



## The Fuel and Vehicle Trends Report

Revised August 29, 2018

This report is a summary of the latest fuel prices and other oil industry key statistics. In addition, this report provides the latest trends in vehicle registrations and transportation tax collections for the state of Washington. It also summarizes articles appearing in popular, business, and technical media referring to fuel price, production and supplies as well as vehicle sales and registration trends. At the end of the report is a listing of all articles summarized, with hyperlinks to internet sources where available. Some hyperlinks may require free registration or paid subscriptions to access. The appearance of articles, products, opinions, and links in this summary does not constitute an endorsement by the Washington State Department of Transportation. Photos and other artwork included in the report are either included with permission or are in the public domain. *The Fuel and Vehicle Trends Report* (ISSN 1948-2388) is compiled by Lizbeth Martin-Mahar, Ph. D., and David Ding, Ph. D., Economic Analysis Section, Budget and Financial Analysis Office of the Washington State Department of Transportation. Contact the editors by email at [martinli@wsdot.wa.gov](mailto:martinli@wsdot.wa.gov) or [DingDav@wsdot.wa.gov](mailto:DingDav@wsdot.wa.gov) by telephone at (360) 705-7942 or (360) 705-7502.

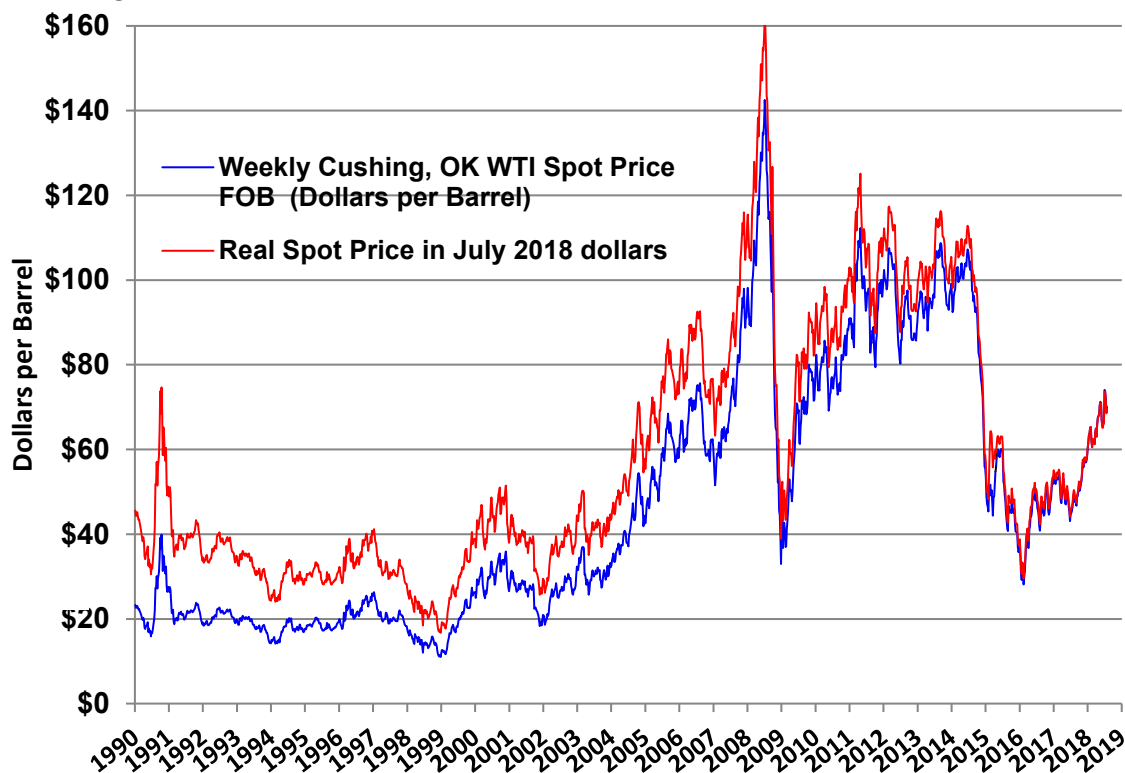
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### FUEL PRICE TRENDS: Crude, Gasoline and Diesel Markets

Analysis by Lizbeth Martin-Mahar, Ph.D

**Figure 1: Weekly Cushing, Oklahoma WTI Spot Price FOB (Dollars Per Barrel), January 1990 to August 2018.**



Source: Energy Information Administration (EIA), 2018a

West Texas Intermediate (WTI) spot crude prices averaged \$66.14 per barrel for April 2018, the last issue published of the Fuel and Vehicle Trends Report. In May 2018, WTI crude oil prices increased by \$4.17 to \$70.31 per barrel. Prices dropped a little to \$67.77 per barrel in June and now they have increased again to \$71.16 per barrel in July. A year ago in July 2017, WTI spot prices averaged \$46.29 per barrel.

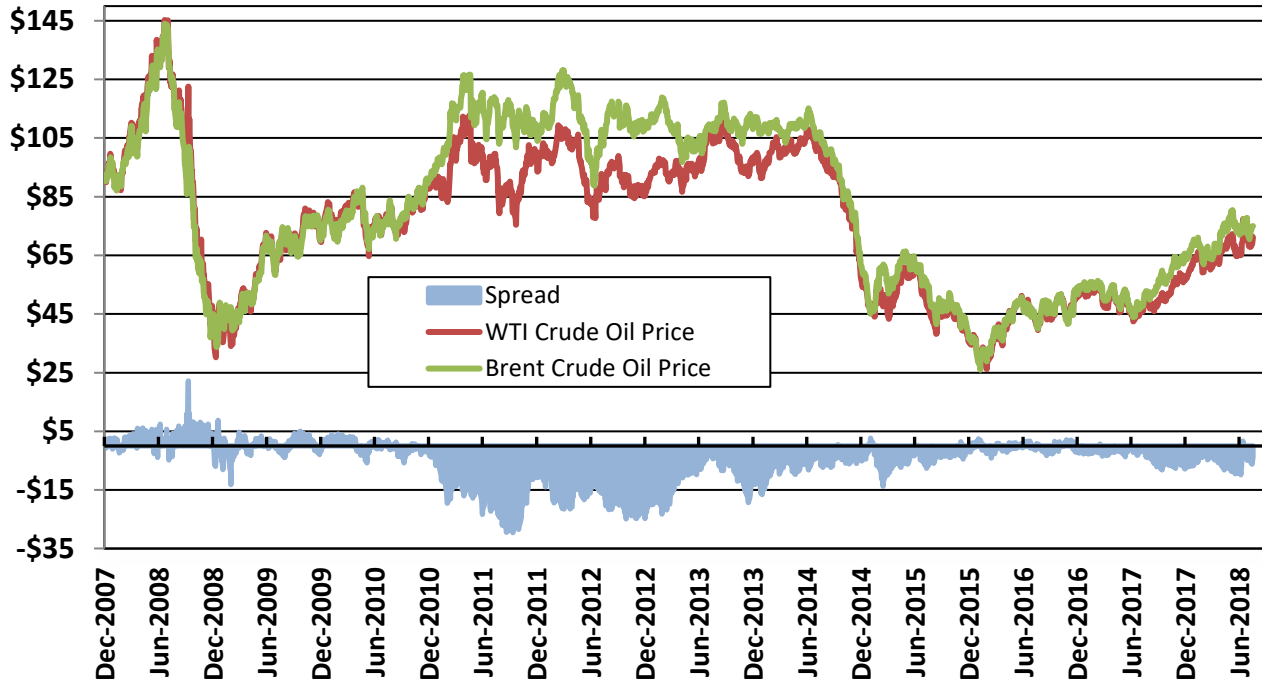
EIA's July 2018 Short-term Energy Outlook (STEO) shows an average WTI price of \$50.79 per barrel for CY 2017 and forecasts \$66 per barrel for CY 2018 and \$62 per barrel for CY 2019 (EIA, 2018b). July 2017's STEO projection of \$59 per barrel for CY 2018 was lower than July 2018's STEO by \$7 per barrel. IHS Global Insight's July 2018 ten-year forecast projects a WTI crude oil price of \$66.51 per barrel in CY 2018 and \$62.93 per barrel in CY 2019. Consensus Economics, in their July 2018 report projects, WTI prices at an average of \$67.19 per barrel in CY 2018 and \$67.94 per barrel in CY 2019.

The top oil producers in the world are the United States, Saudi Arabia, and Russia. In early 2016, WTI crude oil was selling at \$30 per barrel because the market was glutted with too much oil for the demand. Now by the end of July Brent Crude oil is now \$74 per barrel.

There have been many factors influencing oil prices recently. One factor is the Saudi Arabia and Russia oil production pact, where OPEC members and allies have curtailed their oil supply by 1.8 million barrels per day since the beginning of 2017. They forged this oil-market deal to cut production in order to increase prices. Well, it worked as demonstrated in the first part of calendar year 2018 when Brent crude oil prices reached nearly \$80 per barrel in the week ending May 18, 2018. Over the past few months, the Brent crude oil price has declined to \$74 per barrel by the end of July. The fall in crude oil prices in recent months is partly due to the OPEC and Russian leaders starting to increase oil production. This is reported in online news articles by CNBC on June 22, 2018 where it is reported that OPEC ministers will increase oil supplies but the exact amount of the increase was unclear but analysts predict the supply increase to be in the range of 600,000 to 800,000 barrels per day (Merdeith, Domm and DiChristopher 2018). Another factor in current crude oil prices are the recent sanctions against Iran. The Trump administration is pressuring oil buyers to stop buying Iranian crude by November. There is a case for a short-term increase in crude oil prices as these new sanctions would remove the majority if not all of the Iranian 2.2 million barrels per day from the global market of just less than 100 million daily barrels of oil (Mullaney 2018).

EIA reports U.S. crude oil production averaged 9.4 million barrels per day in 2017. For the first two quarters in 2018, the US oil production per day has averaged 10.4 million barrels. EIA forecasts 10.7 million barrels per day in calendar year 2018 and even higher in 2019 averaging 11.7 million barrels per day. This August EIA forecast for crude oil production is nearly the same as the April's STEO forecast.

Figure 2: WTI - Brent Crude Oil Spot Price Spreads from January 2008 to July 31, 2018.



Source: EIA 2018a Daily WTI and Brent crude oil spot prices

The daily WTI-Brent crude oil spot price difference (spread) showed a low spread of \$0.35 in CY 2016 (Figure 2). It increased to \$3.36 per barrel in CY 2017. The current price spread for the first part of CY 2018 through July 31, 2018 averages \$4.90 per barrel. In calendar year 2018, EIA predicts a WTI-Brent price spread of \$5.53 per barrel. The current forecast for the crude oil price spread is supposed to continue to grow a little into CY 2019. EIA's August 2018 STEO forecasts a WTI-Brent price spread of \$6.24 per barrel for CY 2019.

## Inventories

Our *Trends Report* uses historical five-year averages for inventories to compare to current inventory levels. Weekly inventories for crude oil, gasoline, and distillate span five years from 2013 to 2017 (Figures 3-7). In August 2018, EIA's *Weekly Petroleum Status Report* shows U.S. crude oil inventories, excluding Strategic Petroleum Reserve (SPR) stocks, at 429.737 million barrels for the week ending August 3, 2018 (EIA 2018c). See Figure 3. This storage level is 4.7 million barrels or 1.1 percent lower than the 5-year (2013-2017) historical average of 412.1 million barrels for this week. This trend of weekly inventories falling below the 5-year average began with the week ending March 16, 2018. In general, the inventories, for the first seven months of 2018, have been sizably below the 2017 monthly levels but not far below the 5-year average.

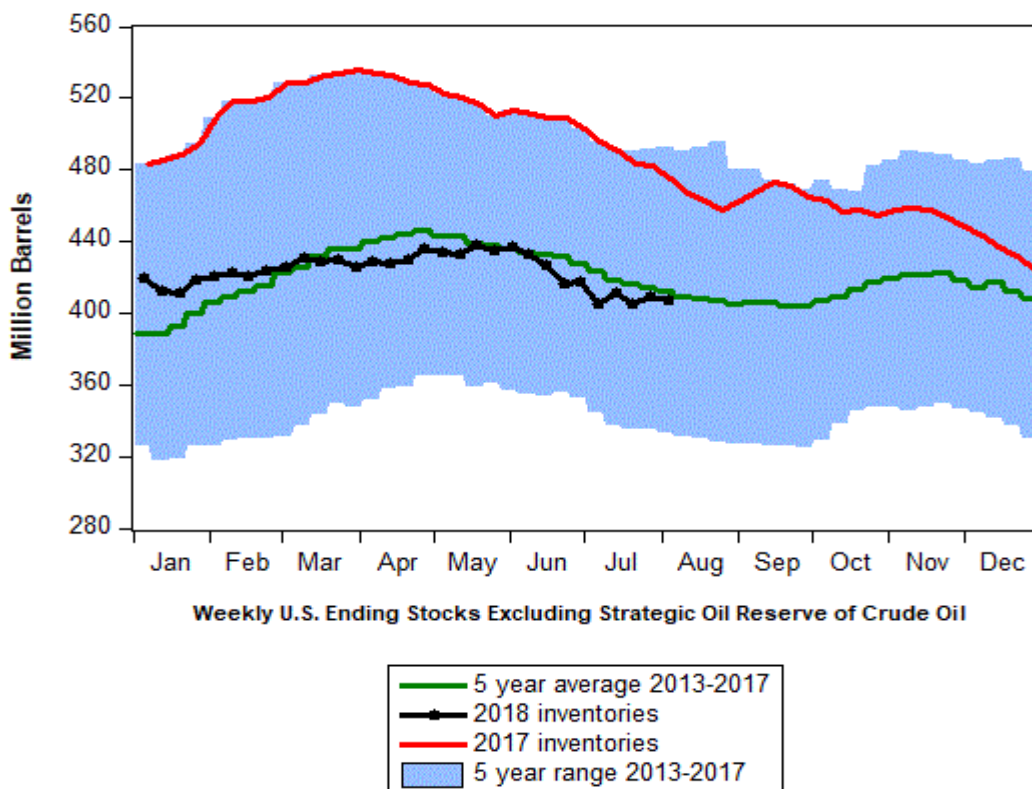


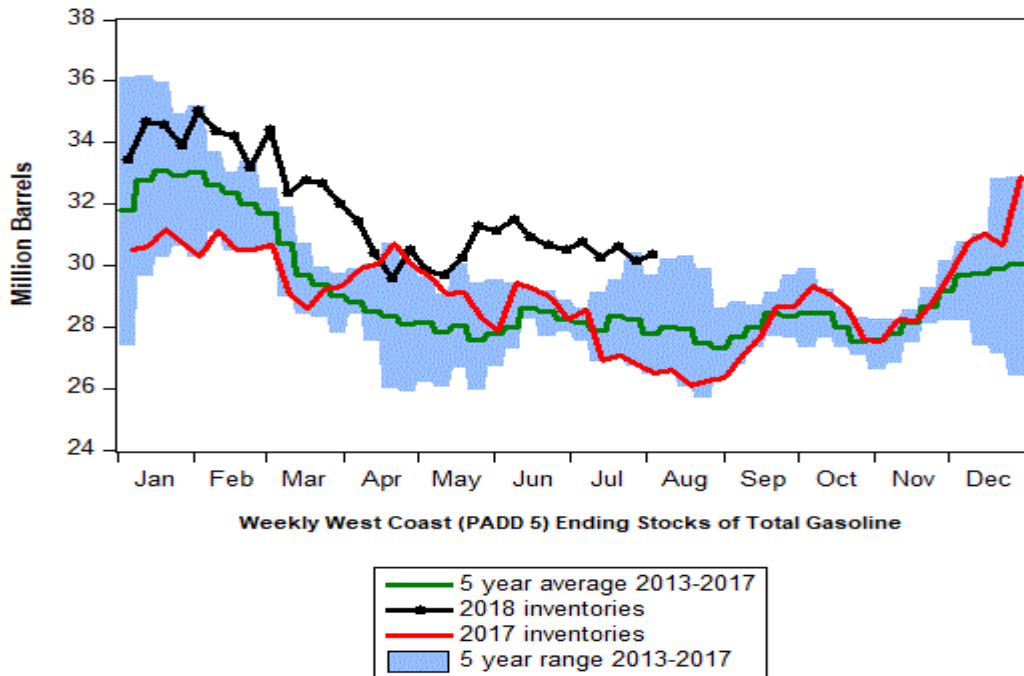
Figure 4 shows gasoline inventories within the West Coast Petroleum Administration for Defense District (PADD5). Since the beginning of 2018, inventories averaged 31.85 million barrels which was above the average 29.12 million barrels of the 5-year average from 2013-2017. By the first week of August, the gasoline inventories in 2018 exceeded the 5-year upper range by an average 4.2 percent per week or a total of 13 million barrels.

Figure 5 shows gasoline inventories within the United States. Since the beginning of 2018, inventories exceeded the 5-year average from 2013-2017 by on average 3.3 percent per week above the 5-year average. Since early March 2018 to the 1<sup>st</sup> week of August 2018 inventories are mirroring 2017 inventories fairly closely.

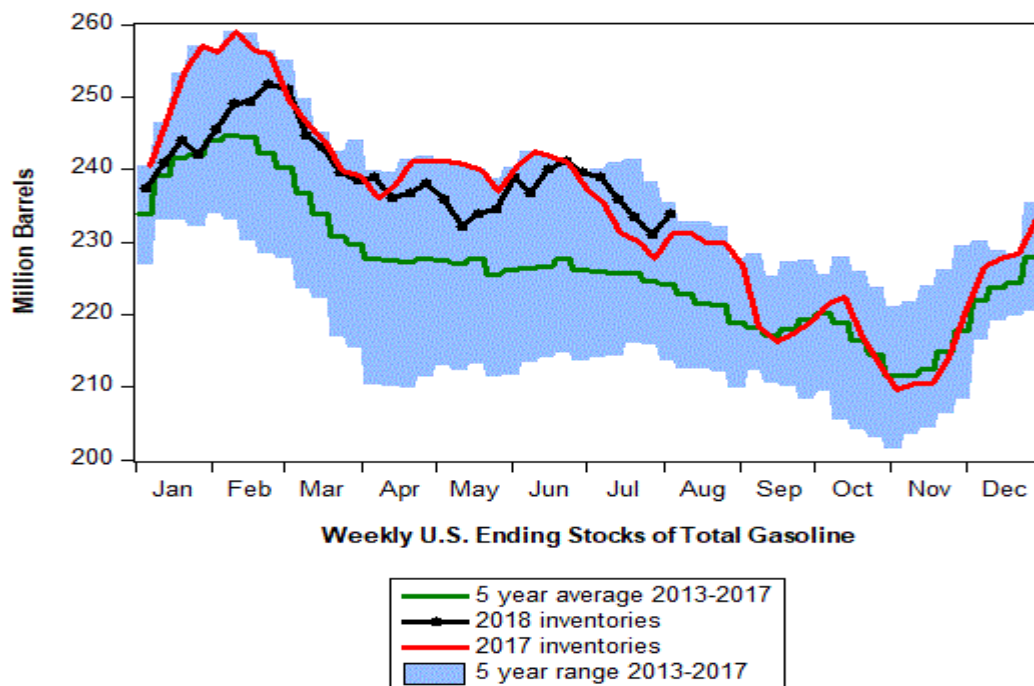
Figure 6 shows weekly distillate inventories for PADD5 (West Coast) in 2018. Inventories from early January 2018 to the week ending February exceeded the 5-year 2013-2017 average by a total of 3.55 million barrels or an average 3.1 percent per week. Inventories then accelerated downward to 12.1 million barrels by the end of May. Then, inventories climbed upward again to an average of 12.7 million gallon during the month of July 2018. Inventories are now near 2017's inventories and the 5-year average.

U.S inventories for distillates in 2018 started the year below the 5-year average by 17.48 million barrels, or an average 12.1 percent per week until the week ending January 6. See Figure 7. Inventories then followed a downward trajectory to the lower levels of the 5-year averages, well below the 2017 inventory levels and the 5-year averages. The 2018 distillates level was more than 15 percent below the 5-year average for the week ending June 8. Then by the week ending August 3, the US distillates level was 9.8 percent below the 5-year average inventory level. For the first 7 months of 2018, the US distillate inventory levels are on average 7.5 percent below the 5-year averages.

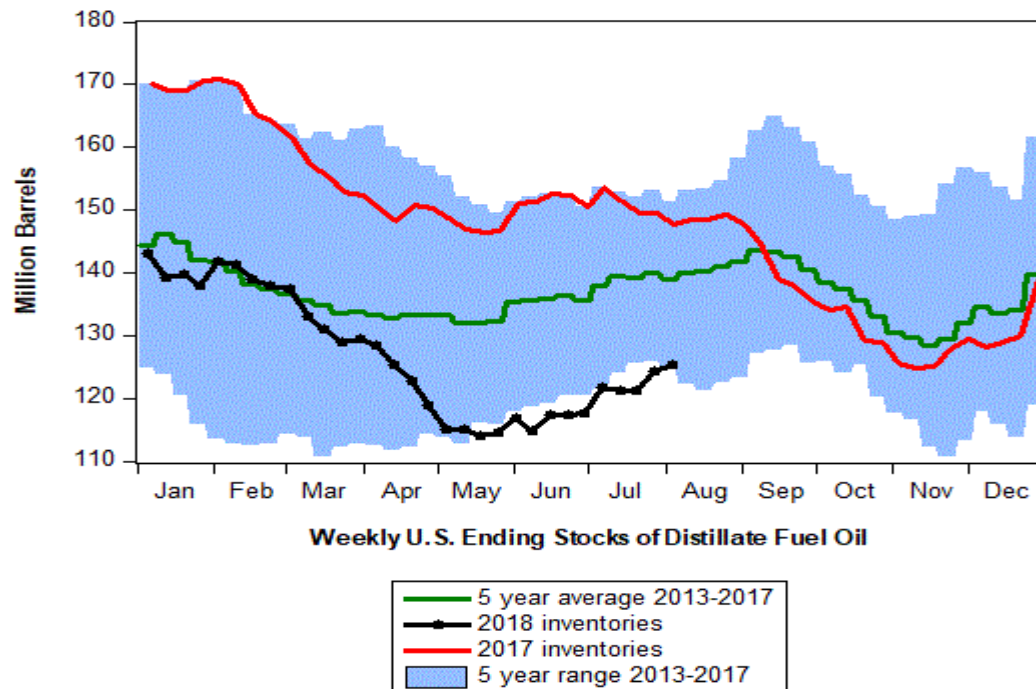
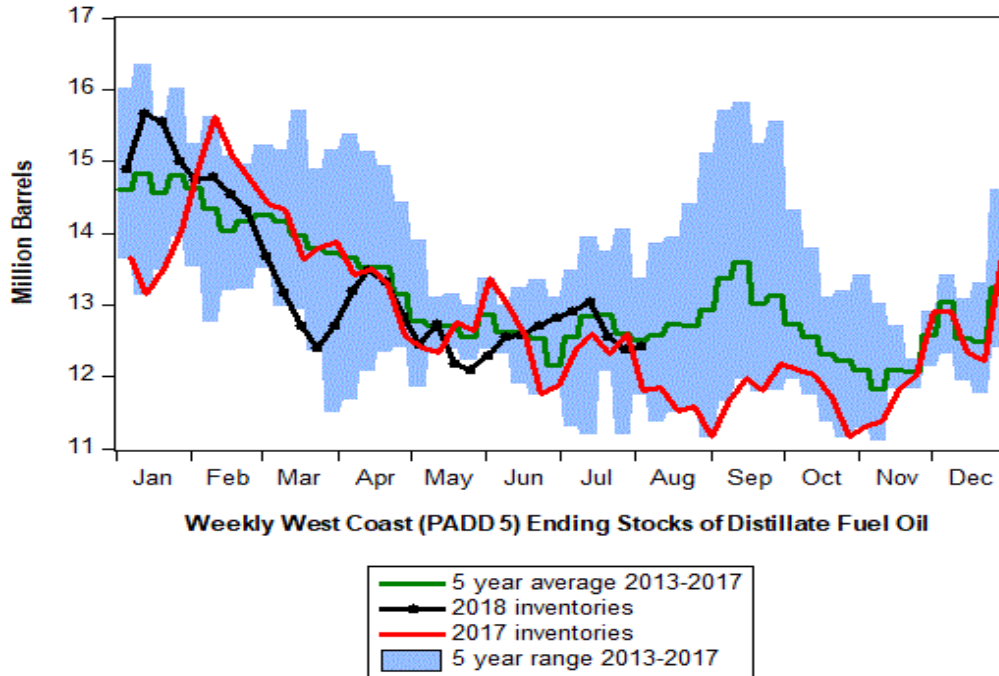
**Figure 4: Weekly Ending Gasoline Inventories (West Coast PADD5) from January 2013 to August 3, 2018.**



**Figure 5: U.S. Weekly Ending Total Gasoline Inventories from January 2013 to August 3, 2018.**



**Figure 6: Weekly Ending Distillate Inventories (West Coast PADD5) from January 2013 to August 3, 2018**





**Washington Retail Gasoline and Diesel Prices**

For calendar year 2017, Washington's monthly average gasoline price dipped to its lowest price in February at \$2.70 per gallon, *revised from December 2017's Trends Report*, and peaked at \$3.03 per gallon in September 2017. (Figure 8). (EIA, 2017d). Since the beginning of calendar year 2018, retail gas prices have been growth month over month through June 2018. In June 2018, the monthly average was \$3.36 per gallon and then in July the monthly average retail gas price declined a little to \$3.32 per gallon. This July monthly average in Washington was well above the national average price of \$2.85 per gallon for that same month. A year ago, Washington's regular gasoline price averaged \$2.78 per gallon in July 2017. EIA's August 2018 STEO forecasts a national retail regular gasoline price of \$2.76 per gallon in CY2018 and \$2.76 in CY2019 compared to \$2.42 per gallon in CY2017 (EIA, 2018b).

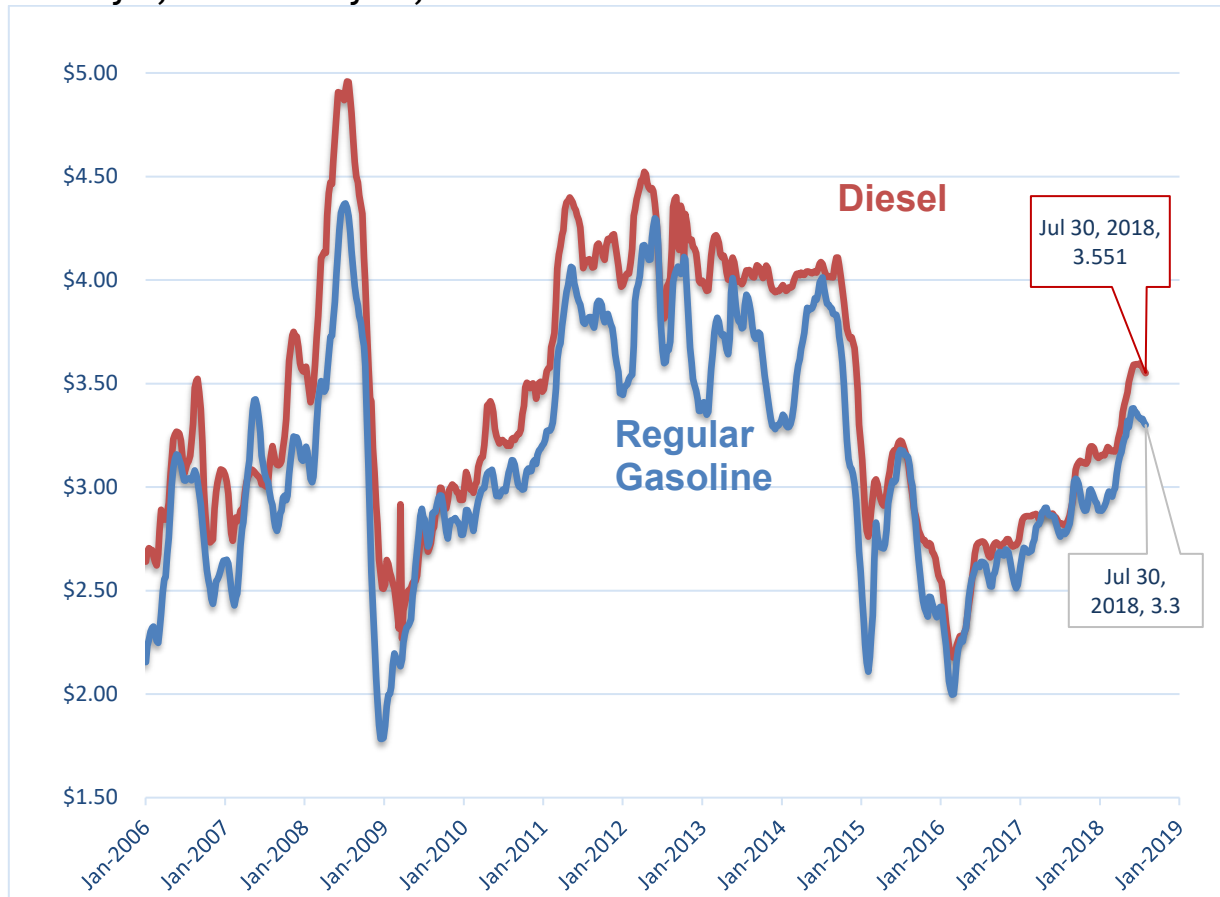
The price for regular gasoline in California is averaging \$3.60 and \$3.53 per gallon in June and July respectively. This is higher than a year ago when the retail gas price in California was \$3.02 and \$2.95 per gallon in June and July respectively. California's average regular gasoline price for July 2018 was 32 cents per gallon higher than Washington's \$3.32 per gallon for July.

In 2017, Washington's annual diesel price averaged \$2.95 per gallon (Figure 8). Since May, Washington's retail diesel price has averaged \$3.56 per gallon compared to \$2.85 per gallon in the same months in 2017. July's Washington's retail diesel price was \$3.57 per gallon. Nationally, July 2018's retail diesel price averaged \$3.10 per gallon, compared to \$2.45 per gallon for July 2017. EIA forecasts a national on-highway diesel fuel price of \$3.15 per gallon for calendar year 2018 and \$3.11 per gallon for calendar year 2019 compared to \$2.65 per gallon in 2017. (EIA, 2018b).

California's diesel price averaged \$3.95 per gallon in July 2018 compared to July 2017's \$2.91 per gallon. California's July 2018 diesel price exceeds Washington's diesel price for the same month by the large margin of 38 cents.



**Figure 8: Washington Retail *Regular* Gasoline and Diesel Prices (\$ per gallon): January 2, 2006 to July 31, 2018.**



Source: AAA Fuel Gauge Report for Washington Retail Diesel Prices and EIA 2018a Weekly Retail Gasoline Prices

## BIODIESEL PRICE PREMIUM TRENDS

Analysis by Lizbeth Martin-Mahar, Ph.D.

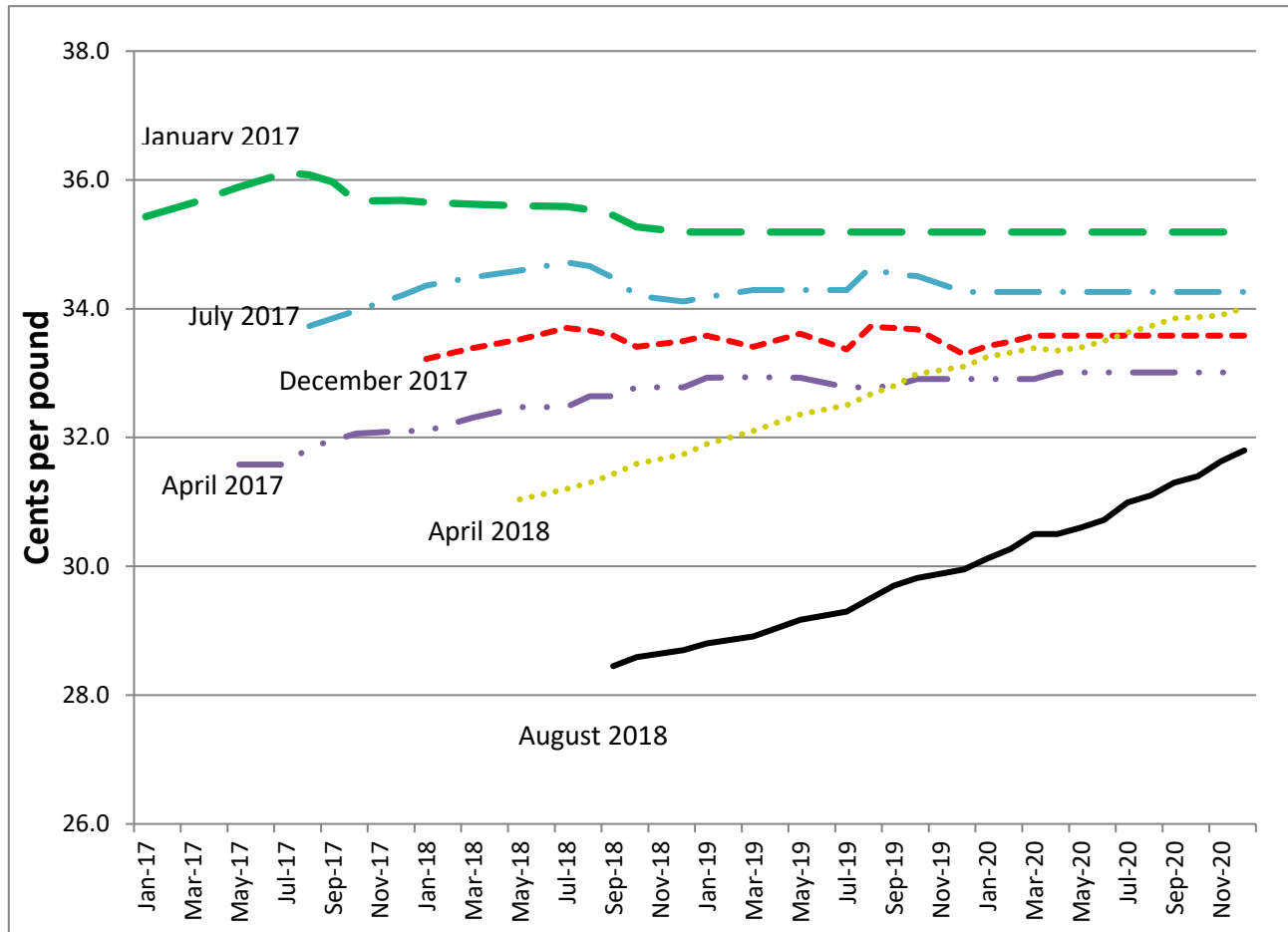
### Soybean Oil Futures and Biodiesel Prices

#### *Soybean Oil Futures*

Biodiesel prices are dependent in a large part on the cost of the feedstock used in producing biodiesel. Since soybean oil is the predominant feedstock for biodiesel, an examination of the futures prices for soybean oil was completed. Figure 9 shows the latest futures for soybean oil for the past beginning in January 2017 through August 2018. In the past, futures have ranged from 31 cents per pound in April 2018 to 36 cents per pound projected in January 2017. Now in August 2018, the soybean oil prices have declined to starting at about 28 cents and rising to nearly 32 cents by December 2020. These latest August 2018 soybean futures are lower than anytime in the near term. The future increases of the current futures prices is steeper than prior forecasts. Given the recent tariffs put on US soybeans from China, the current soybean future prices have fallen 21

percent since mid-April (Patterson 2018). These current low soybean prices have not been seen since 2008.

**Figure 9: Futures Prices for Soybean-oil (January 2017 through August 2018)**



#### *Biodiesel Prices: Comparison of Historical and Recent Prices*

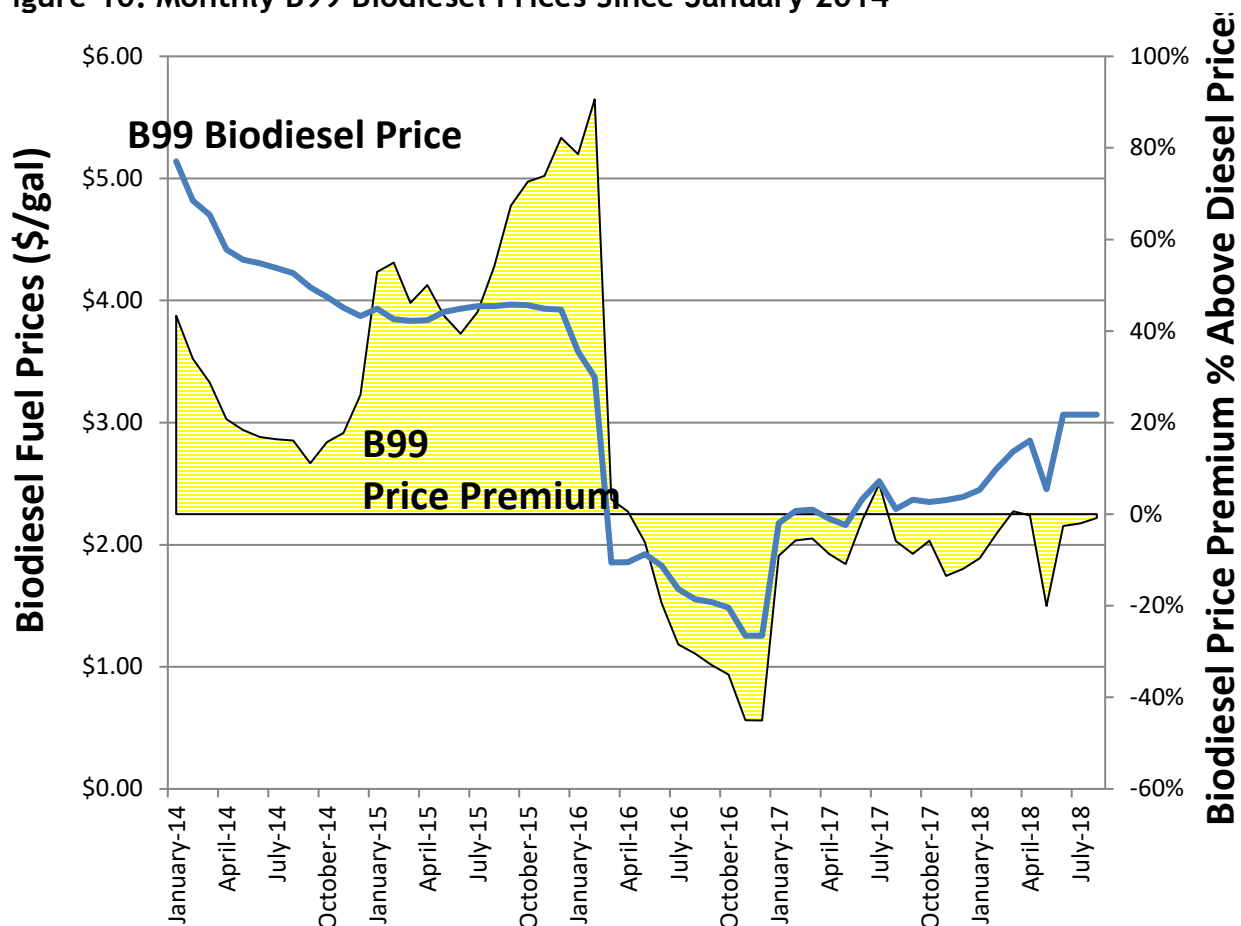
##### Recent Trends: Washington B99 Biodiesel Prices

Since January 2017, the average monthly B99 biodiesel price has been stable at around \$2.30 per gallon each month throughout calendar year 2017. In the first seven months of calendar year 2018, B99 prices have increased some from an average \$2.31 per gallon in CY 2017 to \$2.79 per gallon average for the first seven months of CY 2018. In May 2018, the B99 monthly average price was low at \$2.46 per gallon but then by the following month, the B99 price spiked up to \$3.065 per gallon and this price has remained now for 3 months through the second week of August. Since January 2017, the B99 biodiesel price has steadily increased each month through April. Figure 10 shows the B99 price and the price premium since January 2014. This chart reveals

a negative trend through calendar year 2016. During calendar year 2017, B99 biodiesel prices have risen a little and stabilized. Now in calendar year 2018, B99 prices have remained fairly stable.

As we reported in the prior editions of the *Fuel and Vehicle Trends Report*, the recent B99 biodiesel prices has fallen and are now consistently below regular retail diesel prices without taxes. As a result, the B99 price premium is no longer a premium but a discount like B5 biodiesel price discount. In January 2018, the B99 price discount was more than 9 percent below retail diesel prices. In February, B99 prices were 4.3 percent below retail diesel prices that month. In more recent months, the B99 price discount compared to regular diesel prices B99 prices were actually close to retail diesel prices at 1 percent below on average for March-August 2018 except for May 2018. In May, the B99 price discount shot up to 20 percent lower than retail diesel prices. This was the largest one month B99 biodiesel price premium since December 2016.

Figure 10: Monthly B99 Biodiesel Prices Since January 2014



Source: B99, Seattle biodiesel price data - OPIS Fuel Price Survey.

**Figure 11: Seattle OPIS B99 Biodiesel Prices and Discount/Premium: May - August**

Monthly Average Price	B99 Prices	
	Price (\$/gal)	% Change from State Avg Diesel Price
May 2017	2.16	-10.9%
May 2018	3.01	-20.1%
June 2017	2.38	-1.2%
June 2018	3.07	-2.6%
July 2017	2.52	6.6%
July 2018	3.07	-2.0%
August 2017	2.29	-5.8%
August* 2018	3.07	-0.9%

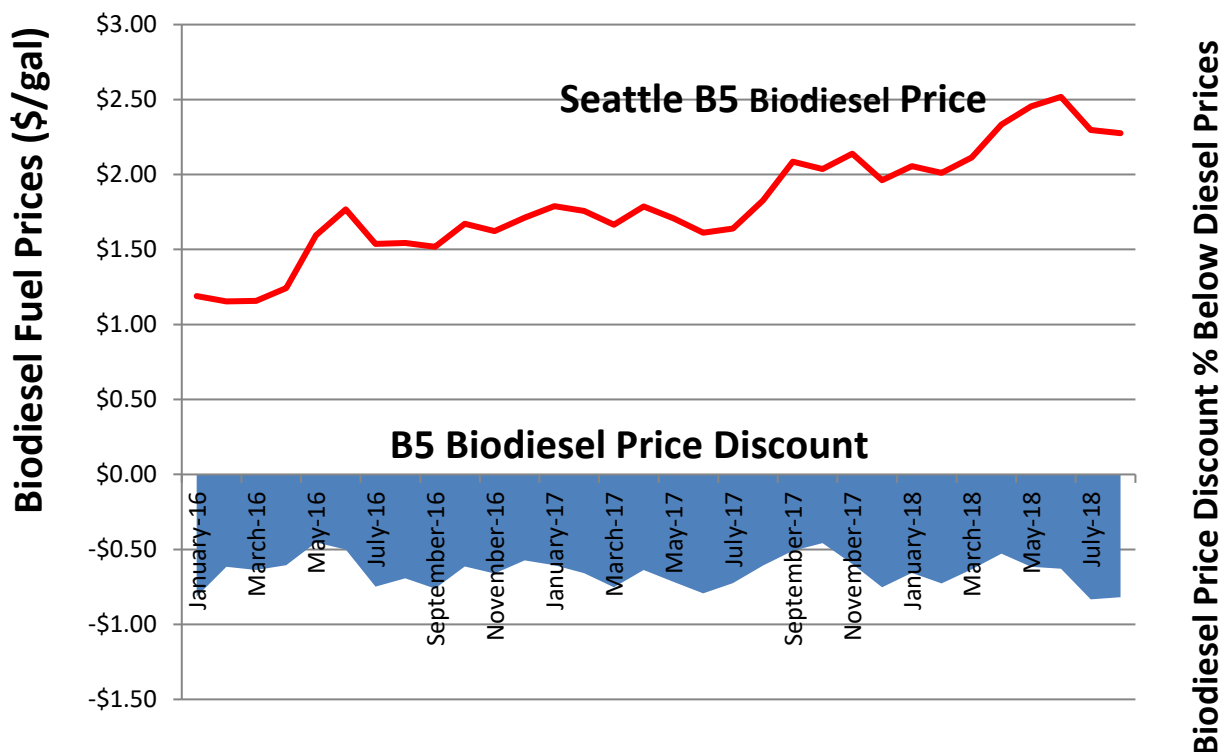
- First 2 weeks of August 2018

Recent Trends: Washington B5 Biodiesel Prices

B5 biodiesel prices in Seattle averaged \$2.26 per gallon since the beginning of calendar year 2018, which was 31 percent higher for the same eight months a year ago. The B5 biodiesel price went down a little month to month in February 2018 at \$2.01 per gallon but then it continued to grow each month. By June 2018, B5 prices hit the highest price since October 2014 at \$2.51 per gallon. Then in July and August, the B5 price fell to an average price of \$2.29 per gallon. See Figure 12, which reveals that the B5 biodiesel prices have been climbing at the beginning of calendar year 2018. Seattle B5 prices started to drop in June, July and August. Current B5 prices are still above the prices from a year ago.

**Figure 12: Seattle OPIS B5 Biodiesel Prices and Discount: May-August**

Monthly Average Price	B5 Seattle Prices	
	Price (\$/gal)	% Change from State Avg Diesel Price
May 2017	1.71	-29.6%
May 2018	2.46	-20.1%
June 2017	1.61	-33.0%
June 2018	2.52	-20.0%
July 2017	1.64	-30.6%
July 2018	2.30	-26.6%
August 2017	1.83	-24.9%
August 2018	2.28	-26.4%



Source: B5, Seattle biodiesel price data - OPIS Fuel Price Survey.

## FUEL PRICES AND CRUDE OIL PRICE TRENDS COMPARED TO RECENT FORECASTS: US crude oil prices, Washington retail prices of gasoline and diesel

Analysis by Lizbeth Martin-Mahar, Ph.D.

In this edition of the *Fuel and Vehicle Trends Report*, we have seen WTI crude oil prices rise well above our last projections in June 2018. In May 2018, WTI crude oil price averaged \$70.3 per barrel and the price stayed at around \$70 per barrel for the next two months. Then in June, WTI crude oil prices dropped more than \$2 per barrel to \$67.8 per barrel. This decrease of the crude oil price made the month of June actual WTI price closer to the last quarterly forecast. Then in July, crude oil price rose again about \$3 per barrel so the WTI prices rose above the June projections by nearly 10 percent that month. In the June forecast, the WTI crude oil price projection were \$67 per barrel and \$64.8 per barrel respectively for the second and third quarters of calendar year 2018. When comparing to the June 2018 forecast in recent months, the WTI crude oil prices came in at 4.6 percent higher in May. In June, since the June actuals dropped a little in price, the actuals were close to the June second quarter projection of \$67.2 per barrel. In July, WTI prices came in 9.8 percent higher than projected for the third quarter of 2018. See Figure 13 for more detail.

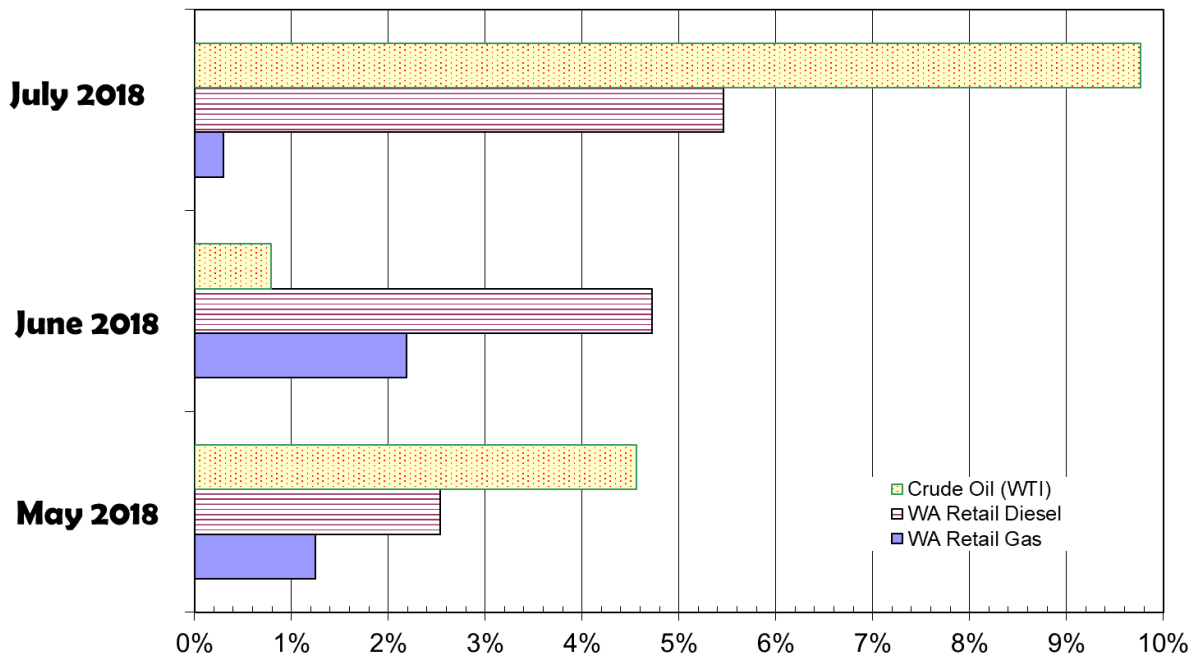
Consistent with the recent trend in WTI crude oil prices being above the latest forecast, Washington retail gasoline prices also have come in above the second and third quarter projections but not as dramatically as crude oil. Gasoline price projections in the June forecast were \$3.29 and

\$3.31 per gallon for the second and third quarters of 2018. In the month of May, retail gas prices averaged \$3.33 per gallon, which was only 1 percent above the June's second quarter 2018 projection. In June 2018, retail gas prices came in above the forecast as well by 2.2 percent at \$3.36 per gallon. In July, retail gas prices came in close to June with an average at \$3.32 per gallon, which was nearly the same as the forecast at 0.3 percent. In general, retail gasoline prices have come in slightly above the latest forecast.

The recent trends for retail diesel prices were similar to retail gas price trends except that the growth in diesel prices in June was higher than the growth in gasoline that month so the variance from the June forecast was higher in June and July for retail diesel prices. Diesel prices have not changed that much between May – July 2018. Diesel prices were \$3.52 per gallon in May and they rose \$0.07 month over month, to \$3.59 per gallon in February and then they declined a little to \$3.57 per gallon in July. For the months of May through July, retail gas prices came in above the June forecast every month on average 4% per month.

In the last three months (May through July), we have seen the difference between retail gas and diesel prices remain fairly low and grow a little from \$0.19 per gallon in May to \$0.26 per gallon in July. This trend is the result of diesel prices growing faster than gasoline prices and gasoline prices declining more in July than diesel prices declined.

**Figure 13: Percent Change in May -July 2018 Average Fuel Prices Compared to the June 2018 Price Forecast**



Source: Washington Transportation Revenue Forecast Council June 2018 Forecast, EIA and AAA weekly fuel prices

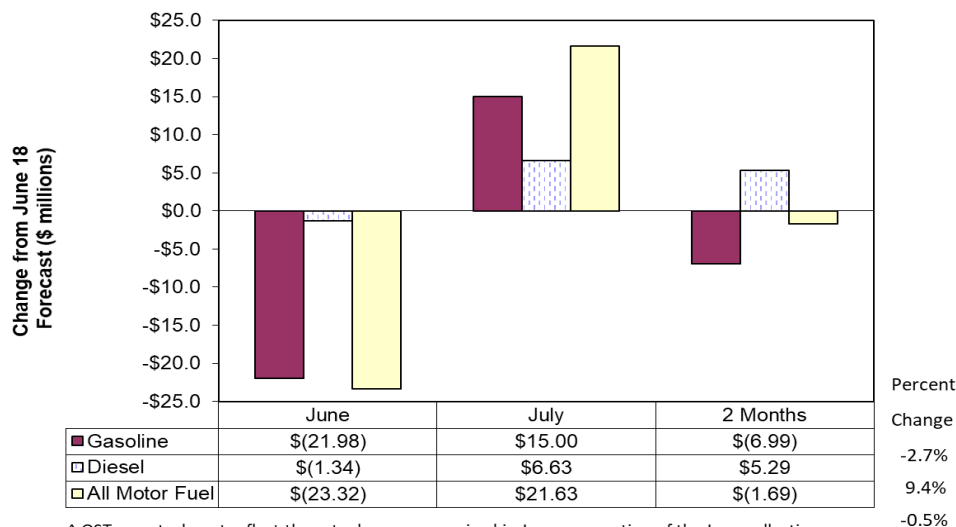
## WA MOTOR VEHICLE FUEL TAX COLLECTION TRENDS COMPARED TO RECENT FORECASTS: Gasoline and Diesel Tax Collections

Analysis by Lizbeth Martin-Mahar, Ph.D.

Since the adoption of the June 2018 forecast, one month of fuel tax collections have been reported. A substantial portion of June's gross fuel tax collections was not included in the report to the State Treasurer's Office for June but will be incorporated into the July report. The value of the collections with a one-month delay in reporting is approximately \$19.9 million in gasoline tax revenue and \$4.0 million in diesel tax revenue. Therefore, the variance of actual collections compared to forecast for the month of June is considerably greater than it would have been if all monthly collections had been reported on the customary schedule.

As Figure 14 reveals, in June, both gasoline and diesel tax collections came in well below the projections with a total of \$134.1 million, reflecting a decline of \$23.3 million or 14.8 percent below the June forecast. Both gasoline and diesel tax collections came in below forecast. Gasoline actual tax collections reported by DOL was only \$106.78 million versus a forecast of \$128.76 million. This June gasoline tax collection variance was \$22 million or 17 percent from the forecast. Special fuel tax collections came in at \$27.33 million or \$1.34 million or 4.7 percent below the forecast. Then in the July fuel tax collection report, both gasoline and diesel tax collections came in well above the June forecast. Gasoline was reported at \$142.71 million in collections which were \$15 million above the June forecast. Also special fuel tax collections came in at \$34.31 million which was \$6.6 million above the last forecast. Total fuel tax collections in July came in at \$177 million or \$21.6 million or 13.7 percent above the forecast. Combined for both June and July, fuel tax collections came in below forecast by \$1.7 million or -0.5 percent.

**Figure 14: Motor Vehicle Fuel Tax Collections in June and July 2018 Compared to the June 2018 Revenue Forecast**



^ OST reports do not reflect the actual revenue received in June as a portion of the June collections were reflected in the July report

Source: Washington Transportation Revenue Forecast Council June 2018 Forecast and State Treasurer's Office monthly fuel reports



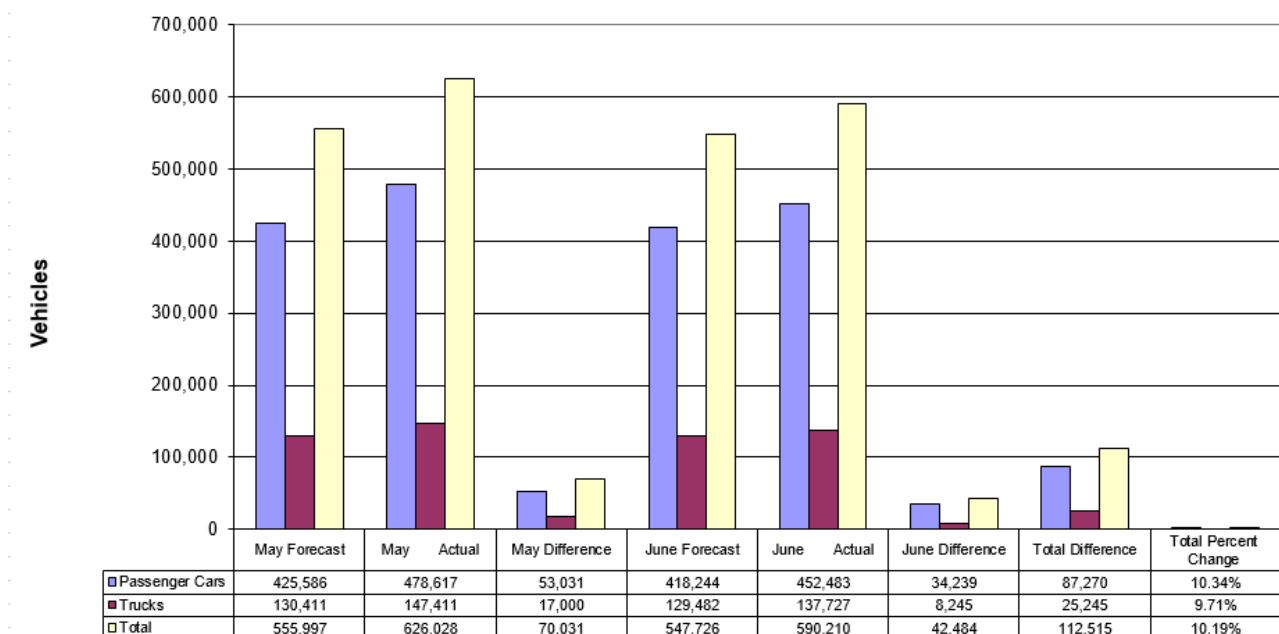
## VEHICLE TRENDS

Analysis by David Ding, Ph.D.

### Vehicle Registrations and Revenue

For the two months of licensing registrations and revenue data we have received since the June forecast, vehicle registrations were up for all months, see Figure 15. Passenger car registrations came in at 478,617 and 452,483 for May and June respectively. These actuals were 12.5 percent, and 8.2 percent respectively higher than projected in the June forecast for those months. The higher actual passenger car registrations in May of 12.5 percent registration growth above the last forecast looks unusual. We have asked the Department of Licensing to investigate this issue and they did find a small number of transactions, which were no fee transactions included in the monthly reports. They will take those no fee transactions out of future monthly reports but it does not explain the majority of this high registration variance for passenger cars. For both months combined, passenger car registrations were up 10.34 percent over the June forecast, which showed the continued strong growth in car registrations.

**Figure 15: Vehicle registrations, May and June 2018, Forecast vs. Actual.**



Source: Washington Transportation Revenue Forecast Council June 2018 Forecast and Department of Licensing Reports 13, May and June 2018.

Truck registrations had a similar pattern to passenger cars. The truck registrations were reported as 147,411 and 137,727 vehicle for May and June respectively. These latest actual registrations were above the last forecast by 13 percent and 6.4 percent for May and June respectively. Just like car registrations, the May truck registration actual being 13 percent above the June projections may be due to the Department of Licensing reporting a few \$0 fee transactions in the monthly reports but again this problem which will be fixed in the future does not explain this

big variance. For both months combined, truck registrations were up 9.7 percent over the June forecast.

For both passenger cars and trucks combined for May and June, vehicle registrations came in 112,515 vehicle or 10.1 percent above the June forecast.

We also have two months of revenue since our last forecast in June (Figure 16). In May, for the \$30 basic license fees, the revenue came in at \$16.29 million, \$0.34 million less than the \$16.63 million forecasted. In June, the \$30 basic license fee revenue came in lower than the forecast by \$2.73 million or 15%. For all the two months combined, the passenger vehicles' \$30 basic license fee revenue came in at \$3.07 million or 8.9% less from the last forecast. This is a sharp contrast from the trends in the registrations in recent months. The percentage decrease of combined revenue for both months was very opposite from the passenger car registrations percentage increase from the June forecast for that same period. These diverging trend we are seeing is a problem we have seen for months now and we have raised the issue with DOL to find some explanations for these passenger car registrations versus \$30 basic license fee revenue differences but no answer has been found to date.

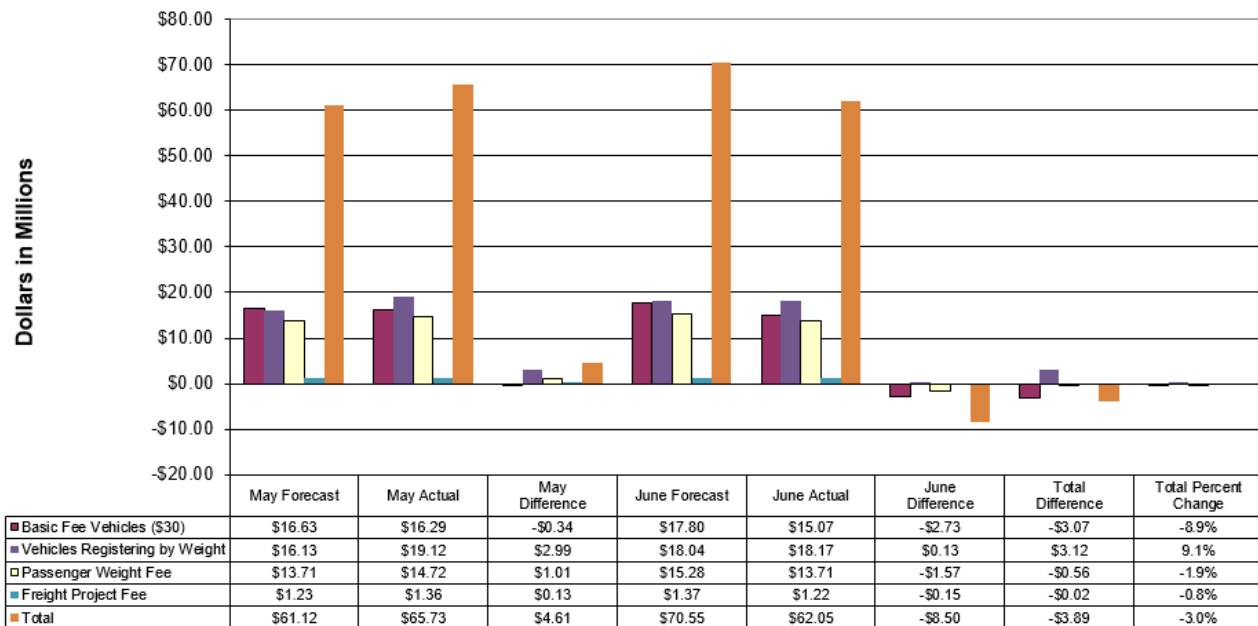
Revenue for truck weight fees were higher than expected for May by \$2.99 million, which was 18.5% more than the last forecast. After comparing with the May registration increase, which was 13% more than forecasted, the 18.5% increase in revenue looks possible if there were more heavier trucks registered in May. In June, the truck revenue collection of \$18.17 million was just \$0.13 million or 0.7 percent more than the forecasted revenue of \$18.04 million. For both months combined, the truck weight fees came in at \$3.12 million or 9.1 percent above the last projections. The 9.1 percent increase in truck license fee revenue is consistent with the 9.7 percent growth in truck registrations.

Figure 16 also reveals that the revenue from the passenger weight fee came in below forecast for those two months. The passenger weight fee in May came in at \$14.72 million which was \$1.01 million above the forecast. In June, the passenger weight fee came in at \$13.71 million, which was \$1.57 million short of the last forecast. For both months combined, the passenger weight fee is \$0.56 million or 1.9 percent below the forecast. Similar to the \$30 basic license fees, the decreased trend in passenger weight fee revenue is opposite to the passenger car registration growth in those two months. As mentioned previously, we are still working with DOL to get some reasons for these lower passenger vehicle fee revenue trends.

The freight project fee in May came in at \$1.36 million which was \$0.13 million or 10.6 percent above the forecast. In June, the freight project fee revenue came in \$1.22 million, \$0.15 million or 10.9 percent lower than the projection. All together, the freight project fee revenue was off by \$0.02 million, which is almost right on target with projections. Given the fact that the freight project fee is 15 percent of the combined license fee revenue, it is unclear why the change in the combined license fee truck weight fees came in 9.1 percent above forecast yet the freight project fee came in 0.8 percent lower than projected for that revenue source. We will be discussing this further with DOL on possible explanations for this unusual result.

Finally, total License, Permit, and Fee (LPF) revenues were 3 percent or \$3.89 million below the forecast for both months combined. We forecasted \$61.12 million for the month of May, but received \$65.73 million instead with the truck weight fees being the revenue source with the largest increase in actuals beyond May's projections. For June, total LPF revenue was forecasted at \$70.55 million, while collections came in at \$62.05 million, down \$8.5 million from June's projections. As discussed previously, the \$30 basic license fee is down and the passenger vehicle weight fees are down but combined those two revenue source only explain \$4.39 million or 50 percent of the total decline of \$8.5 million. The other sources of the decline in June actuals compared to the last forecast is due to lower title fees at \$2.95 million and title service fees at \$1.78 million all came in well below projections.

**Figure 16: Vehicle revenue, May and June 2018, Forecast vs. Actual.**



Source: Washington Transportation Revenue Forecast Council June 2018 Forecast and Department of Licensing Balance Forward Reports, May and June 2018.

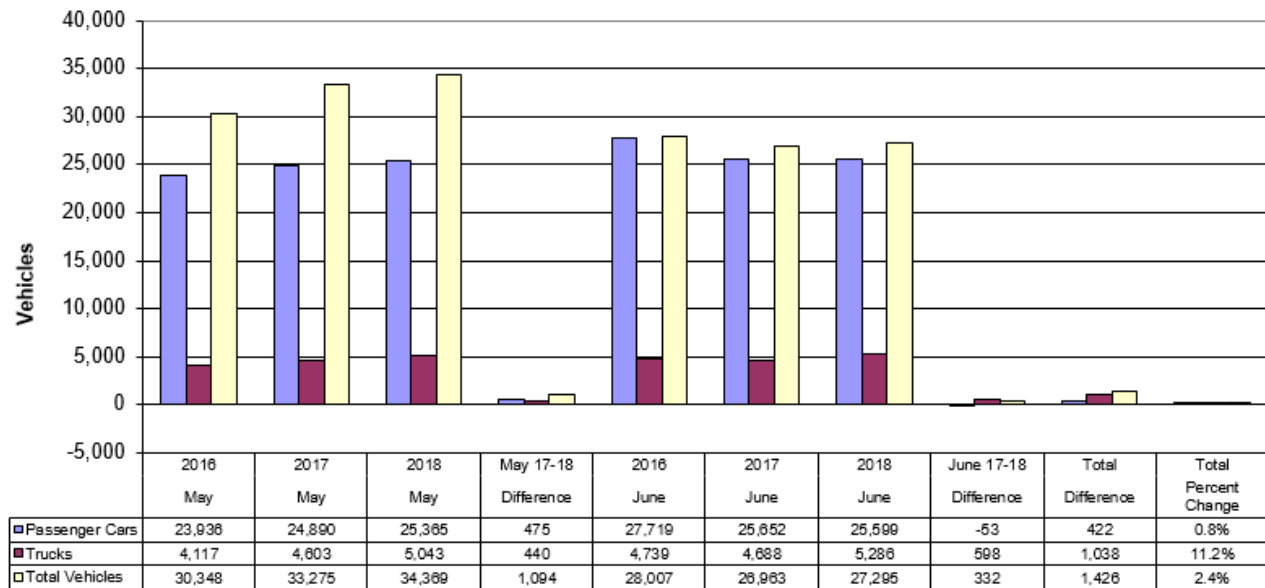
## New Car and Truck Registrations from Sales

In this report, which covers new car registrations for May and June of 2018, we see an overall growth for all new vehicles, see Figure 17. In May 2018, new car registrations were up for 475 registrations in the same period a year ago. In June 2018, new car registrations went slightly lower than a year ago for 43 vehicles. For both months together, total car registrations were up by 422 vehicles, which was 0.8 percent higher than the previous year.

New truck registrations in Washington state showed strong growth during the month of May 2018. The registrations exceeded the previous year monthly total by 440 trucks, which represents a 9.6 percent growth over last year. In June, the new truck registrations increased by 598 trucks from

the same period of 2017, which accounts for 12.8 percent. For the two months combined, the new truck registrations increased by 1038 vehicles, which is 11.2 percent increase from the previous year. This result indicates that the new truck registrations are still growing year over year and may reflect the strong demand Washington residents still have for new trucks, as gas prices remain in the \$3 per gallon range. Overall, total new vehicle registrations increased by 1426 vehicles or 2.4 percent, year over year, which was driven by higher truck sales over the same months last year.

**Figure 17: New vehicle registrations Comparisons**



Source: Department of Licensing Report 14 for various months and years.

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