



California Road Charge Pilot

Testing a User Fee Approach

Presented to:
National Association of Motor Vehicle
Boards and Commissions



March 17, 2016

Transportation Funding is Critical to California's Economy and Quality of Life



Why Explore Road Charge?



Aging
Infrastructure

Shrinking
Funding



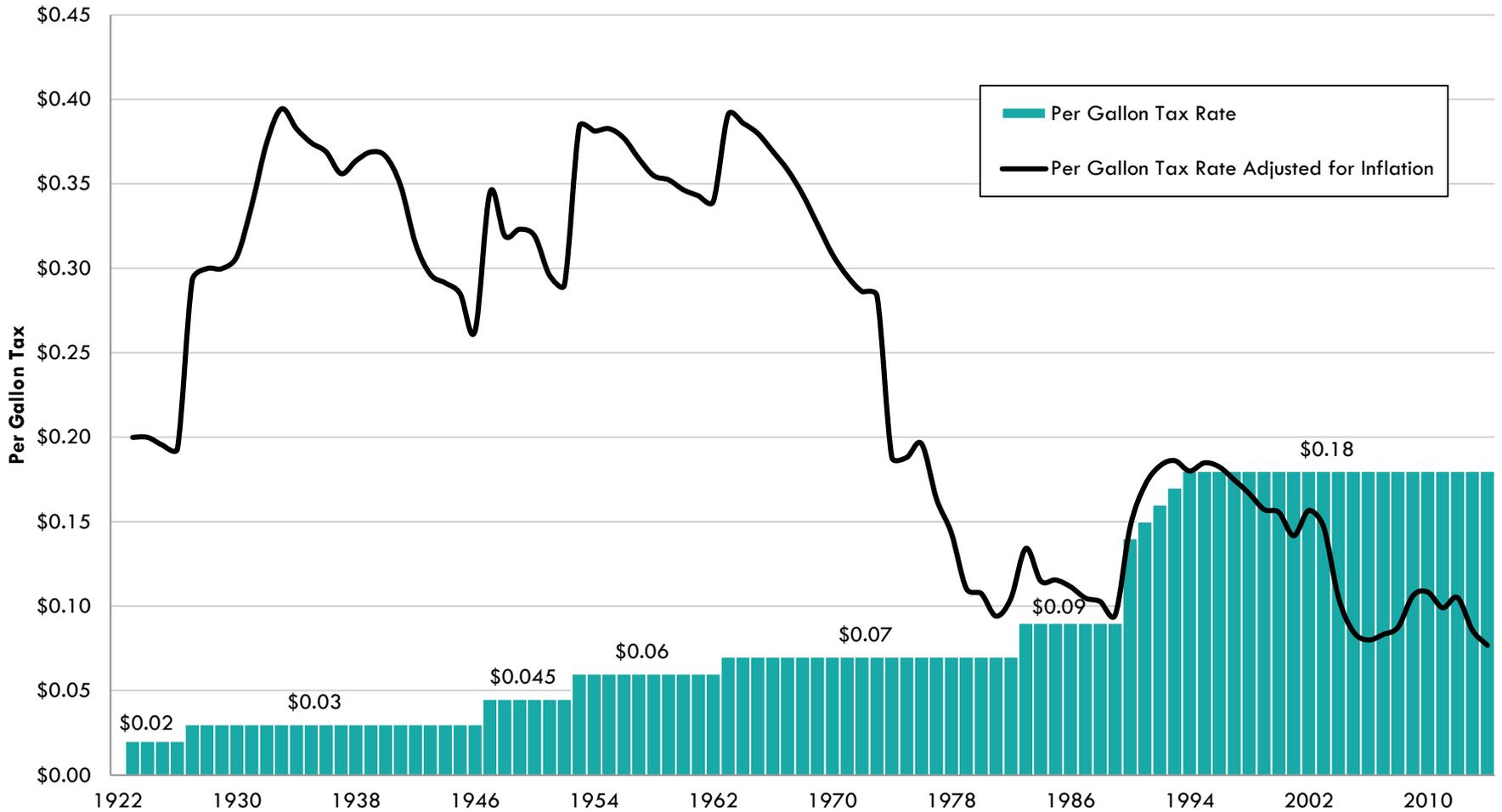
Increased
Requirements

Fuel
Efficiency



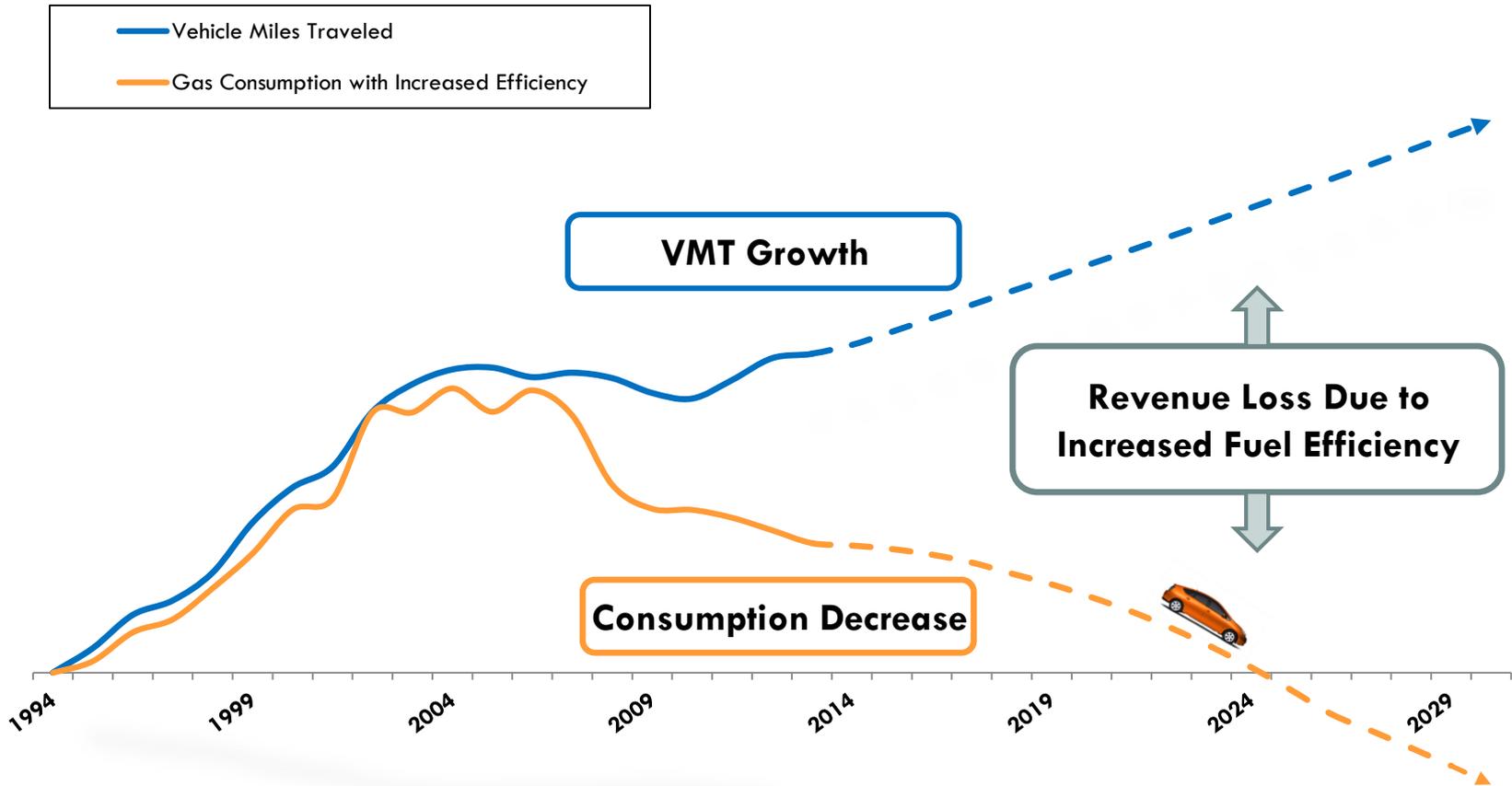
Inflation Erodes Value of Tax Over Time

History of the Base Gasoline Excise Tax Rate



Source: Board of Equalization. Escalation based on California State Highway Construction Cost Index and Consumer Price Index

Fuel Efficiency Contributes to Revenue Loss



In this conceptual chart, Vehicle Miles Travelled and Fuel Consumption have been indexed to the same starting point in 1994 to enable comparison of the relative change of the two metrics over time

California Road Charge Pilot Program

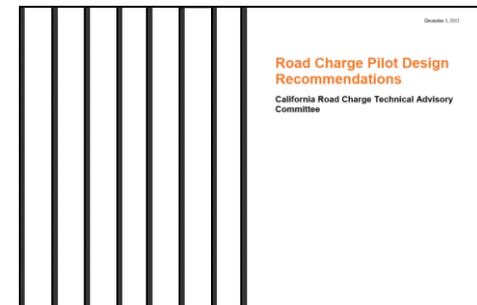


- Senate Bill 1077 (2014)
- Directed the California Transportation Commission (CTC) to establish a Technical Advisory Committee (TAC)
- TAC provided report recommendations to the California State Transportation Agency (CalSTA)
- Requires CalSTA to implement a pilot program by ~~January 2017~~ **July 2016**
- Requires a report of findings and recommendations by ~~June 2018~~ **July 2017**



Public Input Drives TAC Process

- Extensive Public Outreach Efforts
- TAC Pilot Design Recommendations
 - 5,000 participants statewide
 - Diversity in vehicle types
 - Commercial and State account managers
 - Multiple mileage reporting methods
 - Protect privacy
 - Ensure data security
 - Independent evaluation



Key Concerns Raised by the Public



- Privacy and Data Security
- Urban vs. Rural Differential Impacts
- Income Equity Implications
- Fleet Parity
- Rate Setting



Mileage Reporting Methods

Operational Concepts

Concept 1: Time Permit



Corresponding Technology

Time Permit Technology

Concept 2: Mileage Permit



Mileage Permit Technology

Concept 3: Odometer Charge
(post-pay)



Odometer Technology

Concept 4: Automated Mileage Reporting with No Location Data

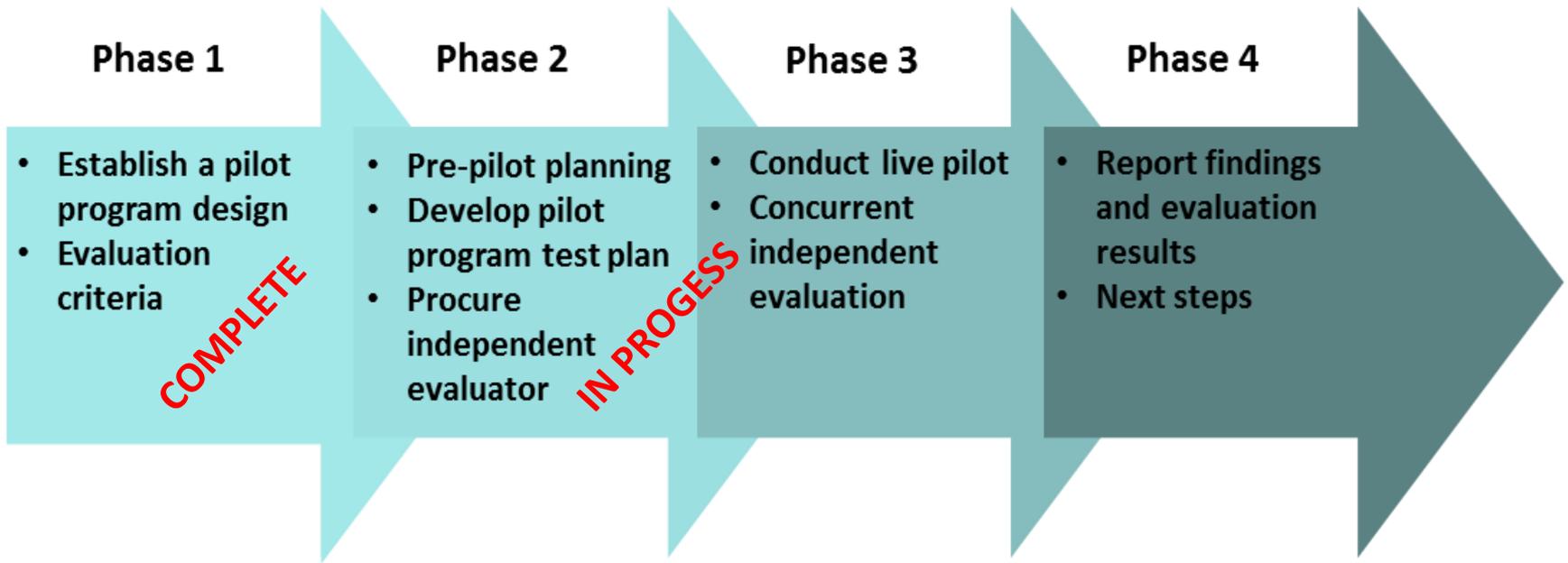
Concept 5: Automated Mileage Reporting with General Location



Usage-based Insurance Devices
Smartphone

In-Vehicle Telematics
Other Location-based Devices

Road Charge Pilot Program Status



Phase 1: Pilot Design/Public Outreach - December 2015 **COMPLETE**

Phase 2: Recruitment/Procurement & Testing - Summer 2016 **IN PROGRESS**

Phase 3: Live Pilot – Summer 2016 - Spring 2017

Phase 4: Final Report – Summer 2017

Help Represent Your Community!



User Fees Gaining Interest

- Western Road Usage Charge Consortium
 - 14 Western States
 - State Transportation Organizations
 - Research and Exploration of Road Charge Concept
- FAST Act
 - Section 6020 - Surface Transportation System Funding Alternatives
 - \$95 million Over Five Years



Thank You

QUESTIONS?

Norma Ortega, CFO
CA Department of Transportation
Norma.Ortega@dot.ca.gov

