



**climate solutions**  
accelerating the transition to our clean energy future

3 December 2019

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

**Re: Comments on Washington State Transportation Commission recommendations for a Road Usage Charge**

Dear Chair Litt, Vice Chair Jennings, and members of the Washington State Transportation Commission:

Climate Solutions appreciates the opportunity to provide comments on the Washington State Transportation Commission (WSTC) recommendations for a Road Usage Charge (RUC). As our state continues to grow, we have the opportunity and responsibility to ensure that we have a clean and equitable transportation system and the corresponding funding to maintain it.

Climate Solutions is a clean energy nonprofit organization working to accelerate clean energy solutions to the climate crisis. The Northwest has emerged as a center of climate action, and Climate Solutions is at the center of the movement as a catalyst, advocate, and campaign hub. For 20 years, we have cultivated political leadership in the Northwest under the proposition that clean energy and broadly shared economic prosperity go hand-in-hand, building a powerful constituency for local, regional, and state action on climate and clean energy. A clean transportation system that is safe and accessible to all is a key part of this vision.

We urge you to include the following in your recommendations to the legislature regarding a RUC:

- **Because this is not a gas tax, it should not be treated as one. Do not restrict revenue to “highway purposes”**
- **Set a progressive rate structure**
- **Base fees on vehicle weight**
- **Transition into a RUC beginning with Electric Vehicles (EVs)**

**Because this is not a gas tax, it should not be treated as one. Do not restrict revenue to “highway purposes”.**

A RUC presents an opportunity to fund our transportation system in a more financially sustainable way. However, to most effectively preserve and improve our transportation system, a RUC policy must recognize that different modes within the system are interconnected. While road usage by passenger vehicles necessitates the need for road maintenance, mode shift to transit, walking or biking and the related infrastructure benefits our roadways overall by way of less wear and tear and reduced congestion. Lowering vehicle demand for roadways through mode-switching investments and trip reduction offers the opportunity to reduce need for expensive future road expansions, limiting the need to search for additional revenue sources. This also presents benefits to the overall population and to the environment in terms of increased safety, reduced air and climate pollution, and mitigated stormwater runoff. Revenue invested in multimodal options would indeed provide benefits for our roadways.

Climate Solutions | 12/3/19

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Thus, restricting RUC revenues to the motor vehicle account ignores the interconnectedness of our entire system, and artificially creates a restriction not required by our constitution

That is not to say that revenue should not be used for highway purposes. Our existing roads must be safely maintained, and we have a legal mandate to fix culverts. A RUC must ultimately provide revenue for preserving our roads, while also contributing to multimodal transportation needs, improving the safety of our overall transportation system, and investing in communities that have been most impacted by the negative outcomes of our current transportation system. Therefore, we strongly disagree with WSTC's current suggestion to restrict RUC revenues to highway-related expenditures, and we urge the Commission to rethink this recommendation.

**Set a progressive rate structure.**

The gas tax, in addition to being a declining source of revenue absent continuous rate increases, is also a regressive revenue source since those with lower incomes are likely to pay a higher percentage of their income. A RUC, if structured equitably with a progressive rate structure, presents the opportunity to remedy both of these issues.

One of WSTC's recommendations to the legislature is to continue researching certain topics, including "potential equity impacts of RUC on communities of color, low-income households, rural communities, vulnerable populations, and displaced communities" and "assessing different approaches to RUC rate-setting." A better understanding of both of these topics is very important, and they can be examined through this additional research as well as through phased-in RUC implementation. We strongly recommend that any RUC pilot or transition program include a progressive rate structure, so participants with lower incomes do not pay a disproportionately higher percentage of their income.

**Base fees on vehicle weight.**

Since a RUC is intended to generate revenue to ensure the longevity and maintenance of our transportation system, it is sensible that vehicles with a more significant impact on roadways would be assessed a higher per-mile fee, commensurate with their impact. Therefore, a RUC should differentiate between cars, light duty vehicles, light trucks, and other vehicle classes and charge rates that align with the impact each class of vehicles has on the road.

In addition to more accurately accounting for vehicle impact on the road, a weight-based RUC would also generally incentivize more efficient vehicles, since vehicle fuel efficiency is strongly correlated with weight.<sup>1</sup> This, in turn, would encourage vehicles that pollute less both at the tailpipe and in the fuel supply chain. Due to these co-benefits and the financial benefits of aligning road impact with a usage fee, we encourage the WSTC specifically suggest examining this in its recommendations to the legislature.

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<sup>1</sup> Natural Resources Canada. [https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/oeo/pdf/transportation/fuel-efficient-technologies/autosmart\\_factsheet\\_16\\_e.pdf](https://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/oeo/pdf/transportation/fuel-efficient-technologies/autosmart_factsheet_16_e.pdf)



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### **Transition to a RUC beginning with EVs**

Washington State is facing a transportation funding shortfall today, and at the same time, we must better understand implementation considerations and impacts of a RUC so people are not harmed by this significant policy change. Therefore, we agree with the WSTC's recommendation to transition to a RUC with a start-up phase which will inform implementation before a RUC is expanded to include all vehicles. Specifically, we suggest electric vehicles (EVs) for this start-up group. Currently, EVs drivers pay a flat fee to replace what they do not pay in the gas tax. Depending on the driver, this could be disproportionate to their true road impacts. A RUC for EV drivers would at once allow the state to do away with unpopular annual fees targeted at EVs drivers, move to a system that more fairly accounts for EVs' impact, and test implementation on a smaller population of drivers who currently tend to be more affluent. Such a roll out would allow the state to continue to test a RUC before implementing it for all drivers. This would be of benefit to EV drivers, since they will not have to pay annual fees out of scale with their impacts on the transportation system while still experiencing lower cost of ownership compared to conventionally-powered vehicle. This phase-in would also benefit the state, by allowing it to better test a RUC and begin to collect revenue under this new system. This transition period would allow WSTC to ensure that implementation meets the needs of marginalized communities through testing in the real world, while simultaneously conducting the targeted research that is currently a part of the Commission's recommendations.

### **Conclusion**

A progressive RUC with revenue that is not restricted to highway purposes and that is strategically phased-in is an opportunity for Washington State. Not only could Washington take significant steps in addressing its transportation funding problem, but it could also be a leader nationwide by designing and implementing a RUC that goes beyond narrowly replacing the gas tax and instead helps address broader issues that impact our whole transportation system. We strongly urge the WSTC to revise some of its recommendations to the legislature in accordance with this letter, and we also offer support for continuing research and phasing in implementation.

Sincerely,

Leah Missik  
Washington Transportation Policy Manager  
Climate Solutions

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26 November 2019

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

**Re: Comments on Washington State Transportation Commission recommendations for a Road Usage Charge**

Dear Chair Litt, Vice Chair Jennings, and members of the Washington State Transportation Commission:

The organizations listed below appreciate the opportunity to provide comments on the Washington State Transportation Commission (WSTC) recommendations for a Road Usage Charge (RUC). As our state continues to grow, we have the opportunity and responsibility to ensure that we have a clean and just transportation system and the corresponding funding to maintain it. Collectively we seek to reduce greenhouse gas emissions and air pollution while building an equitable transportation system that benefits health, safety, mobility, and access to opportunity for all.

We urge you to consider the following in your recommendations to the legislature regarding a RUC, with more information below.

- **Do not restrict revenue to “highway purposes”**
- **Set a progressive rate structure and ensure implementation considers the needs of communities that have been marginalized**
- **RUC must be implemented strategically, and ensure it accounts for broader environmental and other impacts**

#### **Context**

The transportation sector is responsible for the largest share of Washington State’s greenhouse gas emissions and other toxic pollutants, making this sector a critical part of addressing climate change and air quality in Washington State.<sup>1</sup> At the same time, we lack essential funding for maintaining our transportation system: WSDOT needs \$1.24 billion annually to preserve and maintain our system, but receives only half of what is necessary.<sup>2</sup> While our roadways are inadequately maintained, our transit systems also lack sufficient investment. Only 2% of statewide transit funding comes from the state, in large part due to restrictions on gas tax spending, which per the 18<sup>th</sup> amendment of the Washington State Constitution, is to be deposited in the motor vehicle account for “highway purposes.” This is particularly acute when compared to other states - Washington provides \$14.07 in transit funding per capita, compared to a national average of \$42.11.<sup>3</sup>

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<sup>1</sup> Washington State Greenhouse Gas Emissions Inventory: 1990-2015.

<https://fortress.wa.gov/ecy/publications/documents/1802043.pdf>

<sup>2</sup> WSDOT.

[http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2019%20Agendas/Sept%2019%202019/WSDOT\\_Preservation.pdf](http://leg.wa.gov/JTC/Meetings/Documents/Agendas/2019%20Agendas/Sept%2019%202019/WSDOT_Preservation.pdf)

<sup>3</sup> Washington State Transit Capital Needs Assessment Executive Summary.

[http://leg.wa.gov/JTC/Documents/Studies/Transit%20Study\\_PaulNeal/Final\\_JTCTransitCapitalNeedsTechnicalReportandExecSum.pdf](http://leg.wa.gov/JTC/Documents/Studies/Transit%20Study_PaulNeal/Final_JTCTransitCapitalNeedsTechnicalReportandExecSum.pdf)

The gas tax is one of the most significant sources of transportation revenue in Washington State, bringing in about \$1.75 billion annually, and accounting for roughly half of the state's transportation revenue.<sup>4</sup> However, this revenue source is expected to decline as more efficient vehicles and electric vehicles (EVs) become more common. In fact, EV adoption is occurring rapidly, with the state reaching its 2020 goal of 50,000 EVs on the road ahead of schedule.<sup>5</sup>

We believe that any Road Usage Charge must be crafted very thoughtfully. In this spirit, our organizations offer the following comments on WSTC's recommendations for a RUC and urges the WSTC to consider these options as it finalizes its report to the legislature.

**Do not restrict revenue to "highway purposes".**

A RUC presents an opportunity to help fund our transportation system in a more financially sustainable way. Multimodal investments present benefits to the overall population and to the environment in terms of increased safety, reduced air pollution, and mitigated stormwater runoff. While road usage by passenger vehicles necessitates the need for ongoing road maintenance, funding that helps mode shifts to transit, walking or biking benefits our roadways overall by way of less wear and tear and reduced congestion, leading to fewer maintenance needs and fewer demands for costly road expansions. Restricting RUC revenues to the motor vehicle account ignores the interconnectedness of our entire system.

That is not to say that revenue should not be used for highway purposes. Our existing roads must be safely maintained, and we have a legal mandate to fix culverts. If adopted, a RUC must provide revenue for preservation, while also contributing to other multimodal transportation needs. We strongly disagree with WSTC's current suggestion to restrict RUC revenues to highway-related expenditures, and we urge the Commission to rethink this recommendation.

**Set a progressive rate structure and ensure implementation considers the needs of marginalized communities and workers.**

The gas tax, in addition to being a declining source of revenue absent continuous rate increases, is also a regressive revenue source since those with lower incomes are likely to pay a higher percentage of their income. A RUC, if structured equitably with a progressive rate structure, presents the opportunity to remedy both of these issues.

One of WSTC's recommendations to the legislature is to continue researching certain topics, including "potential equity impacts of RUC on communities of color, low-income households, rural communities, vulnerable populations, and displaced communities" and "assessing different approaches to RUC rate-setting." A better understanding of both of these topics would be beneficial. We also understand that in addition, the WSTC has requested more funding to conduct research that will help to better understand the needs of underserved communities; we recommend that this research answer how both RUC fees, design, and implementation will be inclusive of all. This research should be sure to include:

- Direct and compensated outreach to these specific communities, including tribes

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<sup>4</sup> Transportation Revenue Forecast Council – September 2019 Transportation Economic and Revenue Forecasts, Volume I: Summary.

<https://www.ofm.wa.gov/sites/default/files/public/budget/info/transpo/Sept2019VolumI.pdf>

<sup>5</sup> Washington Department of Ecology – Zero Emission Vehicles: Driving into the future.  
<http://ecology.wa.blogspot.com/2019/09/zero-emission-vehicles-driving-into.html>

- How to best structure RUC as a progressive revenue source. Which fee structure and payment and implementation methods would best serve the needs of low-income residents, considering both logistic barriers to income verification and the accuracy of vehicle value as a proxy for wealth?
- Ensuring those who drive for a living are not disproportionately impacted as individuals
- Payment options based on research and user interface testing for non-English languages, and a range of visual, mobility and intellectual disabilities
- Suitable payment methods for those with no bank account or smartphone

**If adopted, a RUC must be implemented strategically, and ensure it accounts for broader environmental and other impacts.**

In Washington, we simultaneously lack essential transportation funding today and need to better understand implementation considerations and impacts of a RUC so people are not harmed by this significant policy change in the future. We also recognize that environmental degradation that stems from our use of the roads is often not accounted for in the immediate costs, and the brunt of this degradation is disproportionately borne by lower-income, marginalized communities. If a RUC is adopted, we agree with the WSTC's recommendation to transition to a RUC with a start-up phase which will inform implementation before a RUC is expanded to include all vehicles, but caution that we must understand how to equitably implement this system by answering the research questions listed above. We also suggest that a RUC better accounts for different impacts vehicles have on the road, the environment, and on our communities. For example, heavier vehicles not only cause more roadway wear and tear, but they tend to pollute more as well. We recommend that both RUC research and a future RUC account for broader impacts, and that this understanding is thoughtfully incorporated into a future transition.

**Conclusion**

Implementing a RUC with revenue that is not restricted to highway purposes and that is designed and implemented using an equity and environmental lens could be an opportunity for Washington State. If a RUC is designed and adopted with the above recommendations, not only could Washington take significant steps in addressing its transportation funding problem, but it could also be a leader nationwide by designing and implementing a RUC that goes beyond narrowly replacing the gas tax and instead helps address broader issues that impact our whole transportation system. We strongly urge the WSTC to revise some of its recommendations to the legislature in accordance with this letter, and we also offer support for continuing research and phasing in implementation.

Thank you,

Climate Solutions  
Front and Centered  
Futurewise  
Sierra Club  
The Nature Conservancy in Washington  
Transportation Choices Coalition  
Washington Environmental Council/Washington Conservation Voters