

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 25, 2015

Reference No.: 4.3
Information

From: WILL KEMPTON
Executive Director

Subject: **ROAD CHARGE TECHNICAL ADVISORY COMMITTEE & PILOT PROGRAM UPDATE**

ISSUE:

The Road Charge Technical Advisory Committee (TAC) met on May 29th in Fresno. At the May meeting the TAC considered road charge pilot program policy issues including: what types of participants should be included in the pilot, what types of vehicles should be considered in the pilot, whether certain types of road usage (i.e. driving on private roads and out of state) should be exempt from road charging in the pilot, and what specific personal privacy protections should be used for the pilot program. In addition to these policy considerations, the TAC also received an introduction to a business case analysis of road charging in California and had an informational discussion on potential road charge pilot program evaluation criteria.

Preliminary decisions regarding pilot program participants, vehicles, road usage exemptions, and privacy provisions were made at the May meeting. These decisions, outlined below, are subject to further refinement and adjustment throughout the TAC deliberative process:

- Recruitment of individuals, households, businesses, and at least one government agency to participate in the pilot.
- Adoption of an “8 x 2” vehicle classification system consisting of all eight vehicle weight classes as well as both private and commercially registered vehicles for potential inclusion in the pilot.
- Inclusion of a cross-section of vehicles reflective of all vehicles currently driving in California in the pilot.
- Testing of both automated and manual methods in the pilot to offer exemptions from paying road charges for mileage driven on private roads and outside California.
- Adopted a three pronged approach to provide for personal privacy protections in the pilot including development of 1.) privacy protection principles, 2.) privacy evaluation criteria and performance measures for an independent evaluation of the pilot program, and 3.) model legislative privacy provisions. Each approach, along with privacy specifications will be further developed after the TAC has discussed pilot program enforcement provisions in more detail.

Stakeholder engagement in the pilot program development process is critical. To facilitate stakeholder input, a Road Charge Workgroup consisting of approximately 20 members was formed to meet specific consultation requirements outlined in Senate Bill (SB) 1077 and to support the TAC as a resource to efficiently gather and provide expert input on the design and evaluation of a road charge pilot program. The workgroup is chaired by Anne Mayer, Executive Director of the Riverside County Transportation Commission. Workgroup participants include representatives from a wide variety of areas including:

vehicle users; vehicle manufacturers; fuel distributors; tribal governments; social equity and sustainability advocates; taxpayers; state, local, and regional transportation agencies; and building, construction, business and economy interests. As a resource for the TAC, the Workgroup is complementary to the larger public engagement process being undertaken by the TAC.

The Workgroup held a teleconference on May 20th to discuss the policy issues being considered by the TAC at the May 29th meeting. Four workgroup member organizations including: the California Tax Payers Association, the California Building Industry Association, the Self-Help Counties Coalition, and Transform submitted comment letters to the TAC for consideration. In addition to feedback received from the workgroup, the TAC also received comments and feedback through the recently established California Road Charge Pilot Program website: www.CaliforniaRoadChargePilot.com. All comments are posted online as received.

In addition to the ongoing stakeholder outreach and public engagement process, focus groups and statewide telephone surveys will be conducted over the next several months to establish baseline information for use in designing and implementing a road charge pilot program in California.

The next TAC meeting will be held June 26, 2015 in Sacramento and will focus on road charge pilot design considerations including the number and distribution of participants, potential socioeconomic accommodations that should be tested in the pilot, as well as recommended evaluation criteria that should be used for the pilot.

The TAC will continue to undertake an open and inclusive process to gather public input during its study of road usage charge alternatives to the gas tax and development of recommendations on pilot program design. TAC meetings are webcast and all meeting materials are available online at: http://www.dot.ca.gov/road_charge/tac/meetings.html

BACKGROUND:

On September 29, 2014 the Governor signed Senate Bill 1077 (DeSaulnier, Road Usage Charge Pilot Program) mandating the Commission Chair, in consultation with the California State Transportation Agency (CalSTA) Secretary, to create a 15-member Road Usage Charge Technical Advisory Committee (TAC) to study road usage charge alternatives to the gas tax, gather public input, and to make recommendations on the design of a pilot program. CalSTA must implement a road usage charge pilot program by January 1, 2017 based on the recommendations of the TAC and submit to the Legislature, the TAC, and the Commission, a report of its findings by June 30, 2018. The Commission is required to include its recommendations regarding the pilot program in its annual report to the Legislature.