



Washington State Road Usage Charge Assessment

Jeff Doyle

Director of Public/Private Partnerships; and

State Project Director
Road User Charge Assessment

August 15, 2013

Tallahassee, Florida



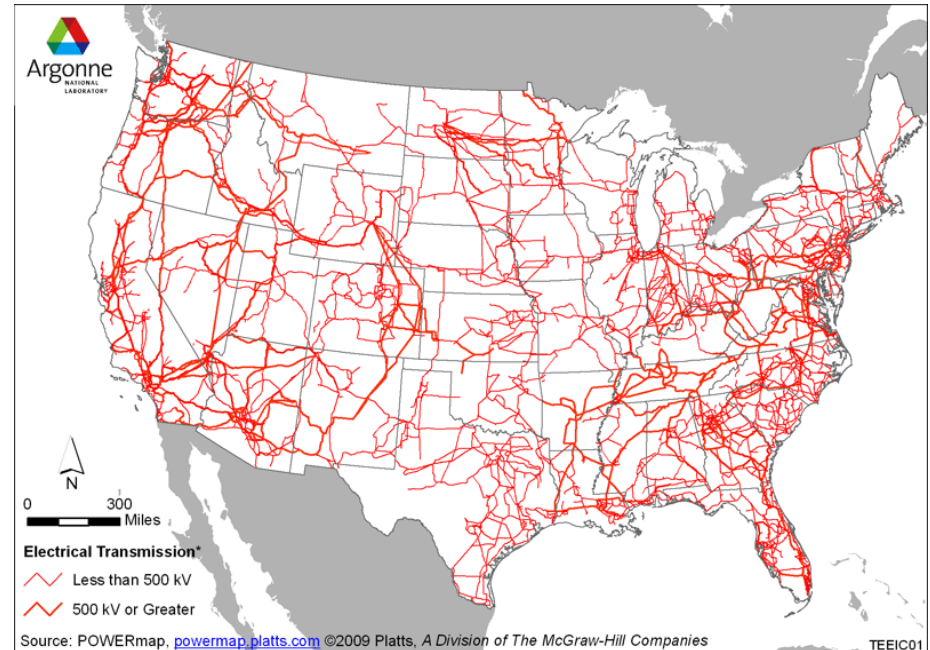
Washington State Transportation
Commission



Washington State
Department of Transportation







Similarities between the US highway system and the US electric power grid




- Extensive, **capital-intensive** transportation networks (moving people, goods, electrons)
- Historical mission: **meet demand**
- Each has “**peaking problems**” in certain locations and at certain times
- Each network is heavily dependent upon **user fees** to finance operations
- Each produces adverse environmental **externalities**






Over time, gas taxes will not be a sustainable source for roadway funding

the Atlantic **POLITICS BUSINESS ENTERTAINMENT INTERNATIONAL TECHNOLOGY NATIONAL HEALTH MAGAZINE VIDEO**

TUESDAY, SEPTEMBER 4, 2012 FOLLOW THE ATLANTIC    








JORDAN WEISSMANN - Jordan Weissmann is an associate editor at *The Atlantic*. He has written for a number of publications, including *The Washington Post* and *The National Law Journal*.
[ALL POSTS](#)


   [« Previous Business | Next Business »](#)  

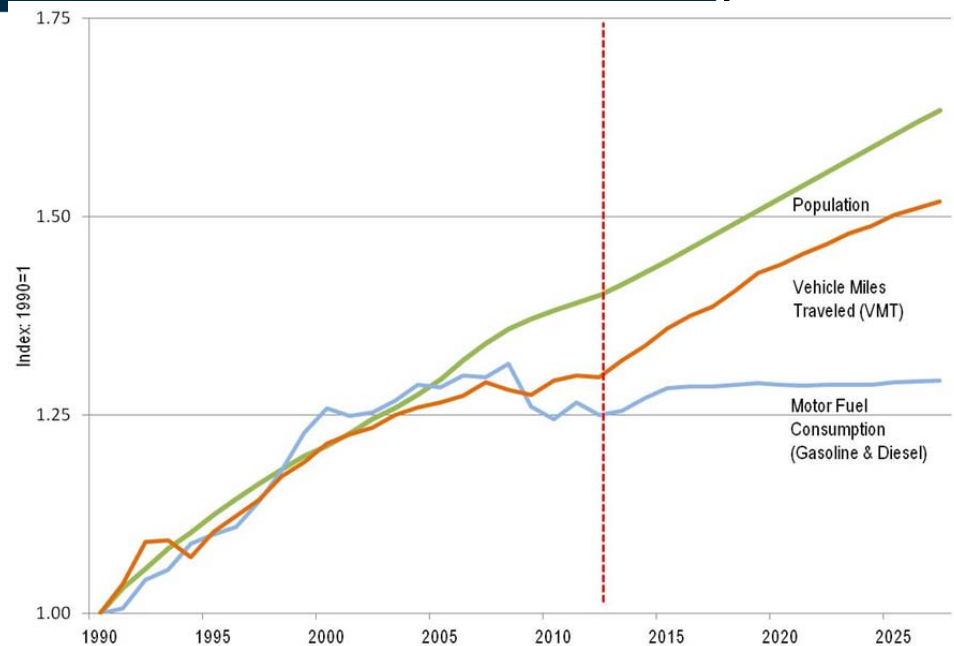
Why Your Prius Will Bankrupt Our Highways

[Follow @jhwissmann](#)

FEB 2 2012, 9:45 AM ET  [Share](#)  [24](#)  [Tweet](#)  [+1](#)  [15](#)

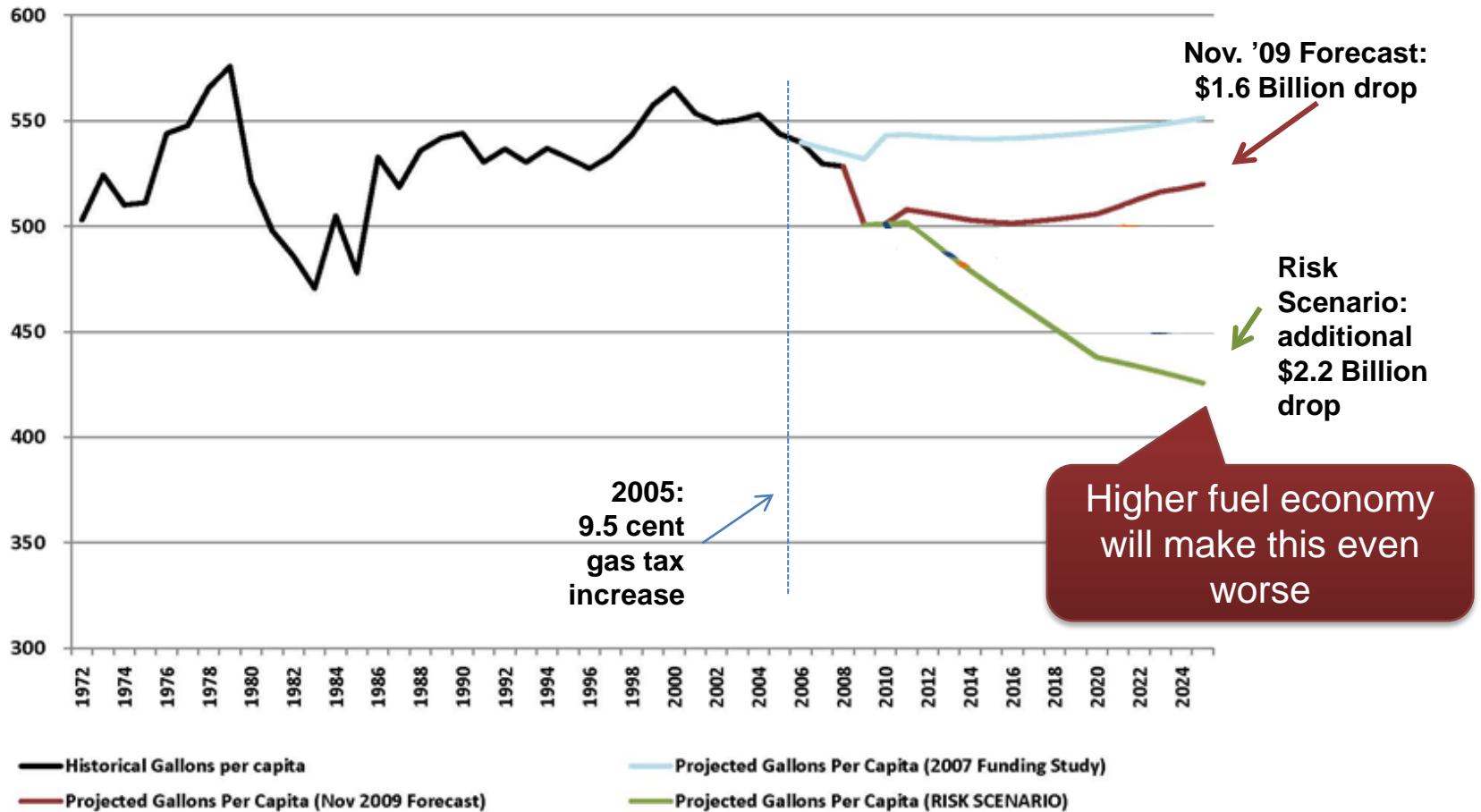
Gas taxes have funded our roads for decades. But our fuel-efficient cars and tax-allergic Congress are leading to an infrastructure break-down.





Population and vehicle miles will continue to grow, while motor fuel consumption flattens out, leading the motor fuel tax to be an unsustainable source of revenue.

"Risk Scenario" of Gas Tax Revenue



Governor's blue-ribbon *Connecting Washington* Task Force

- **DO NOW:** \$21 billion, ten-year investment package, supported through gas tax and fee increases
- **DO NOW:** Expanded options for locally-authorized transportation taxes to pay for city and county roads
- **FOR FUTURE: *Begin preparations now*** for a transition to a more sustainable funding source for the future
 - Examine mechanisms that include *“a direct user fee mechanism that is based on miles traveled, wear and tear on the roadway, or other direct impact upon the transportation system, allowing the system to be managed and funded as a statewide transportation utility, with rates based upon use.”*

1920's-era method – gas tax – must evolve to serve tax policy objectives

Washington's "User Pays" Transportation Tax Principle:

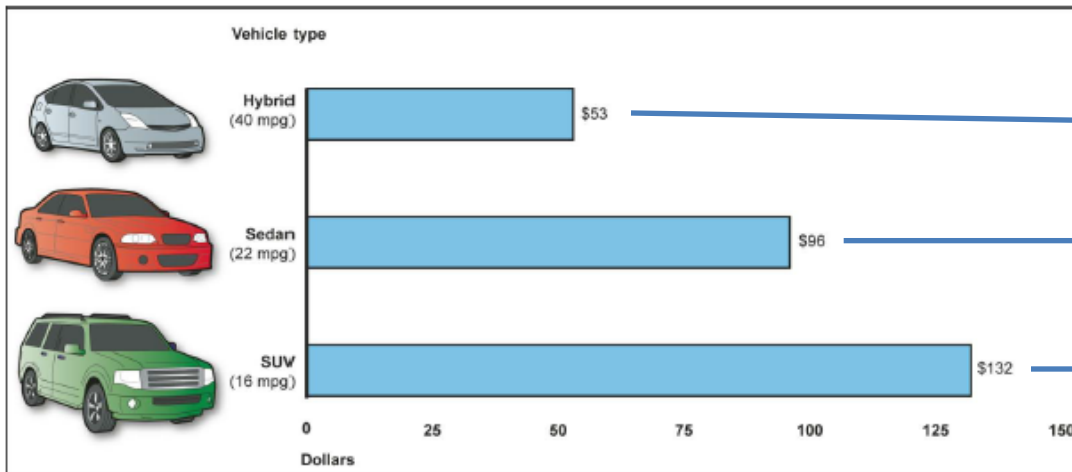
In the near future, how much gasoline cars burn will no longer be a close approximation for how much of the roadway cars use. The nexus between gas taxes paid and actual roadway usage will diminish sharply as vehicles become much more efficient and are powered by alternative fuels.

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.



Figure 4: Average Annual Federal Fuel Taxes Paid by Passenger Vehicles



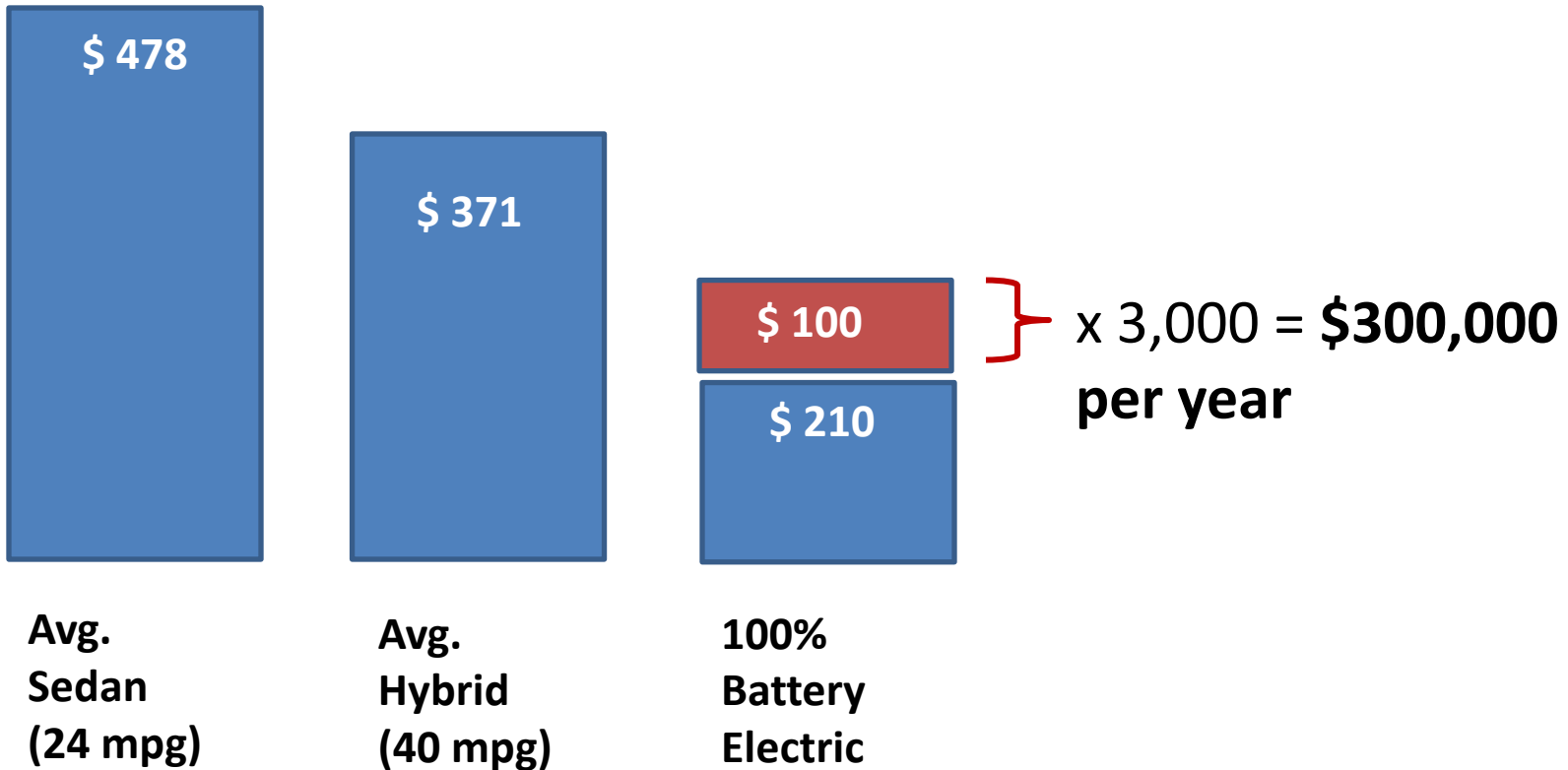
Source: GAO analysis of FHWA and Department of Energy data.

Note: Assuming 11,489 miles driven annually (per FHWA 2010 Highway Statistics).

37.5 cent state gas tax:

- \$108/year
- \$196/year
- \$269/year

To help offset transportation tax inequities, the Legislature enacted an annual \$100 fee on fully-electric (BEV) vehicles.



Current tax approach vs. consumer-oriented “public utility” approach:

Transportation account “statement”:

SHELL V-POWER
ACTIVELY CLEANS
AS YOU DRIVE
SALES RECEIPT

SHELL
2029 S SAGINAW
MIDLAND
MI 48640

DATE 06/21/06 4:01 PM
INVOICE# 000000
AUTH# 000000
MASTERCARD
ACCOUNT NUMBER

PUMP PRODUCT \$/G
04 UNLD \$2.969

GALLONS FUEL TOTAL
6.736 \$ 20.00

SHELL V-POWER
OUR MOST ADVANCED
FUEL EVER.

Gas tax rate: **not displayed**
Gas taxes paid: **not displayed**
How much roadway used: **unknown**
Time spent driving: **unknown**
How revenues are distributed: **not displayed**
How revenues are invested: **not displayed**

Electricity account statement:



In 2012, the Legislature authorized an assessment into Road Usage Charges:

Washington State Transportation Commission:

“Solely to ***determine the feasibility*** of transitioning from the gas tax to a road user assessment system of paying for transportation”

Washington State Department of Transportation:

“Solely to carry out work related ***to assessing the operational feasibility*** of a road user assessment, including technology, agency administration, multistate and Federal standards, and other necessary elements”

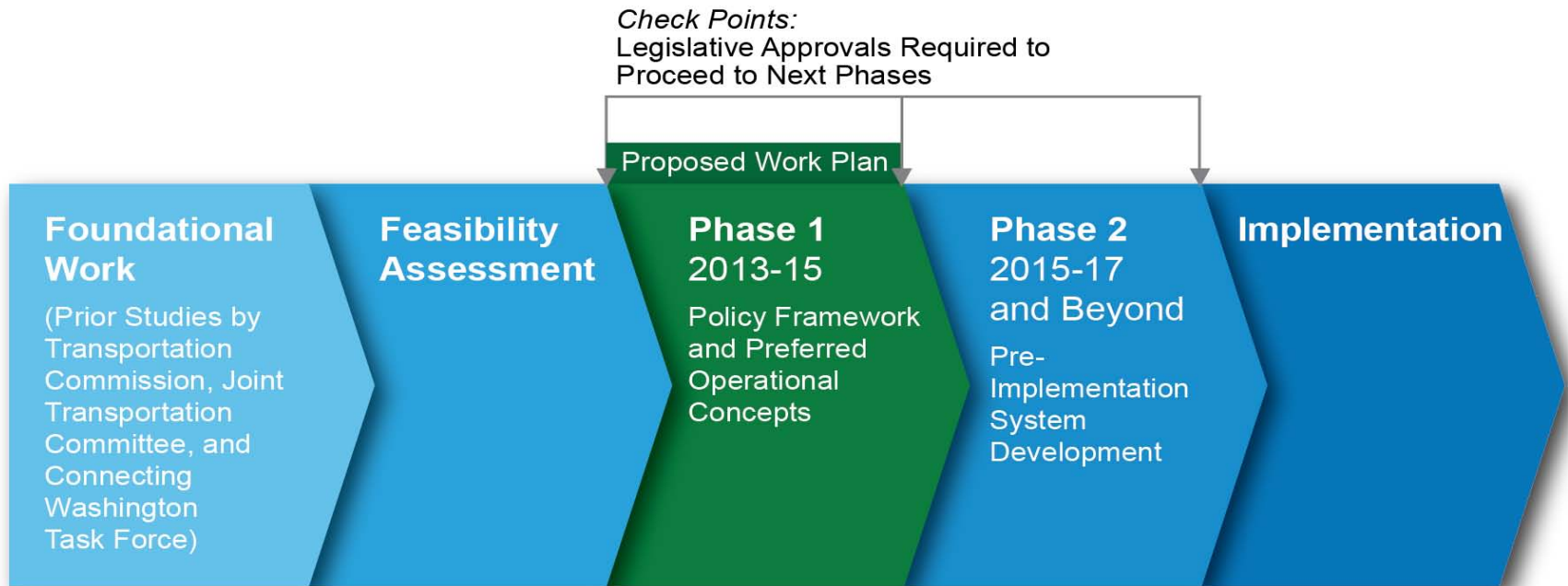
Determining Feasibility of Transition to Road User Charge System

20-member expert stakeholder Steering Committee is guiding the process

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



Phased Work Approach



Additional Research and Development Opportunities

- **Mileage-Based User Fee Alliance**

Public and private organizations interested in conducting research, testing and providing education and outreach materials on the topic

- **Minnesota TPF Project**

Transportation agencies pool some resources (through participation fees) to facilitate information-sharing on a nation-wide level (not regionally focused)

- **Western Road Usage Charge Consortium**

A membership-based consortium of states in the west region of the US that contribute funding and share information and study results for the purpose of exploring RUC systems, including joint testing. Presently 3 states, but 5 more expected to join.

Questions?

Jeff Doyle

Director of Public/Private Partnerships; and

State Project Director
Road User Charge Assessment

DoyleJ@wsdot.wa.gov

Tallahassee, Florida
August 15, 2013

Supplemental Slides

Western Road Usage Charge Consortium

Vision:

develop **open systems** that support **motorist choice**, leverage innovation and **private competition**, and use **readily-available technologies** to **collect road taxes** to fund maintenance and improvements.

Goals:

- Explore technical and operational feasibility of multi-jurisdictional system
- Identify and share public acceptance factors
- Develop methods for remitting road use charges among multiple jurisdictions
- Develop concepts for how a multi-state system could be administered
- Develop models for regional (and national) interoperability
- Engage automakers and technology sector to offer mileage reporting capabilities in their devices
- Share policy and program experiences among members



WRUCC Membership & Governance

Initial Membership:



Washington



Oregon

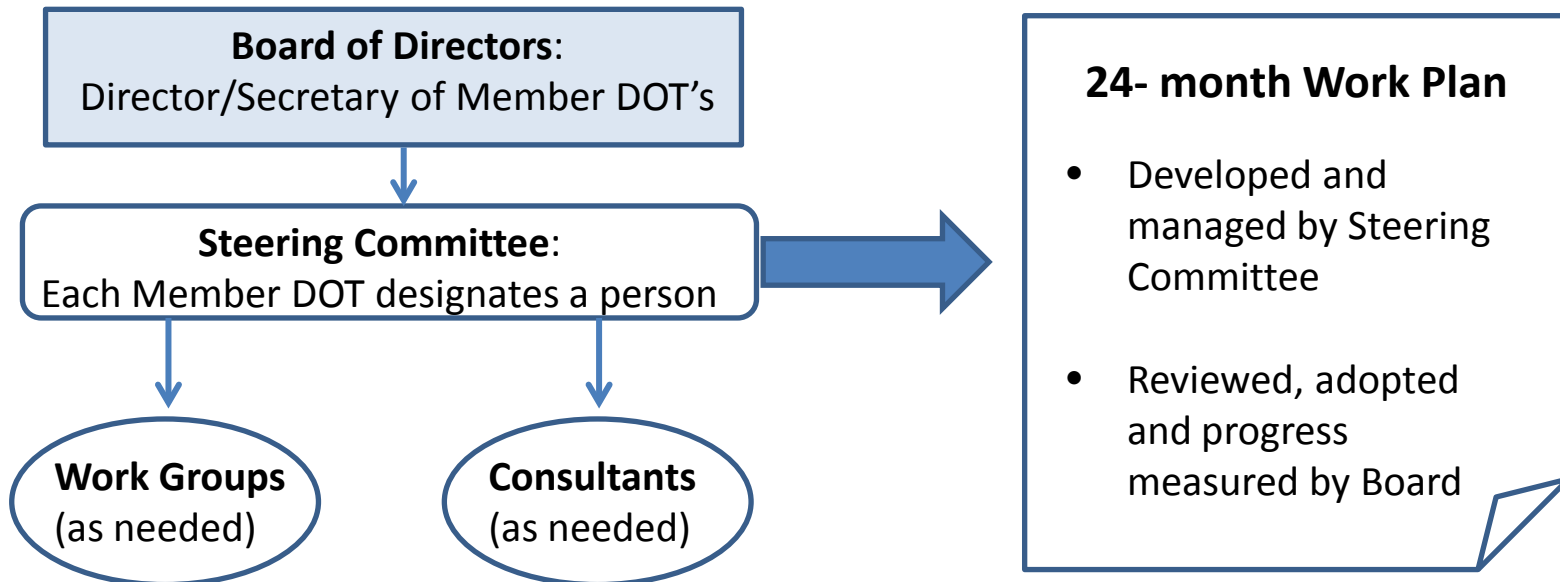


Nevada
(pending)

Membership Requirements*:

- ✓ Transportation agency located in (or bordering) a WASHTO state
- ✓ Minimum annual TPF contribution of \$25k (can be federal SP&R funds)
- ✓ Formal action by agency Director evidencing intent to join and acceptance of WRUCC charter

WRUCC Governance Structure:



Feasibility Criteria

Criterion	Description
Convenience	Convenient to users
Implementability	Ability to overcome implementation barriers and challenges
Transparency	Rate setting, customer billing, accounting
Stability and sustainability	Confidence in revenue expected relative to the gas tax.
Privacy	Actual and perceived
Equity (fairness)	Fair as possible across classes of users
Flexibility	Accommodate future options and evolutions.
Choice	Users can choose from a menu of options.
Out-of-state travel:	Distinguish between in-state and out-of-state travel.
Collect revenue from out-of-state travelers.	