

**Evaluating the Business Case for Road Usage Charges in Washington State  
Work Plan for May 2013 – February 2014**

Task	Purpose	Description	Cost
<p><b>Task 1</b></p>	<p><b>Develop Road Usage Charge Policy Statements.</b> Develop road usage charge policy statements for use in refining road usage charge concepts in Task 2.</p>	<p><b>Tasks:</b></p> <ul style="list-style-type: none"> <li>• Consultants and staff collaborate with three Commissioners to identify the policy issues to develop into explicit policy statements for a potential road usage charging system. Work with the Steering Committee at the June 11 Steering Committee meeting to write policy statements. <ul style="list-style-type: none"> <li>○ Product is fully written policy statement(s)</li> </ul> </li> <li>• Present policy statements at July 30/31 Commission meeting (in Seattle or Olympia).</li> <li>• Consultants conduct limited policy research on topics such as: fleet and vehicle miles of travel composition trends, forecasts and scenarios; in-state and out-of-state travel; rate-setting options, using readily available information. Policy research will inform the business case.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• June Steering Committee meeting agenda.</li> <li>• Presentation materials for June Steering Committee meeting.</li> <li>• Steering Committee meeting summary, which will include policy statements that the Steering Committee drafted.</li> <li>• Presentation materials for July Commission meeting.</li> </ul> <p><b>Important Notes:</b></p> <ul style="list-style-type: none"> <li>• Although funded in the fiscal year beginning July, this work will begin in May and June, providing a head start on the effort, given the tight timeframe.</li> <li>• The June Steering Committee meeting will also include the already planned presentation of a few high-level operational concepts based on prior work.</li> <li>• The work leading up to the June Steering Committee meeting is already funded in the original contract (first two bullets, above).</li> </ul>	<p>\$21,991</p>
<p><b>Task 2</b></p>	<p><b>Refine Operational Concepts.</b> Based on policies developed in Task 1, develop operational concepts that reflect the preferred policies and achieve the objectives identified by the Steering Committee.</p>	<p><b>Tasks:</b></p> <p>Start with the operational concepts presented at the June Steering Committee meeting and consider at a very high level, but in enough detail to estimate a range of capital and operating costs for use in the business case in Task 3. Develop reasonable approaches to setting up accounts, making payments, and data privacy. Develop the operational concepts and cost estimates for up to three alternatives, where an operational concept could include multiple methods of charge collection (e.g., a flat fee, plus a manual mileage based fee, plus an automated mileage based fee), and there may be overlap in components among the concept. Specific efforts:</p>	<p>\$113,121</p>

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		<ul style="list-style-type: none"> <li>• Prepare a preliminary evaluation of potential administrative designs. Start by interviewing representatives of agencies that might take on some or all of the administrative functions, including departments of Licensing, Revenue, Transportation, and State Patrol. These would be a high-level review of agency capabilities, with more depth needed at a future date to address operational details should the project proceed.</li> <li>• Sketch out potential system architectures.</li> <li>• Sketch out potential technical requirements.</li> <li>• Prepare cost estimates.</li> <li>• Work with subcommittee of the Steering Committee, including Legislative staff, to do interim reviews of operational concept details in August (date to be determined).</li> <li>• Prepare a technical memorandum.</li> <li>• Present operational concepts to the Steering Committee on September 12 at SeaTac.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• September Steering Committee meeting agenda.</li> <li>• Technical memorandum on operational concepts and costs.</li> <li>• Presentation materials for September Steering Committee meeting.</li> <li>• Steering Committee meeting summary.</li> </ul>	
<b>Task 3</b>	<b>Evaluate the Business Case.</b> Evaluate the value proposition of potential road usage charging systems developed in Task 2 compared to the gas tax	<p><b>Tasks:</b></p> Prepare a simplified business case analysis for road usage charging for Washington State, focused on the cost to implement, operate, and enforce a road usage charge system and the resulting net revenue streams. Compare road usage charge system alternatives from Task 2, to the gas tax, resulting in an analysis of whether road usage charging makes business sense for the State and for motorists. <ul style="list-style-type: none"> <li>• Create a simplified financial and operational model that can evaluate and test the operational costs and organizational design elements of the business case.</li> <li>• Review model with subcommittee of the Steering Committee, including Legislative staff, in September (date to be determined).</li> <li>• Evaluate operational concepts from Task 2, and compare to existing gas tax system.</li> <li>• Prepare a technical memorandum with findings.</li> <li>• Present to Steering Committee on October 14 at SeaTac. <ul style="list-style-type: none"> <li>○ Review business case material.</li> <li>○ Identify policy and other important issues to further refine the preferred operational concepts and gain</li> </ul> </li> </ul>	\$141,218

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		<p>public acceptance.</p> <ul style="list-style-type: none"> <li>• Present to Commission on October 15 or 16 in Olympia.</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• October Steering Committee agenda.</li> <li>• Financial and operational model with documentation.</li> <li>• Memorandum on business case.</li> <li>• Presentation materials for October Steering Committee meeting.</li> <li>• Steering Committee meeting summary.</li> <li>• Presentation materials for October Commission.</li> </ul>	
<p><b>Task 4</b></p>	<p><b>Documentation and Budget Preparation</b></p>	<p><b>Tasks:</b></p> <ul style="list-style-type: none"> <li>• Prepare written progress report to Governor and JTC by October 2.</li> <li>• Present progress report to JTC on October 9 at Tacoma City Hall.</li> <li>• Prepare draft final report, which will include a proposed workplan/budget for the next year, potentially including a pilot.</li> <li>• Work with subcommittee of the Steering Committee, including Legislative staff, to do interim reviews of the draft final report in November (date to be determined).</li> <li>• Present draft final report at Steering Committee meeting on November 21 at SeaTac.</li> <li>• Present to Commission on December 10 or 11 in Olympia.</li> <li>• Finalize report for submittal to Governor and Transportation Committees by December 15.</li> <li>• Present to Legislature/Governor in January/February 2014 (date to be determined).</li> </ul> <p><b>Deliverables:</b></p> <ul style="list-style-type: none"> <li>• Progress report to Governor and JTC (Written report plus presentation materials).</li> <li>• Draft final report including proposed work plan and budget.</li> <li>• Final report.</li> <li>• Presentation materials for November Steering Committee meeting.</li> <li>• Steering Committee meeting summary.</li> <li>• Presentation materials for December Commission meeting.</li> <li>• Presentation materials for Legislature and Governor.</li> </ul>	<p>\$78,438</p>

Task	Purpose	Description	Cost
Task 5	Project Management and Communications	<b>Tasks:</b> <ul style="list-style-type: none"> <li>Project management.</li> <li>Limited communications, related to maintaining the project website, corresponding with Steering Committee and the Commission, keeping the FAQ up to date, and responding to press and community inquiries as needed. No proactive outreach effort or surveys are proposed.</li> </ul>	\$30,232
<b>Total</b>			<b>\$385,000</b>

Note: This work plan will be complete by January/February 2014. Should the Legislature provide additional funds in the 2014 short session, the project will go on hold until July 2014 due to the timing of the funding.

### Meeting Schedule

Date	Type	Topic
June 11, 2013 (SeaTac)	SC	Policy writing Operational concepts
July 30 or 31, 2013 (Olympia)	WSTC	Policies and Operational Concepts
August 2013 (date to be determined) Via Web	SC Subcommittee: Concept Subcommittee;	Operational concepts in depth
September 12, 2013 (SeaTac)	SC	More detailed operational concepts and cost estimates
September 2013 (date to be determined) Via Web	SC Subcommittee: Business Case Model Subcommittee	Review business case model and assumptions. Include Legislative staff
October 9, 2013 (Tacoma City Hall)	JTC	Legislatively mandated progress report
October 14, 2013 (SeaTac)	SC	Review business case and policy/other issues
October 15 or 16, 2013 (Olympia)	WSTC	Review business case and policy/other issues
November 4-8, 2013 (week of) Via Web	SC Subcommittee: Final Report Subcommittee	Review report work in progress
November 21, 2013 (SeaTac)	SC	Draft report and draft proposed workplan/budget for next year, potentially including a pilot
December 10 or 11, 2013 (Olympia)	WSTC	Draft final report – approve for submittal to Legislature and Governor
January or February 2014; date to be determined. (Olympia)	Transportation Committees of Legislature	Present final report and recommendations