

Reason Foundation Testimony on Bill 26-684: Autonomous Vehicle Deployment Authorization Amendment Act of 2026

Prepared for: Committee on Transportation and the Environment
Council of the District of Columbia

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Dear Chair Allen and Members of the Committee,

Thank you for the opportunity to offer our organization's perspective on Bill 26-684. My name is Marc Scribner, and I serve as senior transportation policy analyst at Reason Foundation. Reason Foundation is headquartered in Los Angeles and maintains offices in D.C. Since 1978, we have provided pro bono consulting to public officials and stakeholders to help them design and implement policies related to transportation and infrastructure, including autonomous vehicles and mileage-based user fees.

I have been conducting research on the law and policy related to driving automation for more than 15 years and currently serve as a member of the Transportation Research Board of the National Academies' Standing Technical Committee on Developments and Advancements in Transportation Technology Law. On a personal note, I have been a District resident since 2005 and took my first ride in an autonomous vehicle prototype in downtown D.C. in May 2012.

Reason Foundation has also been conducting research on distance-based road usage charging for decades and is a founding member of the Mileage-Based User Fee Alliance. Members of Reason Foundation's transportation policy team have served on various consensus study committees, testified before Congress and state legislatures, and advised lawmakers and regulators around the country on how to design and implement mileage-based user fee systems. As a D.C. resident, I recently participated as a volunteer in the latest Mileage-Based User Fee Pilot conducted by The Eastern Transportation Coalition, of which the District Department of Transportation is a member agency.

We share the goal of ensuring the safe operation of vehicles equipped with automated driving system on public roads. However, we believe Bill 26-684 could be improved. My testimony focuses on the proposed vehicle-miles traveled (VMT) tax on commercial AV permit holders at Sec. 2(g) (p. 18, lines 404–409).



The Problems with Bill 26-684's Proposed VMT Tax

The bill would establish a special VMT tax of 15 cents per mile for any autonomous vehicle operated under a commercial permit. The proposed VMT tax was conceived in response to concerns about VMT accrued while the vehicle is empty or “deadheading”—either because of rebalancing or once the vehicle is en route to a pickup location in response to a hail. Concern about deadhead miles is neither new nor unique to autonomous vehicles operated in robotaxi service. Indeed, transportation advocates have raised deadheading concerns about conventional ride-hailing with human drivers, as well as traditional taxi services.

A systematic review of empirical research on conventional ride-hailing operations found that deadheading is estimated to range from 28.4% to 59% of VMT.¹ Deadheading by traditional street-hail taxis exceeds deadheading by ride-hailing services because ride-hailing companies employ matching algorithms to increase utilization and reduce customer wait times.

Due to their novelty, empirical research on deadheading by robotaxis is extremely limited. However, the California Public Utilities Commission (CPUC) does collect and publish data submitted by licensed robotaxi providers. Currently, the only licensed operator in CPUC's Deployment Program is Waymo, which was approved to charge fares for rides without a safety driver in August 2023.² Much of the data collected by CPUC from reporting entities is heavily redacted when made available to the public. However, CPUC's quarterly reporting does make public aggregate VMT data, which is divided by month and categorized into three operational “periods.”³

Period 1 is VMT while the vehicle is neither carrying a passenger nor en route to picking up a passenger. Operations included here could be vehicle repositioning or utility functions, such as mapping or technology validation. Period 2 is VMT from when the vehicle is dispatched to pick up a passenger to the point of pickup. Period 3 is VMT traveled between the passenger pickup and dropoff points. Deadheading VMT can thus be calculated by summing Periods 1 and 2.

Figure 1 displays Waymo's VMT reported to CPUC from August 2023 through March 2026, the most recent data available.⁴ As it shows, Waymo began commercial driverless operations with deadhead miles accounting for a large share of VMT, initially 63.6% in August 2023. But as

¹ Tamara L. Sheldon and Rubal Dua, “Impacts of ride-hailing on energy and the environment: a systematic review,” *Environmental Research Letters*, Vol. 19, No. 4 (Apr. 2024).

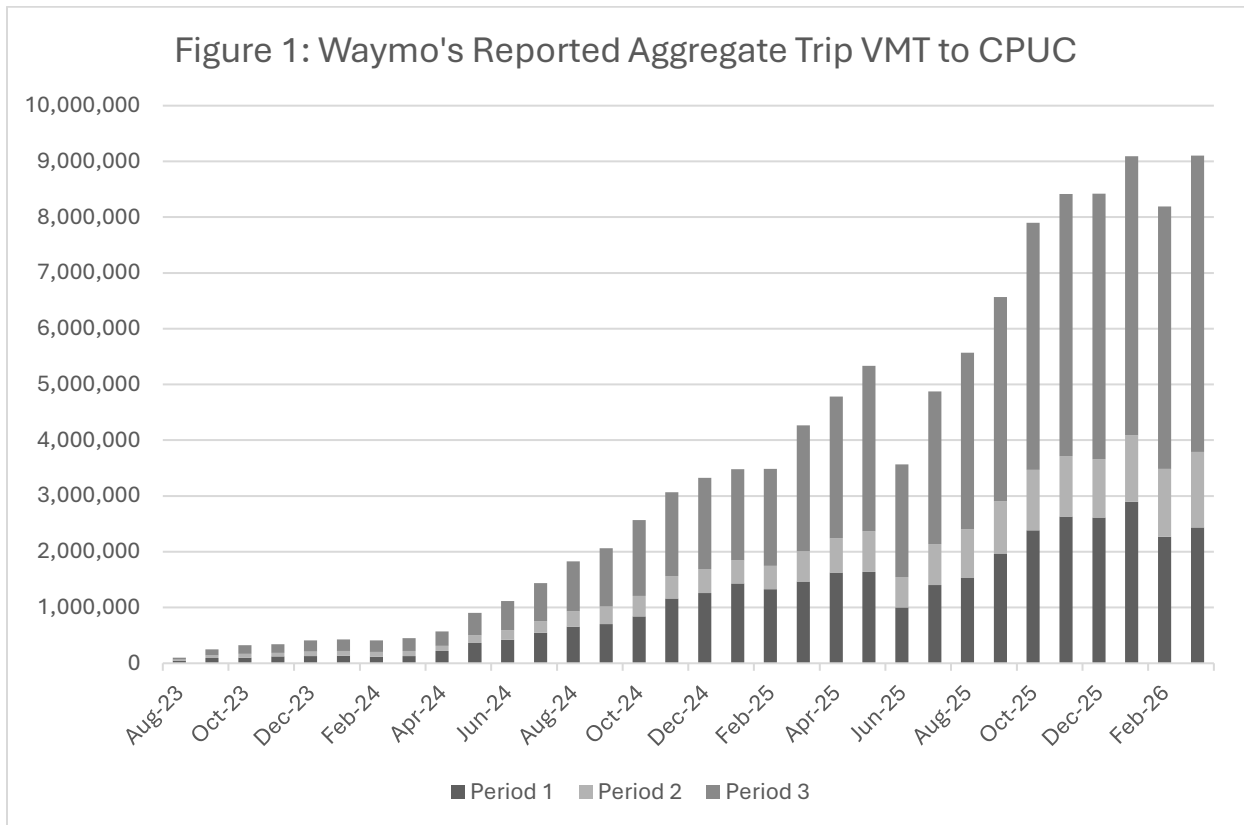
² *Resolution Approving Waymo LLC's Application for Phase I Driverless Autonomous Vehicle Passenger Service Deployment Program*, California Public Utilities Commission, Agenda Resolution TL-19144 (Aug. 10, 2023), available at <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M516/K812/516812344.PDF>.

³ Definitions of the three VMT periods can be found in the California Public Utilities Commission's Quarterly Deployment Data Reporting Templates, “Trip-Level Data Dictionary,” fields VMTP1, VMTP2, and VMTP3, available at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/av-programs/cpuc-av-deployment-data-template-and-dictionary-av-pd---v2.xlsx>.

⁴ Based on analysis of “Month_Part0.csv” files contained in Waymo's quarterly reports published by the California Public Utilities Commission, available at <https://www.cpuc.ca.gov/regulatory-services/licensing/transportation-licensing-and-analysis-branch/autonomous-vehicle-programs/quarterly-reporting>.



service expanded and matured, the deadheading share of VMT fell. As of March 2023, deadhead miles account for 41.6% of total VMT.



This puts Waymo's deadheading VMT share at roughly the same level as conventional ride-hailing and below traditional taxi deadheading. We can expect this share to continue declining because robotaxi operators have a strong incentive to minimize deadheading as vehicle asset owners. This can be contrasted to ride-hailing network operators' lack of vehicle asset ownership and who thus do not bear the costs associated with vehicle depreciation, operations, and maintenance.

The capital-intensive nature of robotaxis encourages operators to maximize asset utilization in order to spread the costs associated with asset ownership over more paying customers. To accomplish this goal, operators will presumably leverage customer data to better predict demand patterns and select optimal sites for staging facilities and maintenance depots.

These market dynamics highlight the fundamental flaw of the proposed VMT tax: It would apply solely to new entrants with the strongest incentive to minimize deadheading VMT.

Discriminating against autonomous vehicles also economically privileges competitors with less incentive to maximize asset utilization. I warned against a discriminatory VMT tax for



autonomous vehicles in a *Washington Post* op-ed in November 2012 when this idea was first proposed by Councilmember Mary Cheh.⁵

To be sure, a mileage-based user fee as a replacement for legacy per-gallon fuel taxes is a wise public policy approach and something that should be explored for the District. The central purpose of mileage-based user fees is to provide a propulsion-neutral mechanism for road user revenue that charges users in proportion to the costs that their driving activity imposes on the roadway network. The proposed VMT tax would be 15 cents per mile. In contrast, the current D.C. gasoline excise tax of 35.7 cents per gallon—assuming a vehicle fleet fuel economy average of 25 miles per gallon—translates to 1.4 cents per mile.

Charging more than 10 times the gasoline tax equivalent undermines the central fairness argument that proponents of mileage-based user fees have been making for years. While bill drafters argue this provision is aimed to reduce the social costs of deadheading VMT—namely traffic congestion—it is a remarkably poorly targeted congestion tax because the price would not vary by traffic flow, time of day, or any other metric necessary to calibrate a congestion charge.

Both mileage-based user fees and congestion pricing are most effective when they are designed to apply broadly and uniformly. These charges can be varied to account for the different costs imposed by different vehicle classes, such as increased rates for higher vehicle-axle loads to reflect increased pavement damage.

But discriminating against autonomous vehicles with an arbitrary and excessive tax on VMT is not a legitimate form of road pricing. It is simply a punitive tax. And if this punitive tax deters the deployment of safer autonomous vehicles, it will generate substantial costs through traffic crash fatalities, injuries, and property damage that could otherwise have been avoided.

Thank you for your time. We welcome the opportunity to advise the Council on this subject in the future.

Sincerely,

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⁵ Marc Scribner, “Driverless cars are on the way. Here’s how not to regulate them.” *Washington Post*, Nov. 2, 2012, available at https://www.washingtonpost.com/opinions/driverless-cars-are-on-the-way-heres-how-not-to-regulate-them/2012/11/02/a5337880-21f1-11e2-ac85-e669876c6a24_story.html.

