approval, i.e. that it looks right from a high-level perspective.
  - The Steering Committee can play a significant role in identifying risk factors up front, which is a key piece of this work.
- Q: Are the numbers in the budget based on experiences in other places?
  - Yes.
  - The longer the schedule for developing and implementing a road usage charge, the higher the cost.
- We should be prepared for the fact that a road usage charge will be one of the most confusing and volatile transportation issues in the State.

## Oregon Road User Fee Pilot Program

Jeff Doyle of WSDOT discussed Washington’s invitation to participate in Oregon’s Road User Fee Pilot Program. He answered several operational questions from the Steering Committee regarding the program. Thus far, ten Committee members have agreed to participate. More information on Oregon’s Road User Fee Pilot Program can be found at:

- <http://www.oregon.gov/ODOT/HWY/RUFPP/Pages/rucpp.aspx>: This refers to the road usage charge pilot program that is currently underway.
- <http://roadchargeoregon.org>: This is the dedicated pilot website.
- <https://www.sanef-oregon.com>: Once a participant has signed an agreement with ODOT, this is where participants go to choose their plan and set-up and manage their accounts.

## Work Plan Tasks

Jeff Buxbaum provided more detail on each of the following work plan tasks:

- Task 1: Measuring Public Attitudes and Acceptance
- Task 2: Communication and Public Engagement
- Task 3: Defining Policy Objectives
- Task 4: Policy Research
- Task 5: Operational Concepts
- Task 6: Administrative Design
- Task 7: System Architecture and Technical Requirements
- Task 8: Business Analysis
- Task 9: Evaluation Framework
- Task 10: Interoperability with Other Systems
- Task 11: Transition Strategy
- Task 12: Risk Analysis
- Task 13: Pilot Test or Demonstrations

### Discussion

- Related to outreach, there may be other techniques to get public input from a larger group that are not listed in the draft report.
- Q: Can you summarize the previous discussion around the outsourcing issue?
  - Outsourcing may not be the best way to describe it. Essentially, we provided models for how a road usage charge would function if it were run entirely by government versus using private contractors for some or most of the key administrative functions.
- Electric and utility companies have sophisticated billing and payment management systems. We should look into whether we can apply aspects of those models.
  - We plan to look into best practices for other complex billing systems.
- The toll collection system in Washington is contracted out to one company. Does this make sense for a road usage charge?
  - The big advantage of having multiple providers is that it drives the cost down, and efficiency is improved. However, it is important to emphasize that the concepts we discussed relating to multiple providers assume that the providers are certified by the State.
- As we transition from a gas tax to a road usage charge we need to focus on accounting, audits, and overall accountability. This is particularly important if private entities are involved.
  - When other jurisdictions have transitioned to a road usage charge, it started as primarily a government package and did not have multiple vendors – the multiple-vendor concept is typically added later. So private entities may not be as much of a concern during the transition.
- Q: What about the software? Does it already exist?
  - Yes, Raytheon, Battelle, and several auto manufacturers have technology that is available today. The private sector has developed the technology and is waiting for the policy to follow suit.
  - There are IT and billing similarities to cell phone carriers, so the standards already exist.
- Integrating with vehicle technology is not trivial. Even though the platforms are supposedly open, it could still take years for the integration to happen.

- Q: Along with the operational pieces, should the criteria also look at the revenue side? Meaning to make sure that the expected revenue materializes.
  - The criteria can include the extent to which revenue expectations are achieved.

## **DRAFT Work Plan and Budget – Work Plan from January–June 2013**

Jeff Buxbaum discussed the proposed work plan for January-June 2013, with a focus on the following:

- Report to the Legislature;
- Public relations (editorial boards, other media);
- Defining policy objectives;
- Conducting background policy research;
- Voice of Washington Survey;
- March Steering Committee meeting (legislative feedback, policy objectives); and
- May Steering Committee meeting (research and survey findings, finalize Steering Committee report).

### **Discussion**

- Q: Will the results of the Oregon pilot be available by the March 2013 meeting? Is that something we could include and incorporate?
  - The evaluation work will be done and we will likely be able to discuss it—assuming the work is publicly available.
- Along with a PowerPoint presentation to provide to our constituents, it would be helpful to have frequently asked questions (FAQ) handout for the layperson, a communication plan, and speaking points for the Steering Committee. We need consistent messaging.
- Can we receive an update from the trucking industry in Oregon involved in the pilot?
  - There are two separate initiatives in Oregon. One is the road usage charge pilot study the other is a trucking industry vendor test that is unrelated to road usage charging.

## **Finalizing the Report and Communicating Findings to the Legislature**

Jeff Buxbaum discussed the next steps to finalize the Steering Committee report and communications with the Legislature, which include:

- Steering Committee comments and direction;
- Washington State Transportation Commission briefing and response to Steering Committee (December 12, 2012)
- Create check-final Steering Committee report (January 4, 2013);
- Approve Steering Committee report (January 11, 2013); and
- Washington State Transportation Commission review and approval to send to Legislature (January 23/24, 2013)

Jeff Buxbaum noted that there will be presentations and workshops with the Washington State House and Senate Transportation Committees. Tom Cowan noted that all Steering Committee members are welcome and that some might be asked to help present the material. The timing is likely to be in February 2013, and the dates will be provided to the Committee once they are determined.

## Discussion: Role of the Steering Committee After 2013

Tom Cowan asked the Committee for input on the involvement of the Steering Committee after June 2013.

### Discussion

- The Committee agreed that the Steering Committee should continue to support Washington's road usage charge effort.
- It would be good to keep the same Steering Committee members as the effort moves forward. Committee members have invested significant time to get past the steep learning curve and clearly have an interest in the issue.
- Consider adding some additional representatives: mayors, city managers, and other groups that are not currently represented.
- Tasks 6-11 may be challenging for Steering Committee members without technical expertise. Consider this when scheduling the meetings.
- Road usage charging is a political issue that goes beyond transportation committees. The issue of political strategy is important, and the Steering Committee will be critical to developing that strategy.
  - We need a group of Legislators working on this topic.
  - The new Governor will likely have an interest in a road usage charge.
- We need to be clear about what our request is prior to the legislative session.
- The pace of the project is key. We should take a "go slow" approach.

## Summary of Action Items and Next Steps

Jeff Buxbaum reviewed several key dates for upcoming meetings and milestones in the process:

- Washington State Transportation Commission Meeting: December 12, 2012.
- Next Steering Committee Meeting: January 11, 2013 (potentially a webinar or phone meeting).
  - Review the check-final draft of the Feasibility Assessment, Work Plan and Budget that incorporates feedback from the Steering Committee and the Commission; and
  - Develop a communication plan covering a 6-8 week period.
- Submit the Final Report to the Washington State Transportation Commission following the January 11, 2013 meeting.