

A stylized graphic of a road with a dashed yellow center line and solid blue outer lines, curving upwards and to the right. The background is a solid green color.

WASHINGTON STATE ROAD USAGE CHARGE ASSESSMENT

*UPDATE ON FORWARD DRIVE
RESEARCH PROGRAM*

WHAT IS THE PROBLEM?

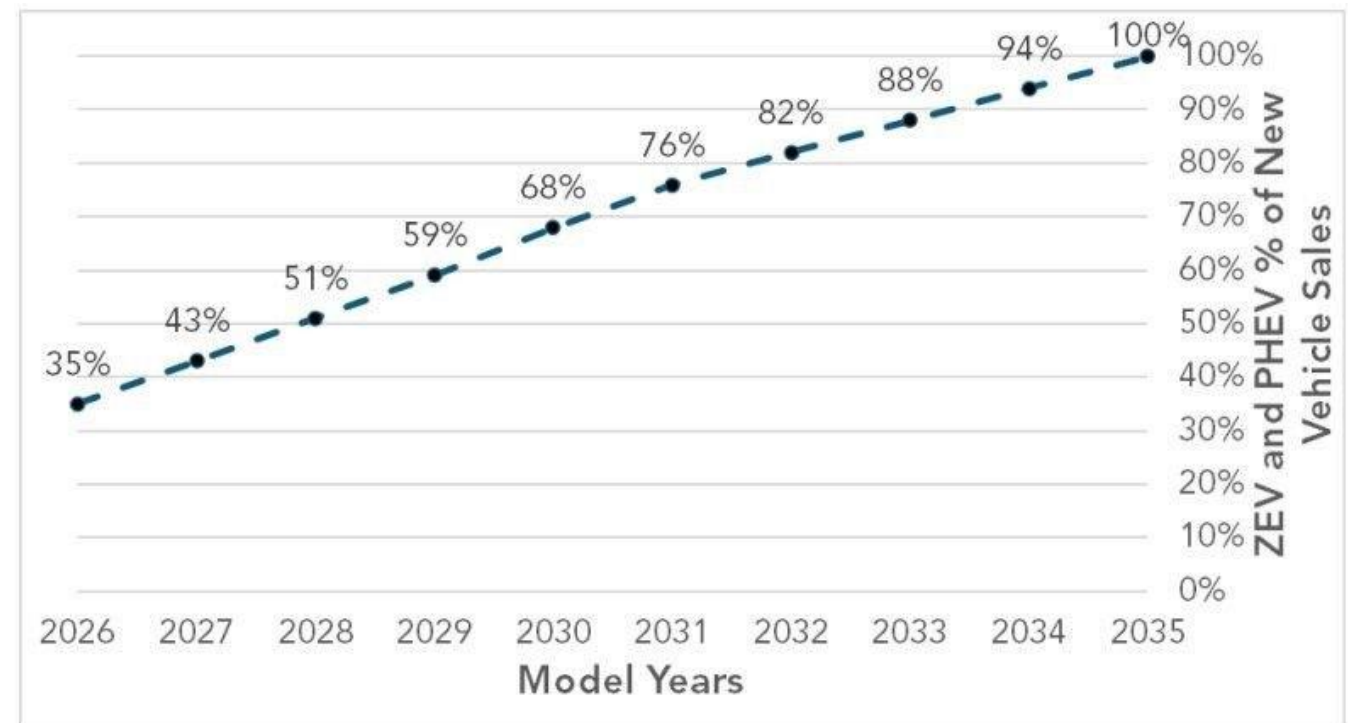
**Taxing fuel is no longer a reliable,
equitable source of funding**

ELECTRIC VEHICLE ADOPTION IS ACCELERATING NATIONALLY AND IN WASHINGTON

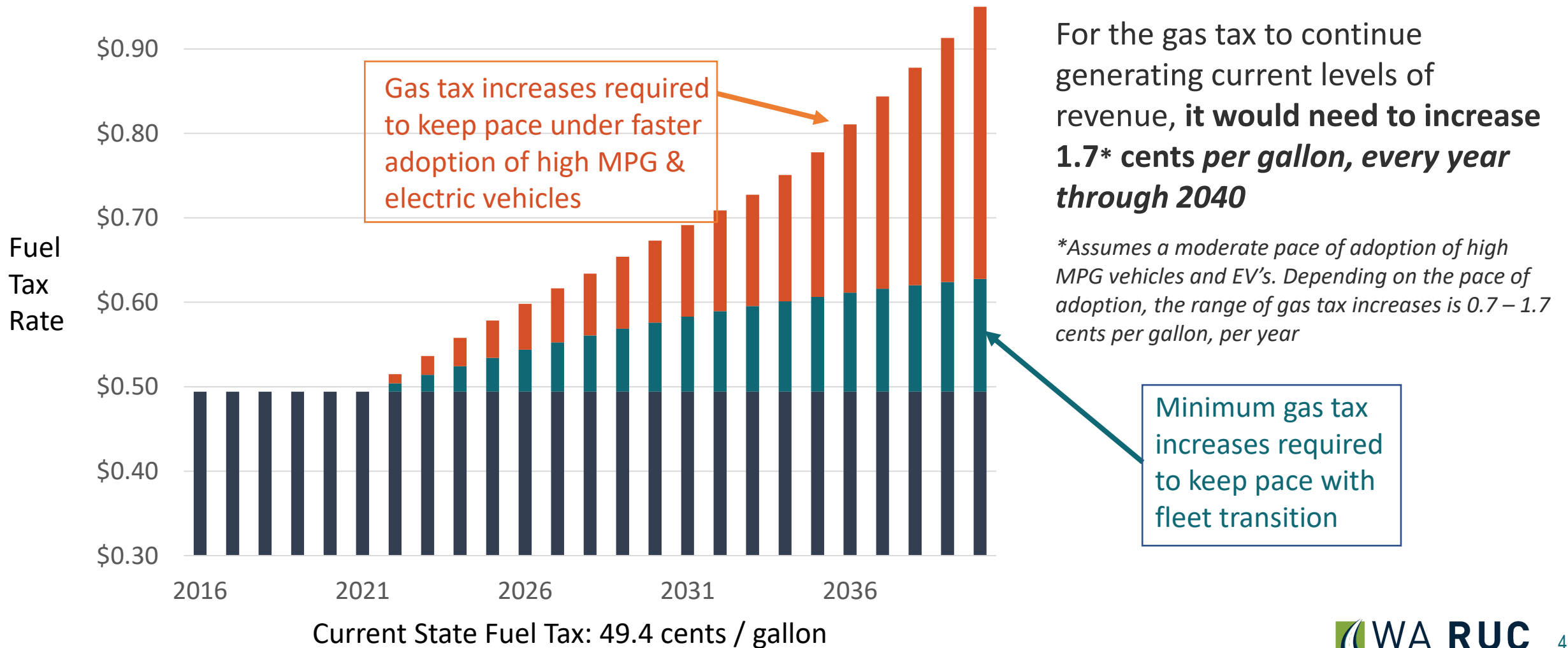
Washington ranks 2nd nationally (behind California) in EV market share:

- ✓ **11%** of new vehicles registered to date in 2022 in Washington are electric or plug-in hybrid electric
- ✓ As of July 2022, Washington has over **100,000** registered EVs and PHEVs, about 1.5% of the passenger vehicle fleet

Washington adheres to California's zero-emission vehicle mandate which calls for all new sales by 2035 to be zero-emission



PRESERVING CURRENT REVENUE LEVELS OF THE GAS TAX WILL REQUIRE FREQUENT INCREASES



THE ROAD TO SUSTAINABLE FUNDING



Washington State's RUC research enters 10th year

WASHINGTON'S PATH TOWARD A ROAD USAGE CHARGE

2012 – 2015

INITIAL ASSESSMENT & CONCEPT DEVELOPMENT

- 2012 Legislature directs Commission to conduct RUC Assessment
- Convened Steering Committee
- Crafted Guiding Principles
- Determined feasibility
- Developed operational concepts
- Conducted business case analysis
- Designed pilot alternatives

2016 – 2020

PILOT TESTING & POLICY ANALYSIS

- Conducted statewide pilot test with 2,000+ drivers
- Tested multiple mileage reporting methods
- Demonstrated interoperability with OR, ID, BC
- Conducted widespread outreach
- Addressed 10+ policy issues through analysis and alternatives
- Issued recommendations

2021 – Present

SYSTEM READINESS & CONTINUED RESEARCH

- Legislative proposals emerge
- Updating financial analysis
- Assessing equity impacts and conducting statewide outreach
- Exploring service options and operational innovation
- Developing cost reduction strategies
- Designing mini-pilot tests for emerging concepts

State funded

Federally funded



2022 SITUATION ASSESSMENT

✓ **Systems are ready:**

After nearly a decade of research and development, Washington has the ability to implement a small-scale RUC program

✓ **Privacy can be protected:**

Offering non-GPS approaches and privacy protections in law are key. The only additional data needed to implement RUC is a periodic odometer reading

✓ **RUC harmonizes transportation funding and climate policy objectives:**

RUC enables us to sustain usage-based funding without continuing to rely heavily on fossil fuel consumption and emissions

✓ **RUC offers savings for low-income drivers:**

The lowest-income vehicle owners in Washington pay the most in gas taxes because they tend to own older, less fuel-efficient vehicles. RUC can shift the tax burden to be more equitable

✓ **Further research and testing reduces costs and improves user experience:**

Research completed in 2021, along with mini-pilots coming in 2022, will culminate in a comprehensive roadmap for transitioning to RUC. This transition begins with enactment of a small-scale RUC program as early as 2023

RESEARCH INFORMS POLICY QUESTIONS ABOUT FINANCIAL IMPACTS



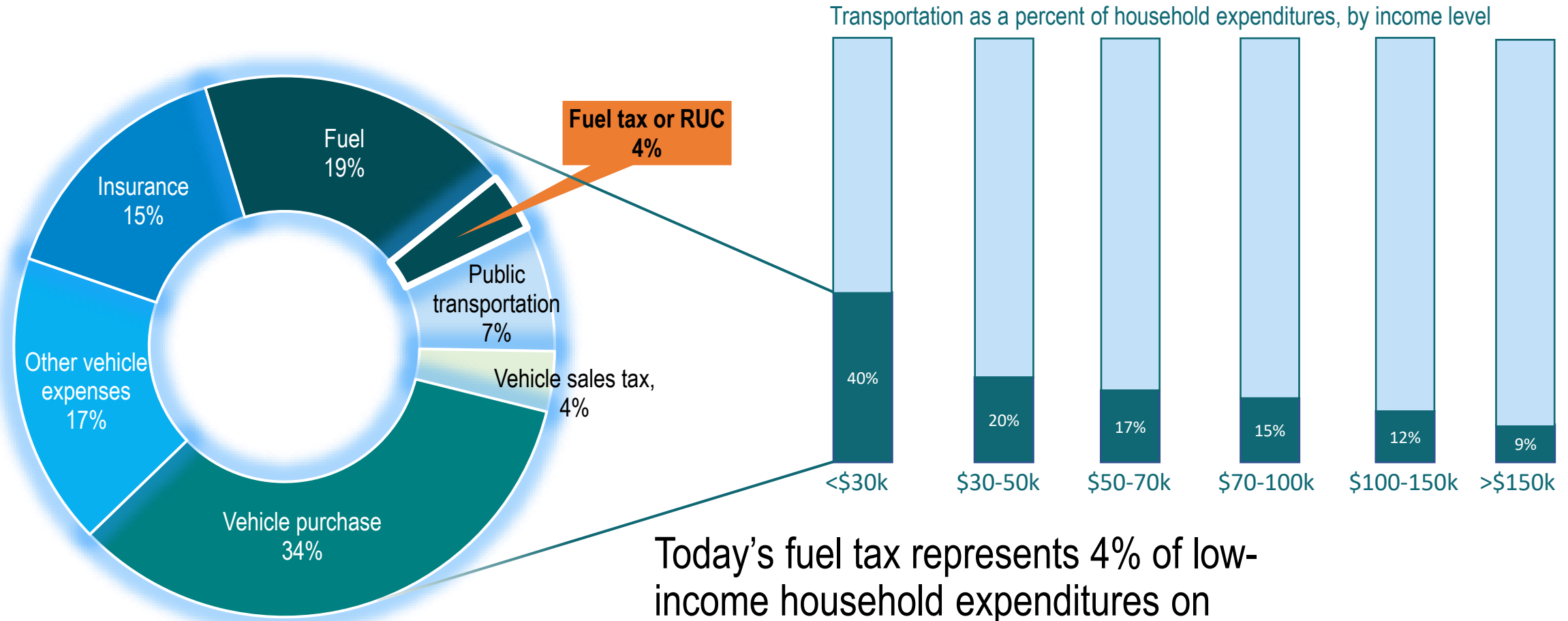
**Rural and low-income households stand to
benefit under a RUC**

LOW-INCOME & RURAL HOUSEHOLD FINANCIAL IMPACT ANALYSIS

- Fuel tax currently amounts to **1.4%** of total low-income household expenditures, on average
- Under RUC, the average low-income household would save a modest amount, compared to the gas tax (<\$10 per year savings)
- Rural households would also save under a RUC compared to the gas tax, on average around \$25 per year



TRANSPORTATION TAXES ARE A RELATIVELY SMALL PROPORTION OF HOUSEHOLD COSTS



Today's fuel tax represents 4% of low-income household expenditures on transportation, but will increase as fuel taxes increase.

LOWER INCOME HOUSEHOLDS PAY MORE IN FUEL TAXES & WILL SEE REDUCTIONS UNDER A RUC

Census tract average household income	Census tract average MPG	Fuel tax per 10,000 miles driven	RUC per 10,000 miles driven	Change under RUC
Less than \$50k	20.0	\$247	\$240	↓ \$7
\$50-75k	20.1	\$246	\$240	↓ \$6
\$75-100k	20.5	\$241	\$240	↓ \$1
\$100-150k	21.4	\$231	\$240	↑ \$9
Over \$150k	22.6	\$219	\$240	↑ \$21

2022 PILOT PREPARATIONS



Testing offers opportunities for drivers to experience RUC policy and design choices and tradeoffs

Objectives of research



User Experience

Understand the user experience to enhance RUC program design



Cost Reduction

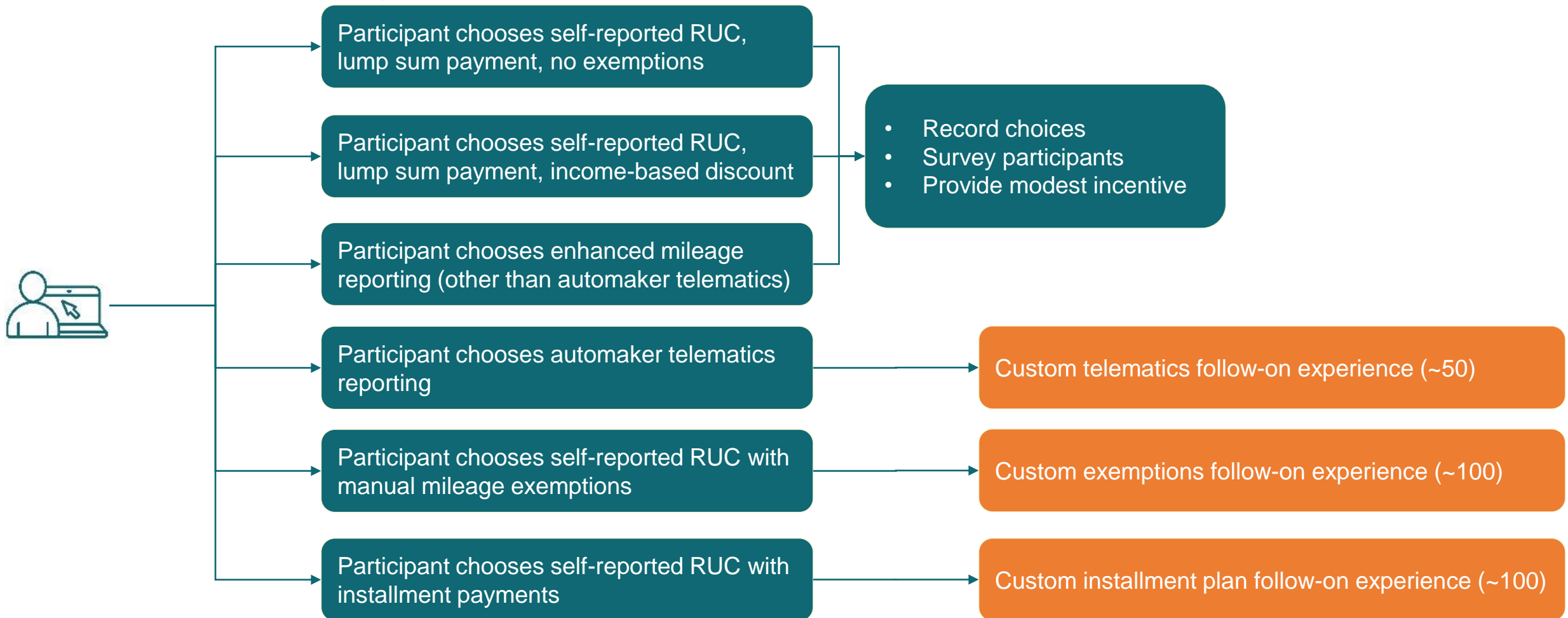
Identify and demonstrate viable approaches to reducing cost of collection



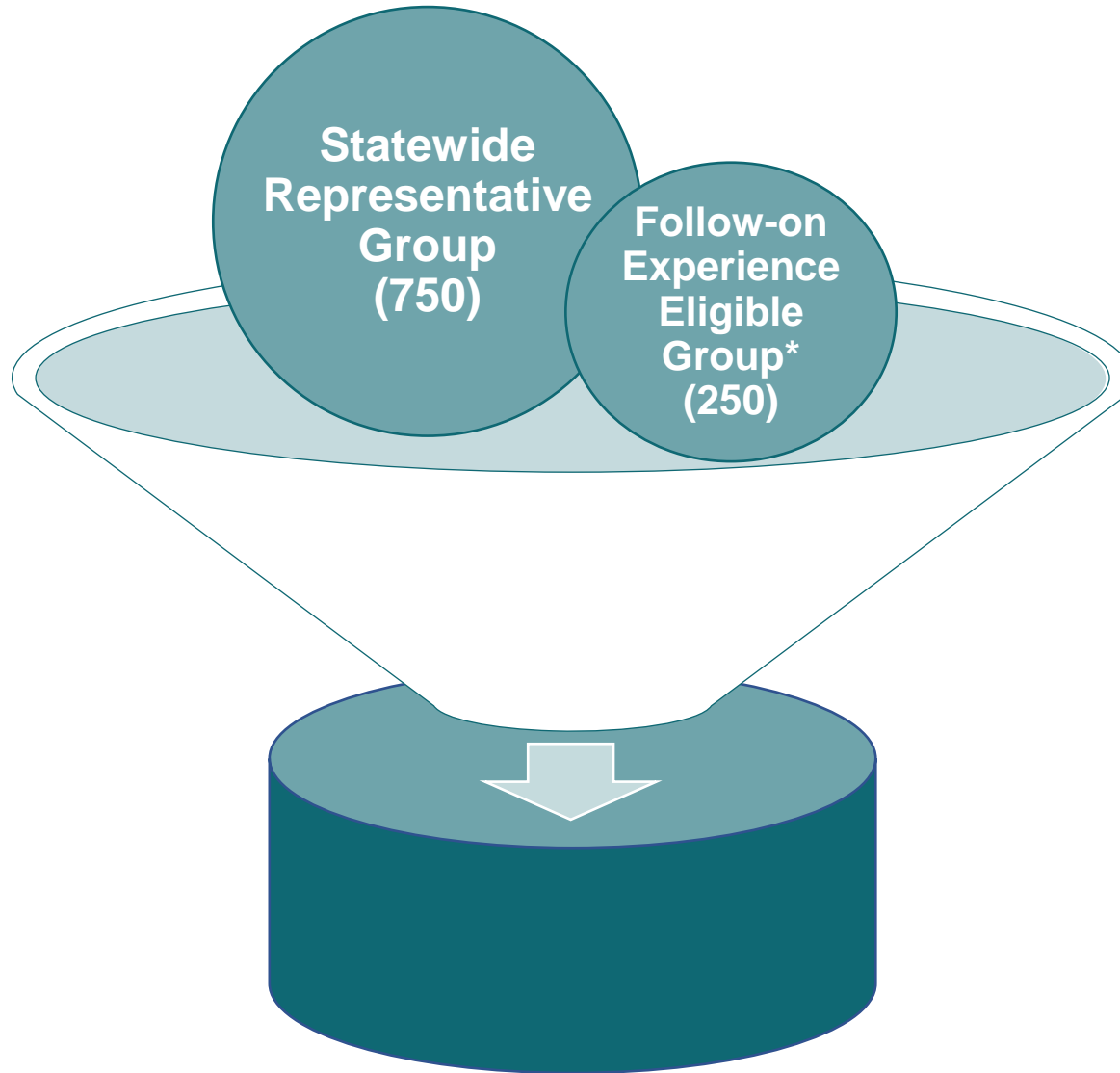
Equity

Incorporate equity through policy and system design

2022 Pilot Participant Experience



Recruitment Approach



*Follow-on Experience Participation

- **Installment payments** (up to 100)
- **Telematics** (up to 50)
- **Manual mileage exemptions** (up to 100)

Recruitment Approach

Statewide Representative Group

- Seeking 750 participants in a coordinated sample that reflects the full statewide population
- Focus areas for creating a statewide sample
 - Geography (urban, rural)
 - Location (East, West, etc.)
 - Race and ethnicity
 - Age
 - Gender
 - Marital status
 - Income
 - **You!**



2022 Pilot Schedule





**For more information on
Washington State's RUC Assessment
visit:**

www.waroadusagecharge.org

CONTACT INFORMATION

Reema Griffith, Executive Director
Washington State Transportation Commission
griffir@wstc.wa.gov
360-705-7070

Consultant support provided by:

