

JUST THE FACTS ON ROAD USAGE CHARGES

Overview

- A road usage charge is a proposed per mile charge that, if adopted, would be assessed for using public roads within Washington State.
- The intent of a road usage charge is that it would co-exist with the gas tax and **tax payers would only pay one or the other – NOT BOTH**. The reason for both the fuel tax and the road usage charge is so that out of state drivers and vehicles heavier than 10,000 pounds using gasoline, would still pay for their use of the roads through the fuel tax.
- Motorists will have choices about how they report and pay for their mileage. GPS and other location technology are not required to implement a road usage charge.
- The Commission has been studying road usage charging since 2012, at the direction of the Legislature because of concerns about the long-term viability of the motor fuel tax arising from improvements to vehicle fuel economy.
- The Commission believes it is time to learn how a road usage charge might work in the real world, and will propose that the Legislature authorize a demonstration project.

Why is the state looking to move to a road usage charge to pay for road maintenance and improvements?

- As there are more cars on the road that consume less gas, or don't use gas at all, gas tax revenues are flat and expected to decline over time. This means less funding to pay for the maintenance and expansion of our roads and bridges, all while our state's population grows, congestion increases, and our roads wear out.
- Paying by the mile ensures every car on the road pays their fair share for supporting our road system.
- Under a road usage charge system, it doesn't matter what kind of car you drive (new, old, gas guzzler, hybrid, electric, etc.) nor what your fuel source is (gas, diesel, electricity, etc.) – everyone pays the same amount per mile.

What could a road usage charge mean for me in terms of my monthly costs as compared to the current 37.5 cent per gallon gas tax (assuming the road usage charge mileage rate is set to be the same price as what I now pay per gallon)?

- For people that drive about 1,000 miles per month, the differences in costs are shown in the table below. Cost changes range from: a reduction in costs for drivers of pickups/SUVs at 15 mpg; about the same costs for drivers of cars that get average mileage; to an increase in costs of about 6 to 11 dollars per month for drivers of cars that get higher mileage.

Type of car	Miles per gallon	Miles per month	Current fuel tax (or flat rate for electric)	Road usage charge per month	Difference per Month
Pick-up / SUV	15.0	1000	\$ 25.00	\$ 19.00	\$ (6.00)
Average car	19.5	1000	\$ 19.23	\$ 19.00	\$ (0.23)
Fuel efficient car	30.0	1000	\$ 12.50	\$ 19.00	\$ 6.50
Efficient Hybrid	45.0	1000	\$ 8.33	\$ 19.00	\$ 10.67
Electric	N/A	1000	\$ 8.33	\$ 19.00	\$ 10.67

Does a road usage charge mean my driving habits and location will always be tracked?

- **No.** You will have a choice of how to pay the road usage charge and some involve no technology or mileage reporting at all.
- But even with the use of technology, the only data collected is your **total mileage** according to:
 - 1) If you are traveling in the state of Washington
 - 2) If you are traveling on the public road network.
- **Specific location data or driving habits are not recorded nor collected** under a road usage charge.

Proposed Demonstration Project

- The Commission will submit a road usage charge demonstration project proposal to the Legislature in January, 2015 with these key components:
 - 12 month duration of the demonstration itself, with more time required for advance planning and evaluation.
 - Involve up to 2,000 Washington State residents from up to five regions within Washington State to ensure urban, rural, and border areas are included in the test.
 - Test all four road usage charge payment options that have been part of the Commission study:
 - A: Annual Permit** (no technology involved) – flat charge for unlimited use of the roads;
 - B: Odometer Read** (no technology involved) – vehicle operator self-reports their annual mileage at the time they renew their vehicle registration and pays the mileage fee based on the reported miles;
 - C: Automated Distance Charge** (involves technology) – the number of total miles driven on Washington public roads are recorded and then transmitted via in-vehicle mileage reporting technology, with a bill generated periodically (e.g., quarterly);
 - D: Smartphone App** (involves technology) – a smartphone app would be used for total mileage collection in lieu of manual reporting for Method B, or electronic recording for Method C.
 - Under options C and D above, actual location data (i.e.: where you drive) would not be recorded. All that would be identified is if travel occurred in state or out of state, and whether or not it was on a public road or private road.
 - Washington State residents would voluntarily participate in the demonstration project to help the state better understand the pros, cons, and challenges of migrating to a per-mile charge rather than staying with the current per gallon gas tax.