State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

M e m o r a n d u m

To: CHAIR AND COMMITTEE MEMBERS
CALIFORNIA ROAD CHARGE TECHNICAL
ADVISORY COMMITTEE

TAC Meeting: August 26, 2015

Reference No.: 8.a
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Subject: **Follow-Up Questions from July 24, 2015 TAC Meeting**

ISSUE:

The purpose of this memorandum is to clarify the project team's responses to questions that were posed by the committee members during the July 24, 2015 Technical Advisory Committee (TAC) meeting.

Below, the questions and corresponding responses are grouped under general category headings.

UPDATE:

Q – Can the pilot include natural gas vehicles?
A – The project team would like to seek clarification on the type of natural gas vehicles sought for inclusion in the pilot. There are two types of natural gas (compressed and liquid, or CNG and LNG) and, broadly speaking, two categories of vehicles that use natural gas: (1) urban heavy vehicles such as transit buses and refuse haulers (largely CNG) and (2) over-the-road heavy trucks (largely LNG). The light-duty CNG/LNG vehicle population is small (less than 0.1% of the passenger car fleet) and declining. While there is no category for LNG/CNG vehicles in the participant matrix, we can invite CNG/LNG vehicle owners to participate in the pilot.

Q – What is the schedule for reporting back on the focus groups and telephone surveys?
A – The focus groups were completed in late July. A preliminary report on focus group findings has been prepared for TAC members and will be presented at the August TAC meeting. In addition, the telephone survey questions have been updated based on the focus group findings and will also be submitted for TAC review at the August TAC meeting.

- August: Both the preliminary report on focus group findings and updated telephone survey questions will be distributed at the August meeting.
- September: The surveys are scheduled for launch in early September and completion in mid-September, after the September 16, 2015 TAC meeting in Eureka.
- October: The draft report on public opinions, reflecting findings from both the focus groups and telephone surveys, will be presented at the October TAC meeting.

Q – Can we consider more mileage "buckets" (recording mileage based on location such as by county or by urban vs. rural area) for research purposes?
A – Statute requires recording the "minimum location data" necessary to support the road charge. Storing location data beyond the minimum could violate statute and subject the pilot project to criticisms over privacy protection. The geographic mileage buckets required based on previous recommendations by the TAC for pilot operations (for participants who opt for location-based operational concepts) are the following: (1) in-state mileage on public roads, (2) in-state mileage off public roads, and (3) out-of-state mileage.

Q – Can we explore more details around how often participants are invoiced and how they pay in order to inform our other decisions?
A – Invoice frequency alternatives for all of the operational concepts will be addressed at the September TAC meeting. In addition, the project team will present initial ideas on simulated payment options at the August TAC meeting.

Q – How much revenue does one penny of fuel tax generate?
A – In FY15/16, one penny of *gasoline* tax generated approximately $145 million in revenue. One penny of *diesel* tax generated approximately $27 million in revenue. Both figures reflect tax paid, net of audit assessment, refunds, and adjustments due to the International Fuel Tax Agreement (IFTA). *(Source: Board of Equalization, Net Taxable Gallons 10-Year Report).*