WASHINGTON STATE ROAD USAGE CHARGE

Progress Report to Washington State Transportation Commission

Washington State Transportation Commission

July 16, 2019
Olympia, Washington

PART I (MORNING SESSION)

Jeff Doyle
Project Manager
D'Artagnan Consulting

- Overall WA RUC Progress Report
- Pilot Participant Experience

PROGRESS AND STATUS REPORT

ROLES IN DELIVERING THE PROJECT AND FINAL REPORT

WA RUC Steering Committee **MEASURES…**

- Oversee all research to ensure it is thorough and accurate
- Identify issues of importance or concern for in-depth research (“parking lot”)
- Design a RUC demonstration to test operational approaches and measure public acceptance
- Present information and options to fairly reflect the full range of viewpoints
- Provide guidance on technical and operational issues

Transportation Commission **RECOMMENDS…**

- Receive the Pilot Project Report from the Steering Committee
- Decide whether to make recommendations on issues

Legislature **DECIDES…**

- Receive the Final Report and Recommendations from WSTC
- Decide whether (or how) to implement a RUC

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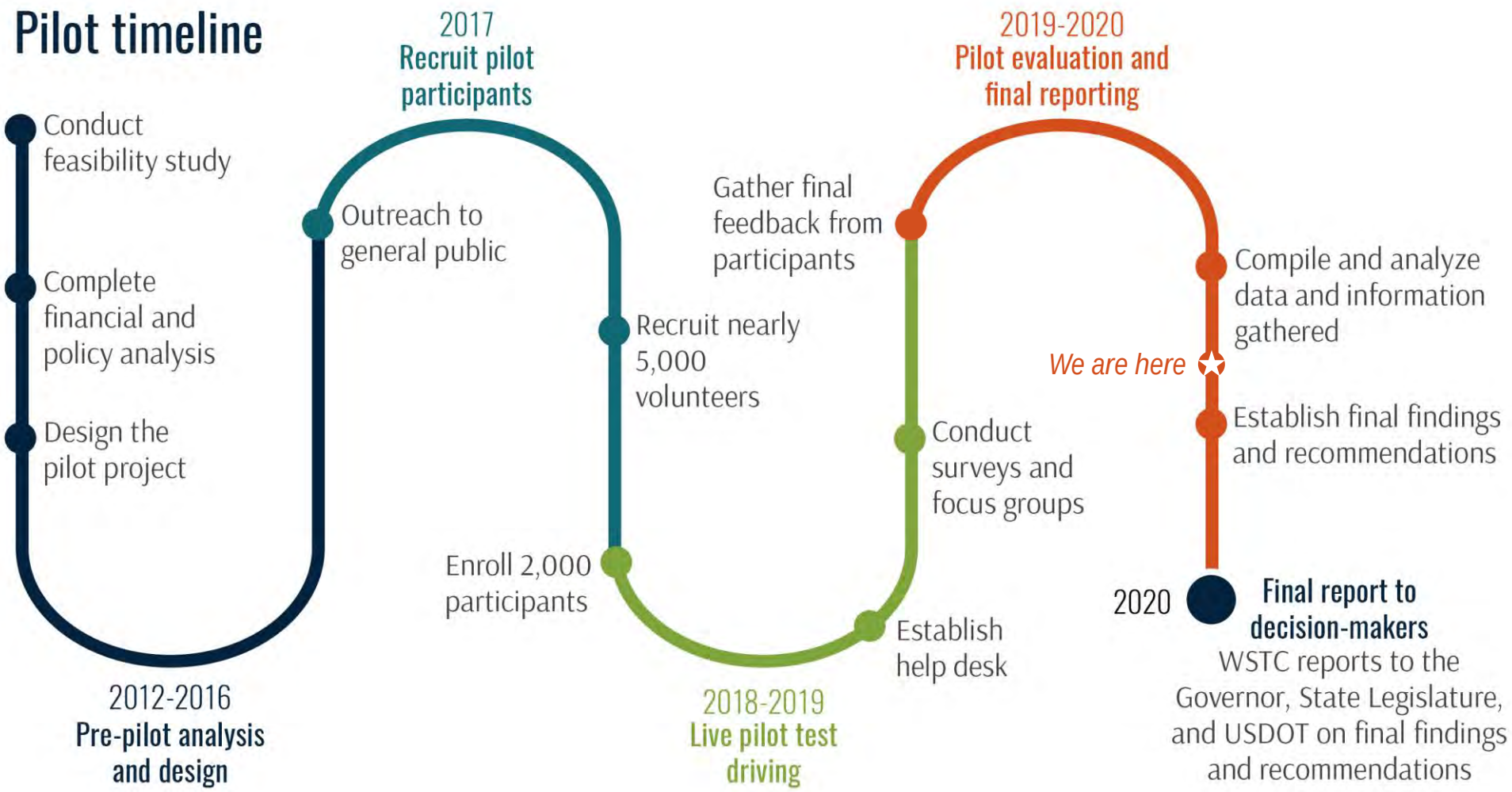
PILOT PROJECT TIMELINE

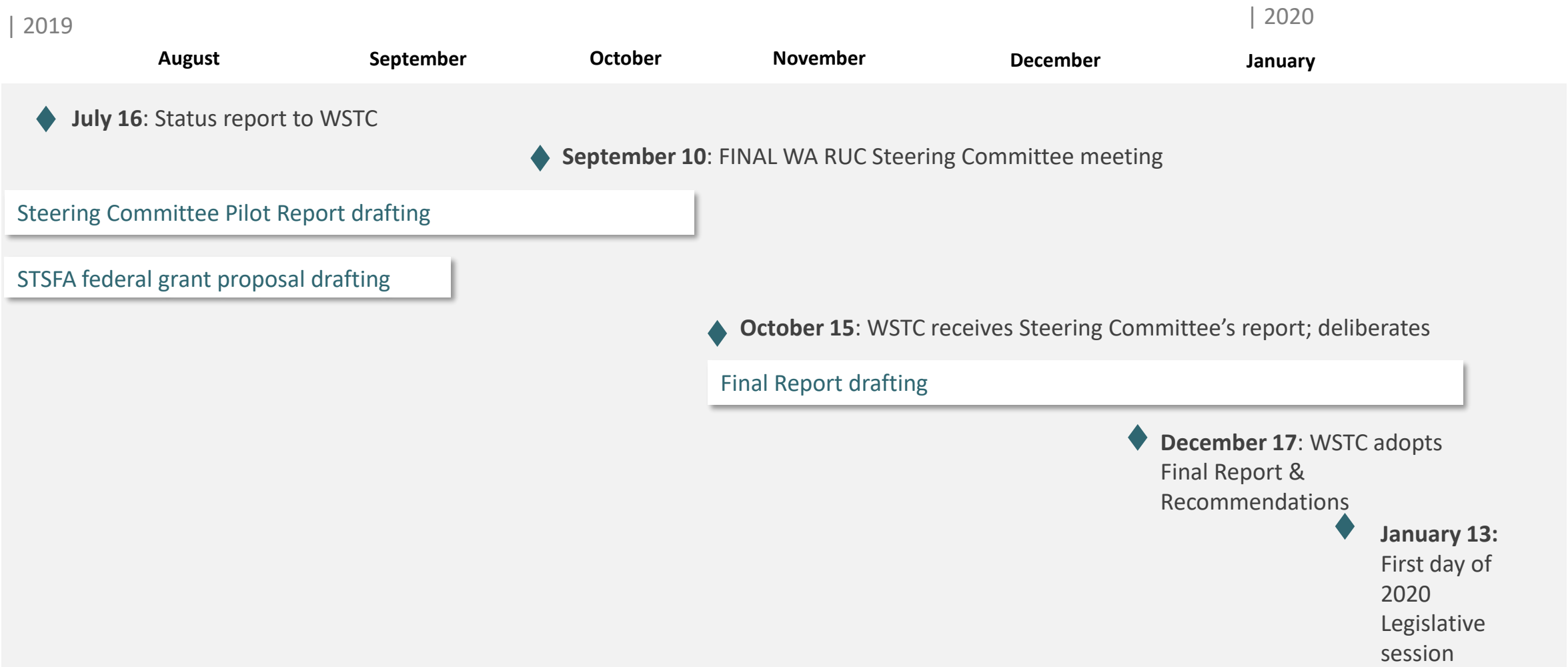


2019 REMAINING STEERING COMMITTEE WORK

September 10, 2019 meeting:

- Transition strategy – which class of vehicles would be subject to paying RUC, when, and how
- Review and discussion of WA RUC Pilot project findings
- Discussion of technical or operational recommendations (if any)
- Review and approval of draft report

STAGE 3 REMAINING MILESTONES



FOCUS GROUP HIGHLIGHTS

Jeff Doyle, D'Artagnan Consulting
Ara Swanson, EnviroIssues

FOCUS GROUP OVERVIEW

Purpose

- Understand perceptions on topics such as:
  - Ease of participation and compliance
  - RUC equity relative to gas taxes
  - Privacy protection and data security
- Provide depth and understanding into the “what, how, and why” of participant perceptions.

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METHODOLOGY: LOCATIONS AND THEMES

Six focus groups held in September and October 2018.

Federal Way 1: rural, high mileage

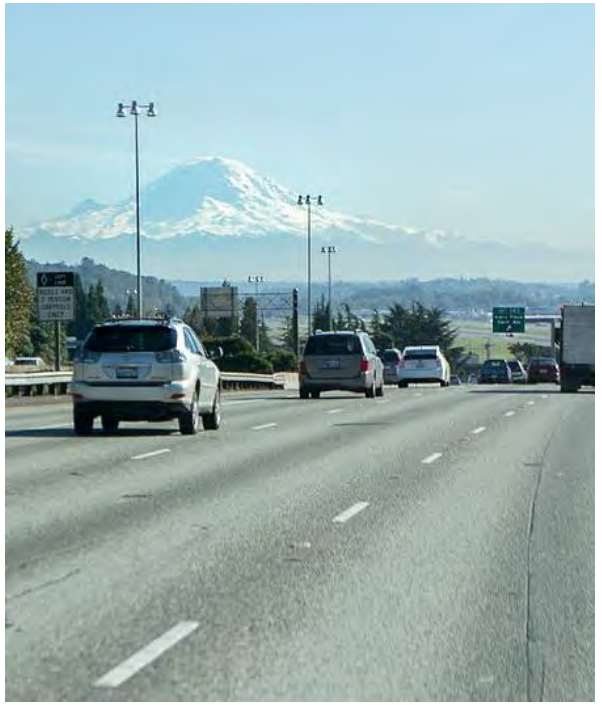
Federal Way 2: hybrid/electric vehicles

Federal Way 3: low/moderate income

Vancouver: general mix

Spokane: general mix

Yakima: rural, high mileage



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METHODOLOGY: PARTICIPANT CHARACTERISTICS

51 focus group participants

- Moderate or low income (6 participants had household incomes of $30,000 or less)
- Rural (13 participants characterized where they live as being a rural setting)
- High mileage drivers (15 participants drive more than 15,000 miles annually)
- Hybrid and electric vehicle drivers (16 participants own or enrolled a hybrid or electric vehicle in the study)
- RUC perceptions (6 participants oppose or strongly oppose a RUC, 14 are neutral, 6 need more information, and 23 support or strongly support)

THEMES ACROSS ALL FOCUS GROUPS

- Most participants are accepting of the RUC and think it can work.
- Many participants felt the RUC amount was not too much to pay and relatively comparable to the gas tax.
- In general, most participants say they still have little understanding of how transportation funding works.
- Some concern and questions about how the system will work at a statewide scale, frequently related to implementation and administration.
- Top values: a system is that is simple, convenient, and does not take a lot of time or effort on behalf of the user.

TOP CONCERNS AND QUESTIONS

- Privacy and data collection
- Compliance and administration costs
- Fairness and equity
- Education and communication
- Long-term sustainability
- Environmental incentives
- Fairness in fund allocation

ADVICE TO STATE LEADERS

Support for RUC

The State should pursue this option, with caveats:

- Offer different recording methods
- Focus on equity (collection and distribution)
- Ensure data security

Stick with Gas Tax

- RUC won't work statewide and is regressive
- Gas tax is simple and familiar

Neither

- Explore hybrids of a RUC and gas tax
- Explore other options

Neutral Opinions and Additional Advice

- Educate the public
- Aim for simplicity
- Focus on outcomes and purpose
- Data security

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RESULTS OF FINAL PILOT PARTICIPANT SURVEY

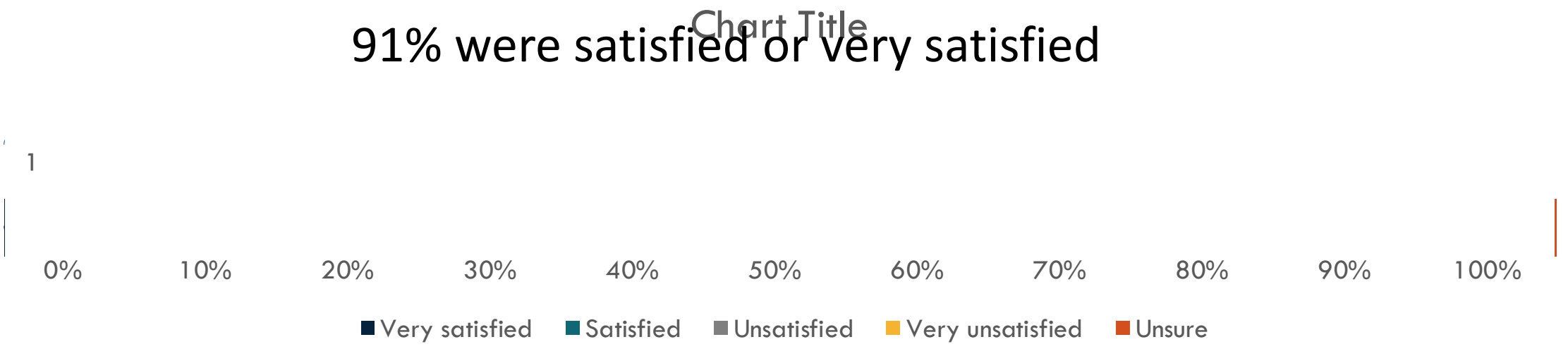
Jeff Doyle, D'Artagnan Consulting
Ara Swanson, EnviroIssues

PARTICIPANT SURVEYS – RESPONSE RATES

	Survey 1			Survey 2			Survey 3		
	Invited	Completes	Rate	Invited	Completes	Rate	Invited	Completes	Rate
Total	2,048	1,669	81.5%	2,106	1,569	74.5%	2,009	1,491	74.2%

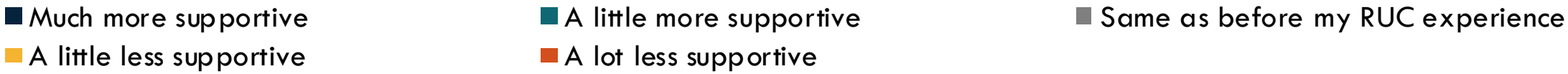
Respondents that completed the survey, received the incentive. Responses were included for those that answered most but not all questions. The total number of surveys analyzed for Survey 3 was 1,503. Because not all participants responded to every questions, the number shown may be below 1,503.

Thinking about your full experience with the ruc pilot, how satisfied were you overall? *(N=1,491)*



How important to you are the following principles for a potential RUC system: *(n=1,491)*

Based on your experience in the pilot, how has your attitude towards a RUC system changed? *(n=1,491)*



If your attitude has changed, please provide any information on the reasons for this change. (*n= 577*)

<u>Much more supportive</u> of a RUC (164)

- The pilot was informative (55)
- RUC is more fair because everyone pays (24)
- EVs and Hybrids should pay as well (19)
- Know more about driving habits (17)
- Pay less under a RUC (16)
- Pay a similar amount to gas tax (13)

If your attitude has changed, please provide any information on the reasons for this change. (*n= 577*)

A lot less supportive of a RUC (113)

- EVs and Hybrids would be penalized (27)
- Pay more under a RUC (19)
- Concerns related to government/too many taxes (18)
- Technology, device, reporting problems (13)
- Privacy/data security concerns (12)
- Pilot was confusing/a hassle/ a poor experience (12)

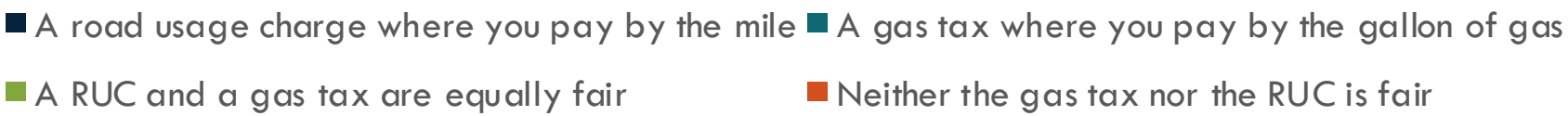
If your attitude has changed, please provide any information on the reasons for this change. (*n= 577*)

Opinion is the **same as before the RUC experience (41)**

- Most had further unanswered questions, or still did not understand RUC.
- Some were supportive before and still are
- Others were opposed before and still are
- Some had mixed feelings

Survey 1
n=1,166

Survey 3
n=1,491



How do you define fair? (*n=1,109*)

472 people said fair means **being equitable**. Participants viewed equity from different lenses:

- Vehicle type (143)
- Vehicle weight (102)
- Income (78)
- Geography (33)
- Environmental impact (30)
- Long commutes (27)
- Bell curve distribution (1)

367 said fairness means **equal treatment:** treating people equally or treating people the same.

How do you define fair? (*n=1,109*)

Most participants discussed fairness in terms of payment.

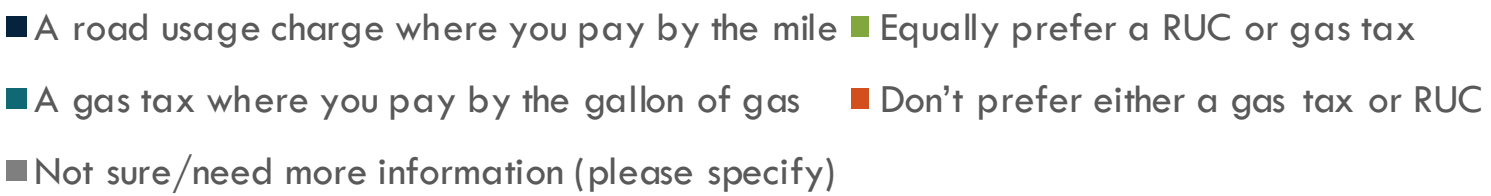
- Pay for use(435)
- Pay for road impact, damage, and upkeep (214)
- Pay by the mile (130)
- Pay your share(105)
- Pay if you benefit from roads (10)

149 people brought up **EVs and hybrids**.

- EVs/hybrids should pay too (104)
- Don’t discourage EVs/hybrids (20)
- Don’t double tax EVs/hybrids (10)

Survey 1
n=1,670

Survey 3
n=1,482



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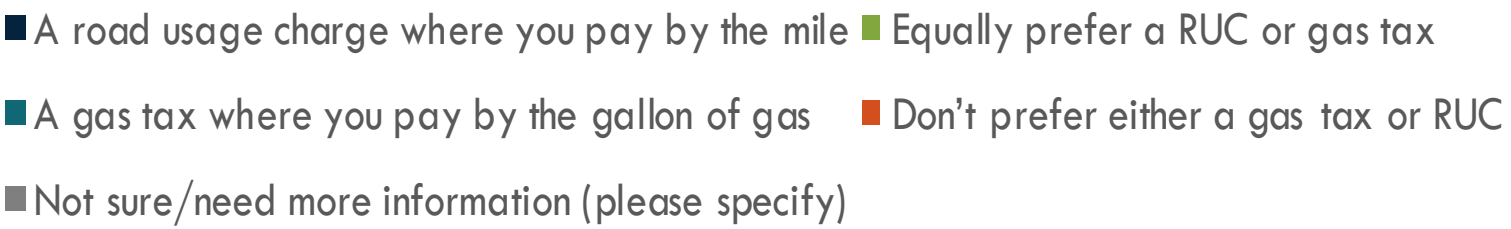
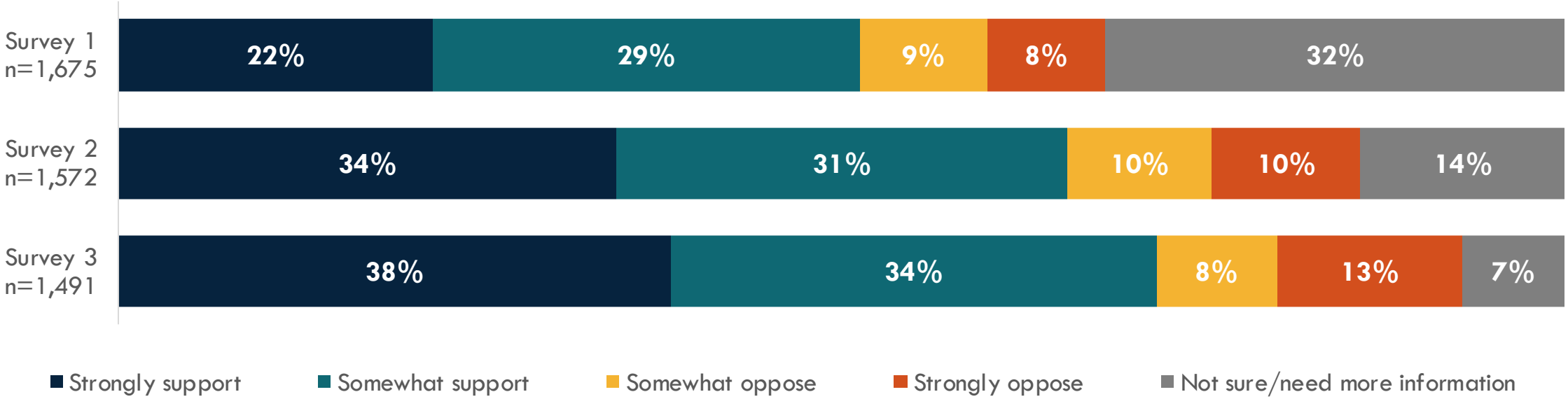


At this point, how do you feel about implementing a road usage charge as a replacement to the gas tax in Washington to fund transportation infrastructure?



What additional comments do you have about implementing a RUC system as a replacement to the gas tax in Washington? (n=*673*)

- 78 brought up **tracking out-of-state** miles. People do not want to be charged for their own out-of-state miles. They do want visitors to Washington to pay for their use of Washington roads.
- Participants are concerned RUC may **disproportionately affect lower-income** households, who also live further away from work because of housing prices.
- 62 were concerned about **being double taxed.** They do not want to pay both RUC and gas tax.
- 51 people wanted rates to consider **vehicle weight**. 42 people wanted rates to consider **vehicle type or size.**

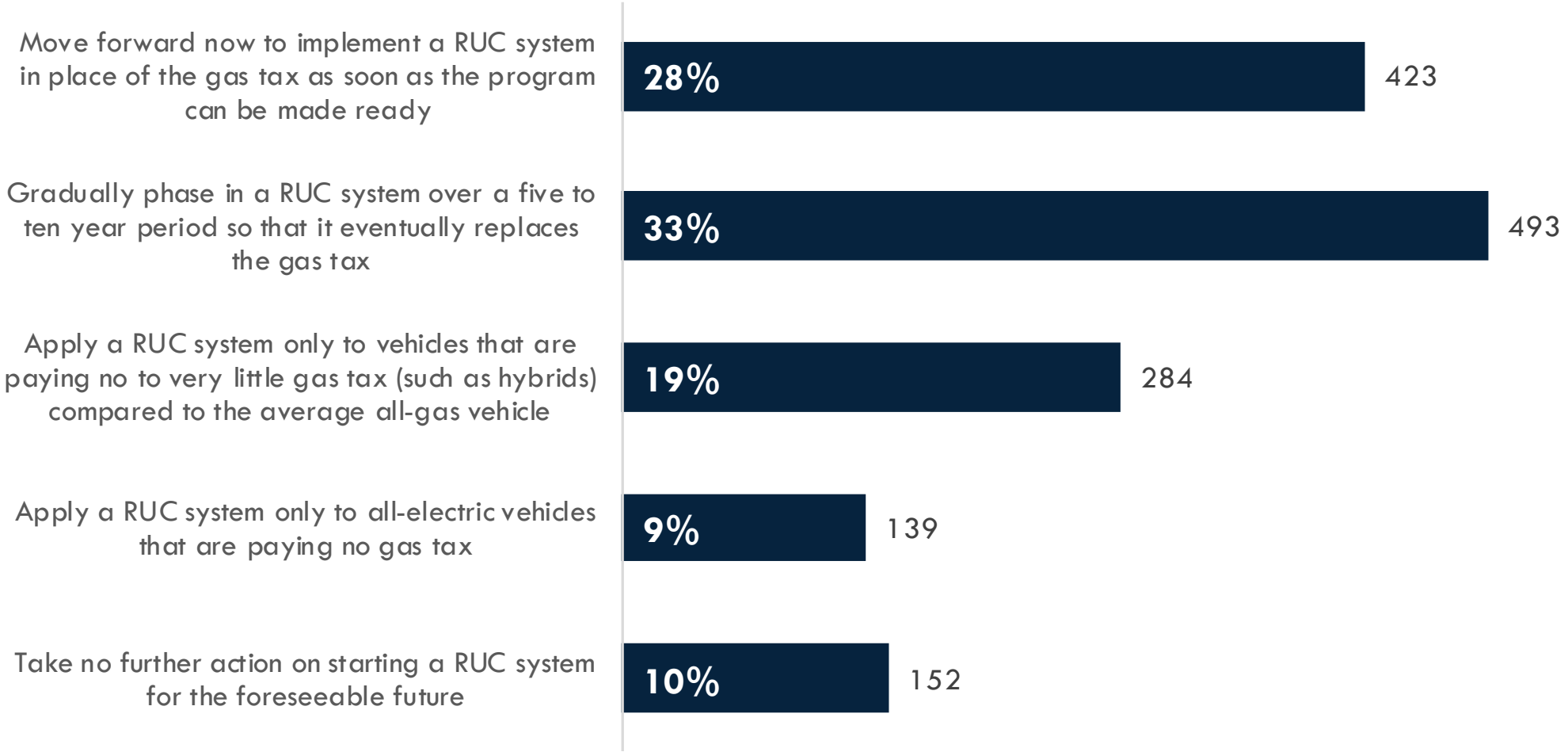
What additional comments do you have about implementing a RUC system as a replacement to the gas tax in Washington? (n=*673*)

- 36 people had general **government, politics, or tax** concerns, including 24 people who do not trust government use of tax money or believe the government needs to use money more efficiently.
- 35 mentioned the importance of **transparency, communications, or public opinion.**
- 34 were concerned about **administration/overhead costs**.
- 31 brought up **compliance/enforcement.**

What additional comments do you have about implementing a RUC system as a replacement to the gas tax in Washington? (n=*673*)

- Participants had some remaining questions, including:
  - How will RUC affect car dealerships that currently fuel up cars?
  - How will the state handle lost revenues from gas use that is not on the roads, such as recreational vehicles, boats, lawn mowers, or other?
  - What happens when you sell a car?
  - How would this impact truckers and interstate commerce?
  - What would happen to Washington drivers' payment of the federal gas tax? What if the federal gas tax switches to a RUC?

Which of the following best represents your advice to elected officials as they consider the next steps in implementing a RUC system statewide: *(n=1,491)*



Do you have any final comments on your RUC pilot experience? (*n=572*)

- Overall, participants were **happy with the experience** and enjoyed participating in the pilot. They felt it was **informative** and **convenient.** Common challenges related to the use of reporting devices and reporting.
- 69 provided ideas on **how to implement** RUC.
  - 22 provided ideas on how to improve technology, devices, and reporting.
  - 12 suggested phasing in RUC over time.
  - 9 suggested implementing RUC for EVs, then potentially moving onto other vehicles.
  - 3 suggested implementing both the gas tax and RUC.

Do you have any final comments on your RUC pilot experience? (*n=572*)

- 42 people raised **equity**, including different types of equity.
  - 10 want RUC to consider vehicle type, and 13 vehicle weight.
  - 8 brought up geography, concerned that rural drivers face different challenges than urban drivers.
  - 7 described income equity, concerned that RUC could disproportionately impact low-income drivers.
  - 3 mentioned that some people drive further to work.
- 29 stated general concerns with government, politics, or tax money.
- 25 discussed **out-of-state drivers**, but from different angles.
- 16 noted the importance of **transparency and communications.** Some suggested a media campaign.

PARTICIPANT HELP DESK COMMUNICATIONS SUMMARY

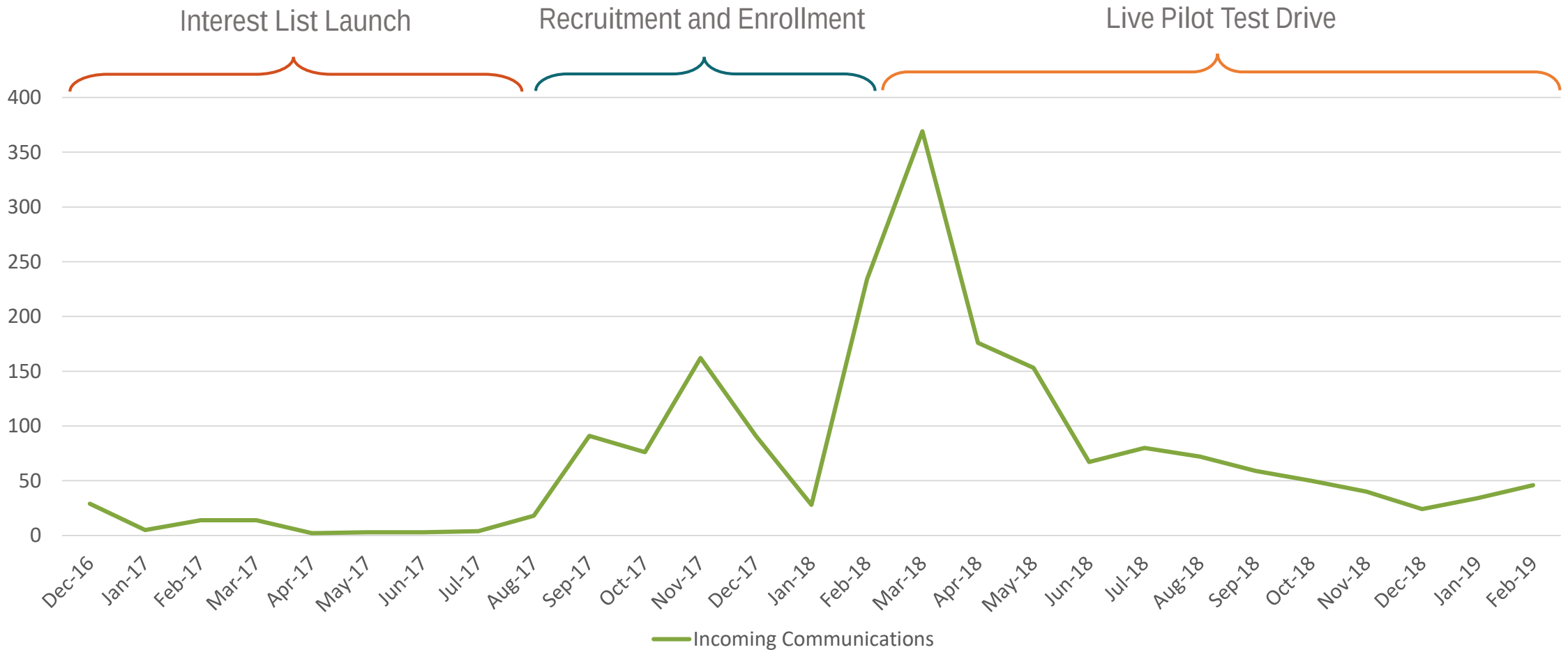
Ara Swanson
EnviroIssues

HELP DESK COMMUNICATIONS SUMMARY GOALS

GOAL: Analyze and summarize communications shared with the help desk for additional insights to inform final report

- ➔ Review comments received through emails and calls to the help desk
- ➔ Prepare summary of comments to complement results of surveys and focus groups
- ➔ Provide findings and lessons learned from the help desk to inform final report and recommendations

INCOMING COMMUNICATIONS (FREQUENCY)



Total incoming communications: 1,945

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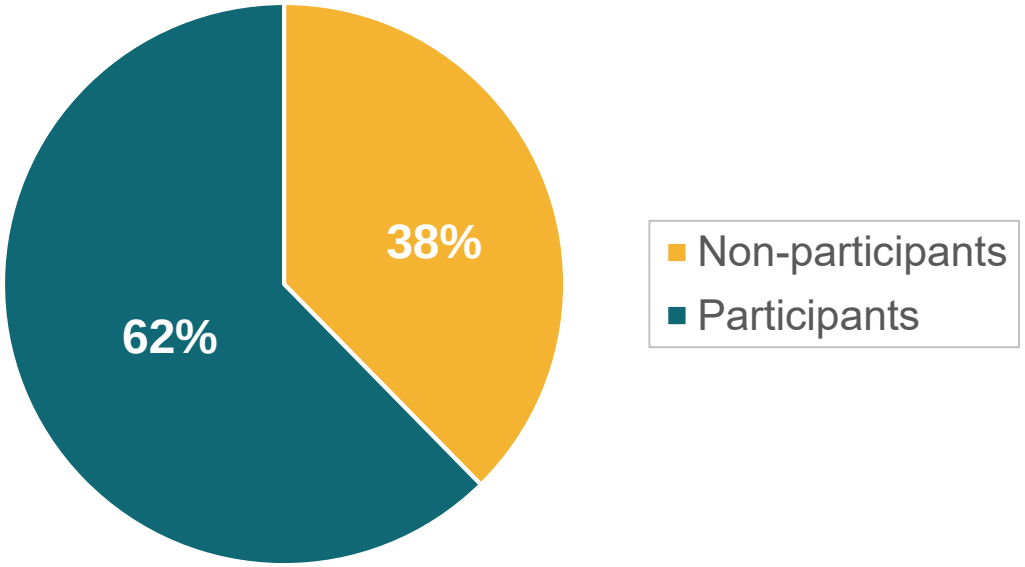
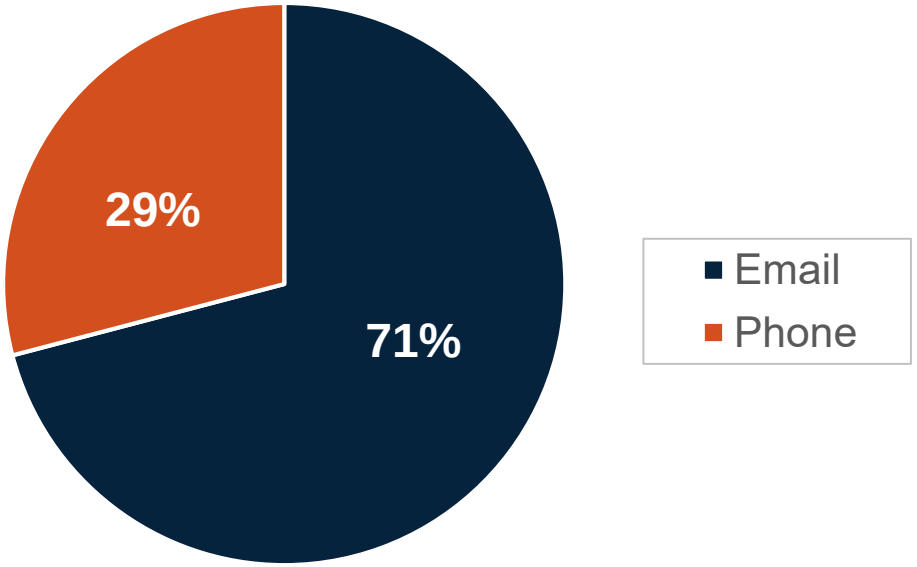
WHO DID WE HEAR FROM?

Pilot test drive: Incoming communications by user type



Communications received from all users by communication type



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POPULAR TOPICS (OVERALL BY PHASE)

Recruitment and Enrollment

- Enrollment inquiries
- Policy, implementation
- General RUC inquiry
- Vehicle weight

Live Pilot Test Drive

- Mileage reporting method
- DriveSync transfer
- General RUC inquiry
- Enrollment inquiries
- Survey/incentives

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WHO DID WE HEAR FROM?

BY REGION

Region	Population distribution	Participant distribution	Percentage of communications received
Central	13%	13%	11.2%
East	9%	13%	17.2%
Northwest	6%	6%	5.2%
Puget Sound	62%	60%	49.4%
Southwest	9%	6%	5.5%
Unknown	N/A	N/A	12.0%

TRENDING TOPICS BY REGION

BY REGION

- Both “policy/implementation” and “general RUC inquiries” were trending topics in the East region
- “Vehicle eligibility questions” was a trending topic in the East, Northwest, and Southwest regions
- The Puget Sound region did not have any specific trending topics

WHO DID WE HEAR FROM?

BY MILEAGE REPORTING METHOD

MRM	Participant distribution	MRM source of communications received (in percent)
Mileage permit	1.0%	2.3%
Plug-in device	21.0%	14.3%
Plug-in device with GPS	34.0%	33.7%
Odometer reading	29.0%	39.4%
Smartphone app	15.0%	9.5%
N/A	N/A	0.7%

TRENDING TOPICS – BY MRM

BY MILEAGE REPORTING METHOD

- Participants using the odometer reading MRM had the highest number of trending topics
- Participants using the high-tech MRMs had the least number of trending topics

KEY TAKEAWAYS

- There is a growing interest in many of the topics associated with road usage charging
- The number of trending topics brought forth to the help desk varied greatly by region
- Vehicle eligibility and technical information on MRMs will need to be clearly communicated for specific methods

SHARING THE PARTICIPANT EXPERIENCE

Ara Swanson
EnviroIssues

HIGHLIGHTS FROM THE PARTICIPANT EXPERIENCE

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PROJECT COMMUNICATION ACTIVITIES

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CURRENT COMMUNICATIONS GOALS

Communicate pilot process, driver experience, Steering Committee progress, results and next steps

Leverage media to share results and next steps

Analyze and summarize communications to inform final report

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CURRENT COMMUNICATIONS ACTIVITIES

Responsive and proactive media engagement

Video highlighting the participant experience

Regular e-newsletters

Briefings and webinars

Steering Committee meetings

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CONTINUED COMMUNICATIONS ACTIVITIES

- Begin series of in-person briefings to targeted organizations and stakeholders, July through August

- Share video and other pilot news via e-newsletter and press release in mid-July

- Host webinar in August with MPOs and RTPOs

CONTINUED COMMUNICATIONS ACTIVITIES

- Continue to share accurate pilot information as updates and findings are developed, September through December

- Communicate submittal of final report to legislature in January via e-newsletter, press release, and other media engagement

PART II (AFTERNOON SESSION)

Jeff Doyle
Project Manager
D'Artagnan Consulting

- WA RUC Pilot System Performance
- Legal, Fiscal, Operational and Policy Issues with RUC
- Identification of issues for further examination by WSTC at October 2019 meeting