

# CALIFORNIA ROAD CHARGE PILOT PROGRAM UPDATE

# Overview

Road User Charge Pilot Program will explore and assess alternatives that can replace the fuel excise tax

- Directed by SB 1077 (Chapter 835, Statutes of 2014)
- Overseen by CalSTA
- Administered by CTC with Caltrans support
- Guided by TAC

CalSTA – California State Transportation Agency

CTC – California Transportation Commission

Caltrans – California Transportation Commission

TAC – Technical Advisory Committee

# Background

- 2014 - CalSTA prepares a report on the need to explore alternatives to the gas tax
  - Paying by gallons no longer a good proxy for roadway usage
    - Average vehicle fleet fuel economy is projected to double by 2040 (from 20 MPG in 2014 to 39 MPG in 2040)
    - Excise tax rate has not kept up with inflation (1994's 18 cent gas excise tax is equivalent to 10.5 cents today)
  
- 2015 - SB 1077 creates the “Road User Charge Pilot Program” to explore the concept of alternatives to the gas tax
  - Explore benefits, costs, and a range of specified considerations
  - Begin pilot program by January 1, 2017
  - Submit a report to Legislature by June 30, 2018

# Approach

- Establish a 15-member TAC to examine technical issues, gather public input, develop scope of pilot and evaluation criteria
- Work of TAC supported by
  - 22-member stakeholder working group
  - Input of other government agencies
  - Public meetings, focus group meetings and a survey
  - Review of prior studies and demonstration projects

# TAC Representation

- Transportation agencies
- Highway user groups
- Business/economy representatives
- Telecommunication industry
- Data security industry
- Privacy rights advocacy groups
- Social equity interests
- Academic/research bodies
- Legislature

# Program Design Considerations

- Availability (acquisition)
- Adaptability (technology, suitability, ability to evolve)
- Reliability
- Ease of use
- Ease of administration
- Enforceability
- Data security
- Protection of personal identification information
- Privacy/access to location data
- Cost

# Program Design Specifications

- Design
  - Offer multiple options: manual and automated reporting
  - Include comprehensive privacy and data security provisions
  - Allow for an open system design
  - Ensure interoperability with other states
- Mix of Participants
  - Individual/household/business/government
  - North/central/south
  - Rural/suburban/urban
  - Fleet mix
  - Income
  - Out-of-state vehicles
- Evaluation
  - Allow vendors to bid for various project elements
  - Simulate multiple non-state account manager
  - Include simulated payment options










# Evaluation Categories

- 8 Categories, 36 goals, 50 criteria
  - Revenue
  - Cost
  - Operations
  - User Experience
  - Privacy
  - Data Security
  - Equity
  - Communication



# Make up of volunteers pool

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Commercial Vehicles (Businesses)		North	Central	South	Trucks
			130/100		0/50
Private Vehicles (Individuals & Households)					Other
Urban & Suburban	 \$	1341/950	423/350	1984/2100	   49/125
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Rural & Agricultural	 \$	117/400	51/400	21/300	
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# Initial Outreach Findings

- Transportation is not top of list
  - Drought, economy, and environment were the more pressing issues
- Maintaining roads is as important as promoting alternative transportation
- Little understanding of how transportation is funded
  - Road charge concept is difficult to grasp
- Gas tax incentivizes care for the environment and encourages purchase of fuel efficient vehicles
- Privacy, fairness, and protection against double taxation were considered most important

# Schedule

- January - December 2015  
Program development and public communication
- January - June 2016  
Mobilization
- July 2016 - March 2017  
Field work
- April - July 2017  
Report preparation
- Summer 2017  
Submit report to Legislature  
(SB 1077 deadline is June 2018)

- More information available at:
  - California Road Charge Pilot Program January - December 2015
- Questions?