

A stylized graphic of a road with a dashed yellow center line and solid blue outer lines, curving upwards and to the right. The road is set against a light green background that is framed by a dark blue border.

WASHINGTON STATE ROAD USAGE CHARGE

RUC Cost of Collection Spotlight
November 3, 2021



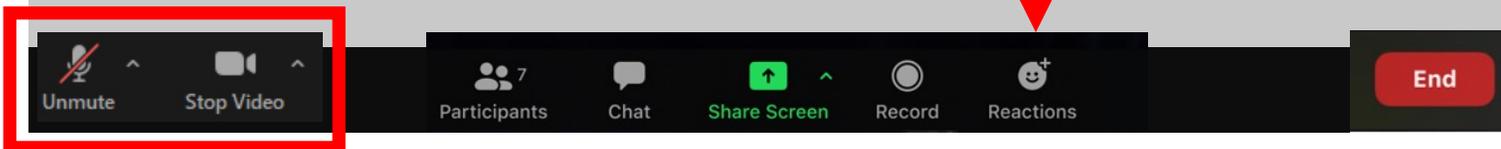
Washington State
Transportation Commission

Zoom Interface and Controls

Update your Zoom name if needed

Remain on mute when not speaking

Raise your hand to speak



Technical difficulties? Call or text Anneliese Gill, 206-708-9185

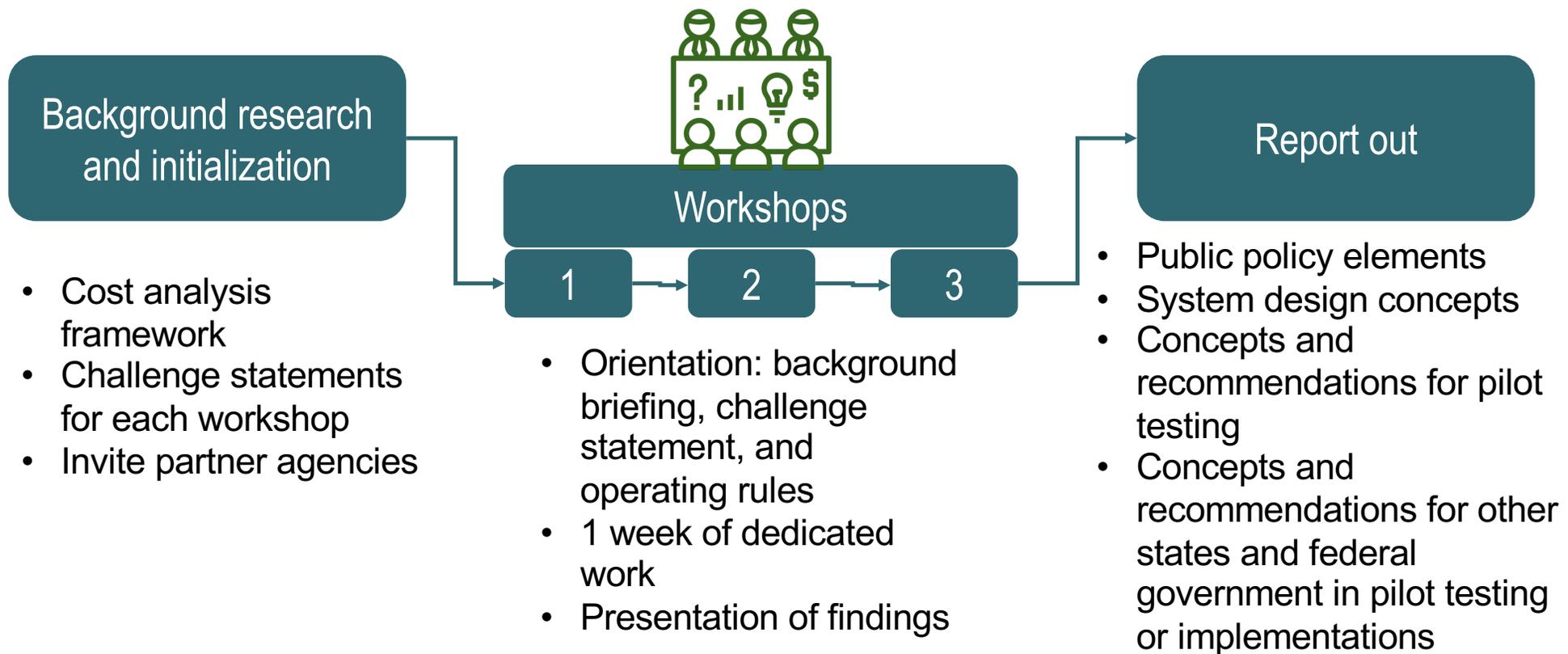
Agenda

- 1) Welcome & introductions
- 2) RUC cost of collection workshop objectives
- 3) Workshop summaries
- 4) Emerging pilot concepts
- 5) Next steps

Welcome and Introductions

RUC Cost of Collection Workshop Objectives

Cost of collection reduction workshop approach



Analysis framework: essential functions



Identify subject vehicle & owner/lessee—connect with vehicle registry & set up account



Generate road usage data for subject vehicle over designated time—report data



Access road usage data—receive reporting of road usage data



Apply per-mile charging rates—process data to determine amount of charges



Provide invoice to owner/lessee—issue notice of the charge



Collect payment—provide one or more ways to pay



Issue acknowledgement of payment—create a receipt



Enforce payment—apply mechanisms for ensuring everyone pays



Remit revenue to appropriate fund—integrate revenue collection with financial systems

Schedule of topics

- Week of September 13: **Customer Service**
- Week of September 27: **Enforcement**
- Week of October 11: **Procurement & Certification**

Participation



Assumptions



Manual mileage reporting method based on self reporting offered by DOL



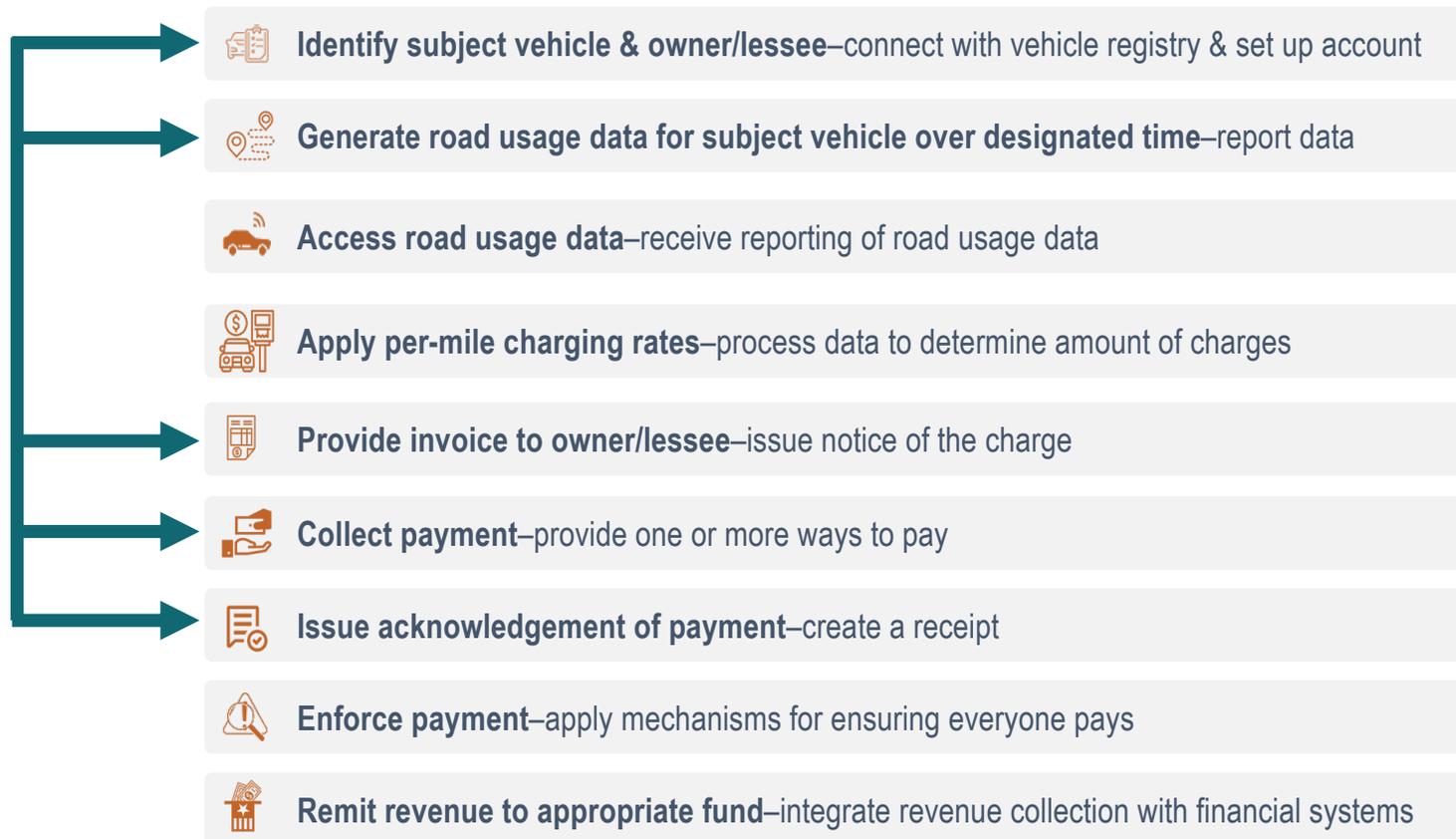
Automated mileage reporting options offered by or with support from private vendors



Responsibility for revenue collection, customer service, and vendor participation rests with DOL

Topic 1: Customer service

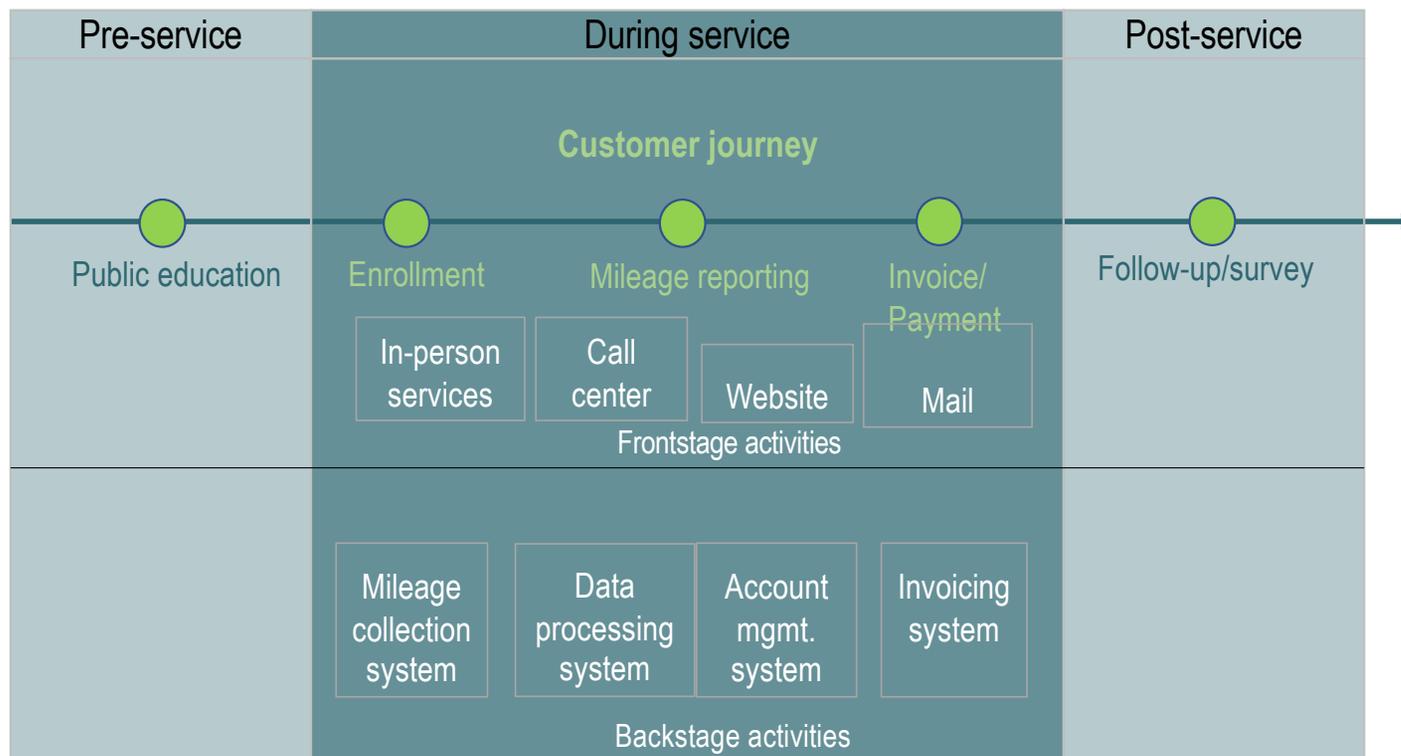
Customer
service



Customer service challenge statement

Design a customer service center at low cost of operations.

Customer journey



Key Customer Service Objectives

Customer satisfaction

- “Wow” the customer. This is not about compliance.
- Educate customers so they know what they need to do
- Keep it simple and easy for customers to complete tasks quickly



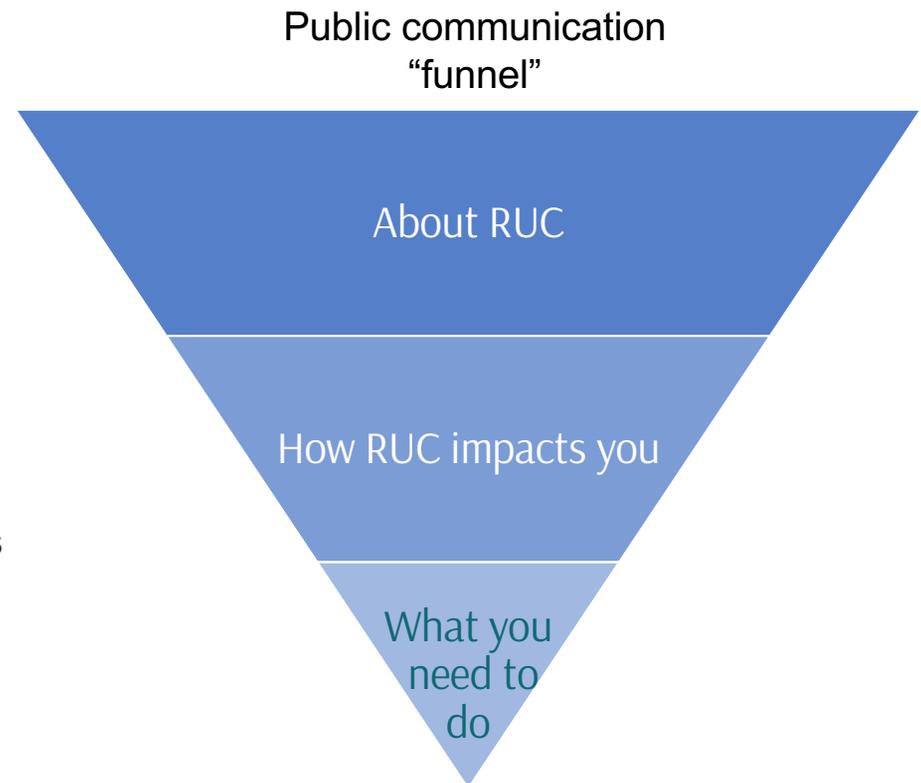
Operational efficiency

- Keep it simple and easy for the agency to administer
- Establish clear boundaries and ability to monitor via defined measures and metrics

Public communication and information



- Trust in government is at an all-time low; agencies often struggle with communicating policy issues
- Understand customers and their circumstances
- Balance need for transparency with “need to know”
- Policy recommendations:
 - Allow sufficient start-up time to conduct customer outreach and education
 - Planning and executing public communication is worth investment



Enrollment



- **Optimize channels.** Think of four channels in Washington: subagents, DOL, License Xpress (DOL online), third party vendors/CAMs
- **Streamline data flow.**
 - Create a single copy of data across various accounts to reduce number of times customer has to enter data
 - DRIVES (DOL system) can be the hub for RUC, making essential data available to other channels via API

Channels for information distribution

- Webpage
- Social media
- Direct mail: tab renewal and/or information kit directly targeted at vehicles subject to RUC
- Literature at subagent locations
- Use QR codes

Mileage data collection



- Mileage data collection methods are not one-size-fits-all
- Levers to optimize data collection
 - Go where the customers go
 - Use third-party verification for self-reporting
 - Use incentives to encourage compliance

Invoicing & Payments



- Transparency is key, but offer various levels of detail
- Balance detail with simplicity, accessibility
- Invoice types (like fleets) require dedicated formats
- DOL has the ability for vehicles to be listed on multiple accounts for payment, but household customers tend to renew one at a time anyway
- Consider bundling with other payments (commercial and/or government)
- Make RUC and registration payment channels consistent

Common threads and a gap

Common threads

- Get to know your customer and meet them where they are, sometimes literally
- Deploy targeted/customized support especially in early years of a new program
- Offer alternatives in all that we do—mileage reporting, payment methods, payment locations
- Customize how issues are addressed

Gap

- Managing customer changes

Customer service provision

Support making decision between flat fee and RUC. If a customer chooses RUC, support making decision between manual and automated reporting

- If odometer charging, support odometer mileage collection and payment
- If automated reporting, support handing off to CAM for next steps (enrollment)
- For manual reporting customers, annual support with odometer reporting and payment
- For automated customers, tier 2 support for CAM issues

Customer service configuration

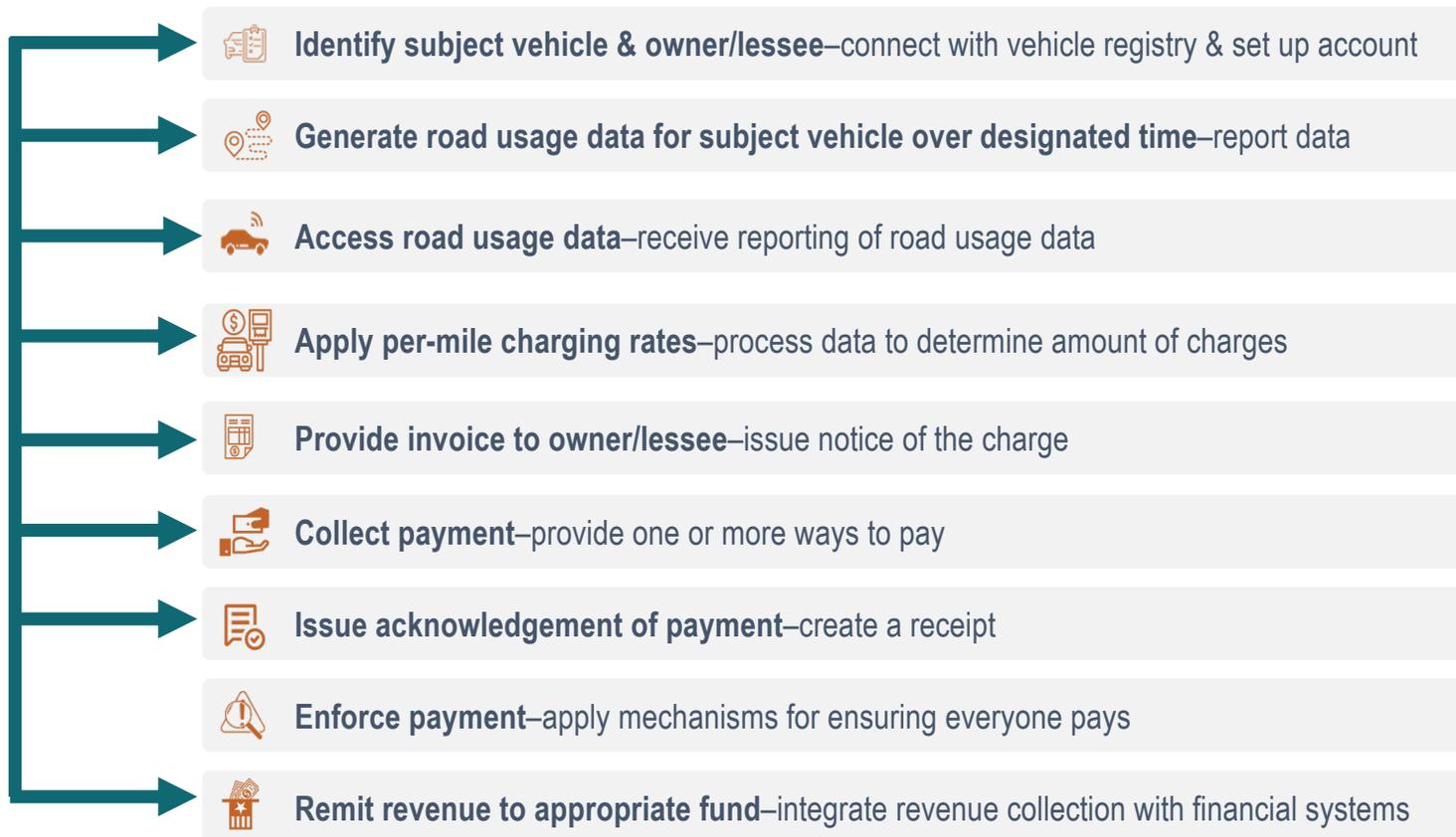
- Create a new team dedicated to RUC in the customer service system
- Include RUC in subagent training
- Start small and gradually scale up, with RUC knowledge and skills disseminating over time
- Early days require “VIP” treatment for all customers to build understanding and trust
- Start with issue triage methodology based on lessons learned, but adjust over time

Concepts to consider for further testing

- Test alternative invoice concepts to enhance understanding and trust
- Test cost-effectiveness of incentives for driving customers to lower-cost methods (i.e., online)
- Test viability of existing non-governmental vehicle-related transactions for collecting mileage data and/or processing payments
- Test customer preferences for who to talk to (DOL vs. business partners) and how (chat, phone, email, etc.)
- Map customer journey: collect information on all vehicle-related transactions

Topic 2: Procurement & certification

Procurement
&
certification



Procurement and certification challenge statement

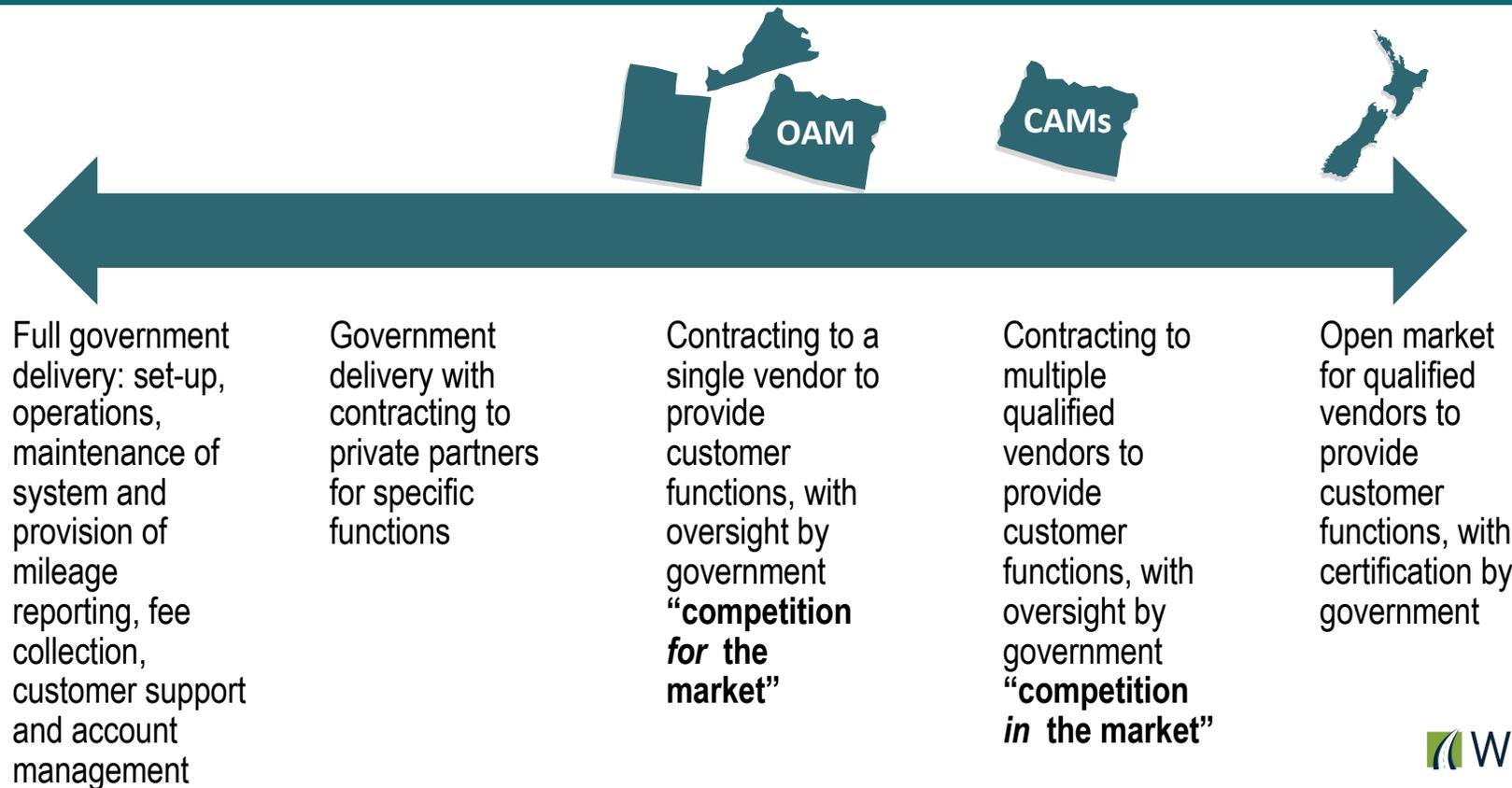
Design a regional procurement and certification process for RUC vendors with a market contract accessible by multiple states through service level agreements.

Procurement and certification challenge statement

Design a **regional procurement** and **certification process** for RUC vendors with a **market contract** accessible by multiple states through **service level agreements**.

- **Regional procurement:** Process for multiple states to collaborate and share information on design of RUC elements that can be outsourced
- **Certification process:** The process of qualifying vendors for specific functions and granting them certification to do business in one or more states
- **Market contract:** Standard commercial terms under which any qualified vendor operates, the details of which could vary from state to state
- **Service level agreements (SLAs):** Performance standards that vendors meet in order to maintain their qualification

Spectrum of procurement possibilities for RUC



Elements of a market contract for RUC service providers

Commonalities <ul style="list-style-type: none">• Data collection, account management, customer service• Issues to manage: privacy protection, data security, performance requirements.	Commercial terms <ul style="list-style-type: none">• States can share benchmarks for performance like reliability, accuracy, security, privacy, distribution, and customer service• Compensation per vehicle or as a fraction of gross revenue collected• Consider bonding
Key differences <ul style="list-style-type: none">• Setup requirements, metrics, performance targets vary across mileage reporting methods• Data requirements vary: may include fuel consumption, location data, and other data elements users can choose to share or which is collected depending on policy choices.	Contract duration <ul style="list-style-type: none">• Can be fixed duration with renewals, or open-ended• Termination – define exit clauses, contingency, covered costs

Framework for multi-state certification

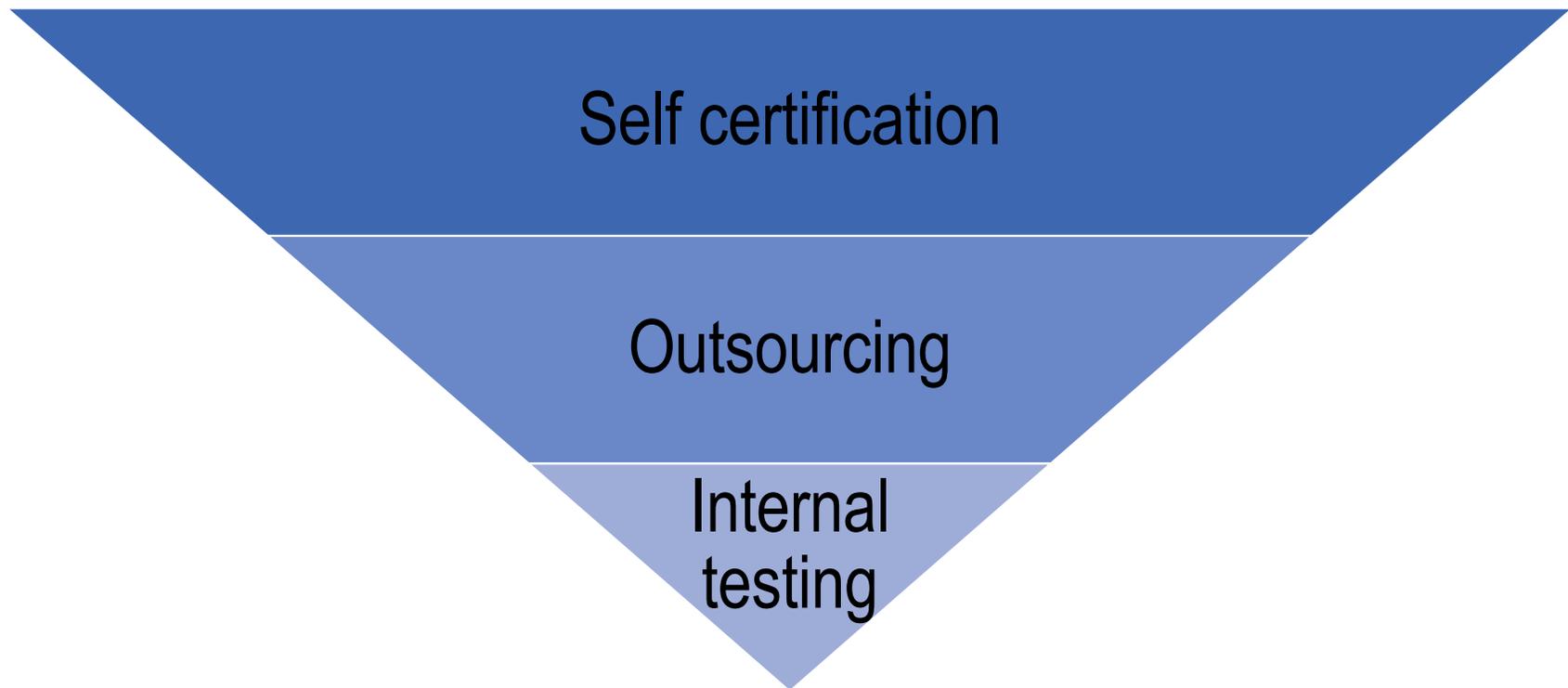
Elements of RUC vendor systems most useful to certify:

- Mileage reporting technologies
- Account management systems
- Customer service systems

Identify existing standards to leverage

Standardize certification process including testing procedures and presentation of test results

Strategies to make testing more manageable for states



Elements of a RUC system to certify

Mileage reporting technologies

- Devices and software
- Messages (mileage or odometer messages) and acknowledgements
- Exception management
- End to end message processing

Account management systems

- Transaction processing (correct computation of transaction data)
- Invoice charges/ rounding
- Workflows (for usability aspects)
- Payment options

Customer service systems

- Customer request handling processes
- Reporting capabilities
- Training (content, quality and frequency)

External standards to leverage



PRIVACY
PROTECTION
(SOC2)



DATA SECURITY
(ISO 27001)



PAYMENT
PROCESSING (PCI)



BANKING
STANDARDS



ACCOUNTING
STANDARDS



PROOF OF
FINANCIAL
SUSTAINABILITY



INSURANCE

Creating value for certification in an open market

1

Identify trusted certifiers

2

Scale level of rigor in certification process to program size

3

Work toward vendors covering costs of certification

4

Create process for monitoring and re-certifying shared across states

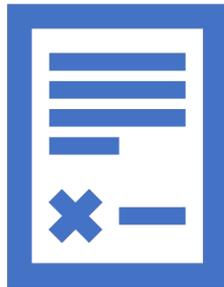
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Vary certification approach based on elements of system vendors provide

6

Start small

Concepts to consider for further testing



Create and vet a model market contract



Test an approach to creating and maintaining essential RUC standards

Topic 3: Enforcement



Identify subject vehicle & owner/lessee—connect with vehicle registry & set up account



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Enforcement



Enforcement challenge statement

Design a low-cost enforcement regime that captures a relatively high percentage of violation events.

Categorizing Non-Compliance

Voluntarily compliant



Short-term unintentionally non-compliant



Long-term unintentionally non-compliant



Long-term intentionally non-compliant (for “good” reason)



Long-term intentionally non-compliant (for no “good” reason)



Intentionally non-compliant (active evasion/cheating/fraud)



Strategies for maximizing voluntary compliance

Design	Language	Coaxing
Design for compliance with simplicity, centralized information, ease of payment	Minimize unintentional non-compliance through clear, simple language and eye-catching reminders	Work constructively with the intentionally non-compliant via direct letters, kind language, avoiding punishment or shaming

Strategies for maximizing voluntary compliance

Payment plans

Possibly based on eligibility criteria and not necessarily advertised

Grace periods

Builds empathy with the unintentionally noncompliant

Incentives

Without undermining revenue, reward good behavior

How much enforcement is “enough”?



Establish threshold for collections process



For automated reporting, rely on commercial account managers



Registration renewal as a back-stop



Consider equity impacts of any proactive enforcement strategies

Multi-state systems for RUC enforcement



Recap: Themes

- High-quality customer experience
- Careful use of language
- Voluntary compliance
- Multi-state collaboration around information sharing, capacity building, and certification
- Pre-payment

Recap: Pilot Concepts

Customer service

- Alternative invoice designs
- Incentivizing customers to low-cost channels
- Vehicle-related transactions for collecting mileage data and/or processing payments
- Customer interaction preferences
- Customer journeys maps

Procurement & certification

- Model market contract
- Standards creation process

Enforcement

- Verification or audit for manual reporting

Next steps

Equity Spotlight

Tuesday, November 23

9:00-10:30am

Steering Committee Meeting

Monday, December 13

10:00am-2:30pm

THANK YOU

Consultant support provided by:

