

WASHINGTON STATE ROAD USAGE CHARGE ASSESSMENT



WHAT IS A ROAD USAGE CHARGE?

A road usage charge is a per mile charge drivers would pay for the use of the road, rather than paying by the gallon of gas.

WHY CONSIDER A ROAD USAGE CHARGE?

For almost a century, the motor fuel tax (or gas tax) has been a stable source of funding for our road network. It remains our primary source of transportation funding, supporting a majority of all state transportation investments, but it is not sustainable over the long term.¹ Collected from fuel distributors and based on a fixed amount per gallon, the gas tax:

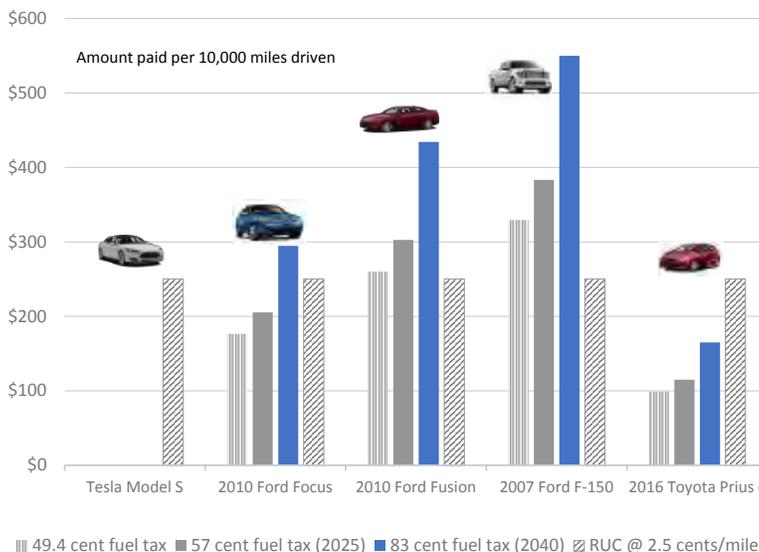
- Does not rise and fall with the price of fuel.
- Does not keep pace with inflation.
- Declines on a per-mile basis as the vehicle fleet becomes more fuel-efficient.

As high mileage and electric cars become a larger part of Washington’s total vehicle fleet, our gas tax revenues will erode, resulting in less funding for maintaining and operating our roadway system. In order to avoid this, we need to change the way in which we pay for our roads. This approaching situation has caused leaders around the U.S. to look for alternatives.

¹ Connecting Washington Task Force, Final Report (2012).

WHAT’S THE PROBLEM?

The average Washington driver gets 20 MPG, which means they pay 2.5 cents in state gas taxes for every mile they drive. By 2040, the average driver will consume a lot less fuel—anywhere from 40-55% less—because of improvements in vehicle fuel efficiency. While this is positive for the environment and for consumers saving money on gas, it also means drivers will pay less in gas tax for every mile they drive. Thus, in the future, in order to maintain current revenue, the gas tax would have to be increased, which would disproportionately impact drivers of older and less fuel efficient cars. Drivers of newer cars, including hybrids and electrics, would continue to pay little or nothing. This dual problem of revenue decline and the increasing unfairness of the gas tax is what has motivated Washington to explore at RUC as an alternative.



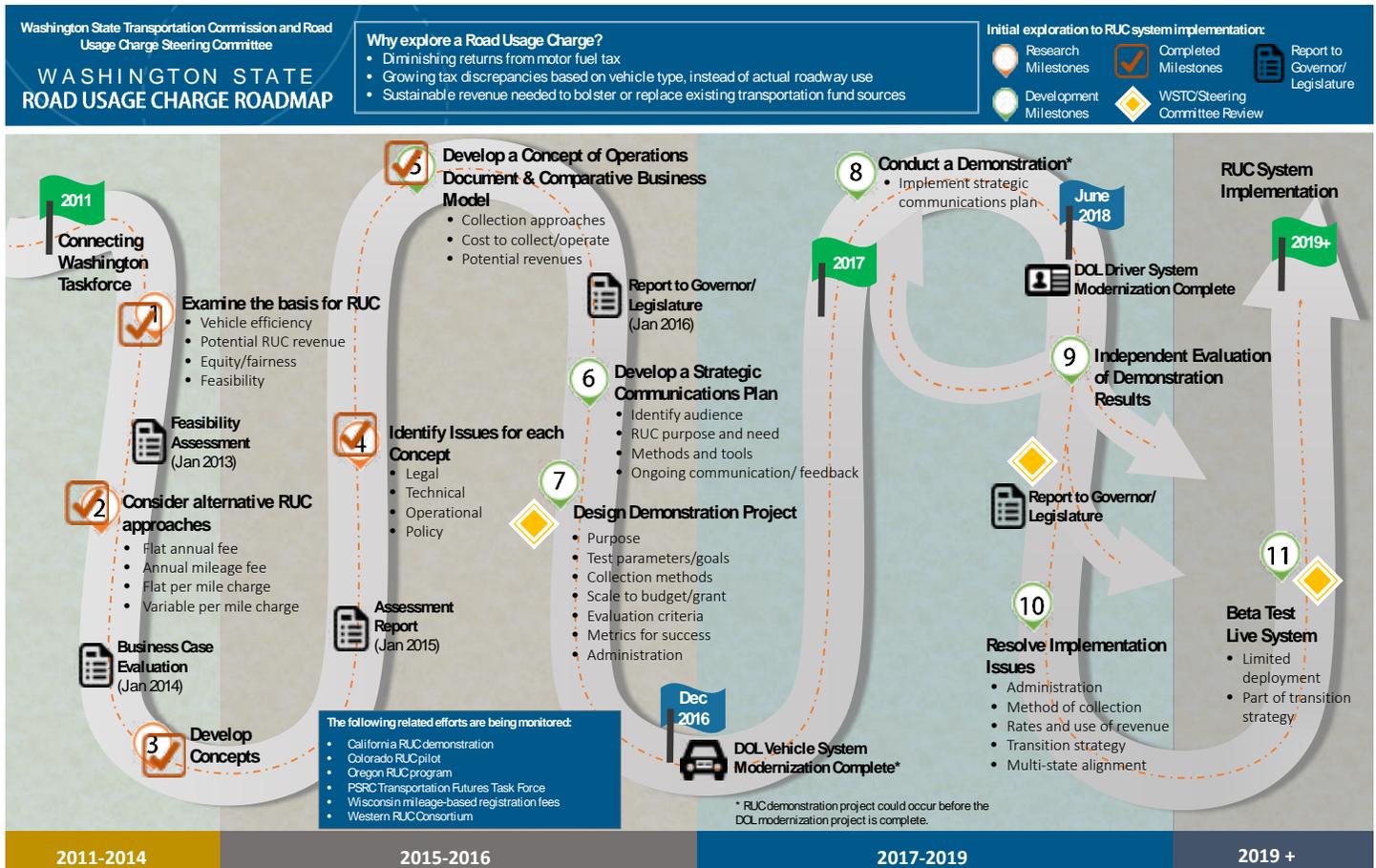
WHAT DID THE STEERING COMMITTEE AND TRANSPORTATION COMMISSION DO IN 2015?

In prior phases of work since 2012, the Steering Committee and the Washington State Transportation Commission (WSTC) addressed the feasibility of road usage charging (RUC) in Washington. Numerous policy issues were addressed and recommendations were submitted to the Legislature in prior sessions. This year's work plan, completed between August and December 2015:

- Included two Steering Committee meetings (October 1 and December 1) to update the business case in light of the Connecting Washington package, and prioritize critical policy issues, as well as recommend next steps for advancing a statewide road usage charge demonstration project and possible future RUC program.
- Updated the business case incorporating new assumptions, including changes in vehicle fleet mix, fuel economy, and new corporate average fuel economy (CAFE) standards for heavy trucks.
- Provided a status update on national and international road usage charge developments, with special focus on Oregon, California, and British Columbia.

- Monitored Federal Transportation Act development for programs that will provide states funding to conduct RUC demonstration project as well as activities of the 14 state Western Road Usage Charge Consortium (WRUCC) that is collaborating on RUC-related research.
- Reviewed road usage charge policy principles in the context of other state transportation policies, including the 20-year Washington Transportation Plan 2035.
- Continued focused coordination between the WSTC, the Washington State Department of Transportation (WSDOT), and the Washington State Department of Licensing (DOL) on demonstration project goals and objectives.
- Revised the demonstration project approach to add project evaluation as measured against specific performance criteria to be developed by the Steering Committee.

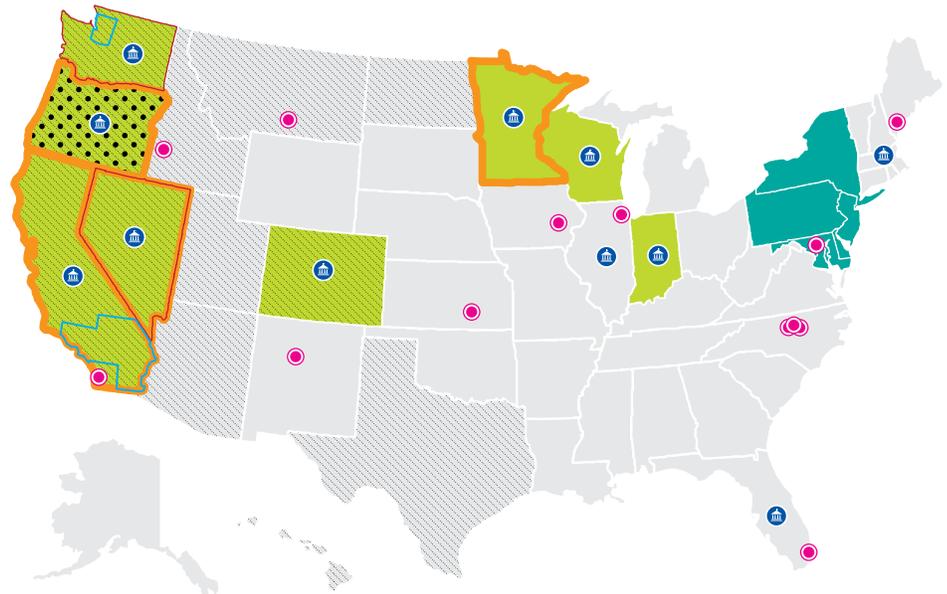
ROADMAP TO POTENTIAL IMPLEMENTATION



WASHINGTON IS NOT ALONE

Within the 2015 Federal FAST Act, Congress authorized a new grant program for states to research and test alternatives to fuel tax such as road usage charging. A growing number of states are exploring road usage charging as a more sustainable and fair transportation funding mechanism. West coast states are leading a collaborative effort to leverage work on policy, cross-jurisdictional issues, and operational considerations. Oregon has begun RUC operations, California will begin a statewide RUC demonstration project in 2016.

STATE AND LOCAL ROAD USAGE CHARGE ACTIVITIES



LEGEND

STATEWIDE PILOT	UNIVERSITY OF IOWA RUC STUDY	PARTICIPATED IN OREGON PILOT
STATEWIDE STUDY	LEGISLATIVE OR EXECUTIVE INTEREST	I-95 STUDY
REGIONAL PILOT OR STUDY	RUC-ENABLING LEGISLATION	WRUCC MEMBER STATE

RECOMMENDATIONS FOR 2016 WORK PLAN

The following recommendations have been made for the 2016 Road Usage Charge Work:

1. Address unresolved policy issues

Throughout the entire assessment process dating back to 2012, policy, technical, legal, and administrative issues have been documented and listed in a “policy issues registry.” These policy issues require further examination and resolution before a RUC program could be enacted in Washington. Many of the issues do not need to be addressed in order to conduct a RUC demonstration project. The 2016 Work Plan priority is to address those policy issues that must be resolved in order to proceed with a demonstration project. In parallel and as resources allow, work will continue on the longer-term issues that require resolution if a permanent RUC program is implemented.

2. Develop a framework and criteria for evaluating a demonstration project

A demonstration project will provide data that will allow several issues remaining in the “parking lot” to be addressed, and to evaluate the RUC program as a whole. A demonstration project will provide data from a context-sensitive and real-world operational experience, and will create the opportunity to evaluate the effectiveness of various elements of the demonstration project (operational, organizational, financial) against defined performance criteria and expectations.

In 2016, prior to initiating a demonstration project, a full set of project evaluation criteria will be developed. The guiding principles established at the beginning of the RUC assessment process will serve as the starting point.

3. Develop a strategic statewide communications plan

A strategic statewide communications plan will provide the outreach framework for all aspects of advancing road usage charging in Washington State from the early public engagement phase through development and implementation of a demonstration project. 2016 work will develop the communication strategy and materials in preparation for a 2017 road usage charge demonstration.

4. Revise the RUC Demonstration Project Plan

The revised Demonstration Project Plan should begin by articulating the need for and purpose of a demonstration project. Next, key parameters for the demonstration project should be designed—this comprises the heart of the 2016 Work Plan. These parameters, such as the location, number, and parameters of participant pool (income, age, vehicle type, business or personal use and ownership of vehicle, etc.), concepts to test, duration, and other factors should reflect the demonstration project’s purpose and need, as well as the guiding principles and evaluation criteria to be developed.

STEERING COMMITTEE MEMBERS

NAME	AFFILIATION	REPRESENTING
Steering Committee Chair, Commissioner Joe Tortorelli	WSTC Commissioner	WSTC
Commissioner Anne Haley	WSTC Commissioner	WSTC
Commissioner Roy Jennings	WSTC Commissioner	WSTC
Sen. Curtis King	Yakima (R) 14th District	Washington Senate
Rep. Judy Clibborn	Mercer Island (D) 41st District	Washington House of Representatives
Rep. Ed Orcutt	Kalama (R) 20th District	Washington House of Representatives
Sen. Marko Liias	Mukilteo (D) 21st District	Washington Senate
Sen. Steve Hobbs	Lake Stevens (D) 44th District	Washington Senate
Sen. Ann Rivers	Clark County (R) 18th District	Washington Senate
Rep. Jake Fey	Tacoma (D) 27th District	Washington House of Representatives
Rep. Linda Kochmar	Federal Way (R) 30th District	Washington House of Representatives
Amy Arnis		Washington State Department of Transportation
Curt Augustine	Alliance of Automobile Manufacturers	Auto and light truck manufacturers
Rod Brown, Jr.	Cascadia Law Group PLLC	Environmental
Don Gerend	City of Sammamish Councilmember	Cities
Tom Hingson	Everett Transit	Public transportation
Pat Kohler		Washington State Department of Licensing
Scott Merriman		Washington State Treasurer's Office
Sharon Nelson		Consumer/Public
Janet Ray	AAA Washington	Motoring public
Frank Riordan	Becker Trucking, Inc.	Trucking industry
Neil Strege	Washington Roundtable	Business
James Thompson	Washington Public Ports Association	Ports
Ted Trepanier	INRIX	User fee technology
Brian Ziegler	Pierce County Public Works	Counties

FOR MORE INFORMATION

The Transportation Commission's reports to the Legislature on road usage charging as well as background materials can be found at the Commission's web site, <http://www.wstc.wa.gov>.