



# JOINT TRANSPORTATION COMMITTEE

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September 29, 2014

**TO: Members of the Senate and House Transportation Committees**

**SUBJECT: Joint Transportation Committee Activity Update**

In the 2014 Supplemental Transportation Budget (ESSB 6001), the Legislature directed the Joint Transportation Committee (JTC) to undertake three studies, all of which are well underway. One study included an appropriation of \$250,000 to hire consultants. The other two are staff studies, with staff from the JTC and the House and the Senate Transportation Committees conducting the study within existing resources, and with significant assistance from state agency personnel and others.

Attached are updated summaries of the three 2014 studies:

- Business models for financially sustainable electric vehicle charging networks (p. 3)
- Vehicle titling and registration processes, and opportunities for improvements (p. 5)
- Driver education: online pilot project, and improved safety for novice drivers (p. 7)

A fourth 2014 project is the biennial update of the Transportation Resource Manual, a compendium of facts and data about Washington's statewide transportation system. The biennial update is timed to be available at the beginning of each long session, the session in which the biennial transportation budget is written. It is also intended to be a resource to both veteran and new legislators and staff engaged in transportation issues in the Legislature and the Executive Branch.

In addition to meetings associated with specific studies, the JTC has met four times so far this interim:

- May 14<sup>th</sup> in DuPont
- June 17<sup>th</sup> in Spokane, in conjunction with the Association of Washington Cities Annual Conference
- July 24<sup>th</sup> in Renton
- September 18<sup>th</sup> in Yakima

Three more meetings are planned:

- October 16<sup>th</sup> in Tacoma
- December 11<sup>th</sup> in Olympia
- January 7<sup>th</sup> in Olympia

The JTC also organized a freight-focused tour in Spokane and SE Washington on June 18 and 19, where legislators and staff, as well as WSDOT and local officials, visited key interchanges, grade separation projects,

the North Spokane Corridor, Spokane Transit projects, the McCoy Shuttle Elevator, Palouse and Coulee City Railroad projects, the McGregor Company, and the Ritzville Warehouse Grain Shuttle, among other sites. In September, we took a half-day tour of projects in the Yakima area, including grade separations, the Cascade Mill Property, economic vitality and safety projects, and a tribal transit project. We also toured the Allan Brothers Fruit plant, to discuss freight movement issues.

Thanks to the thirty-three members of the House and Senate who have participated in one or more JTC meetings and tours this interim. Your participation is invaluable, and contributes to the richness of discussion and the thoroughness of our work.

The JTC website provides links to all current and past studies, including meeting presentations and reports. <http://www.leg.wa.gov/JTC/Meetings/Pages/default.aspx>.

If you have any questions, please contact the JTC staff:

- Mary Fleckenstein, Committee Coordinator, (360) 786-7312, [mary.fleckenstein@leg.wa.gov](mailto:mary.fleckenstein@leg.wa.gov)
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A final note: Gene Baxstrom, who joined the JTC staff on a part-time basis in 2005 after having retired from the Legislature in 2004, has announced his retirement from the JTC. Gene was integral to getting the JTC up and running after its authorizing legislation was adopted in 2005. He lead 15 studies during his tenure at JTC, and participated in many more. His contributions to the JTC, the Legislature, transportation policy, and to his fellow staffers are too many to count, and too valuable to ignore. JTC is a better agency today because of Gene.



Senator Curtis King  
Co-Chair



Representative Judy Clibborn  
Co-Chair



Senator Tracey Eide  
Co-Chair



Representative Ed Orcutt

**Enclosures: JTC Studies**

# Update on 2014 Joint Transportation Committee Studies

September 29, 2014

## **Business Models for Financially Sustainable EV Charging Networks**

The Legislature charged the Joint Transportation Committee with exploring potential business models for financially sustainable electric vehicle (EV) charging networks, with the goal of fostering private sector commercialization of EV charging services.

In 2014, Governor Inslee proposed spending \$5 million in non-gas tax transportation funds to expand the state's EV charging network. The funds would have been used to install 26 DC fast charging stations along I-5 and I-90 and other routes; and to provide employer incentives to install charging stations.

The Legislature did not fund the Governor's request, and instead funded this study to investigate how to incent the private sector to build the EV charging network; to identify business models for financially sustainable charging networks; and to identify the appropriate roles for the private and public sectors in those business models.

### **The JTC study**

JTC hired the Center for Climate and Energy Solutions (C2ES) from Arlington, Virginia to conduct the study. A 17-member Advisory Panel is providing input; it is composed of legislators and stakeholders from state and local government, investor-owned and public utilities, the EV charging industry, an EV manufacturer, and others.

The study got underway on May 14, 2014, with a presentation in DuPont. The Advisory Panel has met three times, including an introductory webinar on June 30; a day-long meeting in Olympia on July 31, and a September 16 webinar focusing on opportunities and challenges for utility investment in charging networks. Two more in-person meetings are planned (October 1 and November 13), both to be held in Olympia. An interim report is due December 31, 2014, and a final report on March 1, 2015.

Elements of the study include the following:

1. **Evaluate the current status of EV charging in Washington.** This work was completed in August.

As of December 31, 2013, there were 8,248 EVs in Washington, over half of which are located in King County, with sizable numbers in Snohomish, Pierce, Clark, Thurston, Spokane, Whatcom and Benton counties. Contrary to the trend elsewhere in the country, pure Battery-Electric Vehicles (BEVs) outsell Plug-in Hybrid Electric Vehicles (PHEVs – cars powered both by batteries and gasoline) by a large margin in Washington (5,655 vs. 2,493). This fact is important in evaluating the status of and need for charging stations across the state. Currently, most EV travel is local or commute-based, although EV travel is possible from Seattle to Bellingham and Portland.

The white paper summarizing the status of EV charging in Washington is found here [http://www.leg.wa.gov/JTC/Documents/Studies/EV/Task1\\_Final.pdf](http://www.leg.wa.gov/JTC/Documents/Studies/EV/Task1_Final.pdf)

2. **Make recommendations regarding potential business models** for financially-sustainable EV charging networks. This work has underway, and will be the topic of the October 1<sup>st</sup> Advisory Panel workshop in Olympia.

The purpose of the workshop is to assess the effectiveness of various business concepts at financing publicly available charging infrastructure. The workshop will begin with a plenary session based on a simple business model for publicly available charging that Washington State has already explored. Following the plenary session, participants will split into three breakout groups to explore three types of EV charging infrastructure gaps that currently exist in Washington state (east-west travel along I-90; travel from Seattle to the coast; urban charging in the greater Seattle area), and discuss alternative ways to finance charging stations to fill the gaps.

3. **Make recommendations regarding alternative roles for the public and private sectors.**

After the October 1 workshop, C2ES will conduct a financial analysis on the business concepts identified at the workshop, evaluating factors that affect revenue, capital and operational costs, short-and long-term viability, and other factors.

They will then evaluate alternative roles for the public and private sectors in addressing those factors. An EV charging network must serve many purposes; to meet these purposes, certain individual station locations may not generate sufficient revenue to be profitable or of interest to the private sector. Therefore, the public role may differ by the type of location being served, or other factors that influence the viability of a charging station or network.

This final task regarding alternative roles for the public and private sectors will be discussed with the Advisory Panel at its final meeting on November 13<sup>th</sup>.

### **Next steps**

After the November 13<sup>th</sup> Advisory Panel meeting, the consultants will prepare a draft interim report, which is due to the Legislature by December 31, 2014. It is intended to be available to the Legislature as they develop policy bills and budget proposals for consideration during the 2015 legislative session. A final report is due on March 1, 2015, and may include follow-up analysis requested by the JTC Members after presentation of the interim report.

Study materials are available at

<http://www.leg.wa.gov/JTC/Pages/ElectricVehicleChargingStationNetworksStudy.aspx>

<b>Study origin:</b>	2014 Transportation Budget, ESSB 6001, Sec 204(6)
<b>Report:</b>	Interim report due December 31, 2014; final report due March 1, 2015.
<b>Appropriation:</b>	\$250,000 (contract signed for \$190,000); \$47,308 expended through 8/31/14
<b>Project Manager:</b>	Mary Fleckenstein (360) 786-7312; Beth Redfield (360) 786-7327 as back-up
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## **Vehicle Titling and Registration Processes, and Opportunities for Improvements**

The 2014 Legislature directed the JTC to review current vehicle titling and registration processes, and to develop recommendations to streamline processes, modernize policies and identify information technology opportunities. A stakeholder Work Group was appointed to assist in the study; it included County Auditors, vehicle licensing Subagents, and DOL personnel.

The Department of Licensing (DOL) contracts with County Auditors to administer motor vehicle titling and registrations. In 31 of the state's 39 counties, 141 private sector Subagents are appointed to help carry out these duties. Approximately 8.4 million motor vehicle title and license transactions occur annually in Washington.

This study grew out of concerns about current titling and registration processes, including the volume and handling of paper documents, physical document transmittal, paper records retention requirements, antiquated processes, and what some believe to be the dual regulation of Subagents by Auditors and DOL. Other issues concerned DOL, Auditor and Subagent readiness to address future trends in information and licensing processes, the potential implementation of alternative transportation taxation, and opportunities to merge vehicle licensing and taxation.

### **The JTC study**

The study was conducted by JTC staff and staff from the House and Senate Transportation Committees and OFM, in conjunction with the stakeholder Work Group.

From April through June, staff met with DOL to explore the contractual and business processes involved in vehicle licensing, and to better understand their Business and Technology Modernization Initiative. This "TechMod" initiative is a multi-year, multi-million dollar effort to modernize DOL systems, including the outdated Vehicle Field System used to conduct vehicle titling and registration transactions. Staff also conducted site visits to County Auditor offices to better understand the day-to-day issues faced by licensing agents, and their approach to and concerns with their licensing duties.

In July, staff interviewed each stakeholder group to solicit their concerns and suggestions. On August 18, 2014, Work Group members and staff met in Olympia to discuss issues identified by each stakeholder group to streamline processes and policies, improve training and information flow, and potential technological opportunities, and to identify potential recommendations.

Staff presented a study update at the July 24<sup>th</sup> JTC meeting in Renton; and the following observations and potential recommendations at the September 18<sup>th</sup> JTC meeting in Yakima.

### **Observations and Potential Recommendations**

Observations from stakeholder interviews and discussions included the following:

- widespread frustration with the antiquated and inflexible technology of DOL's Vehicle Field System (frustration shared by Auditors, Subagents and DOL);
- the volumes of paper work required in current licensing processes, and the resulting paper management, physical retention, staffing and cost-related issues;
- the need for improved training for Auditor, Subagent and DOL staff; and
- the unique differences among counties, suggesting a "one size fits all" approach may not be appropriate to address every county's situation.

There was widespread optimism regarding DOL's recent collaborative efforts to improve licensing processes and staff training, and the potential for TechMod to modernize processes, reduce paper handling requirements, and provide other efficiency improvements.

Draft potential recommendations from this study are described below.

Streamline licensing processes. These recommendations require DOL to work with Auditors and Subagents to:

1. Convene a Lean event or other process improvement to reduce paperwork requirements.
2. Explore ways to reduce mailing costs, including alternative means or carriers to transmit documents.
3. Explore more efficient inventory delivery from DOL to Auditors and Subagents.

Improve training and communication

4. Improve DOL staff training to ensure the Vehicle Support Center provides consistent and timely answers, and consistent training is provided to Auditors and Subagents.
5. Smaller counties would benefit from more frequent training opportunities.
6. Auditors should periodically visit Subagents, and DOL should periodically visit Auditors and Subagents.
7. DOL should increase face-to-face interactions with Auditors and Subagents.
8. DOL should provide consistent fraud detection training for Auditors and Subagents, and utilize them to identify potential fraud issues.

Process improvements

9. Auditors should work with Subagents and DOL on guidelines for Auditor supervision of Subagents.
10. Auditors, Subagents and DOL should meet annually for training, and to discuss opportunities for process improvements.
11. Consider efficiency opportunities associated with elimination of periodic plate replacement.
12. DOL should improve response times for calls to the Vehicle Support Center, and consider using Live Chat or Instant Messaging.
13. DOL will research issues regarding signature requirements for title work.

Technology modernization

14. DOL should consider a TechMod newsletter to Auditors and Subagents to keep them informed of design, implementation and training opportunities.
15. TechMod may address current issues regarding the need for a dedicated terminal data line for titling and registration work, and provide opportunities for significant reductions in paper transactions

A number of suggestions were considered but not recommended by the Work Group, including evaluating the use of bar code technology to replace vehicle tabs, collect tolls, measure VMT, and other tasks; requiring title work to be conducted either by the public sector or the private sector but not both; removing Auditors from Subagent supervision; eliminating the requirement for Auditors to audit Subagents; allowing auto dealers to do their own vehicle title work; and making all titles "quick titles".

### **Next steps**

A draft report will be distributed to Work Group members in October for comment.

The draft final report is due to the Transportation Committees by December 1, 2014. Study materials can be found at <http://www.leg.wa.gov/JTC/Pages/TitlingRegProcessStudy.aspx>

<b>Study origin:</b>	2014 Transportation Budget, ESSB 6001, Sec. 204(7)
<b>Appropriation:</b>	Within existing funds
<b>Project Manager:</b>	Gene Baxstrom (360) 786-7398, with Mary Fleckenstein (360) 786-7312, back-up
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## **Driver education: online pilot project, and improved safety for novice drivers**

The Legislature directed the JTC to coordinate a Work Group to:

- develop parameters for and make recommendations regarding a pilot program that would allow students to meet traffic safety education requirements online, and
- make recommendations related to requiring driver training for individuals between the ages of eighteen and twenty-four who have not previously passed a driver training education program, or other methods of enhancing the safety of this high-risk group.

A final report of the study's findings is due to the to the transportation committees of the House of Representatives and Senate by December 1, 2014.

### **Background**

Currently in Washington, persons under 18 years of age applying for a driver's license must complete a driver education course offered by a school district or licensed commercial driver training school. Courses must include at least 30 hours of classroom training and at least 6 hours of behind-the-wheel instruction. A survey of other states found 16 states approve online courses as an alternative to traditional classroom driver education.

In contrast, novice drivers 18 years and older must pass only the knowledge and skills examinations to receive an unrestricted driver license. A number of other states have requirements for novice drivers over 18 years of age, including an instructional permit during a training period, a relatively short driver education course (classroom or online) for license eligibility, and application of graduated driver license restrictions for the initial period of licensure.

Data from Washington State's 2013 Strategic Highway Safety Plan, also known as Target Zero, shows that young drivers (ages 16 to 25) made up 14% of Washington's licensed drivers, but were involved in crashes leading to 35% of traffic fatalities and 38% of serious injuries.

### **The JTC study**

The study was conducted by JTC staff with assistance from staff of the House and Senate Transportation Committees, the legislative caucuses, Department of Licensing (DOL), Traffic Safety Commission, and Office of Financial Management.

The stakeholder Work Group appointed to assist in the study includes Senators Lias and Rolfes, Representatives Hayes and Ryu, and representatives of commercial driving schools, public school driver education programs, DOL, Traffic Safety Commission, Washington State Patrol, Superintendent of Public Instruction, AAA, and Farmers Insurance.

The study began with a survey of Work Group members to establish a preliminary framework for evaluating online driver education and other safety initiatives for young novice drivers. This information was presented to the JTC at its May meeting in DuPont.

The Work Group met twice to view presentations on background information and to discuss pilot project parameters. At these meetings, briefings were provided on current requirements for getting a driver's license, young driver safety statistics, DOL efforts to update the driver education curriculum, and survey results of other states' initiatives. Participants also viewed live demonstrations of two online driver education programs. To supplement information presented to the Work Group, JTC staff also conducted a literature review of research on what is known about the links between driver education and safety outcomes.

## **Draft Findings and Recommendations**

Findings of the study include the following:

- The youngest drivers have the highest crash rates, but there are safety gains to be made for all young drivers up to 24 years of age.
- The quality of an online course can be regulated by course criteria or performance outcomes.
- A blend of classroom and online learning offers opportunities to improve educational outcomes.
- Driver education, as a stand-alone policy, has not been proven to reduce collisions. As part of a multi-pronged safety approach, however, getting more of the youngest drivers in traffic safety education also sets them on the Intermediate Driver License pathway to licensure, which has been shown to reduce collisions for 15 to 17 year olds.
- Washington’s current knowledge and skills tests may be too easy, and may need to be strengthened.
- Affordability of driver education courses is most effectively increased by subsidy programs.

Recommendations from the Work Group include the following:

### **18-24 year olds**

- The Work Group believed that safety gains were paramount for these older novice drivers, as this population has not been targeted by safety initiatives.
- The state should adopt a requirement that novice drivers between 18 and 24 take a short online driver education program, including behind-the-wheel hours.
- This should be a permanent program not a temporary pilot.

### **15-17 year olds**

- For 15 to 17 year olds, the Work Group was divided on the adoption of online driver education. They recommended instead delaying implementation of online education for this age group, in part to apply lessons learned from an online driver education requirement for the older age group.
- For the youngest novice drivers who already receive driver education, the Work Group viewed increased accessibility and affordability as the objective of an online driver education program.
- Given the concerns about online educational tools expressed by several Work Group members, any new online initiative must demonstrate that it doesn’t worsen existing safety outcomes.

### **Next steps**

The Draft Report will be available for review and comment by October 1<sup>st</sup>. At the October 16<sup>th</sup> JTC meeting in Tacoma, staff will present the Executive Summary of the draft report. Comments received from JTC and Work Group members will be incorporated into a final draft report for JTC approval in December.

Study materials can be found at <http://www.leg.wa.gov/JTC/Pages/On-lineDriversEducation.aspx>

<b>Study origin:</b>	2014 Transportation Budget, ESSB 6001, Sec. 204(8)
<b>Report:</b>	Due December 1, 2014
<b>Appropriation:</b>	Within existing funds
<b>Project Manager:</b>	Beth Redfield (360) 786-7327, Mary Fleckenstein (360) 786-7312, back-up
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