

# Road Usage Charge Assessment in Washington State

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**Joint Washington and Oregon Transportation Committee Meeting  
September 19, 2012**

# Road Usage Charges (RUC)

*A Road Usage Charge is an alternative method of collecting revenue from drivers based on how much of the road system they use.*

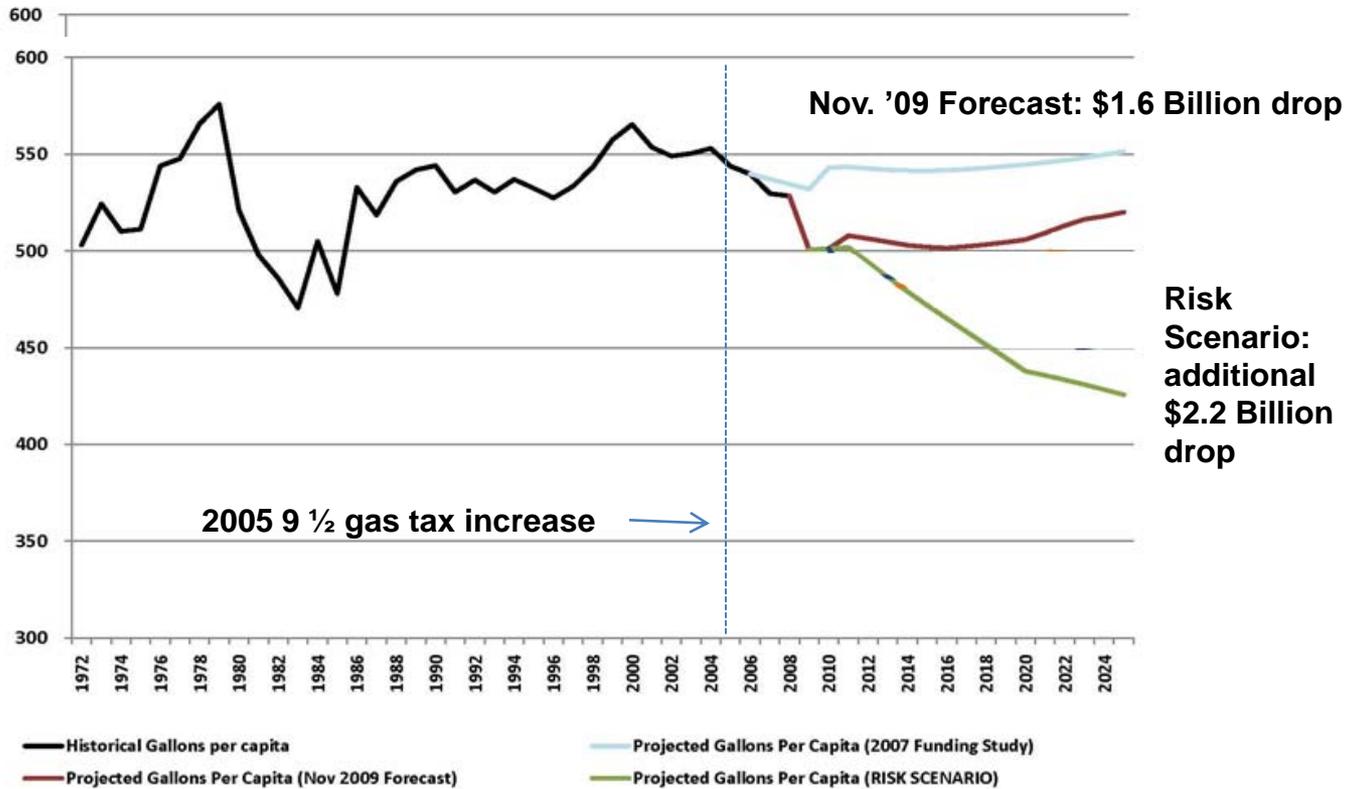


**Washington State is in the beginning stages of examining the feasibility of a Road Usage Charge system.**

# Primary Purpose for Considering Road User Charge System in Washington



Steep erosion in per capita gas tax revenues highlights need for reform:



# 1920's-era Taxing Mechanism – Gas Tax – Must Evolve to Serve Tax Policy Objectives

## Washington's "User Pays" Transportation Tax Principle:

In the near future, how much gasoline cars burn will no longer be a close approximation for how much of the roadway cars use. The nexus between gas taxes paid and actual roadway usage will diminish sharply as vehicles become much more efficient and are powered by alternative fuels.



## Fairness and Equity Implications for Washington Residents:

Drivers of new, highly fuel-efficient vehicles will contribute less to the cost of transportation infrastructure than owners of average or lower MPG vehicles. Rural residents, older drivers and those with lower incomes will spend disproportionately more of their income to maintain roadways.



## Global Factors Unduly Affect Washington Roadway Maintenance

Oil price spikes influence gasoline consumption. When gasoline consumption drops, transportation accounts run short. Debt gets paid first, leaving decreased funding levels for programs that rely on cash i.e., roadway maintenance.



# Legislative Authorization to Investigate this Funding Strategy

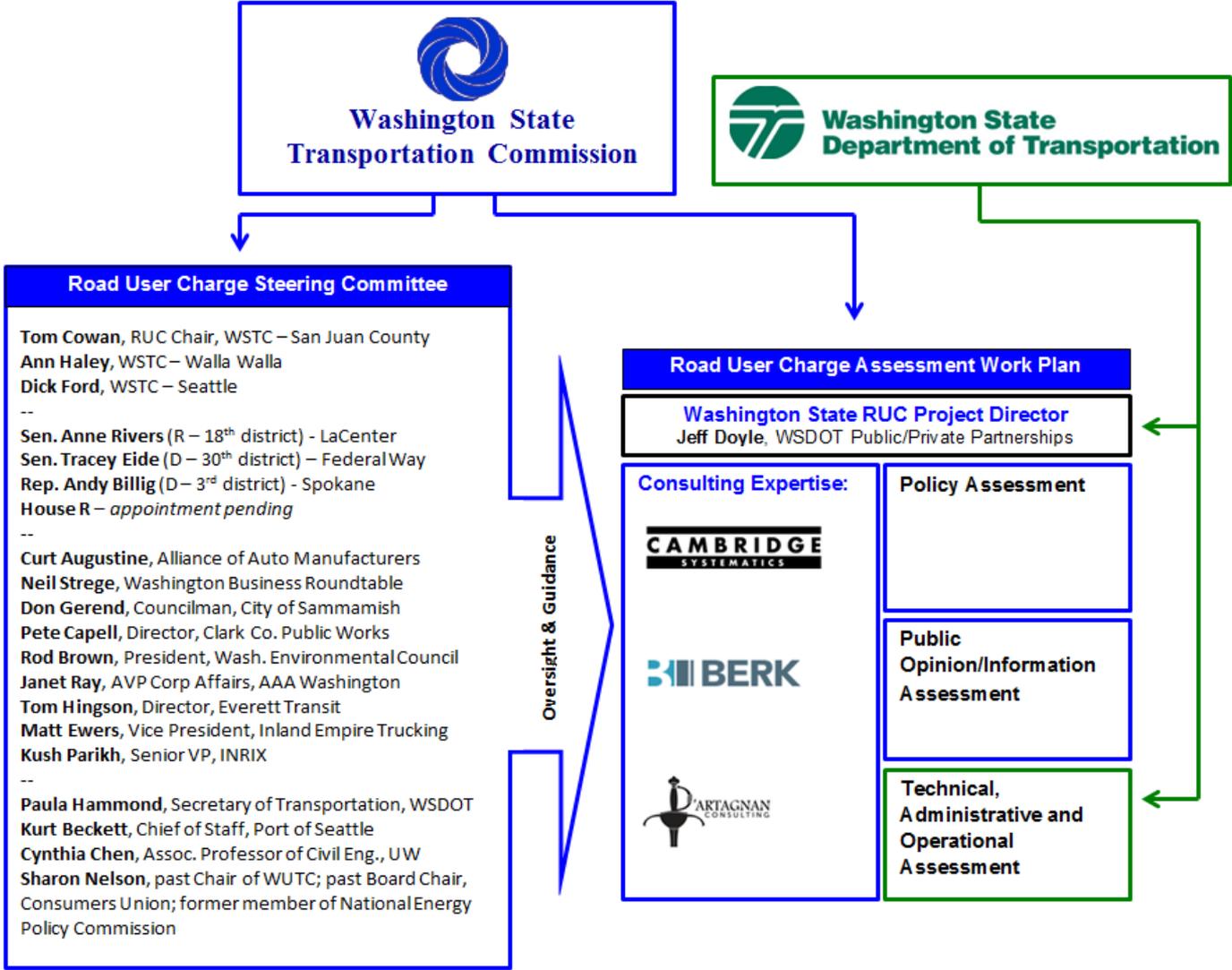
## **Transportation Commission to conduct Road User Charge Assessment...**

- \$775k provided to the Commission to “determine feasibility of transitioning from the gas tax to a road user assessment system of paying for transportation.”
- Research and analyze reports and data, and identify issues for policy decisions;
- Make recommendations for the design of system-wide trials;
- Develop a plan to assess public perspectives and educate the public on current transportation funding system and options for a new system.
- Transportation Commission must convene stakeholder Steering Committee to guide work through June 30, 2013.

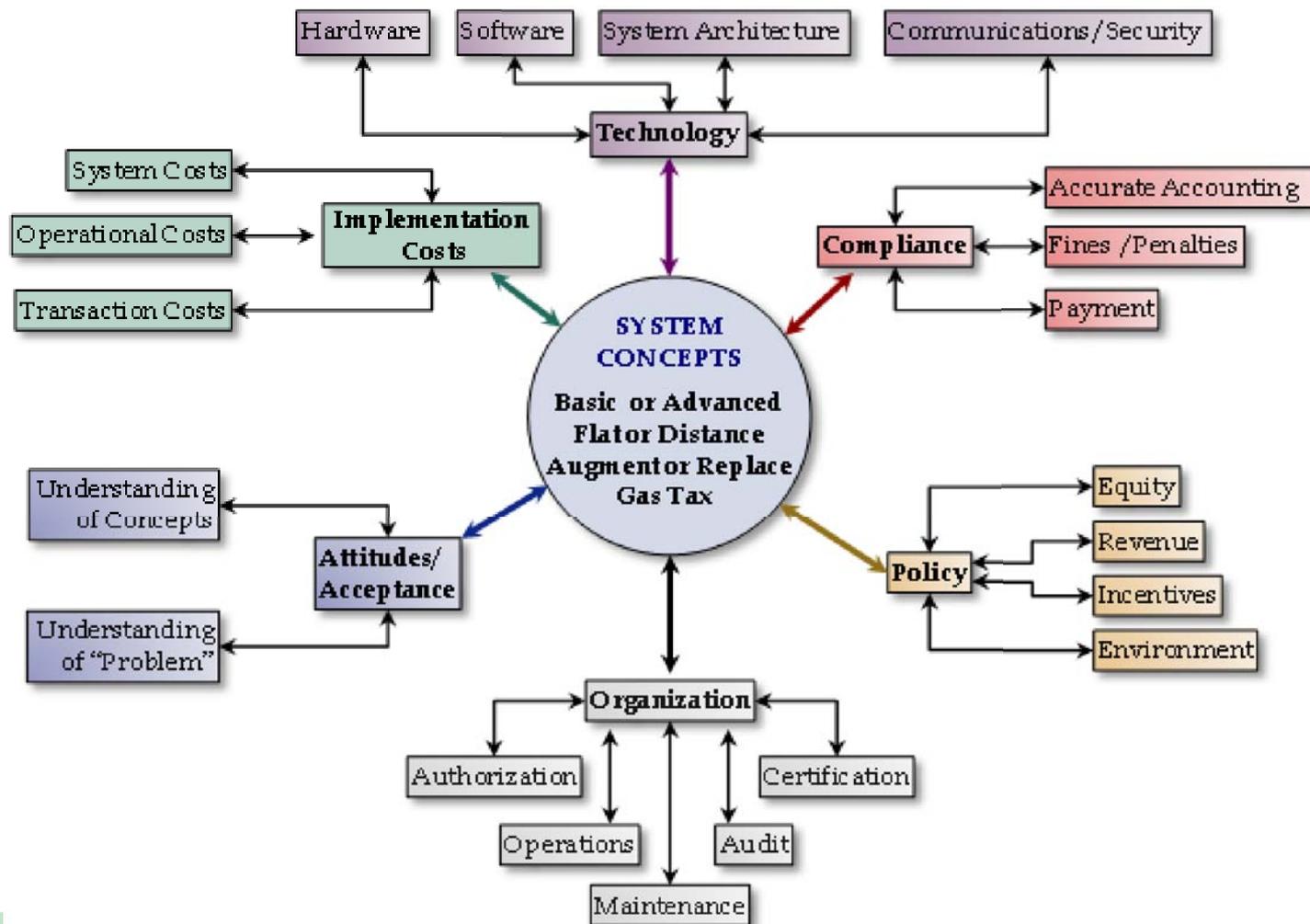
## **WSDOT to continue work assessing operational feasibility...**

- \$225k provided to WSDOT for technical, administrative and operational Assessment, to be carried out in coordination with Commission’s funded work.
- Must consider technology, agency administration, multistate and federal standards.
- Preliminary operational concepts will lay foundation for future system tests (subject to future funding).

# RUC Project Oversight & Management



# RUC: Policy, Technology, Operations and Public Acceptance are Interrelated



# Determining Feasibility of Transition to Road User Charge System

## Legislative Requirement:

## Work Plan Element:

## Key Issues:

<ul style="list-style-type: none"> <li>Review RUC reports, data</li> <li>Identify policy issues</li> </ul>	<p><b>Policy Assessment</b></p>	<p>Use of Revenues Rate-setting Gas Tax Transition Privacy</p>
<ul style="list-style-type: none"> <li>Assess public perspectives/educate on current system and future options</li> </ul>	<p><b>Public Opinion/Information Assessment</b></p>	<p>Public Acceptance Consumer Choice Equity and Fairness</p>
<ul style="list-style-type: none"> <li>Assess operational, technical and administrative feasibility</li> <li>Recommend design for system tests (demonstration or pilot)</li> </ul>	<p><b>Technical/ Administrative/ Operational Assessment</b></p>	<p>Cost Compliance Enforcement Governance Jurisdictional Issues Reliability Complexity</p>

# RUC Schedule and Key Deliverables

## RUC Steering Committee Meetings:

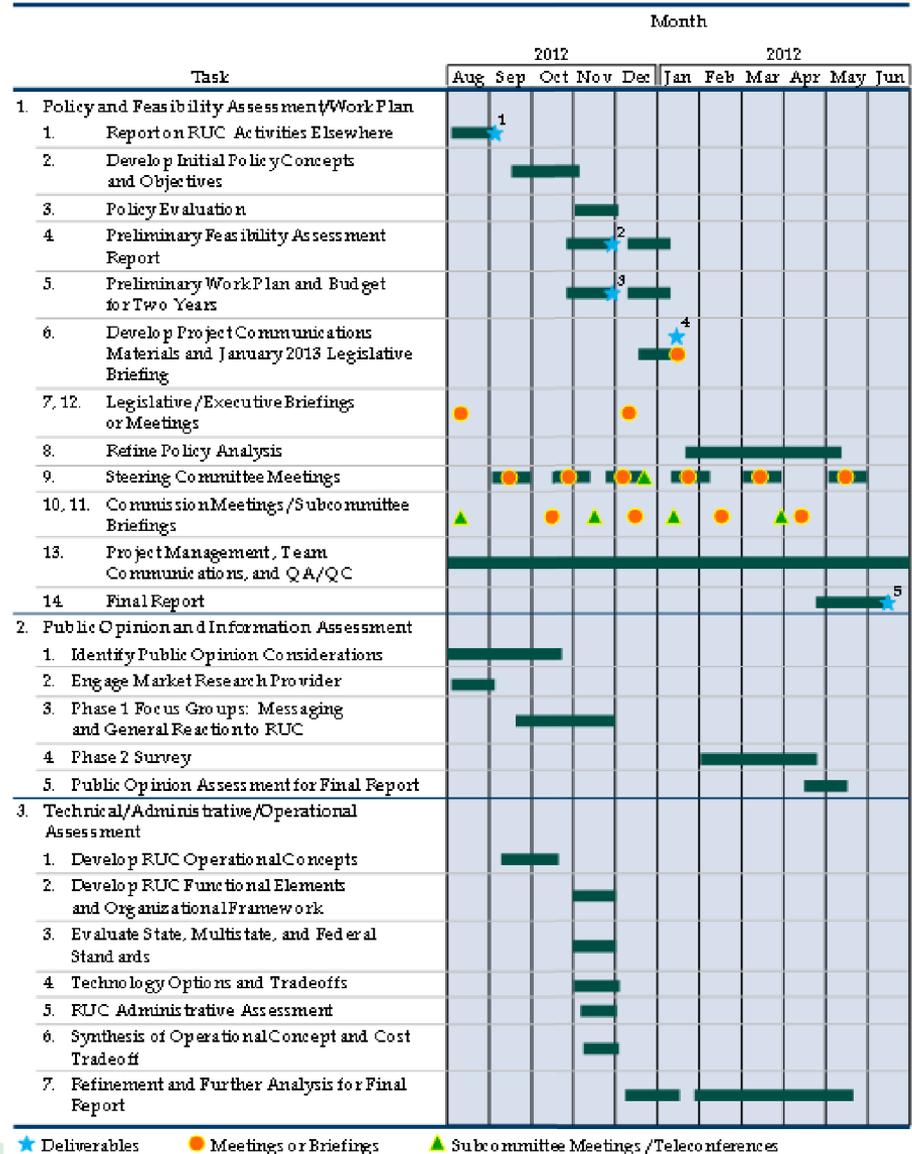
- September 13 (Seattle)
- October 30 (Seattle)
- December 4 (Olympia)
- January 25 (Olympia)
- March – June, 2013: exact dates TBD

## Key Milestones:

- Preliminary Feasibility Assessment Report (12/4)
- Preliminary Operational Concept (12/4)
- Preliminary Work Plan and Two-Year Budget (1/25)
- Final Report, including Public Opinion Assessment (June, 2013)

## Key Deliverables:

- RUC Activities Synthesis Report
- Feasibility Assessment Report
- Preliminary Operational Concept
- Public Opinion and Acceptance Report
- Preliminary design for future Pilot Project



# Questions?

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