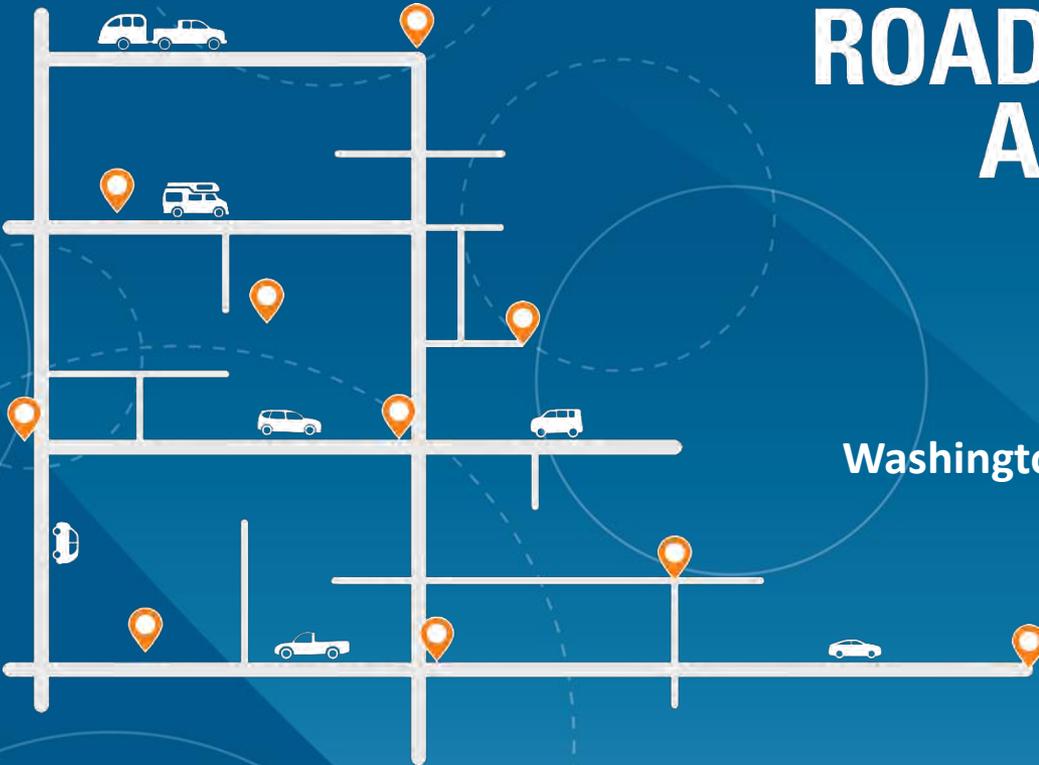


# WASHINGTON STATE ROAD USAGE CHARGE ASSESSMENT

Reema Griffith  
Executive Director  
Washington State Transportation Commission

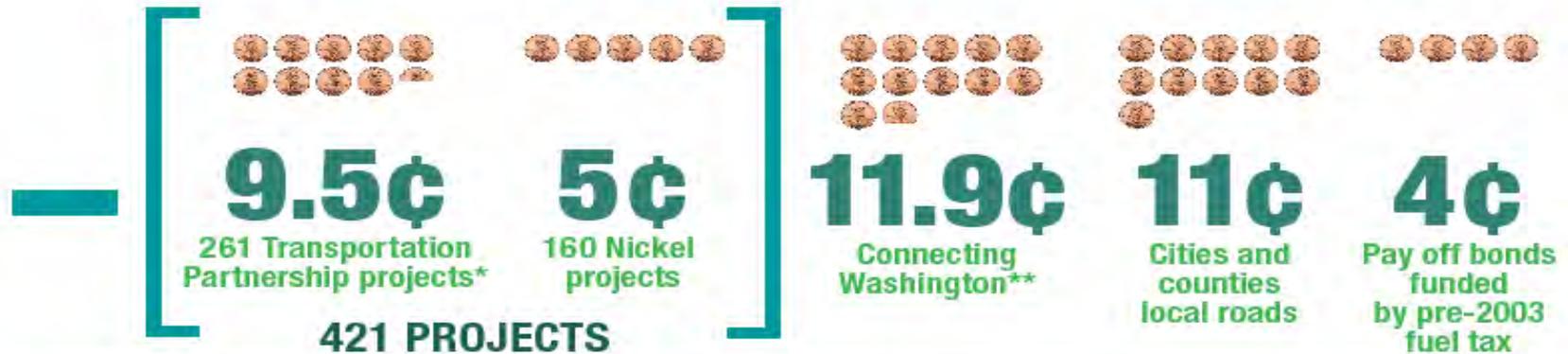


The background is a solid blue color. It features several overlapping circles of varying sizes, some with solid white outlines and others with dashed white outlines. A diagonal stripe of a slightly darker shade of blue runs from the bottom-left towards the top-right, passing behind the text.

# **WASHINGTON STATE'S TRANSPORTATION FUNDING DILEMMA**

# Gas Tax Breakdown

**49.4¢ PER-GALLON STATE FUEL TAX**



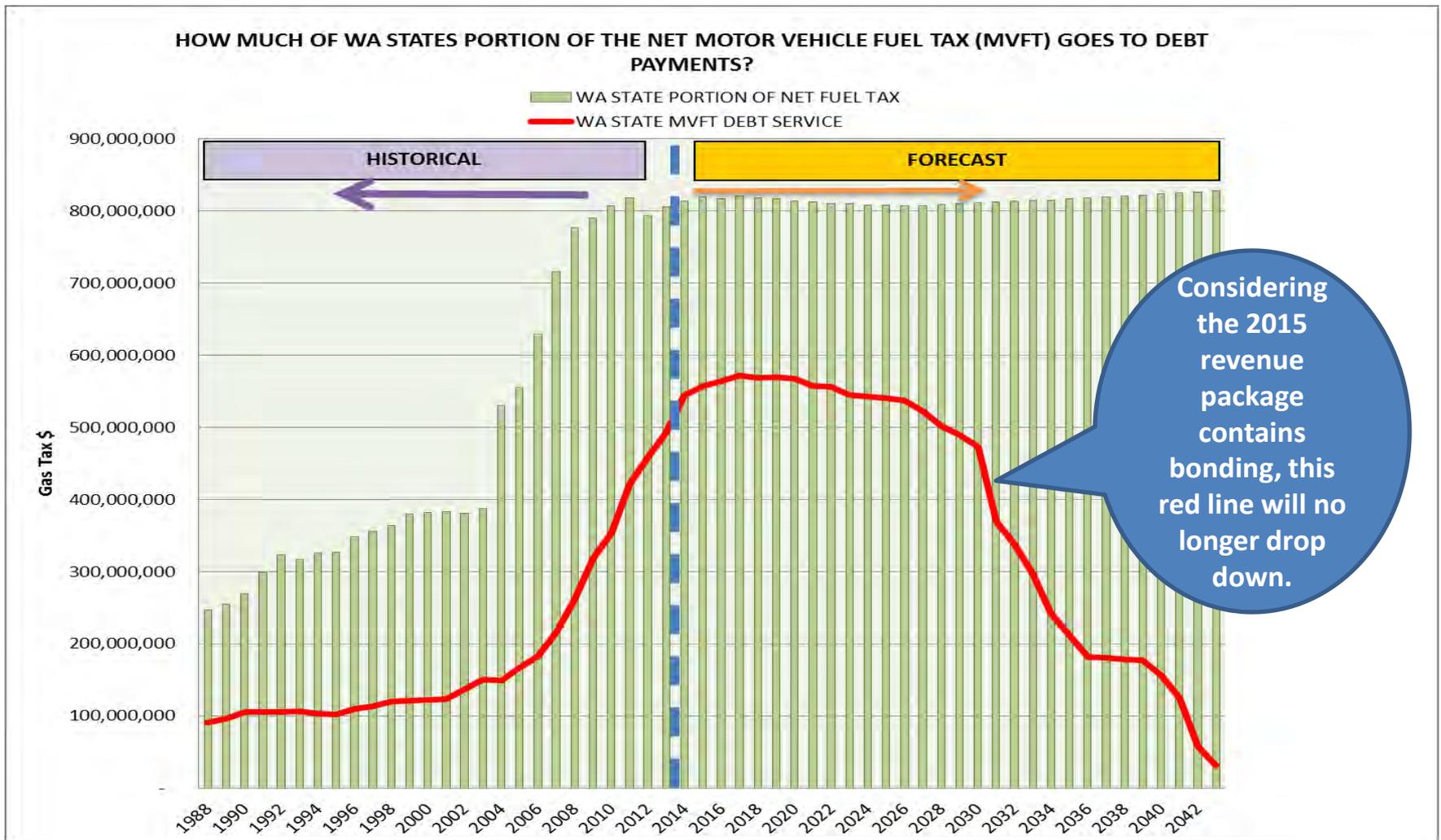
**= 8¢** Available for use on state highways, bridges and ferries:

- maintenance and operations
- preservation
- safety improvements

\* Of the 9.5 cents, 8.5 cents is used by the state for highway projects, 1 cent goes to cities and counties for street and road improvements.

\*\* The 11.9-cent gas tax increase will be phased in over the next two years. The first 7.0-cent increase occurs on August 1, 2015, followed by a 4.9-cent gas tax increase on July 1, 2016.

# Over the next 13 years, approximately 70% of Washington State's current net portion of fuel tax revenue is obligated to pay for the long-term debt associated with financing past transportation projects



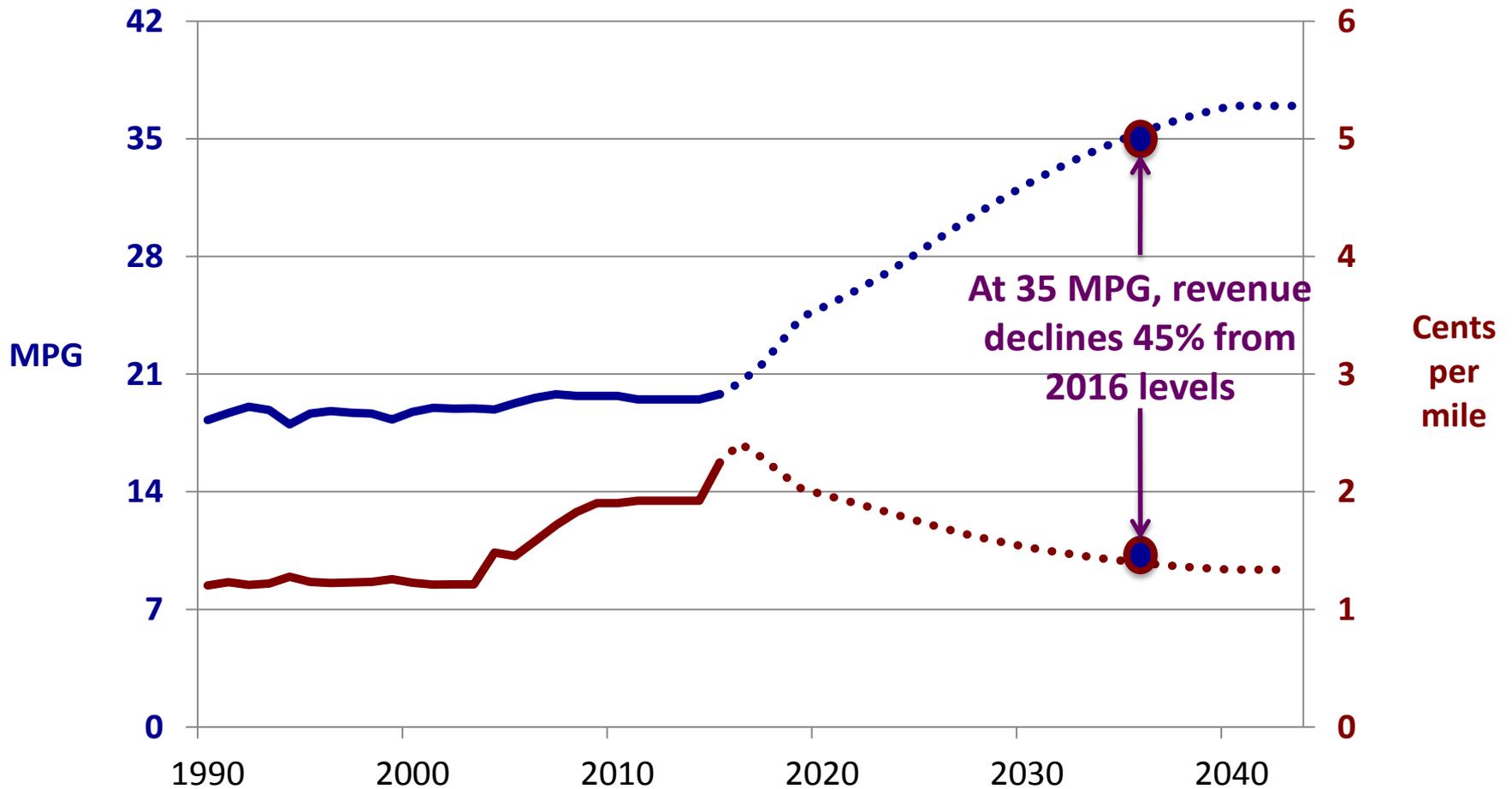
NOTE: this information reflects debt obligations prior to the 2015 revenue package

# The Fuel Efficiency Bar Continues to Rise

- Current Federal CAFÉ Standards:  
**54.5 MPG by 2025**
- The Federal Energy Information Administration conservatively predicts:
  - All **NEW** cars in 2040 =  
**48 MPG**
  - All cars (**new and old**) in 2040 =  
**37 MPG**
- Washington State's Current Average MPG = **19.5 MPG**



# Improving Vehicle MPG Threatens Our Gas Tax Revenues



*State fuel tax rate increases in 1990, 2003, 2005-2008, and 2015-2016*

# The Road Usage Charge Emerges

A road usage charge is a per mile charge drivers would pay for the use of the roads, rather than paying for them by the gallon of gas.

Identified as a viable future funding source in need of further exploration.



# Road Usage Charge Assessment

**Since 2012, the State Transportation Commission has led the RUC effort in Washington State. A 25-member steering committee was established as follows:**

**Three Commissioners – One Serves as Chairman**

**Eight Legislators – four from Senate and four from House of Representatives**

**Representatives from:**

- Auto and light truck manufacturers
- Ports
- Environmental
- Counties
- Trucking industry
- Cities
- Public transportation
- Consumer/Public
- WSDOT
- Department of Licensing
- Motoring public
- Business
- User fee technology
- Treasurer's Office

# The Basis of the Assessment

- Identify and develop a sustainable, long-term revenue source for Washington State's transportation system, and to transition from the current motor fuel tax system.
- Ensure there is consumer choice on how mileage information can be collected and paid for.
- During the transition period of moving from the gas tax to a road usage charge, drivers would only pay one or the other, but never both.
- For purposes of assessing the gas tax against a road usage charge, we have assumed revenue neutrality and focused on net revenue potential for both.

# Four Ways to Collect a RUC From No Tech. to High Tech.

We have focused on four operational concepts to assess a road usage charge system:

- **Time Permit:** a flat fee to drive an unlimited number of miles for a given period of time (month or year).
- **Odometer Charge:** A per-mile charge measured by odometer readings.
- **Automated Distance Charge:** A per-mile charge measured by in-vehicle technology that can distinguish between in-state and out-of-state travel with periodic billing.
- **Smart Phone Application:** a smartphone application would be used for total mileage collection.

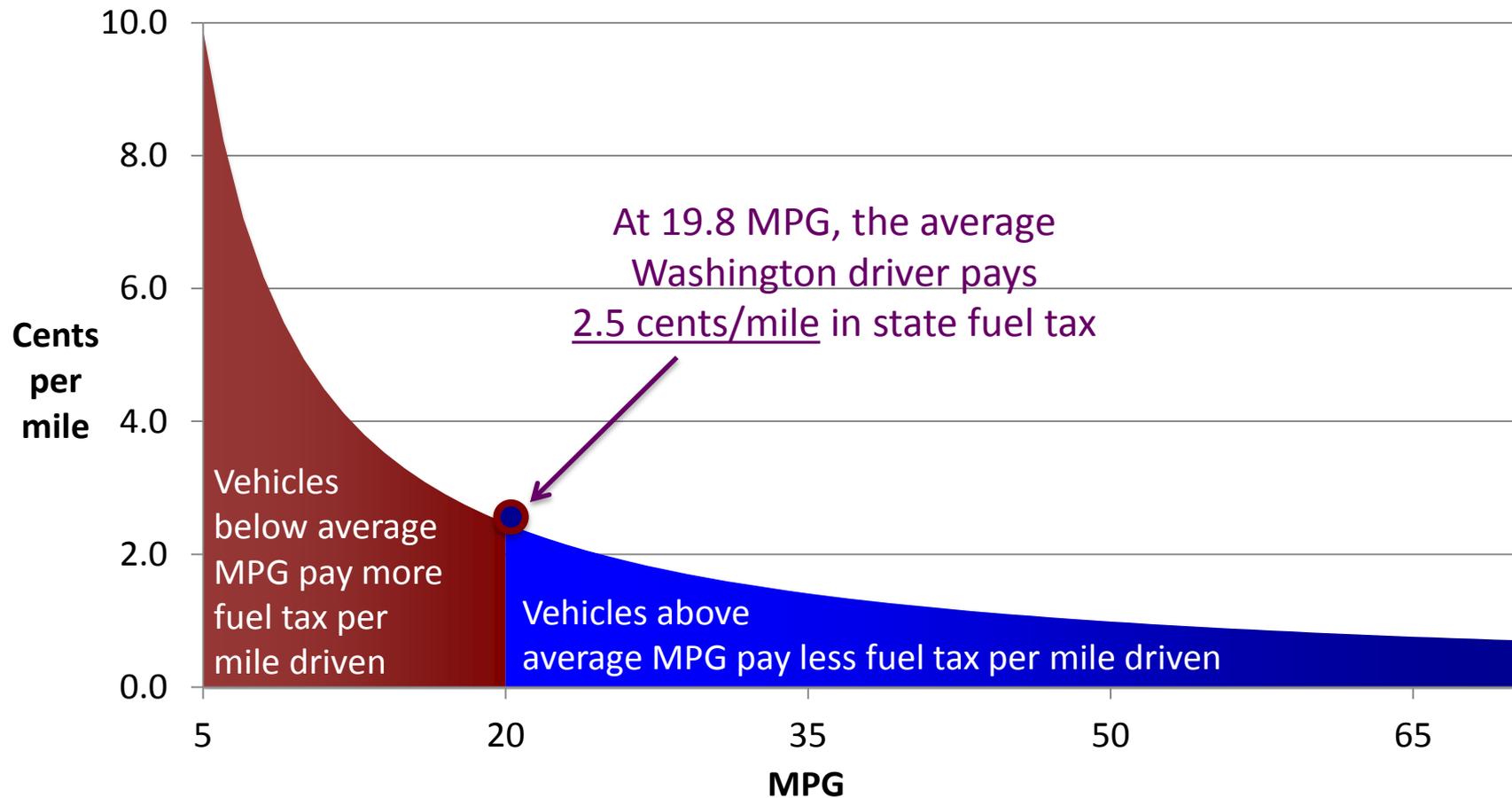


The background of the slide is a solid blue color. It features several white circles of varying sizes, some of which are dashed lines. A prominent diagonal stripe, also in blue but slightly darker, runs from the top-left towards the bottom-right, crossing through the center of the slide.

# KEY FINDINGS TO DATE

# Taxing Gallons Has Real Fairness & Equity Challenges

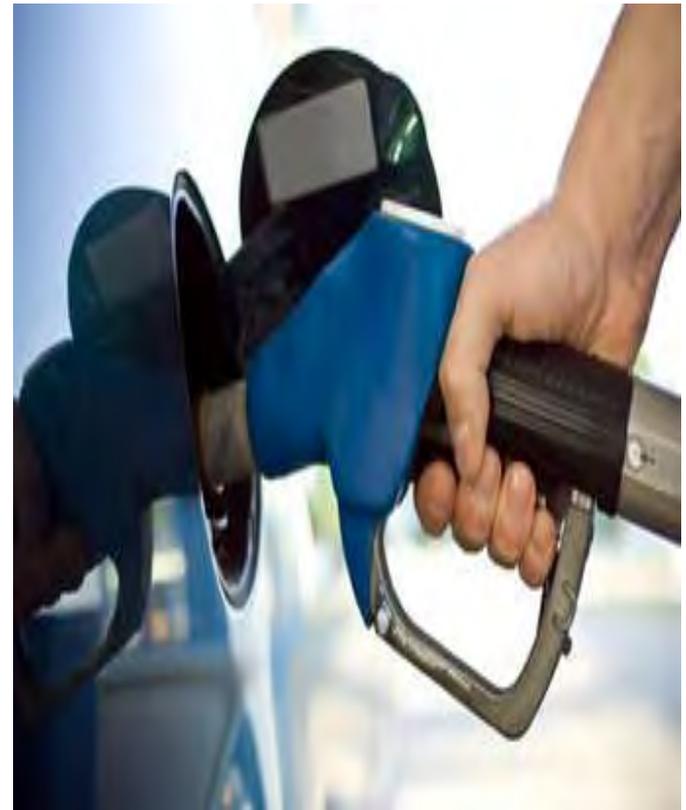
Per-mile revenue from 49.4 cents/gallon fuel tax, by vehicle MPG



# Even With Annual Gas Tax Increases Revenue Will Not Keep Up With Needs

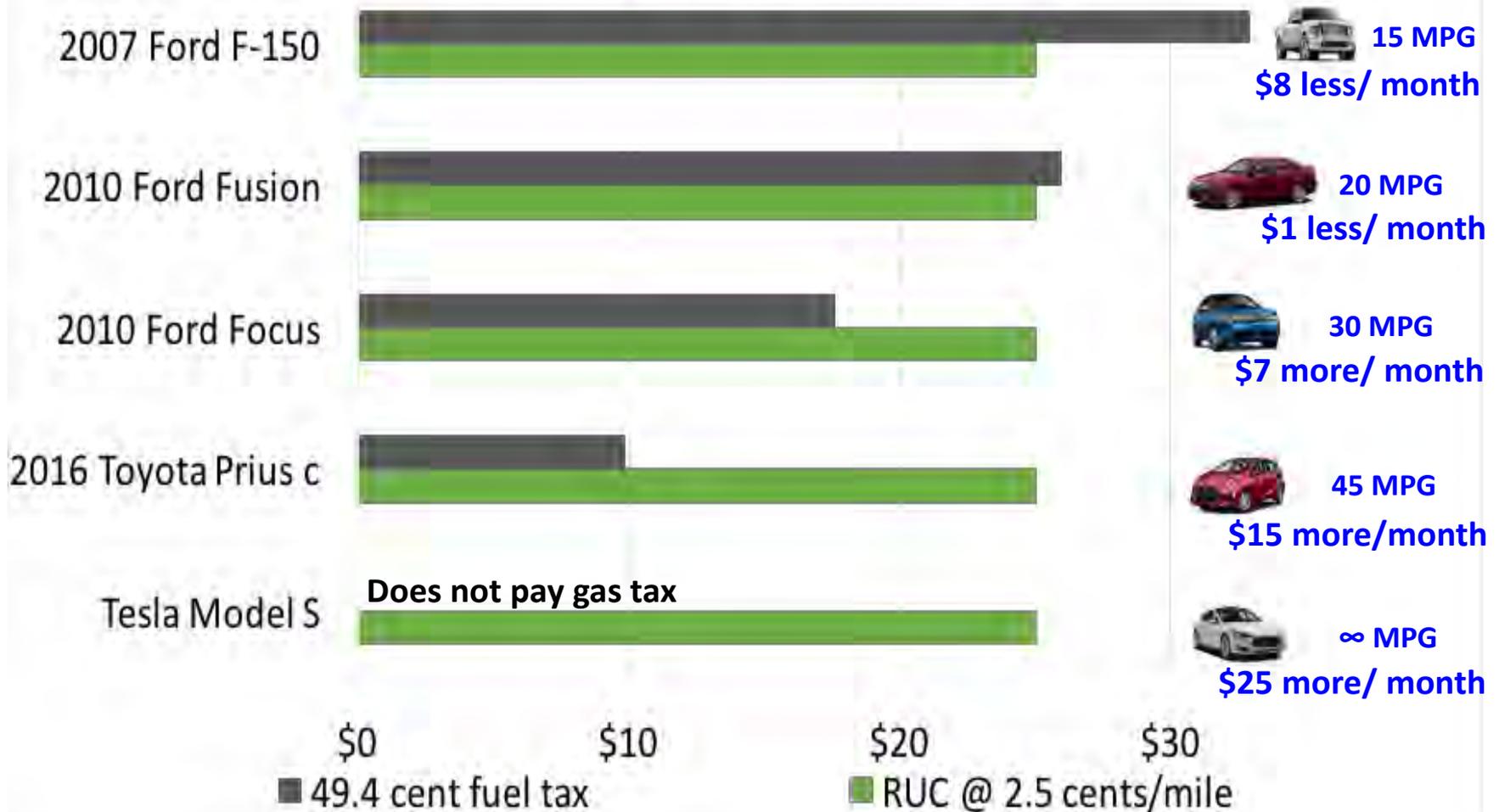
The fuel tax would have to be raised about **1.5 cents per gallon, per year on all vehicles from 2019-2043** in order to equal net revenues from a road usage charge of 2.5 cents per mile.

This estimation would not address growing needs for improvements or maintenance – it **would just keep funding at status quo levels.**



# WHAT You Drive Will Determine RUC Cost Impacts

Cost of fuel tax or RUC at 1,000 miles/month



# Out of State Drivers

To distinguish between travel on Washington public roads and other roads (e.g., outside the State & private roads), the use of location based technology will be needed.

Need to be able to charge people from out of state for use of roads.

- Keep the gas tax in place as a parallel system to the road usage charge.
- Drivers will pay either the gas tax or the road usage charge – but **not both**.



# What Lies Ahead?

- Its time to put the idea of a road usage charge to the test.
  - Will it work in real world terms?
  - Are there fatal flaws the conceptual study missed?
  - What does the public think?
- A pilot project will allow residents to experience RUC and give feedback.
- The State Legislature has provided funding and a directive to develop a pilot project implementation plan in 2016.
- The 2015 Federal FAST ACT created a grant program for states to do RUC pilot projects. We have applied for those dollars.
- If we receive the necessary funding, we will be prepared to do a statewide, 2000 participant pilot project in 2017.



The background of the slide is a solid blue color. It features several white circles of varying sizes, some of which are dashed lines. A diagonal stripe of a slightly darker blue shade runs from the bottom left towards the top right.

**THANK YOU**

**CONTACT INFORMATION**

**Reema Griffith, Executive Director  
Washington State Transportation Commission  
[griffir@wstc.wa.gov](mailto:griffir@wstc.wa.gov)  
360-705-7070**