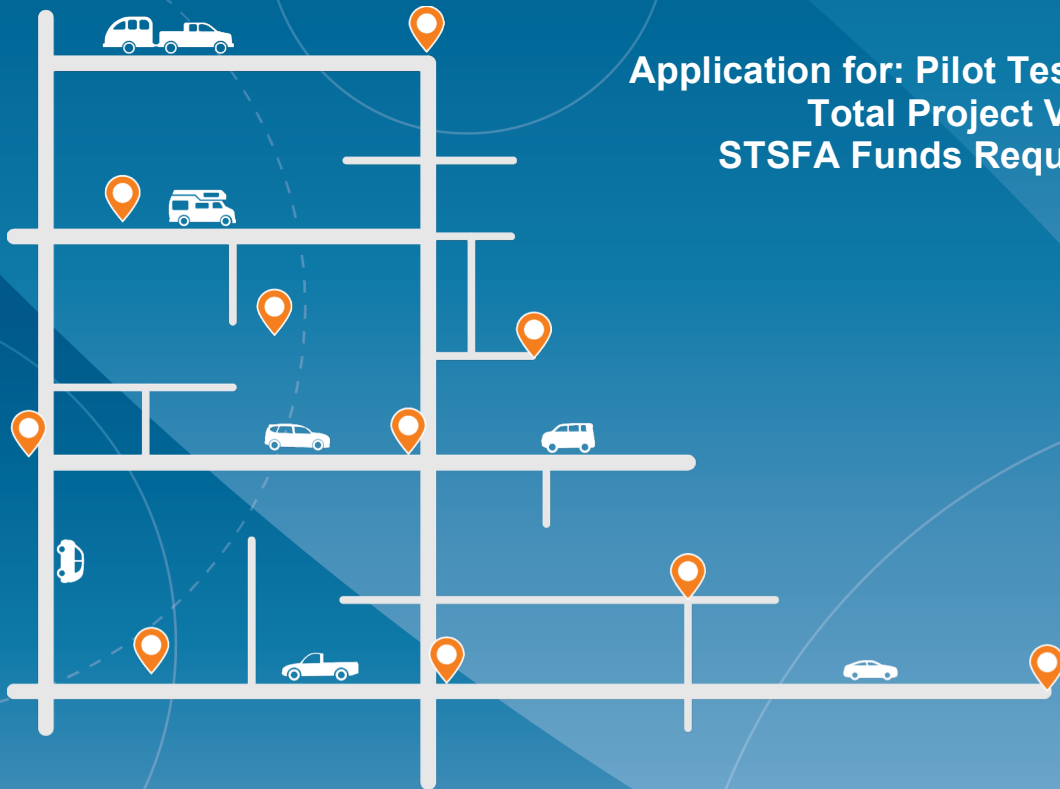


# Washington State Road Usage Charge Pilot

U.S. Department of Transportation  
*Surface Transportation System Funding Alternatives (SFSTA)*  
Notice of Funding Opportunity Number DTFH6116RA00013  
Application Due Date: May 20, 2016



Application for: Pilot Test (2017 launch)  
Total Project Value: \$19.735M  
STSFSA Funds Requested: \$7.497M

**Submitted by:**

Washington State Department of Transportation

**Project Sponsor:**

Washington State Transportation Commission

**In cooperation with:**

Washington Department of Licensing + City of Surrey, British Columbia +  
Oregon Department of Transportation + Seattle Electric Vehicle Association

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# Washington State Road Usage Charge Pilot Project

(<http://www.wstc.wa.gov/StudiesSurveys/RoadUsage/RUC2013/default.htm>)

<b>Project Name</b>	Washington State Road Usage Charge Pilot Project
<b>Previously Incurred Project Cost</b>	\$ 3,695,827
<b>Future Eligible Project Cost</b>	\$ 16,038,834
<b>Total Project Cost</b>	\$ 19,734,661
<b>STSFA Request</b>	\$ 7,497,000
<b>Total Federal Funding (including STSFA)</b>	\$ 7,997,000
<b>Are matching funds restricted to a specific project component? If so, which one?</b>	No
<b>State(s) in which the project is located</b>	Washington, with participation from Oregon
<b>Is the project currently programmed in the:</b> <ul style="list-style-type: none"><li>• <b>Transportation Improvement Program (TIP)</b></li><li>• <b>Statewide Transportation Improvement Program (STIP)</b><ul style="list-style-type: none"><li>• <b>MPO Long Range Transportation Plan</b></li><li>• <b>State Long Range Transportation Plan</b></li></ul></li></ul>	Not programmed in any of these.

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# 1 Project Description

## 1.1 Executive Summary

Washington is perfectly positioned and ready to conduct a large-scale, public pilot project on alternative user-based revenue collection systems, having already invested six years in stakeholder engagement, research, policy development, financial analysis, and preliminary system design. Washington's cumulative cash and in-kind road usage charge (RUC) investments through May 20, 2016 total \$3,695,827, with approximately \$6.85 million in state funding that will be invested in IT system upgrades required to implement a RUC system in Washington. With \$7.497 million in funding from a STSFA grant, Washington will test critical elements of interoperable, multi-jurisdictional alternative user-based revenue collection systems. In the course of the demonstration, Washington will: (1) gather critical feedback from 2,000 Washington drivers on which methods and policies for assessing user fees are preferred, and (2) collaborate with relevant agencies within and beyond Washington to test and build the organizational and operational capabilities necessary to implement a RUC system capable of scaling to and interacting with multiple jurisdictions (e.g., local, federal, state and international) and expanding to incorporate additional user-fee concepts, such as single-payee systems for a wide range of transportation services.

Following from extensive stakeholder engagement and policy analysis conducted over the last six years, Washington proposes to conduct a pilot project comprising three mileage-based methods and one time-based method of road usage reporting: (1) periodic visual odometer inspections facilitated by a network of existing vehicle licensing sub-agents; (2) automated reporting using in-vehicle technology; (3) automated reporting using smartphone technology; and (4) a time-based permit that allows unlimited mileage for a fixed time and flat fee. Deployment of these four methods of road usage reporting will allow further assessment of public acceptance and sufficiency of privacy protections as well as providing an environment in which to innovate and advance the state of RUC practices by performing the following activities:

- ▶ Conduct the nation's first test of **international interoperability of a RUC system**. Washington's pilot project will feature volunteer motorists from Washington and neighboring jurisdictions in both the U.S. and Canada. Volunteers will **test several methods of reporting usage by non-residents, and the state will test methods of collection and reconciliation of payments among jurisdictions**. Washington will draw on recommendations from two recently completed studies funded by the Western Road Usage Charge Consortium (WRUCC) and led by Washington. This targeted test of interoperability will generate data that can be of benefit to any subsequent WRUCC regional test that may take place in the future, as well as any prospective federal user-based revenue initiatives.
- ▶ **Recruit, test, and evaluate a RUC system as an alternative to special license surcharges on plug-in electric vehicles (PEVs)**. This presents an opportunity to harmonize transportation energy and tax policy, resulting in more equitable road taxes for PEV drivers while capitalizing on the state's investment in IT systems to more accurately apply tax rates based on a vehicle's motive power.
- ▶ Explore opportunities to **leverage third-party enterprises that currently conduct vehicle-licensing activities** as a potential lower-cost method of reporting mileage in a RUC system.
- ▶ Co-develop our RUC pilot in parallel with deployment of the DOL's (Department of Licensing) new vehicle licensing information technology system. This will provide a much-needed

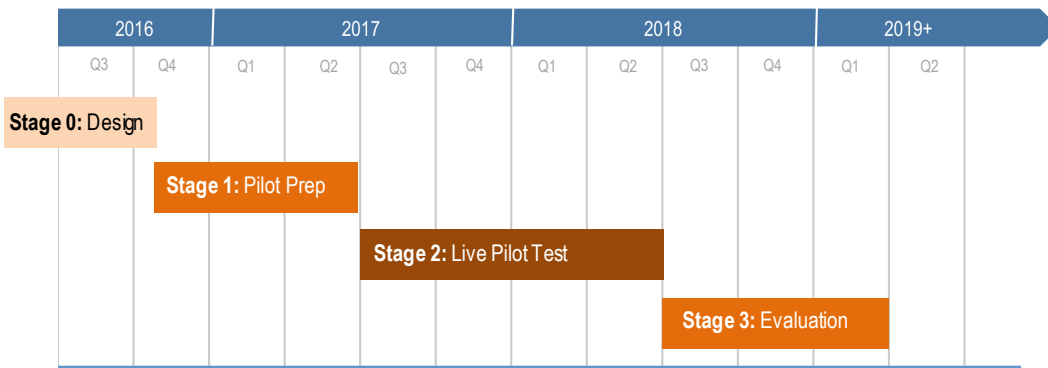
**blueprint for Washington and other states to incorporate RUC into vehicle licensing activities within state vehicle licensing departments.**

- ▶ Conduct a targeted hack-a-thon (or “codefest”) to draw talented programmers to solve a very specific issue related to RUC mileage reporting: an **owner-controlled smartphone app that accurately reports out-of-state mileage without compromising personal privacy.**

**1.2 Overview of Washington Pilot Project**

**Stage 0 Design** (precedes receipt of STSFA funding; to be funded from state appropriations): Beginning in June 2016, WSTC (Washington State Transportation Commission) will begin five months of work to update pilot system design and other details needed before initiating the pilot project. A qualified turnkey contractor will support implementation of the pilot project under the direction of WSTC. The detailed statement of work found in Section 4 will be executed once federal SFSTA funds are awarded and FHWA provides formal Notice to Proceed.

**Figure 1.1 Washington State RUC Pilot Project Timeline**



**Stage 1 Pilot Prep** covers the next eight months leading up to the July 1, 2017 pilot launch and will be consumed with final design and pilot preparations. Technical activities will include development of technical system documents; organizational design (including state agencies) to ensure all necessary functions are carried out during the pilot; procurement and contracting of private RUC account managers, technology vendors, and support service providers (including agreements with the statewide network of private vehicle licensing subagents); and setup and testing of mileage reporting devices, processes and accounting systems. A project-sponsored developers’ “hack-a-thon” event will take place over this period to develop a new smartphone app for out-of-state mileage reporting. Active collaboration with Oregon’s RUC system, OReGO, to test interstate mileage reporting and financial accounting interoperability will begin in this Stage. Simultaneously, Department of Licensing (DOL) will be in finalizing the new vehicle licensing field system. Increased coordination with the DOL will occur to help document how a RUC system can utilize DOL’s new IT system for vehicles for mileage-based revenue collection.

Communications activities are critical during Stage 1: public surveys and focus groups will be conducted to measure baseline public attitudes. Active outreach to the media, public officials, stakeholders and the general public is critical during this Stage. Finally, Stage 1 will include the recruitment of up to 2,000 Washington drivers to participate as volunteers in the pilot. Recruitment will be concentrated within five regions of the state that represent the state’s geographic diversity. Concentrating participation within these geographic regions will help ensure that necessary support services can be provided more effectively and economically than if participants are scattered throughout all areas of Washington. Volunteers from three special populations will be specifically recruited to participate: drivers from the City of Surrey, British

Columbia to test international interoperability; drivers residing in Portland, Oregon to test interstate interoperability between two states with active RUC systems; and plug-in electric vehicle (PEV) drivers in Washington state, to test an alternative to the current PEV flat-fee roadway funding mechanism.

**Stage 2 Live Pilot Test** formally begins with the July 1, 2017 launch of the pilot project. All participants will have the opportunity to choose the type of mileage reporting method they wish to use. Participation agreements will have been signed, including special provisions for a select group of pilot participants who will be asked to make actual RUC payments for their mileage driven, including miles in Oregon (these participants will be provided with a monetary stipend to facilitate their payment of RUC). A call center will be available for participants that have questions or difficulty activating their RUC mileage meter. Once enrolled and active in the pilot project, each participant will be paired with their own private account manager who will conduct all RUC calculations and provide periodic invoices (illustrative for most participants; payment due for those who agreed to make actual payments). For drivers, the Washington RUC pilot project will provide the nation's first live test – with an actual exchange of funds - - of an interoperable RUC financial platform that allows drivers to pay differential rates based on their jurisdiction of travel. For government, this pilot program will allow development of a revenue reconciliation and accounting system capable of distributing revenue back to the states in proportion to the miles traveled in their jurisdiction. Participants will be asked to respond to surveys at the mid-point of this 12-month pilot test period. The purpose of this mid-point survey is to document any difficulties encountered during the initial launch period, and to track how driver acceptance of RUC systems changes over time with increased exposure.

**Stage 3 Evaluation** is the decommissioning of the pilot project, when mileage-metering devices will be returned, mileage accounts closed, personally identifying information destroyed and any retained data anonymized. The most important activity in this Stage is the pilot project evaluation. A firm with expertise in RUC system evaluation will be hired and report directly to the WSTC to conduct a post-pilot evaluation. The evaluation will measure the performance of the pilot against the criteria established by the RUC Steering Committee, and against the goals and requirements of the STSFA program. A final round of surveys and participant focus groups will be conducted to measure post-pilot attitudes and acceptance factors for a RUC system in Washington State. Based on the information learned throughout the pilot project, a final report, with recommendations for pathways forward, will be provided first by the RUC Steering Committee, then by the WSTC, to the Governor, the Washington State Legislature, and FHWA. Special topics addressed in the final report will include:

- Results of the international interoperability test with Canada;
- A recommended blueprint for a multistate RUC revenue reconciliation system, based on the results of the Washington-Oregon interoperability testing;
- Recommended policy and approaches related to roadway taxation for electric vehicles;
- Preliminary design for using DOL's new vehicle data base and IT system to administer and enforce a future RUC system; and
- Recommendations on RUC policy issues identified by the Steering Committee for further research during the pilot test (e.g., geographic equity, process for RUC rate-setting, reconciliation with existing gas taxes, strategies for transitioning to RUC, etc.).

### **1.3 Main Pilot Project Features**

Over the last six years, Washington has invested internally in citizen and stakeholder engagement, research, policy development, financial analysis, and preliminary system design for a user-fee based alternative to the gas tax. It has also invested externally, as a founding member of WRUCC and participant in Oregon's multi-state Road Usage Charge Pilot Program (2012-2013). Consequently, Washington has been a leader in research and policy development for interjurisdictional RUC, both in



terms of developing interoperable technical infrastructures and mechanisms for financial reconciliation among jurisdictions, and as a direct participant in an Account Manager-based test of multi-state RUC reconciliation.

The proposed demonstration advances beyond those earlier activities by developing a robust and reliable RUC system capable of multi-level interoperability; that is to say able to support user-fee assessment and reconciliation at any combination of local, state, regional, federal, and international levels. The purpose is not to simply undertake a single-state, or even a regional, demonstration of a user-based revenue mechanism, but to establish systems for interoperability with a financial and accounting foundation capable of supporting multi-jurisdictional reconciliation and a single-payer/multiple-payee user-fee system that could someday be extended to include other usage-based components of the transportation system (such as transit fares, local pricing schemes, municipal parking, etc.). At the same time, the demonstration proposes to assess public acceptance of a variety of RUC reporting methods, validate the preliminary system design adopted by the Steering Committee, and challenge innovators to strengthen privacy, reduce cost, and improve reliability for RUC reporting. The result will be a framework for interoperability, as well as tools, that can be adopted at any level of government – local to federal – to ensure all appropriate usage fees are assessed and reconciled to the appropriate jurisdiction, while minimizing reporting and compliance demands on the road user, and reducing administrative burden for the jurisdictions.

**1.3.1 Multiple choices in reporting mileage (including not reporting mileage)**

- Privacy protection
- Flexibility and user choice
- Ease of user compliance
- Adoption hurdles
- Interoperability
- 3<sup>rd</sup>-party vendors

Beginning in 2013, the Washington RUC Steering Committee examined ten different options for collecting a Road Usage Charge from drivers, ranging from a simple flat annual RUC fee, paid in addition to an owner’s vehicle registration renewal, to in-vehicle telematics systems that would automatically record and report taxable miles driven to the proper RUC revenue collection agent. In weighing the available options, the Steering Committee considered how well the options met the RUC System Guiding Principles<sup>1</sup> developed in 2013, either alone or in combination. The Steering Committee ultimately recommended testing four different methods in a pilot project:

- **Time Permit:** In recognition that there will be a very small number of people who would prefer to make a road usage charge payment that allows unlimited driving for a specific time period (e.g., a year) without any requirement to provide mileage data, a Time Permit will be offered. A Time Permit allays any concerns that collecting information about the number of miles a vehicle drives constitutes an intrusion of privacy; no additional data is required beyond what owners already provide to government to legally register their vehicle.
- **Odometer Charge:** As applied in Washington, this method would allow drivers to pay for mileage driven as measured by their own odometer – no additional technology required. Drivers would pay for the number of miles they expect to drive in advance. Reconciliation at the end of the year between the miles purchased and the miles driven, as shown on the vehicle’s odometer, is required to ensure full payment. Mileage verification in the Washington pilot will be facilitated by a network of private third-party vendors that conduct vehicle-licensing services, with offices located throughout the state.



- **Automated Distance Charge:** This RUC method would allow drivers that have chosen to use an in-vehicle mileage reporting device to pay for their mileage periodically (monthly, quarterly, etc.), after the miles have been driven. The available device choices will include a mileage meter that plugs into a vehicle's on-board diagnostic port; or a software application that uses a vehicle's built-in telematics system to record and report taxable miles.



- **Smartphone-assisted Distance Charge:** The Steering Committee and Washington State Legislature each took special interest in advancing the market development of a viable method of using a driver's own smartphone to report taxable miles. Two options are currently available for RUC mileage reporting. The first option uses the smartphone's built-in GPS chip to detect the number of miles driven on taxable roadways, and reports those miles to the driver's tax account manager for periodic invoicing and payment. The second option is a technology that uses the smartphone's camera to take a photo of the odometer, which in turn generates a mileage report that is sent to the driver's tax account manager. This digital photo recognition technology is patented and highly accurate at not only detecting the proper odometer mileage, but also matching the photo taken with the exact vehicle (including VIN identification).



### 1.3.2 Multi-jurisdictional, international interoperability of a RUC system

- |   |  |  |
|---|--|--|
| <input checked="" type="checkbox"/> Implementation    | <input checked="" type="checkbox"/> Interoperability | <input checked="" type="checkbox"/> Public acceptance                  |
| <input checked="" type="checkbox"/> Geographic equity | <input checked="" type="checkbox"/> Adoption hurdles | <input checked="" type="checkbox"/> Auditing, compliance & enforcement |

Interoperability refers to (1) the ability of motorists to use a single method of reporting and paying for road use across jurisdictional boundaries, and (2) the ability of jurisdictions to accurately reconcile funds collected from motorists. Washington has been a leader in interoperability, going back to 1983 and its status as one of three founding members of the International Fuel Tax Agreement for simplification of fuel tax reporting and payment by motor carriers, and reconciliation among agencies. More recently, Washington (and Nevada) participated in Oregon's multi-state Road Usage Charge Pilot Program (2012-2013) whereby a commercial account manager operated mileage reporting and account management activities for three neighboring states with different per-mile tax rates. In 2014, the Washington State Legislature directed an appropriation of seed funding to investigate RUC options for charging motorists for inter-jurisdictional travel. WSDOT extended this work in partnership with other states in the WRUCC as Phases 1 and 2 of the Inter-jurisdictional Travel Study,<sup>2</sup> with WSDOT serving as lead agency for both phases of this important work.

**Figure 1.2 Whatcom County, Washington Border Crossings**



Among the Western states, Washington has a notably high share of travel by non-resident drivers due to several major metropolitan agglomerations that straddle jurisdictions: Portland, OR-Vancouver, WA; Seattle-Bellingham, WA-Surrey-Vancouver, BC; and Spokane, WA-Coeur d'Alene, ID. The Pacific NW trade

corridor along I-5 represents a critical artery and driver of fuel consumption (and therefore revenue) for the jurisdictions of Washington, Oregon, and British Columbia.

Of particular interest, *international RUC interoperability is critical for Washington*. Canada and the U.S. have the world's longest shared border with over 140,000 passenger vehicles crossing the U.S./Canada border each day. Of these trips, 57% of Canadian trips to the U.S. were for only one day. These short duration trips have implications for how a RUC system can be most efficiently administered. More broadly, with 118 official land-based ports-of-entry between the U.S. and Canada, the need to efficiently administer international interoperability of a RUC system is essential for all 12 northern states sharing a common border with Canada. Washington is uniquely positioned to test international applications for RUC due to its 13 ports of entry with Canada—five of which are concentrated within Whatcom County alone (see Figure 1.2 above).

To address the challenge of large amounts of travel by non-residents, Washington proposes to feature interoperability of RUC concepts as part of its state pilot project, with active consultation and participation by OReGO, the State of Oregon's RUC program<sup>3</sup>. This proposed feature fulfills the commitment to collaborate on an interoperable RUC system across borders, as endorsed by the State Transportation Commissions of California, Oregon, and Washington in 2009.<sup>4</sup> If funded with a STSFA grant, this project will provide an opportunity for testing and evaluating interoperable RUC concepts throughout the Pacific Northwest (PNW). Critical components of this feature of the pilot include:

- Developing and providing drivers with options for reporting mileage driven in multiple jurisdictions with the appropriate per-mile rates applied, using a single reporting and payment method;
- Developing and demonstrating the essential components of a tax payment reconciliation method between participating jurisdictions, so funds collected are reconciled to the appropriate Treasury where miles were driven; and
- Importantly, Washington further proposes to test the ability to collect and reconcile a federal RUC component on all miles reported driven in the U.S. by Washington pilot participants.

**Figure 1.3 Interstate Interoperability in PNW**



An important benefit of this initial demonstration of multi-jurisdictional interoperability is its potential to be built upon and adapted for a large, western regional pilot project. Washington anticipates its pilot project to be operational during 2017, while WRUCC is anticipated to engage in pre-development to address a wide range of regional pilot issues, with potential regional pilot launch in 2018. If SFSTA grant funding is obtained, Washington will facilitate knowledge transfer via on-site workshops and presentations at WRUCC and other industry meetings such as AASHTO and TRB. This will provide WRUCC's anticipated regional pilot project with a "running start" on the specific features of interoperability that will be

examined in Washington, much in the same way Oregon's pioneering work helped accelerate advancements such as user choice and open systems in other states.

Developing a viable system for governments to collect RUC and distribute revenues back to the states where the miles were driven, and for the public to continue to enjoy freedom of travel without onerous requirements to pay for their road use are two hurdles to widespread adoption and public acceptance of RUC. Public opinion surveys and focus groups have consistently shown concern among state residents that out-of-state drivers might drive on Washington roadways for free, creating geographic inequities particularly in state border communities with high percentages of out-of-state drivers. Thus, Washington's

test of an interoperable revenue collection and reporting system is critical for future statewide RUC implementation, as well as for broader acceptance of RUC on a regional or national level. Following are specific work items related to interoperability that Washington intends to carry out with STSFA funding:

- WSTC will develop technical specifications for interoperability during 2016 in order to ensure that Washington’s pilot is able to test mileage reporting and payment across borders. ODOT officials have agreed to collaborate on this activity to provide insights, feedback, and lessons learned, and to ensure that any new or different features built for Washington are compatible with the existing Oregon system. This will include a workshop sponsored by WSTC with participation by WSTC with participation by WSDOT project representatives, OReGO representatives, and actual and prospective account managers to review and finalize the technical specifications for the interoperability test.
- Using STSFA funds, WSTC will work with one or more account managers and ODOT to develop and test interoperable mileage reporting and payment during the first half of the 2017 pilot project. This will ensure that some of the Washington pilot test drivers have the option of testing interoperable mileage reporting and payment with the State of Oregon. WSTC will also work with ODOT to develop a process for mileage and payment reconciliation in the pilot.
- Washington will begin its STSFA-funded live pilot in mid-2017 with a limited pool of Washington, Oregon, and British Columbia drivers using seed money to pay real invoices to their account manager(s) for miles driven in all three jurisdictions.
- Using STSFA funds, Washington and Oregon will collaborate to reconcile funds from account managers to each state’s Treasury (real or simulated, as appropriate). Washington will fund the development of any reconciliation functions.
- Washington will contribute to and participate in Oregon’s STSFA-funded Interoperability Summit in Fall 2017. Among other topics, the Summit will explain the progress and results of the trial to other states and account managers, and seek feedback on expanding to other jurisdictions.

### 1.3.3 RUC as alternative to plug-in electric vehicle registration surcharges

- Flexibility and user choice                       Equity                       Public acceptance

Washington is one of 10 states currently imposing a flat annual fee specifically on plug-in electric vehicles<sup>5</sup> (PEVs)<sup>6</sup>. This fee is to ensure PEVs contribute to the highway system’s upkeep and maintenance. Washington’s PEV fee is \$150 per year, regardless of mileage driven. At first glance, this registration surcharge addresses an important equity issue: that everyone who uses the highway system pays for that use. However, since a flat registration surcharge is not proportional to actual usage, this approach has been criticized as unfair – it is essentially an PEV ownership tax, and thus deviates from the accepted user-pays paradigm of roadway funding. The Seattle Electric Vehicle Association (SEVA), with over 3,000 members and one of the largest electric vehicle associations in the nation, has been an active proponent for a more equitable roadway tax system in Washington. SEVA has been actively engaged in Washington’s RUC Assessment process since 2012 and have pledged their support and active participation in a pilot project<sup>7</sup>. Washington’s pilot project will provide the largest, most targeted test of roadway taxation for PEV drivers since introduction of electric vehicles to the mass consumer market in 2011. This aspect of the pilot will help policymakers and PEV drivers alike better understand impacts RUC might have on consumer adoption and use of electric vehicles, and whether a RUC is a more equitable method of roadway taxation than PEV surcharges now imposed in 10 states.



### 1.3.4 Vehicle licensing sub-agents bring convenience and cost-effectiveness to a RUC system

- Use of independent/third party vendors
- Ease of user compliance
- Cost of administering the system

In Washington, private businesses are contracted by each county auditor to perform vehicle-licensing functions on behalf of the State of Washington. There are about 145 such vehicle-licensing subagents located in all 39 counties of the state. The use of subagents allows licensing services to be offered in more locations and extended hours than is provided solely by the 39 county licensing offices. The State provides auditors and subagents with all equipment related to licensing activities, including computers, access to statewide vehicle licensing software, specialized forms, and accountable inventory items such as plates, tabs, placards and permits.

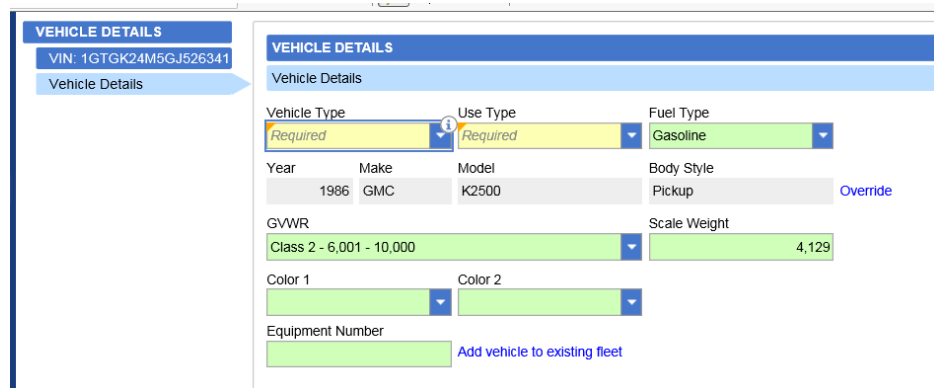
One method of collecting a RUC to be tested in Washington, and proposed in other states, requires a manual (or visual) verification of a motorist's odometer reading. In financial modeling, this method of mileage reporting was found to be among the most expensive methods for providing mileage reporting for a full scale system (over \$10 per odometer reading)<sup>8</sup>. However, if a manual odometer read can be conducted by a network of private businesses already conducting licensing activities, the marginal increase in cost attributable to RUC collection may be quite small. Washington will adapt its detailed financial model to account for the economies to be derived by leveraging existing relationships with 3<sup>rd</sup> party providers to operate a manual odometer read method for RUC mileage reporting, and test operations of this method in partnership with vehicle licensing subagents strategically located within each of the five pilot test regions proposed in Washington state. In addition, these subagents will be provided with simple, affordable technology to verify odometer mileage and report taxable miles: a smartphone pre-loaded with special mileage reporting software. This element of Washington's pilot will provide important, real-world experience with a manual mileage reporting system and a financial model that can be used in other states to calibrate their RUC cost of collection estimates.



### 1.3.5 Co-development of RUC and state vehicle licensing database

- Implementation
- Reliability and secure use of technology
- Cost of administering the system
- Auditing, compliance & enforcement

In the model adopted by Washington during its pre-demonstration activities, a fully functioning RUC tax collection system would feature coordination with (or implementation by) the state's vehicle licensing agency, including linkages with the state's motor vehicle databases. In Washington, the Department of Licensing (DOL) is an active participant in RUC policy development and preliminary system design. DOL is undertaking a major



VEHICLE DETAILS			
VIN: 1GTGK24M5GJ526341			
Vehicle Details			
Vehicle Type	Use Type	Fuel Type	
Required	Required	Gasoline	
Year	Make	Model	Body Style
1986	GMC	K2500	Pickup
GVWR			Scale Weight
Class 2 - 6,001 - 10,000			4,129
Color 1	Color 2		
Equipment Number			
Add vehicle to existing fleet			

information technology (IT) system modernization project that will greatly enhance capabilities of the state’s vehicle licensing and registration system, which had experienced decades of underinvestment. The new system is a web-based commercial-off-the-shelf (COTS) solution configured to meet the business needs of the state, specifically designed to be more flexible to implement licensing and tax policy changes such as RUC. The Washington State Legislature has appropriated \$27.4 million to upgrade the vehicle systems and revenue related components. This investment is directly beneficial and required for a functioning RUC system in Washington<sup>9</sup>. The new system will allow DOL to conduct billing and enforcement around the vehicle owner, not just a VIN or license plate number. Furthermore, vehicle registry data are being improved and the vehicle registry system is being configured to allow for flexibility in future fee-based calculations and billings.

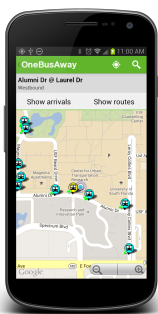
Washington’s RUC pilot project provides a unique, one-time opportunity to document RUC system requirements in parallel with final development and implementation of DOL’s new vehicle field system. In plain terms, Washington and other states must have the ability to record new information related to a registered vehicle in order to determine proper tax rates, whether those taxes are imposed on the basis of the vehicle owner’s primary residence, the vehicle’s type of motive power (gas, electric, etc.), or based on taxable miles driven (such as with a RUC). By actively collaborating in co-development of these systems throughout all phases of the pilot project, Washington will better understand the implications of RUC on the state’s licensing system, and vice versa. This will allow critical documentation of IT system requirements for RUC systems not only in Washington, but also in every state seriously considering a similarly modeled RUC system.

DOL is committing both staff resources and IT system development activities to ensure that a RUC system in Washington can be “plug-and-play” with the state’s vehicle licensing system, capable of at-scale implementation as the Washington State Legislature authorizes. The new vehicle system will provide reliability and security of vehicle records and mileage data. Properly connecting vehicles with their legal owners will enhance tax compliance and the effectiveness of enforcement actions.

### 1.3.6 *Challenging innovators to improve accuracy, reliability, and privacy*

- Privacy protection
- Flexibility and user choice
- Use of independent and third party vendors

A very small but highly visible feature of this STSFA grant proposal is to leverage the rich talent pool of software researchers, engineers, and innovators in Washington state to help solve a specific issue related to RUC: the lack of a smartphone app that accurately calculates out-of-state miles driven, doesn’t require additional hardware, and allows the driver to turn off location-based services whenever they wish. This gap in the marketplace likely exists because there is not a commercial (for-profit) purpose to drive innovation. However, sometimes consumer convenience is a sufficient incentive to drive development of software, particularly for mobile devices. One highly successful consumer service is a simple smartphone app, [OneBusAway](#), which began as a research project by University of Washington graduate students who simply wanted to improve the daily commutes for people living in the Puget Sound region. In the spirit of consumer-led innovation, Washington proposes to sponsor a hack-a-thon to develop a RUC mileage reporting smartphone app. The key aspect of the app (and accompanying public communications messaging about it) is to leave all location-based privacy decisions in the hands of the driver, in real-time and on a mile-by-mile basis. If one or more viable apps are developed, they will be tested on a limited basis during the pilot project. Developmental stipends will be awarded for up to three viable software applications, with the finalist chosen for limited (50 drivers), live testing during the pilot project.



## 1.4 Vision, Goals, and Objectives for Washington’s RUC System

### 1.4.1 RUC system in Washington State

Since its inception in 2012, the 25-member Washington State RUC Steering Committee has been steadfast in its position that sound public policy must establish the boundaries for technology – not the other way around. To that end, at the very outset the Steering Committee made clear that in order to achieve the vision of sustainable and equitable transportation funding in Washington, a revenue system must address the erosion of fuel tax revenues, and resolve equity issues related to who pays and who benefits from use of the system<sup>10</sup>. The Steering Committee then developed and adopted criteria (or “Guiding Principles”) for how a future RUC system must operate in Washington<sup>11</sup>:

**Figure 1.5 Washington State RUC Guiding Principles**

Principle	Description
Transparency	A road usage charge system should provide transparency in how the transportation system is paid for.
Complementary policy objectives	A road usage charge system should, to the extent possible, be aligned with Washington’s energy, environmental, and congestion management goals.
Cost-effectiveness	The administration of a road usage charge system should be cost-effective and cost efficient.
Equity	All road users should pay a fair share with a road usage charge.
Privacy	A road usage charge system should respect an individual’s right to privacy.
Data Security	A road usage charge system should meet applicable standards for data security, and access to data should be restricted to authorized people.
Simplicity	A road usage charge system should be simple, convenient, transparent to the user, and compliance should not create an undue burden.
Accountability	A system should have clear assignment of responsibility and oversight, and provide accurate reporting of usage and distribution of revenue collected.
Enforcement	A road usage charge system should be costly to evade and easy to enforce.
System Flexibility	A road usage charge system should be adaptive, open to competing vendors, and able to evolve over time.
User Options	Consumer choice should be considered wherever possible.
Interoperability and Cooperation	A Washington road usage charge system should strive for interoperability with systems in other states, nationally, and internationally, as well as with other systems in Washington. Washington should proactively cooperate and collaborate with other entities that are also investigating RUC
Phasing	Phasing should be considered in the deployment of a road usage charge system.

### 1.4.2 Washington State RUC pilot project

More specific to this STSFA grant proposal, the Steering Committee articulated the purpose of the pilot project itself: to gauge Washington motorists’ preferences and reaction to RUC policy and concepts. Next, the Steering Committee’s Guiding Principles were matched against specific pilot (or “demonstration project”) objectives. A sample of those adopted in 2015 is shown below in Figure 1.6:

**Figure 1.6 Pilot Project Objectives Matched to Guiding Principles**

Guiding Principle Addressed	Pilot Objective
Simplicity	Test ease of use of RUC mileage reporting methods as recommended in Washington
Cost-effectiveness	Collect data on operational costs of RUC system in Washington
Accountability	Identify agency capabilities, challenges and needs
System flexibility	Assess flexibility of a RUC system to be adapted for other services in Washington
Privacy	Test Washington motorists' privacy preferences
Equity	Assess potential differential impacts of RUC on Washington residents
Enforcement	Test the enforceability of Washington's recommended RUC methods

Finally, the Washington State Legislature, the WSTC, and the Washington State Departments of Transportation and Licensing collaborated on development of this STSFA grant proposal to ensure the pilot project confronts the highest priority policy, legal, technical and administrative issues through pilot system development and live testing. These issues include:

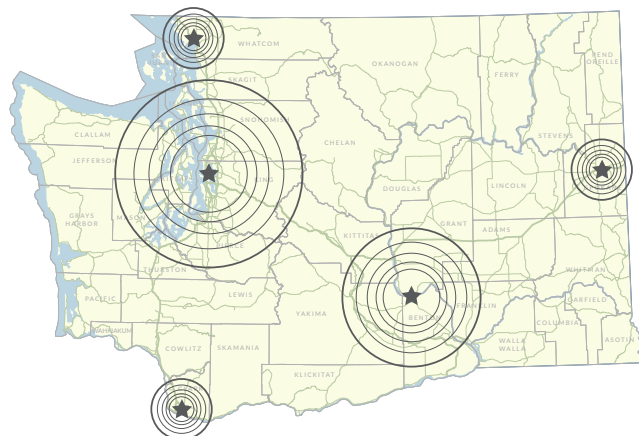
- How to operationalize the four proposed RUC operational concepts
- How to charge out-of-state drivers
- Use of private sector firms for RUC services (account managers, revenue collectors, mileage reporting and verification, etc.)
- Driver and general public understanding and acceptance of the proposed system
- State information technology needs and blueprint (especially for the Department of Licensing)
- Institutional roles for implementing a future RUC system
- Interoperability issues, especially with other states and Canada

If funded, this proposal will implement a pilot project testing each of the pilot objectives shown in Figure 1.6 and others to be added during the 2016 Stage 0 work, while also addressing these high-priority issues and providing a critical platform for advancing RUC interoperability between states and internationally.

### 1.5 Geographic Area for Pilot Project

The RUC Steering Committee developed scaled options for a pilot project, and upon receiving those recommendations the Washington State Transportation Commission recommended a statewide RUC pilot concentrated in up to five selected geographic regions. These regions will represent the diversity of the entire state, including urban, rural and border areas. Clockwise, beginning at the north:

- Bellingham/Blaine (with participation from drivers in Surrey, British Columbia, Canada)
- Spokane (with drivers from Idaho)
- Yakima/Tri-Cities area
- Vancouver (with participation from Portland, Oregon drivers)
- Central Puget Sound (Everett-Seattle Tacoma-Olympia drivers).





## 1.6 Pilot Project Administration

WSDOT will serve as financial fiduciary and administrator of grant funds awarded for this effort. As required by the Washington State Legislature, the pilot project will be overseen and administered by the Washington State Transportation Commission, with the Road Usage Charge Steering Committee continuing to provide policy and operational recommendations to the Commission and Legislature.

WSDOT and WSTC entered into an interagency agreement in 2012-13 to ensure project services and support were provided during the Feasibility Assessment Phase of this RUC initiative. The agencies will enact a similar agreement to ensure continued services and support is provided by WSDOT to WSTC for the duration of the pilot project.

## 1.7 Demonstration Period and Additional Phases

The proposed pilot project would begin July 1, 2017, and run for 12 consecutive months to ensure representation of seasonal variations in travel patterns. Pilot preparations will begin immediately upon award and issuance of Notice to Proceed by FHWA (expected duration: 8 months). Pilot close out, test results, evaluation, and reporting activities are expected to last 6 months. If the preparation, live test, and final reporting activities follow this schedule, the total elapsed time from NTP to issuance of a final report is 29 months.

Although this current application is not seeking approval or funding for any additional phases, should the WRUCC develop a plan for a western regional multistate pilot project, Washington would be interested in participating in that project, potentially by extended the test period to be co-extensive with a future WRUCC regional pilot.

## 1.8 Evaluation and Reporting Plan

**Evaluation Plan:** The evaluation plan has the following components, listed in order of occurrence:

### 1.8.1 *Develop detailed evaluation criteria, measures and methods*

From June through September 2016 (Stage 0), the Steering Committee will develop more detailed pilot project evaluation criteria to help measure how effective the pilot is in meeting its objectives.

### 1.8.2 *Assess general public attitudes (including baseline assessment)*

Since the overall purpose of a pilot project is to gauge Washington motorists' preferences and reaction to RUC policy and concepts, a quantitative and qualitative assessment will be conducted. The approach recommended by the Steering Committee in their Phase 3 Final Report<sup>12</sup> (which included their recommendations and framework for this pilot project) is detailed in the table below. This approach will be refined and updated as part of the pilot preparation activities to be funded by a STSFA grant. Some of the areas of inquiry for the public attitude assessment will include:

- How well the public and key stakeholders understand transportation funding sources, needs and challenges in Washington;
- How the public initially reacts to road usage charging as an alternative funding policy, and whether these reactions shift during or after the pilot test;
- Questions and concerns the public has about RUC;
- Whether RUC might be beneficial for congestion mitigation and demand management;
- Reasons for the public's initial (and end-of-pilot) support or opposition.

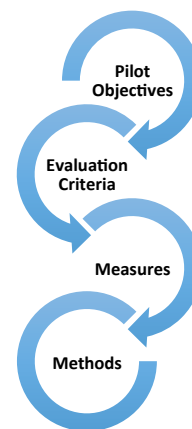


Figure 1.7 Public Attitudes Assessment

Component	Description	Considerations
<b>Public opinion research</b>	<p><b>Focus Groups (qualitative):</b> Pairs of focus groups, conducted in several regions of Washington before and after the pilot test. Pairs of focus groups allow testing different populations within a given region</p> <p><b>Surveys (quantitative):</b> Conduct surveys before pilot to provide a baseline, and after the pilot to measure changes in attitudes.</p>	<p>This multifaceted data collection approach allows for an accurate assessment of the public's baseline understanding of Washington's transportation funding situation, current gas tax shortfalls, and road usage charging concepts. Initial focus groups in advance of the pilot test will also inform the communications program. <b>Focus groups</b> provide an opportunity to have a structured conversation with Washington citizens, identify issues to probe further in statistically valid surveys, and follow up with alternative approaches after reviewing survey outcomes. <b>Surveys</b> complement insights from the focus groups by providing statistically reliable data. This will likely be conducted by web-based and phone surveys.</p>
<b>Stakeholder interviews</b>	Two rounds of stakeholder interviews (before and after pilot test)	Stakeholder interviews provide a forum in which individuals and groups likely to be at the forefront of debate about a road usage charge can voice their concerns. Stakeholders might include business, environmental, or user groups (especially electric vehicle owners), as well as DOL subagents and county auditors.
<b>Report</b>	Comprehensive research report analyzing findings and trends from the above activities.	The report compares how public attitudes may have shifted from the initial baseline assessment until conclusion of the pilot test. It compares general public attitudes against the experiences, opinions and attitudes of RUC pilot test participants.

### 1.8.3 Measure pilot project results against the adopted evaluation criteria

The pilot project provides data from a context-sensitive and real-world operational experience, but also provides the opportunity to evaluate the pilot's effectiveness of various elements (operational, organizational, financial) against criteria defined by the Steering Committee.

Washington's RUC Steering Committee adopted 13 Guiding Principles that must be present (or accomplished) in a RUC system. Specific evaluation criteria will be developed to reflect each of these (as described in 1.8.1, above). In addition, there are several other high-priority issues that will be examined during the pilot project (see bottom of page 12). Evaluation criteria will be developed to ensure these issues are tested as well. The *measures* for each of the criteria, and the *methods* for collecting the information to perform the assessment, will vary based on the nature of the evaluation criteria. Some of the measures will be qualitative, requiring participant or stakeholder questionnaires, while other measures will be quantitative, relying on data collected during the test to be analyzed and reported. Two examples are provided below.

**Figure 1.8 Examples of Objectives, Criteria, Measures and Methods**

Relevant Steering Committee Principle	Example of Pilot Evaluation Criteria	Quantitative or Qualitative Measure and Method
<b>Equity: all road users should pay a fair share with a RUC</b>	Costs incurred under each of the four operational concepts tested, by household income or vehicle type	<b>Quantitative:</b> collect data on RUC costs for each household, cross-tabulated for income and vehicle type. <b>Qualitative:</b> participant surveys and focus groups that measure perceptions of fairness before and after the pilot.
<b>Privacy:</b> a RUC system should respect an individual's right to privacy	Adequacy of safeguards to protect personal privacy	<b>Quantitative:</b> audit of privacy policy and adherence to data security procedures. <b>Qualitative:</b> participant surveys and focus groups that measure perceptions of privacy for each of the four mileage methods tested before and after the pilot.

#### 1.8.4 Assessment of pilot project and STSFA program objectives

During this year's work (June – October 2016), the Steering Committee will develop an approach for ensuring the pilot project's performance is also measured against FHWA's program objectives for STSFA-funded pilots. This work is already planned and funded as a Stage 0 activity.

#### Evaluation Report

A full evaluation report will be prepared that includes the following sections:

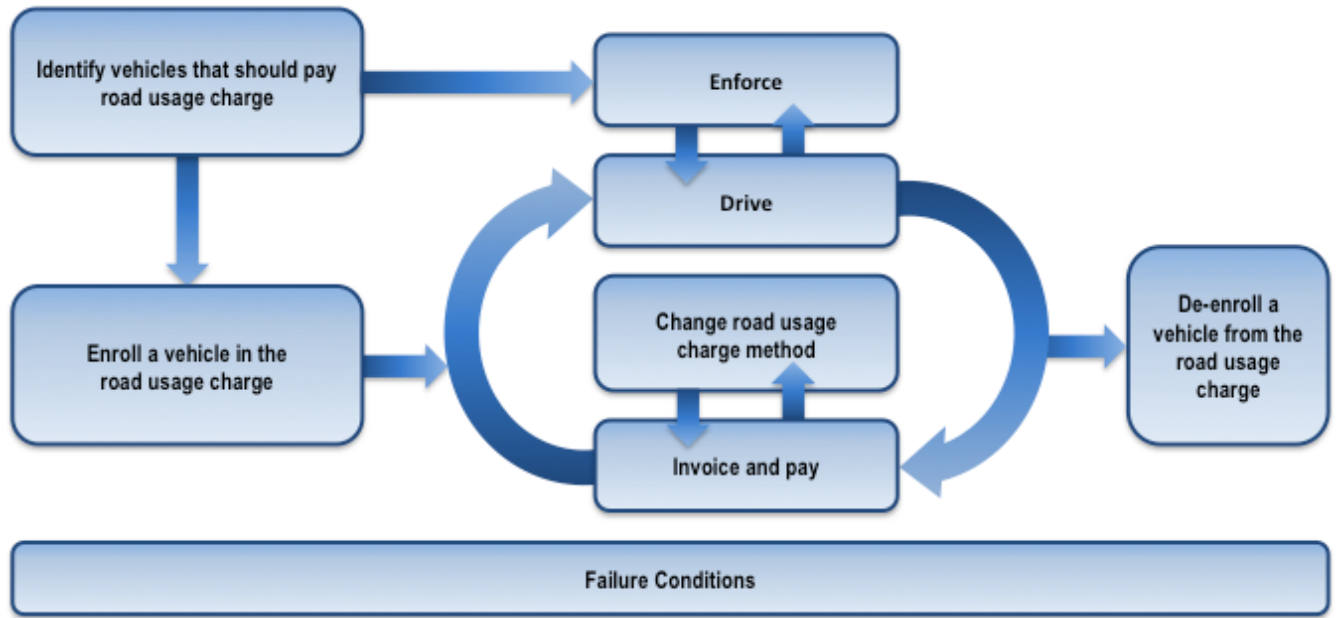
- A summary of the factual details of the pilot project: size, scale, operational concepts tested, etc.
- Public attitude assessment results: before pilot project and after conclusion
- How the pilot project performed with respect to each of the Steering Committee-recommended evaluation criteria
- How well the pilot project performed with respect to the STSFA program goals and objectives
- Documentation of issues and their resolution; and identification of challenges remaining unresolved and requiring further work
- How Washington's pilot project operations (particularly related to international and multistate interoperability) can be adapted for a larger scale within Washington or on a larger regional basis
- Findings and recommendations to the Washington State Transportation Commission; the Washington State Legislature; and the Federal Highways Administration.

### 1.9 Process for Collecting, Managing, Storing, Transmitting, and Purging Data

#### 1.9.1 Collecting and reporting mileage and other RUC-related information

The Washington pilot project will test four methods of mileage recording and reporting: time permit, odometer charge, automated distance charge, and a smartphone app to measure mileage (see section 1.3.1 for a more detailed description of these methods). The process for collecting and reporting mileage for each of these methods is detailed in the Washington RUC Concept of Operations<sup>13</sup>, a 78-page document providing detailed information on both time-based and mileage-based reporting methods.

**Figure 1.9 Process for Collecting and Reporting Mileage in a RUC system**



**1.9.2 Storing, transmitting and purging data and other RUC-related information**

During Stage 1 (final pilot preparations), detailed procedures will be adopted and implemented to ensure all RUC-related data and personal information of pilot project participants remains secure throughout the pilot program. The procedures will also specify requirements for anonymizing RUC-related data, to ensure no personally identifying information (PII) is released. Finally, the procedures will contain specific requirements for destruction of all PII at the conclusion of Stage 3, (evaluation and reporting), unless participants specifically consent, in writing, to the retention and/or sharing of their personal information.

**1.10 Evidence of State Legislative Support**

The Washington State Legislature has passed directives, authorizations and appropriations for Washington’s RUC activities in each of the last five legislative sessions (see Figure 1.10). In total, the Legislature has directly appropriated \$2,667,000 for Washington’s RUC development to date.

In each of the last three years, the Legislature has specifically directed the Washington State Transportation Commission to seek matching funds to leverage the state’s investment, including federal grant funding<sup>14</sup>. In addition, letters of support from key Washington State House and Senate Transportation Committee members can be found in Appendix D.

**Figure 1.10 State Legislative Authorizations and Appropriations, 2012 - present**

Year	RUC Authorizing Legislation	Appropriation	Recipient
2012	ESHB 2190, Supplemental Transportation Budget	\$225,000	WSDOT
		\$775,000	WSTC
2013	ESSB 5024, Biennial Transportation Budget	\$400,000	WSTC
2014	ESSB 6001, Supplemental Transportation Budget	\$450,000	WSTC
		\$21,000	WSDOT

Year	RUC Authorizing Legislation	Appropriation	Recipient
2015	2ESHB 1299, Biennial Transportation Budget	\$300,000	WSTC
2016	ESHB 2524, Supplemental Transportation Budget	\$500,000	WSTC
<b>Total appropriations:</b>		<b>\$2,667,000</b>	

### 1.11 Plan for Developing Cost Estimates for Full Implementation

In each successive year, beginning in 2013, Washington’s RUC Steering Committee has conducted increasingly detailed financial modeling and business case evaluations for implementing RUC in Washington. Each year, as the Steering Committee revised and refined its recommended RUC system, adjustments were made in the financial model to reflect policy, technology, regulatory and market changes. In total, three separate financial analyses have been conducted to date that forecast one-time startup costs, ongoing operating costs, and both gross and net revenues over a 25-year time horizon<sup>15</sup>.

The proposed pilot project will collect information and data on new strategies for implementing a RUC system: (1) leveraging the existing network of licensing agents and subagents to provide customer support for the odometer charge method of RUC. Testing these arrangements between the State of Washington and a network of 145 private sector licensing subagents has the potential to significantly reduce implementation and operational costs for this method of mileage reporting; and (2) the Washington State Legislature’s investment in modernizing DOL’s IT system, specifically to include modules that allow vehicle-to-owner matching and MPG ratings to allow proper credits of gas taxes paid against RUC owed. These capabilities are expected to lower the capital and operating cost requirements for a fully implemented future RUC system in Washington. This assumption can be tested against the experience gained in the pilot project.

With this new information gathered from the pilot, Washington will conduct post-pilot financial modeling that reflects real-world cost experience of operating a RUC system with the four recommended mileage-reporting methods. The updated financial model will be used to conduct a new business case analysis, helping to inform legislators and other public officials of the likely costs and net revenues that can be derived from a fully operational RUC system in Washington, and serve as tested marker for other states.

### 1.12 Number and Type of Vehicles in Pilot Project

In keeping with the Steering Committee and Transportation Commission’s recommended pilot design, the Washington pilot project will include approximately 2,000 vehicles located in five regions across the state. Preliminary design assumptions are to test passenger and light-duty vehicles weighing less than 10,000 lbs. with a representative mix of personally owned vehicles, government fleet vehicles, and private business vehicles. Heavy commercial trucks are not under consideration for Washington’s RUC program, so these trucks will not be part of the pilot test. Electric vehicles are a special focus of this pilot project, and will be oversampled during the pilot. Refinements and final decisions about the exact target number of different vehicle types will be made during the June – September 2016 work plan.

## 2 Staffing Description

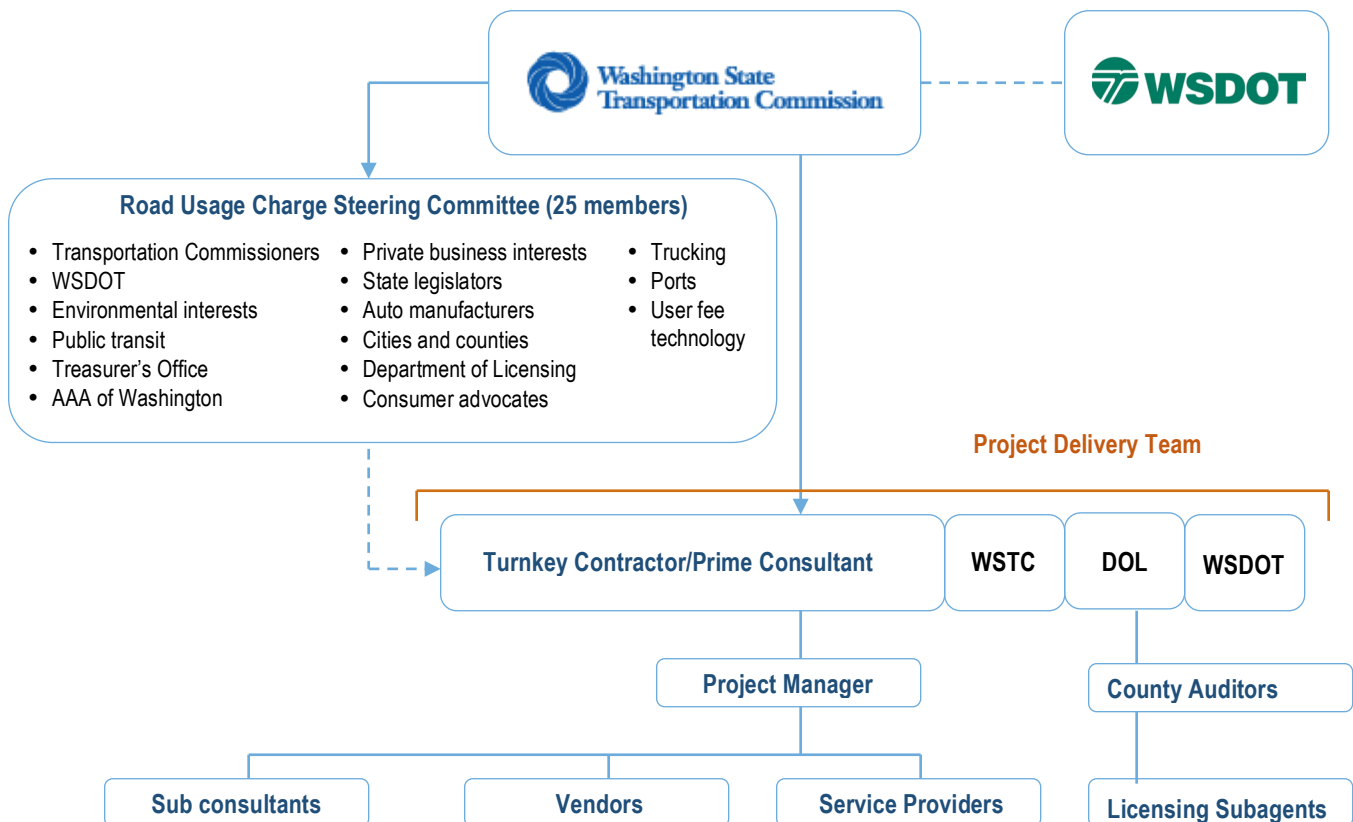
### 2.1 Project Governance and Oversight

The WSTC will be responsible for the overall performance and delivery of the RUC pilot project. WSDOT will serve as lead applicant and financial fiduciary for the project, per FHWA requirements. To implement the pilot project within the budget and schedule constraints, WSTC will employ a consultant to serve as prime contractor to provide turnkey services to deliver the project. Functions that cannot or should not be contracted out (e.g., legislative briefings, stakeholder communications, project and financial reporting, etc.) will remain with WSTC with support provided by WSDOT and DOL as needed.

Oversight of the pilot project will mirror the structure created by the Washington State Legislature for delivering the earlier phases of this RUC initiative. Specifically, WSTC will deputize the 25-member RUC Steering Committee to provide advice and input on policies, system design, evaluation criteria, and communication approaches needed to successfully implement the pilot project. A representative from FHWA will be invited to serve on the Washington RUC Steering Committee in an ex officio non-voting capacity to ensure FHWA receives all information, including the presentations and discussions during these important meetings.

The Steering Committee will provide its advice and input to the WSTC and the Project Delivery Team, which is composed of the private contractor hired by and directly accountable to the WSTC, plus key staff from public agencies that have a significant role in the delivery of the project (see Figure 2.1 below). Finally, the Department of Revenue and the Office of the State Treasurer will be consulted during the development, implementation and evaluation phases of the pilot project on issues relevant to their interests and expertise.

Figure 2.1 Project Governance and Management Structure



## 2.2 Project Management Structure and Team Organization

Successful completion of all pilot project tasks will be the responsibility of the prime contractor’s Project Manager. The Project Manager will coordinate all work and deliverables with the WSTC Executive Director and/or the WSTC’s RUC Lead. The Project Manager will be directly responsible for the work and performance of subcontractors, vendors and service providers.

Although ultimate project delivery responsibility rests with the prime contractor, the selected firm will work as part of a Project Delivery Team, working side-by-side with highly qualified professionals at key public agencies that are essential for successful implementation of a RUC in Washington. These agencies include the WSTC, WSDOT and DOL.

**Figure 2.2 Key Personnel, Project Delivery Team**

Name	Agency	Role	Responsibility
<b>Reema Griffith</b>	WSTC	Executive Director & Project Sponsor	Overall leadership and authority for project. Principle contact for external stakeholders, media and legislators.
<b>Paul Parker</b>	WSTC	Legal/Legislative expert; Deputy Project Sponsor	Contract review, drafting resolutions and proposed legislation, statutory analysis. RUC subject matter expert.
<b>Carl See</b>	WSTC	WSTC RUC Lead; expert in vehicle data management and cost of revenue collections	Active coordination between WSTC and Project Delivery Team members. RUC, vehicle data, and cost of collections subject matter expert.
<b>Anthony Buckley</b>	WSDOT	WSDOT RUC Lead; WRUCC Steering Committee representative	WSDOT point of contact and coordination with Project Delivery Team, and other state DOTs including WRUCC.
<b>Tonia Buell</b>	WSDOT	Nationally-recognized Electric Vehicle expert	Provide expert advice on the design and implementation of the pilot project aspects related to electric vehicles. Liaison to Plug-in America and the Seattle Electric Vehicle Association (volunteers for pilot project).
<b>Haiping Zhang</b>	DOL	Vehicle Data Research & Analysis	Provide expert advice and input on strategic linkages between vehicle licensing activities and RUC policies and system development.
<b>Sadeeq Simmons</b>	DOL	Vehicle Data IT Systems	DOL point of contact and coordination with Project Delivery Team. Expert in DOL’s Information Technology Modernization project, and development of modules capable of supporting RUC.
<b>Jaime Grantham</b>	DOL	Liaison to county auditors and third-party licensing subagents	Primary point of contact between Project Delivery Team, County Auditors and private third-party vehicle licensing subagents.

## 2.3 Expertise and Qualifications of Key Personnel

The individuals identified in Figure 2.2 above have all been involved in Washington’s RUC initiative from the earliest phases. Each of them has experience not only in RUC, but other revenue-related transportation projects. While additional staff from each of these agencies will also participate and assist the project, the staff persons identified are all seasoned professionals with the necessary expertise and authority to make important project decisions. A short bio for each of the proposed Project Delivery Team members can be found in Appendix B, Key Staff Biographies.

### 3 Funding Description

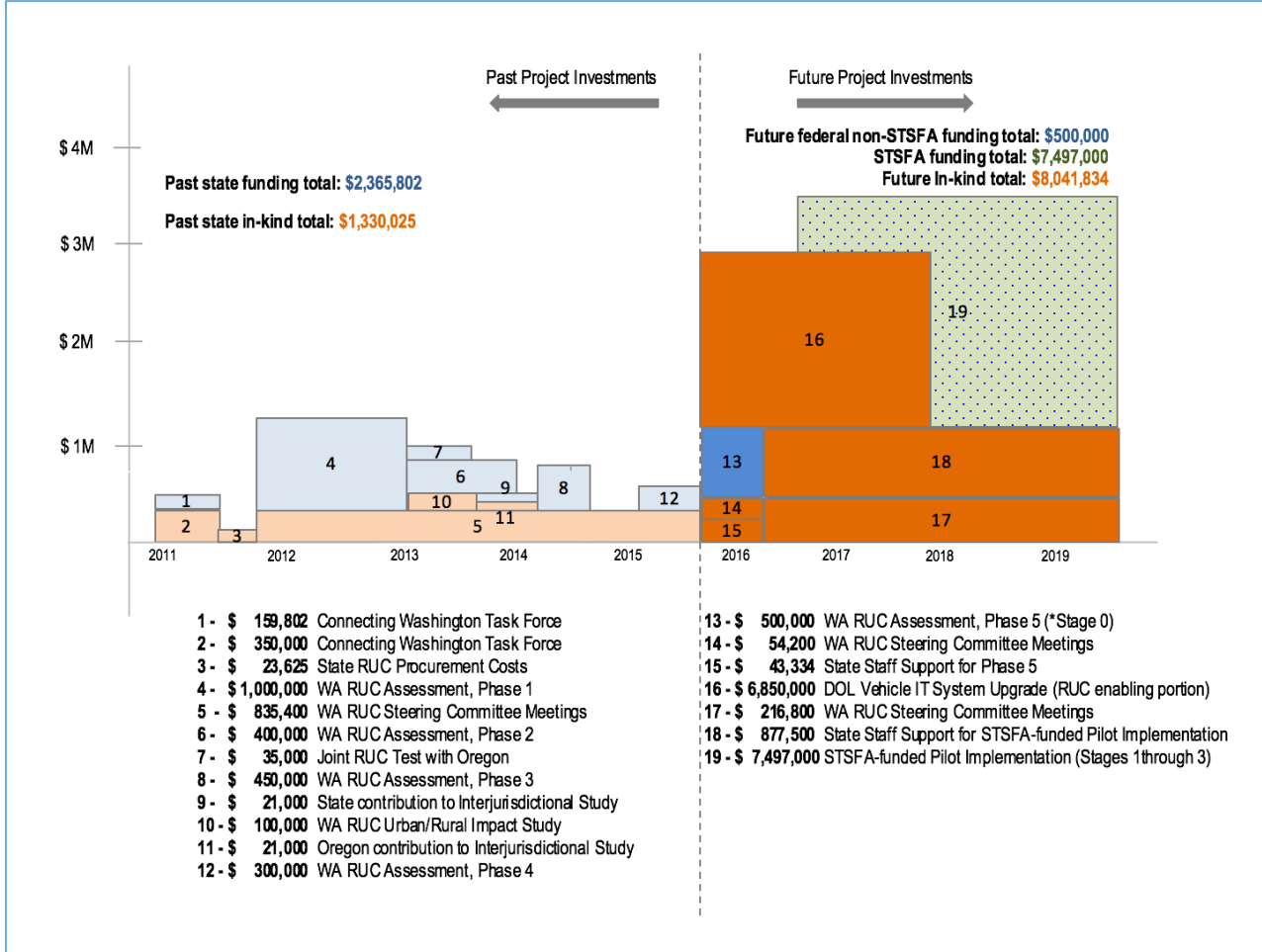
#### 3.1 Project Funding Overview

The valuation (or Total Project Cost) of Washington’s RUC initiative, from identification of RUC as a viable alternative through submittal of a final pilot project report by March 31, 2019, is \$19,734,661 (see Figure 3.1). These past and projected investments span the total project lifecycle dating from the Governor’s 2011 *Connecting Washington* Task Force, which urged the legislature to actively plan a transition from the state gas tax to a direct user fee based on miles traveled so that the transportation system can be managed and funded as a statewide transportation utility, with rates based upon use<sup>16</sup>.

Out of the Total Project Cost of \$19.7 million, Washington is seeking \$7.497 million from the federal STSFA program. See Figure 3.1 below for an illustration of the timing and characterization of all project expenditures. If this request is granted, 38% of the Total Project Cost will be STSFA funded, and another 2% from other eligible federal sources, for a total of 40% federal funding. Upon project completion, the remaining \$11.8 million (60%) will have been funded from non-federal sources (a combination of state funds, in-kind and third-party contributions).

As further described in Section 3.3 below, Washington will utilize in-kind contributions and toll credits to meet the non-federal matching requirements.

**Figure 3.1 Illustration of Total Project Costs, Past and Future (may not be exact scale)**





### 3.2 Project Cost Estimates, by Stage and Work Stream

The project costs shown below only reflect the \$7.497 million STSFA investment needed to implement the pilot project. Due to page limitations, more detailed cost estimates, by Stage, Work Stream and Task, can be found in Appendix C.

29 Month Total	Activity/Tasks	Time to Completion (mo.)	Costs
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>		<b>\$ 4,240,000</b>
Stage 1	Final Design & Pilot Prep	8	\$ 2,265,000
Stage 2	Pilot Test Activities	12	\$ 1,755,000
Stage 3	Pilot Evaluation & Reporting	9	\$ 220,000
<b>Work Stream 2</b>	<b>Public Attitude Assessment</b>		<b>\$ 381,000</b>
Stage 1	Final Design & Pilot Prep	8	\$ 220,000
Stage 2	Pilot Test Activities	12	\$ 47,000
Stage 3	Pilot Evaluation & Reporting	9	\$ 114,000
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>		<b>\$ 1,159,000</b>
Stage 1	Final Design & Pilot Prep	8	\$ 818,000
Stage 2	Pilot Test Activities	12	\$ 265,000
Stage 3	Pilot Evaluation & Reporting	9	\$ 76,000
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>		<b>\$ 1,717,000</b>
Stage 1	Final Design & Pilot Prep	8	\$ 544,000
Stage 2	Pilot Test Activities	12	\$ 739,000
Stage 3	Pilot Evaluation & Reporting	9	\$ 434,000
<b>Totals – 29 mo.</b>	<b>3 STAGES - Totals</b>	<b>29</b>	<b>\$ 7,497,000</b>

To implement the pilot project while remaining within the federal STSFA project cap of \$7.5 million, WSTC will utilize a turnkey contractor that will implement the pilot project for a fixed price. This delivery method will place budget, schedule and delivery risk with a private firm that is best able to manage these risks inherent in a large-scale, multi-million dollar RUC pilot test. In addition to the state agency experts serving on the Project Delivery Team (described more fully in section 2.2), a small portion of the requested STSFA grant funds will be used to bring new staff into the RUC pilot project as will be necessary to carry out the state’s responsibilities for the project.

To complete all three stages of the Washington Pilot Project, STSFA grant funding of \$7,497,000 will be added to the estimated in-kind contributions of \$1,191,634, plus currently planned state appropriations of \$500,000 for pre-design and preparatory activities scheduled for June – October 2016; and finally, the state’s estimated \$6.85 million co-investment in DOL’s vehicle IT system upgrade modules that feature necessary components for the RUC pilot and a future RUC system.

### 3.3 Source of Required 50% Non-Federal Match

Washington will exceed the 50% non-federal matching requirement through the application of:

- Toll credits of \$3.75 million that have accrued to the state and are managed by WSDOT;

- In-kind contribution of \$6.85 million to this project attributable to Department of Licensing’s state-funded upgrades to the vehicle licensing system, which will be used by the Project Team as the basis for the design of the RUC pilot system and which will be analyzed for its future potential enhancements to implement RUC;
- In-kind contribution of \$1.19 million integral to this project from Steering Committee member participation, WSTC staffing, WSDOT staffing, and DOL staff who will support the vehicle licensing system aspect of the RUC pilot.

This totals over \$11 million, which substantially exceeds the 50% matching requirement. Washington State will adopt the forms, process and standards required by federal accounting and audit policies to document in-kind and soft match contributions.

## Detailed Statement of Work

The 29-month work plan will be carried out in three stages: Final Design and Pilot Preparation; Pilot Test; and Pilot Evaluation and Reporting. There are four areas of activity (or Work Streams) that run throughout the entire pilot project. Specific Tasks are detailed within each of these Work Streams.

The Washington RUC Steering Committee will be refining this Detailed Statement of Work this summer, 2016 as part of the state-funded, advance pilot preparation work (referred to as Stage 0, since the work precedes the expenditure of STSFA grant funds).

### STAGE 1 - Final Design & Pilot Prep

Period: November 1, 2016 - June 30, 2017

8 MONTH Stage	Activity / task	Duration (mos.)
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>8</b>
1.1.1	<b>Develop Technical Documents:</b>	
	-Pilot System Requirements	2
	-Pilot Interface Definition	2
	-Final Pilot Concept of Operations	2
	-Pilot Interoperability Design (with other agencies, Oregon)	2
1.1.2	<b>Develop Plans for:</b>	
	-Pilot Organizational Design	5
	-Final Pilot Evaluation Plan	2
	-Detailed Pilot Testing & Operations Procedures	2
1.1.3	<b>Procurement &amp; Contracting</b>	
	-Draft Procurement Documents	1
	-Conduct Procurement Process	3
	-Negotiate & Sign Contracts with Service Providers	2
	-Negotiate & Sign Agreements with Licensing Subagents	8
1.1.4	<b>Development &amp; Testing for each RUC method:</b>	
	-Time Permit	4
	-Odometer Charge	4
	-Automated Mileage Reporting	4
	-Smartphone	4
	-Interoperability & Reconciliation	8
	-Integration & Oversight of Development & Testing	2
1.1.5	<b>Customer Support: Help Desk Setup and Training</b>	2
1.1.6	<b>Smartphone Application Hackathon</b>	
	-Develop Specifications and Event Planning	3

	-Conduct Hackathon Event	3
	-Award and Pilot Integration for Smartphone App	2
<b>Work Stream 2</b>	<b>Attitude Assessment</b>	<b>8</b>
1.2.1	<b>General Public Baseline Assessment</b>	
	-Baseline Surveys	4
	-Baseline Focus Groups	4
	-Baseline Attitude Assessment Report	4
1.2.2	<b>Pre-Pilot Participant Surveys</b>	2
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>8</b>
1.3.1	<b>Develop Communications Materials:</b>	
	-Written Communications	3
	-Digital/Project Web Portal	3
1.3.2	<b>Execute Communications Plan</b>	
	-Media Outreach/Briefings	
	-Issues Management	
1.3.3	<b>Participant Recruitment, Incentives &amp; Engagement</b>	6
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>8</b>
1.4.1	<b>Washington RUC Steering Committee</b>	
	-Meetings (Quantity: 3)	8
	-Policy Development & Reports	8
1.4.2	<b>Project Management &amp; Control</b>	8
1.4.3	<b>Project Reporting (State, Legislative, Federal)</b>	8

**STAGE 2 - Pilot Test**

**Period:** July 1, 2017 - June 30, 2018

12 MONTH Stage	Activity / task	Duration (months)
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>12</b>
2.1.1	<b>Mileage Reporting Operations:</b>	
	-Time Permit (500 participants)	12
	-Odometer Charge (500 participants)	12
	-Automated Mileage Reporting (500 participants)	12
	-Smartphone Mileage Reporting (500)	12
2.1.2	<b>Interoperability Assessment:</b>	
	-Collecting RUC from a Non-RUC State	6
	-Collecting RUC from a RUC-Enabled State	6
	-Collecting RUC from Canadian Drivers	6
2.1.3	<b>Revenue reconciliation and accounting system test</b>	12
2.1.4	<b>Organizational RUC system simulation/DOL shadow test</b>	12
2.1.5	<b>Pilot Project Call Center Operations</b>	12
<b>Work Stream 2</b>	<b>Public Attitude Assessment</b>	<b>4</b>
2.2.1	<b>Pilot Participant Surveys and Interim Report</b>	4
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>12</b>
2.3.1	<b>Update and Manage Communications (digital, written)</b>	12
2.3.2	<b>Execute Communications Plan: media and stakeholders</b>	12
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>12</b>
2.4.1	<b>Washington RUC Steering Committee</b>	12
	-Meetings (Quantity: 3)	12
	-Policy Development & Reports	12
2.4.2	<b>Project Management &amp; Control</b>	12

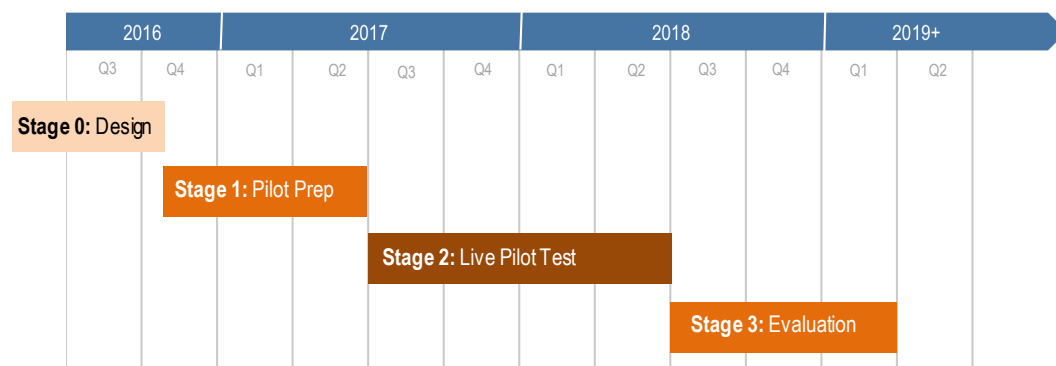
**STAGE 3 - Pilot Evaluation & Reporting**

Period: July 1, 2018 - March 31, 2019

9 MONTH Stage	Activity / task	Duration (months)
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>9</b>
3.1.1	Pilot Project Decommissioning & Closeout	3
3.1.2	Validate & Analyze Pilot Test Data	3
3.1.3	Pilot Test Evaluation Report	6
<b>Work Stream 2</b>	<b>Public Attitude Assessment</b>	<b>4</b>
3.2.1	Pilot Participant Surveys and Report	4
3.2.2	Pilot Participant Post-Pilot Focus Groups	3
3.2.3	Stakeholder & Organizational Interviews	4
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>9</b>
3.3.1	Update and Manage Communications (digital, written)	9
3.3.2	Execute Communications Plan: media and stakeholders	9
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>9</b>
3.4.1	Washington RUC Steering Committee	9
3.4.2	Findings, Recommendations, Final Report, Presentations	9
3.4.3	Project Management & Control	9
3.4.4	Close-out Project Reporting (State, Legislative, Federal)	9

#### 4 Detailed Project Schedule

The Project Schedule is detailed by funding stage, task and month of delivery in the Statement of Work (Section 3 above). The Stages are depicted below (also shown as Figure 1.1 on page 2).



The major deliverables for this STSFA-funded Pilot Project are shown in the table below:

Deliverable	Approximate Due Date	Section 508 Compliant?
Final Pilot Evaluation Plan	January 1, 2017	Will comply.
Baseline Attitude Assessment Report	June 30, 2017	Will comply.
Pilot Participant Survey Interim Report	April 1, 2018	Will comply.
Pilot Test Evaluation Report	December 31, 2018	Will comply.

Project Reports (FHWA required contents)	September 1, 2017 September 1, 2018 March 31, 2019 (close-out)	Will comply.
Final Pilot Project Report	March 31, 2019	Will comply.

## 5 STSFA Grant Proposal Compliance Matrix

### STSFA Requirements and Program Objectives Compliance Map

Below is a table that displays the mandatory elements for STSFA proposals, a summary of how each element is addressed, and where more detail can be found in this Project Narrative, Section 1.

**Figure 1.11 Mandatory and Optional Proposal Requirements**

Mandatory Requirement	☑ Where Addressed in this Proposal
<ul style="list-style-type: none"> <li>• Implementation,</li> <li>• Interoperability,</li> <li>• Public Acceptance and</li> <li>• Adoption Hurdles</li> </ul>	<ul style="list-style-type: none"> <li>Sections 1.3.2., 1.3.5</li> <li>Sections 1.3.1, 1.3.2</li> <li>Sections 1.3.2, 1.3.3</li> <li>Sections 1.3.1, 1.3.2</li> </ul>
Privacy Protection	Sections 1.3.1, 1.3.6
Use of Independent and Third-Party Vendors	Sections 1.3.1, 1.3.4, 1.3.6
Congestion Mitigation	Section 1.8.2
Equity Concerns: <ul style="list-style-type: none"> <li>• Income,</li> <li>• Geography, and</li> <li>• Urban/Rural</li> </ul>	<ul style="list-style-type: none"> <li>Sections 1.3.3, 1.5</li> <li>Sections 1.3.2, 1.5</li> <li>Sections 1.3.2, 1.5</li> </ul>
Ease of User Compliance	Sections 1.3.1, 1.3.4
Reliability and Security in use of Technology	Sections 1.3.5, 1.9.2

Desired Project Element	☑ Where Addressed in this Proposal
Flexibility and User Choice	Sections 1.3.1, 1.3.3, 1.3.6
Cost of Administering the System	Sections 1.3.4, 1.3.5
Auditing, Compliance and Enforcement	Sections 1.3.2, 1.3.5

## 6 Endnotes

<sup>1</sup> See Figure 1.5 on page 10 for full listing of Washington’s 13 Guiding Principles for a RUC system.

<sup>2</sup> *Interjurisdictional Road Usage Charge Issues Final Report – Phase 1*, prepared by D’Artagnan Consulting for the Western Road Usage Charge Consortium, October 31, 2014. Phase 2 of this report is in final review by WRUCC.

<sup>3</sup> Letter pledging participation and support from Oregon Department of Transportation can be found in Appendix D.

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<sup>4</sup> See joint letter from Washington, Oregon and California Transportation Commissions urging Congressional support for VMT-based revenue system as alternative to fuel taxes.

[http://wstc.wa.gov/PolicyPlanning/WestCoastCommissionLetters/Cantwell\\_VMT\\_Letter.pdf](http://wstc.wa.gov/PolicyPlanning/WestCoastCommissionLetters/Cantwell_VMT_Letter.pdf)

<sup>5</sup> “Plug-in Electric Vehicle” refers to all vehicles that use a plug to connect to the power grid to obtain and store energy, and use this energy to power an electric drive motor. This is definition was adopted in a recent National Academy of Science report on Plug-in Electric Vehicles (see: Transportation Research Board and National Research Council, *Overcoming Barriers to Deployment of Plug-in Electric Vehicles*, Washington, D.C. National Academies Press. 2015). The term PEV accurately encompasses the types of electric vehicles subject to Washington State’s \$150 in annual registration surcharges.

<sup>6</sup> See: Revised Code of Washington 46.17.323, Electric vehicle registration renewal fees.

<http://apps.leg.wa.gov/rcw/default.aspx?cite=46.17.323>

<sup>7</sup> Letters pledging participation from Seattle Electric Vehicle Association, and support from Plug-in America, are found in Appendix D.

<sup>8</sup> See Washington State Road Usage Charge Briefing Book Steering Committee Meeting #2, December, 2015. [https://waroadusagecharge.files.wordpress.com/2014/05/ruc-sc2-dec-2015-briefing-book-20151125\\_final.pdf](https://waroadusagecharge.files.wordpress.com/2014/05/ruc-sc2-dec-2015-briefing-book-20151125_final.pdf)

<sup>9</sup> *C.f.*, Appendix C, presentation slides by DOL Director Pat Kohler on linkage to RUC, dated October, 2015.

<sup>10</sup> Washington State Road Usage Charge Assessment, *Potential Road Usage Charge Concepts for Washington*, Steering Committee Meeting #2 presentation, October 30, 2012, at page 13.

<https://waroadusagecharge.files.wordpress.com/2012/08/potential-road-usage-charge-concepts-for-washington-report-22.pdf>

<sup>11</sup> Washington State Transportation Commission *Road Usage Charge Assessment, Report to the Legislature*, January 23, 2013, at page 18.

[https://waroadusagecharge.files.wordpress.com/2012/08/2013\\_02\\_waroadusagechargeassessment2.pdf](https://waroadusagecharge.files.wordpress.com/2012/08/2013_02_waroadusagechargeassessment2.pdf)

<sup>12</sup> *Washington State Road Usage Charge Assessment, Phase 3 Final Report*, January 12, 2015 at page 108. [https://waroadusagecharge.files.wordpress.com/2014/05/2014\\_ruc\\_finalreport\\_phase3.pdf](https://waroadusagecharge.files.wordpress.com/2014/05/2014_ruc_finalreport_phase3.pdf)

<sup>13</sup> Washington State Road Usage Charge Assessment Concept of Operations, November 14, 2014.

[https://waroadusagecharge.files.wordpress.com/2014/05/2015\\_0227\\_wa\\_ruc\\_conptoper.pdf](https://waroadusagecharge.files.wordpress.com/2014/05/2015_0227_wa_ruc_conptoper.pdf)

<sup>14</sup> *C.f.*, 2ESHB 1299 (2015), where the Legislature directed the WSTC to coordinate with WSDOT to “jointly pursue any federal or other funds that are or might become available and eligible for road usage charge pilot projects.” See also: ESHB 2524 (2016): “The Commission shall coordinate with the Department of Transportation to jointly pursue any federal or other funds that are or might become available to fund a road usage charge pilot project. Where feasible, grant application content must reflect the direction provided by the road usage charge steering committee on the preferred road usage charge pilot project approach. One or more grant applications may be developed as part of the road usage charge pilot project implementation plan development work, but the implementation plan must nevertheless include any details necessary for a full launch of the pilot project not required to be included in any grant application.”

<sup>15</sup> Washington State Road Usage Charge Assessment Business Case Evaluation Final Report, January 7,

2014 [https://waroadusagecharge.files.wordpress.com/2014/01/wa-ruc-business-case-evaluation\\_01-07-14.pdf](https://waroadusagecharge.files.wordpress.com/2014/01/wa-ruc-business-case-evaluation_01-07-14.pdf) and Washington State Road Usage Charge Assessment Final Report, Updated Business Case,

January 5, 2016, at page 10 [https://waroadusagecharge.files.wordpress.com/2014/05/ruc-report-final-2016\\_0108.pdf](https://waroadusagecharge.files.wordpress.com/2014/05/ruc-report-final-2016_0108.pdf)

<sup>16</sup> *Connecting Washington* Task Force Final Report, January 6, 2012. See Recommendation 6 at page 27.

[http://www.wsdot.wa.gov/NR/rdonlyres/0DD6F466-6D52-4495-AAC6-78F2AA5B2332/0/ConnectingWashingtonfinal\\_report.pdf](http://www.wsdot.wa.gov/NR/rdonlyres/0DD6F466-6D52-4495-AAC6-78F2AA5B2332/0/ConnectingWashingtonfinal_report.pdf)

## Appendix A: Organizational Information

**A.** Identify any exceptions to the anticipated award terms and conditions as contained in Section F, Federal Award Administration Information. Identify any preexisting intellectual property that you anticipate using during award performance, and your position on its data rights during and after the award period of performance.

**Response:** *Pursuant to Section F, no exceptions to the anticipated award terms and conditions will be requested and no pre-existing intellectual property will be used for the purposes of this project during award performance.*

**B.** The use of a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number is required on all applications for Federal grants. Please provide your organization's DUNS number in your budget application.

**Response:** *WSDOT's DUNS # is 8088839950000.*

**C.** A statement to indicate whether your organization has previously completed an A-133 Single Audit and, if so, the date that the last A-133 Single Audit was completed.

**Response:** *WSDOT last completed an A-133 Single Audit on March 21, 2016.*

**D.** A statement regarding Conflicts of Interest. The Applicant must disclose in writing any actual or potential personal or organizational conflict of interest in its application that describes in a concise manner all past, present or planned organizational, contractual or other interest(s), which may affect the Applicants' ability to perform the proposed project in an impartial and objective manner. Actual or potential conflicts of interest may include but are not limited to any past, present or planned contractual, financial, or other relationships, obligations, commitments or responsibilities, which may bias the Applicant or affect the Applicant's ability to perform the agreement in an impartial and objective manner. The Agreement Officer (AO) will review the statement(s) and may require additional relevant information from the Applicant. All such information, and any other relevant information known to USDOT, will be used to determine whether an award to the Applicant may create an actual or potential conflict of interest. If any such conflict of interest is found to exist, the AO may (a) disqualify the Applicant, or (b) determine that it is otherwise in the best interest of the United States to contract with the Applicant and include appropriate provisions to mitigate or avoid such conflict in the agreement pursuant to 2 CFR 200.112.

**Response:** *Neither the Washington Department of Transportation nor the Washington State Transportation Commission have any actual or potential, personal or organizational, conflicts of interests that would affect our ability to perform the proposed project in an impartial and objective manner.*

**E.** A statement to indicate whether a Federal or State organization has audited or reviewed the Applicant's accounting system, purchasing system, and/or property control system. If such systems have been reviewed, provide summary information of the audit/review results to include as applicable summary letter or agreement, date of audit/review, Federal or State point of contact (POC) for such review.

**Response:** *The Washington State Auditor's Office conducted an audit covering the period July 1, 2014 through June 30, 2015 that covered WSDOT's compliance with federal requirements over the Highway Planning and Construction cluster, the Transportation and Infrastructure Finance*

*and Innovation Act, and the Federal Transit Cluster. This Single Audit report was published on March 22, 2016. Based on the work performed, the Auditor determined that WSDOT established adequate internal controls over and was in material compliance with federal requirements applicable to the programs reviewed. WSDOT also accurately reported the amounts on the Schedule of Expenditures of Federal Awards (SEFA). State point of contact: Mr. Steve McKerney, CPA, Director of Internal Audit, (360) 705-7004.*

*In addition, the Washington State Auditor's Office performed a financial statement audit for the fiscal year ending June 30, 2015. An unqualified opinion was issued on the financial statements, meaning that the Auditor's Office believes they are presented fairly, in all material respects. State point of contact: Mr. Steve Wendling, CPA, Washington State Auditor's Office, (360) 725-5351.*

**F.** Terminated Contracts - List any contract/agreement that was terminated for convenience of the Government within the past 3 years, and any contract/agreement that was terminated for default within the past 5 years. Briefly explain the circumstances in each instance.

**Response:** *WSDOT has terminated one contract for convenience within the last three years: Agreement Y-9245, with David Evans & Associates, was a contract to provide services in support of an EIS for the I-5 Columbia River Crossing Project. The legislature did not provide necessary project funding, so this Agreement was terminated on July 3, 2014. WSDOT has not terminated any contract for default within the last five years. WSTC has not terminated any contract for convenience within the last three years, nor terminated any contract for default within the last five years.*

**G.** The Applicant is directed to review Title 2 CFR §170 ([http://www.ecfr.gov/cgibin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr170\\_main\\_02.tpl](http://www.ecfr.gov/cgibin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title02/2cfr170_main_02.tpl)) dated September 14, 2010, and Appendix A thereto, and acknowledge in its application that it understands the requirement, has the necessary processes and systems in place, and is prepared to fully comply with the reporting described in the term if it receives funding resulting from this Notice. The text of Appendix A will be incorporated in the award document as a General Term and Condition as referenced under this Notice's Section F, Federal Award Administration Information.

**Response:** *WSDOT and subawardee WSTC understand and acknowledge the requirement for the Federal Funding Accountability and Transparency Act of 2006 (FFATA), Title 2 CFR §170, acknowledges that the necessary processes and systems are in place to comply with FFATA, and will fully comply with the reporting requirements if this application results in funding from the FHWA Notice of Funding Opportunity.*

**H.** Disclose any violations of Federal criminal law involving fraud, bribery, or gratuity violations. Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.338 entitled Remedies for Noncompliance, including suspension or debarment. (See also 2 CFR Part 180 and 31 U.S.C. 3321).

**Response:** *There are no violations of Federal criminal law involving fraud, bribery, or gratuity to disclose. WSDOT and subawardee WSTC understands that failure to make required disclosures can result in any of the remedies described at 2 CFR 200.338.*



## Appendix B: Key Staff Bios

**Ms. Reema Griffith**, Executive Director, Washington State Transportation Commission (WSTC)

**Role:** Project Sponsor

### Summary

Reema Griffith has been the Executive Director of the Washington State Transportation Commission since 2005. Under her leadership, the Transportation Commission serves as the State Tolling Authority, sets the fares and policies for the Washington State Ferry System, develops the state's long-term transportation plan, conducts public outreach and education on transportation matters, advises the State Legislature and Governor, and conducts special studies and projects, including Road Usage Charging. Under Reema's direction, the Washington Road Usage Charge Assessment has successfully completed six years of research, analysis, design and policy development that leaves the state poised to test RUC as a potential user-fee based alternative revenue system for Washington's future. Prior to the Commission, her past positions include: serving as Executive Policy Advisor to the Director of the Department of Licensing; and serving as Senior Policy and Fiscal Analyst to the House and Senate Transportation Committees in Washington State.

#### Education

**BA**, Public Administration,  
Seattle University

**Minor:** Marketing

**Honors:** Magna Cum Laude

**Mr. Paul Parker**, Deputy Director, Washington State Transportation Commission (WSTC)

**Role:** Legal and Legislative Expert; Deputy Project Sponsor

### Summary

Paul Parker has worked in public policy development for over 35 years, primarily on land use, natural resources, energy and transportation policy. Prior to joining the Transportation Commission, he led policy and legislative development for the Washington State Association of Counties. He has worked in all three branches of state government: as a law clerk at the Washington Supreme Court, as Committee Counsel in the Washington State Senate, and with two executive branch agencies. Paul has served as a legal and policy adviser to the WSTC and the RUC Steering Committee since its inception in 2012, participating in all four phases of its development in Washington. He also brings successful experience as a project manager, having led development of the two most recent long-range statewide transportation plans, adopted by the Commission in 2010 and 2014, managing the consultant team, advisory group, and staff relations with the Department of Transportation.

#### Education

**MPA**, University of Washington, 2005

**JD**, University of Washington, 1983

**BA**, Justin Morrill College, Michigan State University 1977

**Mr. Carl See**, Senior Financial Analyst, Washington State Transportation Commission (WSTC)

**Role:** WSTC RUC Lead; Vehicle Data Management Expert

**Summary**

Carl See has been the Senior Financial Analyst at the Washington State Transportation Commission since November 2015. Carl plays a critical role in the Commission’s State Tolling Authority responsibilities, contributing financial and policy analysis for Commissioners, staff, and the Legislature, ensuring compliance with rate setting requirements, and building strong relationships with state tolling stakeholders. Carl also contributes analysis and develops stakeholder relationships for special studies, including assessing the potential for a Road Usage Charge (RUC) in Washington State. Prior to working for WSTC, Carl served as a Management Analyst for nearly ten years at the Washington State Department of Licensing, assessing transaction and financial data, and guiding development of an agency data management policy. He was instrumental to DOL’s work assessing urban and rural impacts of switching from a gas tax to a RUC. Also as an analyst for DOL, Carl contributed an assessment of fuel tax collections for Washington State, supporting a distinction between collections costs for diesel and gasoline. Other past positions held by Carl include: serving as a lobbyist in the State Legislature as the elected Vice-President for the University of Washington Graduate and Professional Student Senate, and serving as a Legislative Correspondent for United States Senator Maria Cantwell.

**Education**

**MPA**, University of Washington Evans School of Public Policy and Governance, 2006

**BA**, Government, Claremont McKenna College, 1999

**Mr. Anthony L. Buckley**, Director, Innovative Partnerships, Washington State Department of Transportation (WSDOT)

**Role:** WSDOT RUC Lead; WRUCC Steering Committee representative

**Summary**

During his tenure as a public servant Mr. Buckley has managed a host of State financing and funding programs. In Oregon he played a leading role in managing the financial components of ARRA projects for both transportation and energy sectors. As the debt and investment manager for ODOT Mr. Buckley oversaw \$3.5 billion transportation finance portfolio. As the CFO for ODOE he was directly responsible for one of the Nation’s largest energy tax credit programs as well as the Nation’s oldest energy lending program. Mr. Buckley represents WSDOT on the Western Road Usage Charge Consortium (WRUCC), a multistate research collaboration between 14 state DOTs in the western U.S. that are committed to the development of a sustainable and interoperable Road Usage Charge system to fund transportation. He serves on WRUCC’s Steering Committee, and is leading the current Phase 2, Study of Interjurisdictional Road Usage Charge Issues.

**Education**

**BBA**, Temple University, 1996

**MBA** coursework undertaken at George Fox University (not awarded) 2004 - 2006

**Ms. Tonia Buell**, Project Development & Communications Manager, Washington State Department of Transportation (WSDOT)

**Role:** Nationally-recognized Electric Vehicle expert

### Summary

Tonia has extensive experience on transportation issues, including revenue generation. She is a seasoned WSDOT professional with 14 years working with WSDOT, including seven in Innovative Partnerships. For this project, she will serve as the liaison with the electric vehicle community to help secure volunteers for the pilot project. Tonia has strong ties in the alternative fuel industry and has served in several leadership roles including Western Washington Clean Cities steering committee, West Coast Corridor Collaborative, Clean, Green & Smart Project steering committee, West Coast Electric Fleets Co-Chair, and Plug-In America Director. Additionally, Tonia has considerable experience in Road Usage Charging (RUC), having served as WSDOT's lead staff to the RUC Steering Committee and the Western Road Usage Charge Consortium from August 2014 through September 2015.

### Education

**MBA** Golden Gate University, California 1998

**BS**, Marketing, California State University-Sacramento

**Ms. Haiping Zhang**, Research & Data Analytics Manager, Washington State Department of Licensing (DOL)

**Role:** Vehicle data research and analysis

### Summary

Haiping Zhang is an experienced data and analysis administrator. For the last 10 years, she has been the internal expert on statistical analysis, model development, and research methodology for the Washington State Department of Licensing (DOL). She is responsible for ensuring agency data systems are developed, improved, and managed in a manner supporting data quality, access, reporting requirements, and security necessary to agency research and analysis needs, and in support of state performance goals. In addition, Haiping serves as the agency expert on statistical analysis, model development, and research methodology. In this capacity she is the Data Governance Coordinator and works with Information Technology staff to ensure the agency data systems are developed, improved, and managed in a manner that ensures the level of data quality, access, reporting requirements, and security necessary to conduct the research and analysis and meet goals needed by the agency, governor and legislature. Haiping is also DOL's expert on statistical analysis, model development, and research methodology.

### Education

**MA**, Economics, Miami University, 1996

**BA**, Business Administration, Capital University of Economics and Business, 1986

Prior to her employment with DOL, she was the information technology financial manager for Lincoln Financial Group, a Fortune 500 company providing insurance and investment instruments. With Lincoln, Haiping managed a \$200 million IT budget and oversaw implementation of financial terms and conditions of the IT outsourcing contract.

**Mr. Sadeeq Simmons**, Data Analytics Manager, Washington State Department of Licensing (DOL)

**Role:** Vehicle and Driver IT systems expert

**Summary**

Sadeeq Simmons has worked in progressively responsible roles involving database management and support for nearly 20 years. He is an expert in developing and managing analytical databases and datasets, and currently manages agency quantitative research for DOL. He has 13 years of experience formulating, implementing, and enforcing proper data collection policies and procedures, and 9 years of experience establishing data quality standards, performing business analysis, and in managing IT resources and data analytics staff. Sadeeq also performs critical data mining and analysis, including work on DOL’s vehicle database to ascertain vehicle engine motive power for purposes of assessing the state’s registration surcharge for plug-in electric vehicles. On behalf of DOL, Sadeeq has been involved in the RUC Steering Committee process from the early phases of the project, and continues to serve on the interagency working group that has been directed to examine how a RUC system can be implemented in Washington.

**Education**

**Associates Degree**, South Puget Sound Community College, Olympia, WA 1997

**Ms. Jaime Grantham**, Contracts Administrator, Washington State Department of Licensing (DOL)

**Role:** Liaison to county auditors and third-party licensing subagents for RUC services provided to pilot project participants

**Summary**

Jamie Grantham is a recognized leader in customer service and contracts management. She received the Governor's Leadership in Management Award in 2010 and the Plain Talk award in 2007. In 2013, Jamie became a Lean Six Sigma Certified Green Belt. Her current responsibilities include oversight of the development, execution, and administration of all contracts between Department of Licensing and hundreds of private sector licensed agents and elected County Auditors who perform licensing duties on behalf of the state. Previously she planned and led a staff of 32 employees in the department’s vehicles and vessels operations program, providing support and training to approximately 1300 system operators in about 186 vehicle licensing offices statewide. Jaime will serve as the primary point of contact for the private vehicle licensing subagents and county auditor offices that will be providing RUC support services during the 12-month pilot project. She is an expert in Customer Service Center operations and providing highest-quality customer service for licensing-related activities.

**Education**

South Puget Sound Community College, Olympia, WA 1996-1998

Clackamas Community College, 1995-1996

## Appendix C: Supporting Documents

### 1. Detailed Pilot Project Budget (STSFA Funded)

#### STAGE 1 - Final Design & Pilot Prep

Period: November 1, 2016 - June 30, 2017

8 MONTH Stage	Activity / task	Duration (Months)	Costs
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>8</b>	<b>\$ 2,265,000</b>
1.1.1	Technical Documents: Pilot System Requirements	2	\$ 40,000
1.1.2	Technical Documents: Pilot Interface Definition	2	\$ 10,000
1.1.3	Technical Documents: Final Pilot Concept of Operations	2	\$ 10,000
1.1.4	Technical Documents: Pilot I/O Design	2	\$ 75,000
1.1.5	Plan: Pilot Organizational Design [WSTC, DOL, WSDOT, contractors]	5	\$ 80,000
1.1.6	Plan: Final Pilot Evaluation Plan	2	\$ 14,000
1.1.7	Plan: Detailed Pilot Testing & Operations Procedures	2	\$ 57,000
1.1.8	Procurement: Documents	1	\$ 33,000
1.1.9	Procurement: Process	3	\$ 16,000
1.1.10	Procurement: Negotiate & Sign Contracts with Service Providers	2	\$ 38,000
1.1.11	Procurement: Negotiate & Sign Agreements with Subagents	8	\$ 33,000
1.1.12	Development & Testing: Method One, Time Permit	4	\$ 142,000
1.1.13	Development & Testing: Method Two, Odometer Charge	4	\$ 170,000
1.1.14	Development & Testing: Method Three, Automated Reporting	4	\$ 450,000
1.1.15	Development & Testing: Method Four, Smartphone	4	\$ 238,000
1.1.16	Development & Testing: Interoperability & Reconciliation	8	\$ 428,000
1.1.17	Integrate and Oversee Development & Testing	2	\$ 214,000
1.1.18	Customer Support: Help Desk Setup and Training	2	\$ 52,000
1.1.19	Smartphone App Development Specifications and Planning	3	\$ 25,000
1.1.20	Smartphone App Development Event	3	\$ 70,000
1.1.21	Award and Pilot Integration for Smartphone App	2	\$ 70,000
<b>Work Stream 2</b>	<b>Attitude Assessment</b>	<b>8</b>	<b>\$ 220,000</b>
1.2.1	General Public Surveys - baseline	4	\$ 52,000
1.2.2	General Public Focus Groups - baseline	4	\$ 80,000
1.2.3	Baseline Public Attitude Assessment Report	4	\$ 60,000
1.2.4	Pre-Pilot Participant Surveys	2	\$ 28,000
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>8</b>	<b>\$ 818,000</b>
1.3.1	Develop Written Communications Materials	3	\$ 33,000
1.3.2	Develop Project Web Portal	3	\$ 68,000
1.3.3	Execute Communications Plan: media outreach, manage issues, etc.	8	\$ 277,000
1.3.4	Participant Recruitment, Incentives & Engagement	6	\$ 440,000
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>8</b>	<b>\$ 544,000</b>
1.4.1	Washington RUC Steering Committee Meetings (Qty: 3)	8	\$ 100,000
1.4.2	Policy Issue Development & Reports (Qty: 4 white papers)	8	\$ 76,000
1.4.3	Project Management & Control (Prime Contractor)	8	\$ 180,000
1.4.4	Agency policy, process and procedures development	8	\$ 150,000
1.4.5	Project Reporting (State, Legislative and Federal)	8	\$ 38,000
<b>Totals - 8 mo</b>	<b>STAGE 1 Totals</b>	<b>8</b>	<b>\$ 3,847,000</b>

## STAGE 2 - Pilot Test

Period: July 1, 2017 - June 30, 2018

12 MONTH Stage	Activity / task	Duration (Months)	Costs
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>12</b>	<b>\$ 1,755,000</b>
2.1.1	Method One Operations: Time Permit (500 participants)	12	\$ 175,000
2.1.2	Method Two Operations: Odometer Charge (500 participants)	12	\$ 195,000
2.1.3	Method Three Operations: Automated Mileage Reporting (500)	12	\$ 385,000
2.1.4	Method Four Operations: Smartphone Mileage Reporting (500)	12	\$ 345,000
2.1.5	Interoperability assessment: collecting RUC from a non-RUC state	6	\$ 40,000
2.1.6	Interoperability assessment: collecting RUC from RUC-enabled state	6	\$ 40,000
2.1.7	Interoperability assessment: collecting RUC from Canadian drivers	6	\$ 40,000
2.1.8	Revenue reconciliation and accounting system test	6	\$ 350,000
2.1.9	Organizational RUC system simulation/DOL shadow test	12	\$ 125,000
2.1.10	Pilot Project Call Center Operations	12	\$ 60,000
<b>Work Stream 2</b>	<b>Public Attitude Assessment</b>	<b>4</b>	<b>\$ 47,000</b>
2.2.1	Pilot Participant Surveys - Mid-point of pilot test	3	\$ 28,000
2.2.2	Pilot Participant Attitude Assessment - Interim report	1	\$ 19,000
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>12</b>	<b>\$ 265,000</b>
2.3.1	Update and manage digital communications and web portal	12	\$ 64,000
2.3.2	Develop, manage and update written communications materials	12	\$ 45,000
2.3.3	Execute Communications Plan: broadcast and print, social media, etc	12	\$ 156,000
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>12</b>	<b>\$ 739,000</b>
2.4.1	Washington RUC Steering Committee Meetings (Qty: 3)	12	\$ 100,000
2.4.2	Policy Issue Development & Reports (Qty: 4 white papers)	12	\$ 76,000
2.4.3	Project Management & Control (Prime Contractor)	12	\$ 275,000
2.4.4	Agency policy, process and procedures development	12	\$ 250,000
2.4.5	Project Reporting (State, Legislative and Federal)	12	\$ 38,000
<b>Totals - 12 mo</b>	<b>STAGE 2 Totals</b>	<b>12</b>	<b>\$ 2,806,000</b>

## STAGE 3 - Pilot Evaluation and Reporting

Period: July 1, 2018 - March 31, 2019

9 MONTH Stage	Activity / task	Duration (Months)	Costs
<b>Work Stream 1</b>	<b>Pilot Test Activities</b>	<b>9</b>	<b>\$ 220,000</b>
3.1.1	Pilot Project decommissioning and closeout	3	\$ 60,000
3.1.2	Validate and Analyze Pilot Test Data	3	\$ 90,000
3.1.3	Pilot Test Evaluation Report	6	\$ 70,000
<b>Work Stream 2</b>	<b>Public Attitude Assessment</b>	<b>9</b>	<b>\$ 114,000</b>
4.2.1	Pilot Participant Final Surveys	4	\$ 28,000
4.2.2	Pilot Participant Post-Pilot Focus Groups (Qty: 5)	3	\$ 76,000
4.2.3	Stakeholder and Organizational Interviews	4	\$ 10,000
<b>Work Stream 3</b>	<b>Project Communications &amp; Participant Engagement</b>	<b>9</b>	<b>\$ 76,000</b>
4.3.1	Manage Communications	9	\$ 34,000
4.3.2	Media Outreach & Engagement	9	\$ 42,000
<b>Work Stream 4</b>	<b>Project Management, Oversight &amp; Policy Development</b>	<b>9</b>	<b>\$ 434,000</b>
4.4.1	Washington RUC Steering Committee Meetings (Qty: 2)	9	\$ 66,000
4.4.2	Draft Findings & Recommendations	4	\$ 53,000
4.4.3	Final Report, Publication and Presentations	2	\$ 57,000
4.4.4	Project Management & Control (Prime Contractor)	9	\$ 220,000
4.4.6	Close-out Project Reporting (State, Legislative and Federal)	9	\$ 38,000
<b>Totals - 9 mo</b>	<b>STAGE 3 Totals</b>	<b>9</b>	<b>\$ 844,000</b>

2. **October 2015 Presentation to Washington Road Usage Charge Steering Committee, DOL Vehicle System Upgrades related to RUC (RUC-related slides only)**



Road Usage Charge Workgroup  
Pat Kohler, DOL Director

- Vehicle licensing is performed by 39 county offices and about 140 licensing subagents across the state using DOL systems
- DOL systems and staff manage the “back end” of the vehicle licensing operation
- Current systems are antiquated and costly to maintain and change
- We have about 7M vehicles in our state

10/2/2015

2

- DOL’s current systems are not flexible and can’t adapt to meet needs to support RUC
- The new licensing system is capable to support RUC, but it’s not a simple “flip of the switch” change

10/2/2015

3

- Vehicle infrastructure is not customer-centric
  - Billing and enforcement are built around the vehicle, not the vehicle's owner(s)
- Modernization project will help DOL definitively connect owners and vehicles
- Our new system may be capable to receive EPA mpg information
  - DOL is not aware of an existing public or private industry source for this service

10/2/2015

10

- Track and report RUC decals or separate RUC and registration expiration dates
- Changes for County Auditors and subagents
- Managing RUC registration by multiple entities could present challenges to the customer and DOL
  - data/system integration, potential confusion by customers over service providers and billing, etc.

10/2/2015

11



## **Appendix D: Letters of Participation and/or Support**

### **Participation and Support:**

- Mayor Linda Hepner, City of Surrey, British Columbia, CA
- Oregon Department of Transportation
- Seattle Electric Vehicle Association
- Plug-in-America

### **Support from State of Washington:**

- Governor Inslee
- State Representative Judy Clibborn, Chair, Transportation Committee
- State Senator Ann Rivers, Senate Transportation Committee

### **Support from Washington State Congressional Delegation:**

- Senator Patty Murray (sent to FHWA under separate cover)
- Senator Maria Cantwell
- Congresswoman Cathy McMorris-Rodgers
- Congressman Derek Kilmer
- Congressman Adam Smith
- Congresswoman Suzan Delbene
- Congressman Denny Heck
- Congresswoman Jaime Herrera Beutler
- Congressman Jim McDermott

### **Other:**

- Western Road Usage Charge Consortium

# CITY OF SURREY

OFFICE OF THE MAYOR

May 16, 2016

File: 0470-20 (WSTC)

Washington State Transportation Commission  
PO Box 47308  
Olympia, WA  
98504-7308

Attention: Reema Griffith, Executive Director

Dear Madam:

**Re: Washington State Road Usage Charge Pilot Project**

Thank you for your May 12, 2016 letter requesting the support of the City of Surrey on this important project.

Surrey believes it is very important for all agencies to be looking at technology and innovative solutions to better manage traffic and maximize the safe and efficient use of the transportation infrastructure. With increasing traffic congestion and rising transportation funding needs, Surrey with the rest of the Metro Vancouver region is in early exploration on road user charging. As such, our involvement in your road usage charge pilot project would not only bring value to your project by providing data to help demonstrate the viability of interoperable road usage charging across international borders, but also greater knowledge and understanding of road usage charging to the participants and the City of Surrey.

I am confident we will be able to assist in identifying Surrey residents who regularly cross the border to participate in your project, and as such, please consider this letter as confirmation of the City of Surrey's interest to be involved in the Washington State Road Usage Charge Pilot Project.



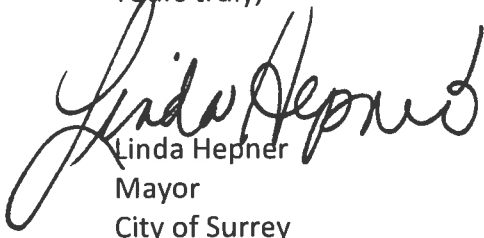
P 604 591 4126 MAYOR@SURREY.CA

13450-104 AVENUE SURREY BRITISH COLUMBIA CANADA V3T 1V8

WWW.SURREY.CA

Our City values our relationship with Washington State and we wish you every success in your grant application. Should you need any further information, do not hesitate to contact Jaime Boan, Manager, Transportation, at 604-591-4514.

Yours truly,



Linda Hepner  
Mayor  
City of Surrey

/nj

- c.c. - City Manager
- Manager, Transportation
- Rapid Transit & Strategic Projects Manager



# Oregon

Kate Brown, Governor

**Department of Transportation**

Office of the Director

355 Capitol St NE

Salem, OR 97301

May 16, 2016

The Honorable Anthony Foxx  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Foxx:

This letter is being sent to support Washington's application for 2016 funding through the Surface Transportation System Funding Alternatives (STSFA) program. Because Oregon and Washington share a border that is crossed daily by thousands of motorists, it will be important to have both states working to facilitate road usage charging (RUC). Washington has long partnered with Oregon on efforts, such as participating in Oregon's past RUC pilot project, bridge maintenance and being part of the Western Road Usage Charge Consortium (WRUCC).

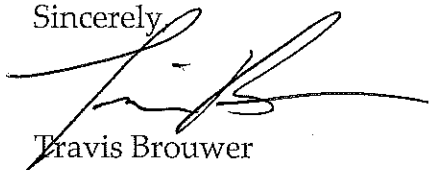
Washington has spent over four years assessing road usage charging, determining if it is feasible and if it will provide the necessary net revenue to address its transportation needs, as the gas tax has historically done. Washington has determined RUC is both feasible and will out-produce the gas tax over time as vehicles become more fuel efficient. Washington has created a RUC concept of operations and laid out a comprehensive, statewide pilot project proposal that will involve 2,000 participants in five regions across the state.

The Washington pilot will test four mileage collection and payment options, two that use technology and two that do not. This project will test RUC under the unique setting of an international border crossing with British Columbia, Canada, and will do a robust interoperability test with Oregon aimed at testing actual collections of RUC charges from participants from Oregon and Washington who cross into Oregon every day for work. This interoperability test envisions reconciling collections between the two states, operations and system testing, and transmittal of charges.

Although we are pursuing separate applications, both Oregon and Washington have coordinated proposals and are collaborating to ensure that Oregon's RUC enhancements and Washington's RUC pilot will bring new insights to the dynamics of cross-state travel. This is critical to the future of RUC in other states and nationally.

We urge your favorable consideration of Washington's application. Providing them with grant funding will help advance road usage charging in Washington and will enhance Oregon's program as both states work to plan and prepare for cross-state travel under a RUC funding structure. We all have much to gain from this work and the results will benefit our region, the WRUCC, and the nation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Travis Brouwer', with a long horizontal flourish extending to the right.

Travis Brouwer  
Assistant Director



May 18, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

RE: Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "Surface Transportation System Funding Alternatives"

Dear Ms. Jacobs:

As President of the Seattle Electric Vehicle Association I strongly urge your favorable action on Washington State's application for funding under the Notice of Funding Opportunity #DTFH6116RA00013 "Surface Transportation System Funding Alternatives"

Our large group of electric vehicle drivers, advocates and interested citizens have long been in favor of equitable road usage fee regulations which would be based upon vehicle miles traveled and not tied to any particular type of fuel.

I have personally seen the good outcomes that Washington State has achieved with regard to charging infrastructure as well as signage and guides for municipalities. These started with studies and produced tangible results and guidelines which have been used in Washington State and beyond. I have confidence that studies or a pilot test for "road usage charging" would yield similar positive results.

Sincerely,

Stephen Johnsen, President  
Seattle Electric Vehicle Association  
PO Box 92  
Renton, WA 98057  
[www.seattleeva.org](http://www.seattleeva.org)



May 16, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

RE: Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*"

Dear Ms. Jacobs:

Plug In America strongly supports Washington State's application for funding for a Road Usage Charge (RUC) pilot test.

As an observer of the State's process for both Plug In America and the Seattle Electric Vehicle Association (SEVA) starting in the fall of 2012, I have attended 11 of the 12 [RUC Steering Committee](#) meetings which have been held per the Legislature's desire to assess the appropriateness of implementing a RUC in Washington. During that time, I had the privilege of personally observing the open process through which the members of the RUC Steering Committee and professional consultants worked to arrive at the point of being ready to conduct the proposed pilot test.

Having been deeply involved with participative planning processes during my professional career as Assistant Manager of the City of Seattle's Office of Neighborhood Planning and a member of the American Institute of Certified Planners, I can confirm that this process was one of the best run planning efforts with which I have been involved.

The plug-in electrical vehicle (PEV) community's interest in proceeding with this RUC pilot test stems from the fact that the current flat rate, regressive annual PEV license renewal fee will sunset once Washington adopts a RUC-based fee structure. Until a RUC pilot test is conducted and the results analyzed, legislation creating a RUC-based fee structure will not be considered by the Legislature.

Plug in America strongly urges your favorable action on Washington State's application. Based on their use of resources thus far, I would anticipate the State would use this funding effectively resulting in valuable information for not only Washington State, but other locales as well.

Sincerely,

A handwritten signature in black ink that reads "Jeff Finn".

Jeff Finn, Treasurer  
Plug In America  
[jfinn@pluginamerica.org](mailto:jfinn@pluginamerica.org)  
425.643.4694  
Resident of Bellevue, Washington

JAY INSLEE  
Governor



STATE OF WASHINGTON  
Office of the Governor

April 20, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Avenue SE  
Washington, DC 20590

Dear Ms. Jacobs:

I am writing to express my support for Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*."

Washington State has invested \$2.7 million since 2012 in its Road Usage Charge (RUC) Assessment. Led by the Washington State Transportation Commission, the state has been conducting a deliberative process to determine if a RUC makes sense for Washington State and identifying the policy issues that will have to be resolved if our state is to move forward with transitioning away from the gas tax. The work has been underway for over four years and continues today with a state legislative directive for the Transportation Commission to develop a pilot project implementation plan for consideration in 2017.

The Washington State RUC assessment includes guidance from a 25-member steering committee which is made up of members of our State Legislature, members of the Transportation Commission, and a whole host of key stakeholder representatives including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies.

Given the investment of state funds in this effort, and the extensive body of work that has been accumulated over the last four years, Washington State is perfectly poised for this federal grant program. With federal funding assistance, Washington State will be able to successfully carry out a robust, statewide RUC pilot project that will inform state and federal deliberations and decision making regarding possible future alternative funding approaches.

I strongly encourage your serious consideration of Washington State's application for this grant funding.

Very truly yours,



Jay Inslee  
Governor







May 13, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

This letter is being sent to indicate my strong support for Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*".

Washington State has invested \$2.7 million since 2012, in its Road Usage Charge (RUC) Assessment. During this time we have been conducting a deliberative and thorough process in determining if a RUC makes sense for Washington State and identifying the policy issues that will have to be resolved if we move forward with transitioning away from the gas tax. The work has been underway for over four years and continues today as we finalize our statewide RUC demonstration plan for implementation in 2017.

Our state's RUC assessment has been led by our State Transportation Commission, with support from the Department of Transportation. The work has been guided by a 25-member steering committee which is made up of eight members of our State Legislature, three members of the Transportation Commission, and a whole host of key stakeholder representatives from a variety of interests including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies.

Since 2012, we have answered key questions and set a path forward to advance a statewide RUC demonstration that will give special attention to multi-state and international border crossing interoperability as part of our testing. Thus far, we have determined:

- A Road Usage Charge is feasible, and has many detailed policy considerations to be addressed as it moves forward;
- Our Road Usage Charge business case analysis indicates it will out-perform the gas tax as the fuel efficiency of our vehicle fleet increases, thus making it a viable, long-term revenue source for transportation;



- We have developed a concept of operations which sets forth the design and parameters for how a statewide RUC would work; and,
- We have developed a preliminary statewide demonstration design, with more work currently being done to finalize a detailed demonstration blueprint.

Given the continuous investment of state funds and the work we have accomplished over the last four years, coupled with our current legislative directive to finalize a statewide demonstration plan for implementation in 2017, Washington State is perfectly poised for this federal grant program. With federal funding assistance, Washington State will be able to successfully carry out a robust, statewide RUC demonstration that will inform both our state's long-term funding decision making, and also inform federal deliberations and decision making regarding alternative funding approaches to be pursued in the future.

I encourage your serious consideration of our state's application for this grant funding. There is no doubt that our state will put the funding to good use and will in return, provide you with invaluable results and data that can be used to advance our nation's transportation funding evolution.

Sincerely,

A handwritten signature in black ink that reads "Judy Clibborn".

WA State Representative Judy Clibborn  
House Transportation Committee, Chair



## Washington State Senate

**Senator Ann Rivers**  
18th Legislative District

**Olympia Address:**  
PO Box 40418  
Olympia, WA 98504-0418  
E-mail: [ann.rivers@leg.wa.gov](mailto:ann.rivers@leg.wa.gov)

**Telephone:**  
(360) 786-7634  
FAX: (360) 786-1999  
Toll-Free: 1-800-562-6000

May 11, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

This letter is being sent to indicate my strong support for Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*".

Washington State has invested \$2.7 million since 2012, in its Road Usage Charge (RUC) Assessment. During this time we have been conducting a deliberative and thorough process in determining if a RUC makes sense for Washington State and identifying the policy issues that will have to be resolved if we move forward with transitioning away from the gas tax. The work has been underway for over four years and continues today as we finalize our statewide RUC demonstration plan for implementation in 2017.

Our RUC assessment has been led by our State Transportation Commission, with support from the Department of Transportation. The work has been guided by a 25-member steering committee which is made up of eight members of our State Legislature, three members of the Transportation Commission, and a whole host of key stakeholder representatives from a variety of interests including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies.

Since 2012, we have answered key questions and set a path forward to advance a statewide RUC demonstration that will give special attention to multi-state and international border crossing interoperability as part of our testing.

Thus far, we have determined:

- A Road Usage Charge is feasible, and has many detailed policy considerations to be addressed as it moves forward.
- Our Road Usage Charge business case analysis indicates it will out-perform the gas tax as the fuel efficiency of our vehicle fleet increases, thus making it a viable, long-term revenue source for transportation.
- We have developed a concept of operations which sets forth the design and parameters for how a statewide RUC would work.
- We have developed a preliminary statewide demonstration design, with more work currently being done to finalize a detailed demonstration blueprint.

Given the continuous investment of state funds and the work we have accomplished over the last four years, coupled with our current legislative directive to finalize a statewide demonstration plan for implementation in 2017, Washington State is perfectly poised for this federal grant program. With federal funding assistance, Washington State will be able to successfully carry out a robust, statewide RUC demonstration that will inform both our state's long-term funding decision making, and also inform federal deliberations and decision making regarding alternative funding approaches to be pursued in the future.

I encourage your serious consideration of our state's application for this grant funding. There is no doubt that our state will put the funding to good use and will in return, provide you with invaluable results and data that can be used to advance our nation's transportation funding evolution.

Sincerely,



Senator Ann Rivers  
18<sup>th</sup> Legislative District

# United States Senate

WASHINGTON, DC 20510-4705

May 13, 2016

The Honorable Gregory G. Nadeau  
Administrator  
Federal Highway Administration  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

Dear Administrator Nadeau:

I support the application submitted by the Washington State Transportation Commission (WSTC) to the Federal Highway Administration's Surface Transportation System Funding Alternatives Grant Program to conduct a statewide RUC Pilot Demonstration Project.

As you know, advancements in vehicle fuel efficiency continue to decrease gas consumption, reducing emissions, improving air quality, and benefiting the health of our communities. Projections by the Federal Energy Information Administration anticipate fuel efficiency standards near 37 miles per gallon for all vehicles by 2040. In Washington state, this increase in efficiency would reduce gas tax revenue by 45 percent, severely limiting the state's ability to maintain state of good repair on public roads and bridges.

In response, Washington state has undertaken a Road Usage Charge (RUC) Assessment to explore alternative revenue mechanisms to a gas tax, investing \$2.7 million in the study since 2012. Led by WSTC and the Washington State Department of Transportation, the assessment has received the input of a 25-member Steering Committee comprised of elected officials and representatives from local governments, the Washington Public Ports Association, regional transit agencies, industry stakeholders, the American Automobile Association - Washington, environmental organizations, and key state agencies. An RUC Assessment Demonstration plan is expected to be finalized for implementation in 2017.

Funding through the Surface Transportation System Funding Alternatives Grant Program would be used to implement a statewide RUC Pilot Demonstration Project to inform decision making regarding potential alternatives to a state gas tax. A total of 2,000 volunteers from five regions representing urban, rural, and border areas would test the four road usage charge payment options identified by the Steering Committee. I am told that location data will not be recorded during the pilot program, prioritizing the privacy of participants.

The RUC Pilot Demonstration Project seeks to inform the national conversation seeking solutions for the long-term solvency of the Federal Highway Trust Fund. I ask for full and fair consideration of the Washington State Transportation Commission's application to Surface Transportation System Funding Alternatives Grant Program.

Sincerely,



Maria Cantwell  
United States Senator

**EVERETT**  
2930 WETMORE AVENUE  
SUITE 9B  
EVERETT, WA 98201  
(425) 303-0114  
FAX: (425) 303-8351

**RICHLAND**  
825 JADWIN AVENUE  
SUITE 204/204A  
RICHLAND, WA 99352  
(509) 946-8106  
FAX: (509) 946-6937

**SEATTLE**  
JACKSON FEDERAL BUILDING  
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SEATTLE, WA 98174-1003  
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TOLL FREE: 1-888-648-7328  
FAX: (206) 220-6404

**SPOKANE**  
U.S. FEDERAL COURTHOUSE  
WEST 920 RIVERSIDE, SUITE 697  
SPOKANE, WA 99201  
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FAX: (509) 353-2547

**TACOMA**  
950 PACIFIC AVENUE  
SUITE 615  
TACOMA, WA 98402  
(253) 572-2281  
FAX: (253) 572-5879

**VANCOUVER**  
MARSHALL HOUSE  
1313 OFFICERS' ROW  
FIRST FLOOR  
VANCOUVER, WA 98661  
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FAX: (360) 696-7844

**WASHINGTON, DC**  
511 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-4705  
(202) 224-3441  
FAX: (202) 228-0514

CATHY McMORRIS RODGERS  
5TH DISTRICT, WASHINGTON

REPUBLICAN CONFERENCE  
CHAIR

DEPUTY WHIP

COMMITTEE

ENERGY AND COMMERCE  
SUBCOMMITTEE ON HEALTH

Congress of the United States  
House of Representatives

May 4, 2016

COUNTIES:  
ASOTIN  
COLUMBIA  
FERRY  
GARFIELD  
LINCOLN  
PEND OREILLE  
SPOKANE  
STEVENS  
WALLA WALLA  
WHITMAN

Angela Fogle Jacobs, Transportation Specialist  
U.S. Department of Transportation, Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

I am writing in support for Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*".

Washington State has invested \$2.7 million since 2012 in its Road Usage Charge (RUC) Assessment. During this time, a deliberative and thorough process has been conducted to determine if a RUC makes sense for Washington State and identify the policy issues that will have to be resolved if our state is to move forward with transitioning away from the gas tax. The work has been underway for more than four years and continues today as a statewide RUC demonstration plan is finalized for implementation in 2017.

The Washington State RUC assessment has been led by our State Transportation Commission, with support from the Washington State Department of Transportation. Work has been guided by a 25-member steering committee consisting of members of our State Legislature, members of the State Transportation Commission, and a host of key stakeholder representatives including: AAA, cities, counties, ports, businesses, automobile manufacturers, trucking, environment, public transportation, and key state agencies.

Given the continuous investment of state funds in this effort, the extensive and thorough body of work that has been accumulated over the last four years, and a state legislative directive to finalize a detailed pilot project plan for implementation in 2017, Washington State is prepared to put funding from this federal grant program to immediate and worthwhile use. With federal funding assistance, Washington State will be able to carry out a robust, statewide RUC pilot project that will provide the federal government and Congress with invaluable results and data that can be used to determine the best approach to ensuring stable and sufficient funding for our nation's future transportation system.

I encourage you to give full and fair consideration to Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*".

Sincerely,



Cathy McMorris Rodgers  
Member of Congress

203 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-2006  
FAX: (202) 225-3392

10 NORTH POST STREET, SUITE 625  
SPOKANE, WA 99201  
(509) 353-2374  
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555 SOUTH MAIN  
COLVILLE, WA 99114  
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FAX: (202) 225-3392

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WALLA WALLA, WA 99362  
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[www.mcmorrisrodgers.house.gov/facebook](http://www.mcmorrisrodgers.house.gov/facebook)

DEREK KILMER  
6TH DISTRICT, WASHINGTON

COMMITTEE ON APPROPRIATIONS

COMMERCE, JUSTICE, SCIENCE,  
AND RELATED AGENCIES SUBCOMMITTEE

INTERIOR, ENVIRONMENT,  
AND RELATED AGENCIES SUBCOMMITTEE

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4706

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[www.kilmer.house.gov](http://www.kilmer.house.gov)

May 11, 2016

The Honorable Anthony Foxx  
Secretary  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, D.C. 20590

**RE: Washington State Transportation Commission's Surface Transportation System Funding Alternatives Grant Application - FY 2017**

Dear Secretary Foxx,

I am pleased to write in support of the Washington State Transportation Commission's STSFA grant application for funding to support a statewide Road Usage Charge (RUC) pilot project.

As vehicle fuel efficiency increases each year, gas consumption decreases and subsequently, so does gas tax revenues which serve as the major source of funding for our nation's roads and bridges. Many in Washington state see the RUC as a necessary and viable alternative the gas tax that will provide sustainable, long-term revenue for our transportation system. Under an RUC model, drivers pay per mile rather than by the gallon. By setting a flat rate for all drivers, the RUC provides equity compared to the gas tax while ensuring revenue sustainability.

Washington state has already invested \$2.7 million since 2012 in its RUC Assessment, led by the State Transportation Commission, with support from the Washington State Department of Transportation (WSDOT). During this time the state has been evaluating data and identifying the policy issues that will have to be resolved if our state is to move forward with transitioning away from the gas tax to an RUC makes. The work has been guided by a 25-member steering committee made up of eight members of the State Legislature, three members of the Transportation Commission, and key stakeholders including AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and state agencies.

The state has also been actively coordinating with both Oregon and California to develop a multi-state RUC pilot project that will specifically test multi-state interoperability and cross-border operations. Oregon was the first state in the nation to enact a voluntary, permanent RUC program and California is preparing to launch their statewide pilot project this July 2016. The proposed statewide RUC pilot project represents the culmination of the work that has been underway for over four years and is essential to moving forward with the development of a future multi-state program.

I appreciate your fair and full consideration of the Washington State Transportation Commission's STSFA grant application. If you have any questions, please contact Joe Dacca in my Tacoma office at (253) 272-3515.

Sincerely,

A handwritten signature in blue ink, appearing to read "Derek Kilmer". The signature is fluid and cursive, with the first name "Derek" being more prominent than the last name "Kilmer".

Derek Kilmer  
Member of Congress



ADAM SMITH

9TH DISTRICT, WASHINGTON

2264 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-8901

COMMITTEE ON ARMED SERVICES  
RANKING MEMBER

DISTRICT OFFICE

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**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4709

May 3, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist, U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

**RE: CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBER: 20.200**

Dear Ms. Fogle-Jacobs,

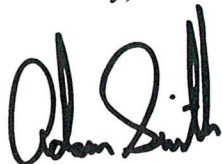
I write in support of Washington State Transportation Commission's application for the *Surface Transportation System Funding Alternatives* grant from the U.S. Department of Transportation (DOT).

If awarded this grant, it is my understanding that this grant would support a statewide pilot project in Washington State to put a Road Usage Charge (RUC: pay by mile rather than by gallon of gas) system to the test, and to gauge public acceptance. The State Legislature has directed the Transportation Commission to prepare a RUC pilot project implementation plan this year that will enable the state to launch a test in 2017.

Washington State has invested \$2.7 million since 2012, in its RUC Assessment. During this time the state has been conducting a deliberative and thorough process in determining if a RUC makes sense for Washington State and identifying the policy issues that will have to be resolved if the state is to move forward with transitioning away from the gas tax.

Thank you for your attention to this grant request. I urge you to give their application full and fair consideration, following all applicable rules and regulations. If you have questions regarding this request, please contact Shakisha Ross, Grants Coordinator, at (425) 793-5180.

Sincerely,



Adam Smith  
Member of Congress

AS: sr

REP. SUZAN K. DELBENE

1ST DISTRICT, WASHINGTON

318 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-6311

22121 17TH AVE SE, STE 220  
BOTHELL, WA 98021  
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COMMERCIAL AND ANTITRUST LAW

**Congress of the United States**  
**House of Representatives**

May 10, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

I am writing in support of Washington State's application for funding under the *Surface Transportation System Funding Alternatives* program, funding opportunity number DTFH6116RA00013.

Washington State has invested \$2.7 million since 2012 in its Road Usage Charge (RUC) Assessment. During this time our state has been conducting a deliberative and thorough process in determining if a RUC makes sense for Washington State and identifying the policy issues that will have to be resolved if our state is to move forward with transitioning away from the gas tax. The work has been underway for over four years and continues today as a statewide RUC demonstration plan to be finalized for implementation in 2017.

The Washington State RUC assessment has been led by our State Transportation Commission, with support from the Washington State Department of Transportation. The work has been based upon valuable guidance of a 25-member steering committee which is made up of members of our State Legislature, members of the Transportation Commission, and a whole host of key stakeholder representatives including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies. With federal funding assistance, Washington State believes they can successfully carry out a robust, statewide RUC pilot project that will inform state and federal deliberations and decision making regarding possible future alternative funding approaches.

I encourage your full and fair consideration, consistent with applicable laws and regulations, of their application.

Regards,



Suzan DelBene  
Member of Congress

DENNY HECK  
10TH DISTRICT, WASHINGTON

COMMITTEES:  
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SUBCOMMITTEE ON FINANCIAL INSTITUTIONS  
AND CONSUMER CREDIT

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MONETARY POLICY AND TRADE

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OVERSIGHT AND INVESTIGATIONS

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-4710

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LACEY, WA 98503  
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1423 E. 29TH STREET  
SUITE 203  
TACOMA, WA 98404  
(253) 722-5860

May 10, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

As a member of Congress from Washington State's 10<sup>th</sup> Congressional District, representing more than 650,000 Washingtonians, I write in support of the Washington State Transportation Commission's (WSTC) application under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives*."

Residents of Washington State need and deserve reliable roadways. Currently the Energy Information Administration predicts an estimated 45% reduction in gasoline tax revenue in Washington State by 2040 as automobile manufacturers move towards more fuel-efficient vehicles. Washington State must figure out the steps to continue building and maintaining roads and bridges.

Washington State is perfectly poised for this federal grant program. The WSTC is developing a pilot project based upon guidance from a 25-member steering committee made up of state legislators, WSTC members, and stakeholder representatives including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies. In order to do this Washington State needs to obtain additional funding.

I would like to thank you for your attention to WSTC's grant application and urge you to give it full and fair consideration.

Sincerely,



Denny Heck  
Member of Congress

JAIME HERRERA BEUTLER  
3RD DISTRICT, SOUTHWEST WASHINGTON

COMMITTEE ON APPROPRIATIONS  
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AND GENERAL GOVERNMENT



Congress of the United States  
House of Representatives  
Washington, DC 20515-1602

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(202) 225-3536
  - GENERAL O.O. HOWARD HOUSE  
750 ANDERSON STREET, SUITE B  
VANCOUVER, WA 98661  
(360) 695-6292
- WWW.JAIMEHB.HOUSE.GOV

April 25, 2016

Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs,

This letter is being sent to indicate my support for Washington state's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "Surface Transportation System Funding Alternatives."

Washington state has invested \$2.7 million since 2012, in its Road Usage Charge (RUC) Assessment. During this time the state has been conducting a deliberative and thorough process in determining if a RUC makes sense for Washington state and identifying the policy issues that will have to be resolved if our state is to move forward with transitioning away from the gas tax. The work has been underway for over four years and continues today as a statewide RUC demonstration plan is finalized for implementation in 2017.

The Washington state RUC assessment has been led by the State Transportation Commission, with support from the Washington State Department of Transportation. The work has been based upon valuable guidance of a 25-member steering committee which is made up of members of the State Legislature, members of the Transportation Commission, and a whole host of key stakeholder representatives including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation and key state agencies.

With federal funding assistance, Washington state will be able to successfully carry out a statewide RUC pilot project that will inform state and federal deliberations and decision making using robust evidence and data to give a fuller picture of potential benefits and drawbacks to possible alternative funding approaches.

Thank you for your consideration of this important project. I ask that you please keep me informed when you award the Surface Transportation System Funding Alternative funds. Please direct the information to Jordan Meade at [Jordan.meade@mail.house.gov](mailto:Jordan.meade@mail.house.gov) or via telephone at 360-695-6292.

Sincerely,

Jaime Herrera Beutler  
Member of Congress

**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

May 11, 2016

Ms. Angela Fogle Jacobs  
Transportation Specialist  
U.S. Department of Transportation  
Federal Highway Administration  
HOTM-1, Room E86-204  
1200 New Jersey Ave. SE  
Washington, DC 20590

Dear Ms. Jacobs:

I am writing in support of Washington State's application for funding under the Notice of Funding Opportunity Number DTFH6116RA00013, "*Surface Transportation System Funding Alternatives.*"

Washington State has invested \$2.7 million since 2012, in its Road Usage Charge (RUC) Assessment. The Washington State RUC assessment has been led by our State Transportation Commission, with support from the Washington State Department of Transportation. The work has been based upon valuable guidance of a 25-member steering committee which is made up of members of our State Legislature, members of the Transportation Commission, and a whole host of key stakeholder representatives including: AAA, cities, counties, ports, business, automobile manufacturers, trucking, environment, public transportation, and key state agencies.

I strongly encourage your serious consideration of Washington State's application for this grant funding. With federal funding assistance, Washington State will be able to successfully carry out a robust, statewide RUC pilot project that will inform state and federal deliberations and decision making regarding possible future alternative funding approaches.

Sincerely,



Jim McDermott  
Member of Congress

**DEPARTMENT OF TRANSPORTATION**

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*Serious Drought.  
Serious drought.  
Help save water!*

May 18, 2016

The Honorable Anthony Foxx  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Avenue, SE  
Washington, DC 20590

Dear Secretary Foxx:

On behalf of Western Road Usage Charge Consortium (WRUCC), I am pleased to submit this letter of support for the Washington Department of Transportation and Washington Transportation Commission's Application for the 2016 funding through the Surface Transportation System Funding Alternatives (STFA) program.

The WRUCC was founded in 2013 and is a voluntary coalition of state Departments of Transportation and provincial Ministries of Transport that are committed to collaborative research and development of a potential new transportation funding method that would collect a road usage charge (RUC) from drivers based on actual road usage. There are currently 14 member states of the WRUCC. The work of WRUCC builds relationships between states, brings varied perspectives together on common research activities and forms the foundation for interoperability opportunities and benefits including economies of scale.

The Washington proposal aligns with the STFA goals outlined in the Notice for Funding Opportunities. We urge your full and fair consideration for this State's application.

Should you have any further questions or concerns, please don't hesitate to contact me at (916) 654-6130.

Sincerely,

A handwritten signature in blue ink, appearing to read "Malcolm Dougherty".

MALCOLM DOUGHERTY, Chair  
Board of Directors, Western Road Usage Charge Consortium

cc: Randal Thomas, WRUCC Administrator, Oregon Department of Transportation