
California Policy Dimensions and Tasks Ahead for the TAC

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Agenda Item #7
TAC Meeting #2, February 26, 2015
Sacramento, CA

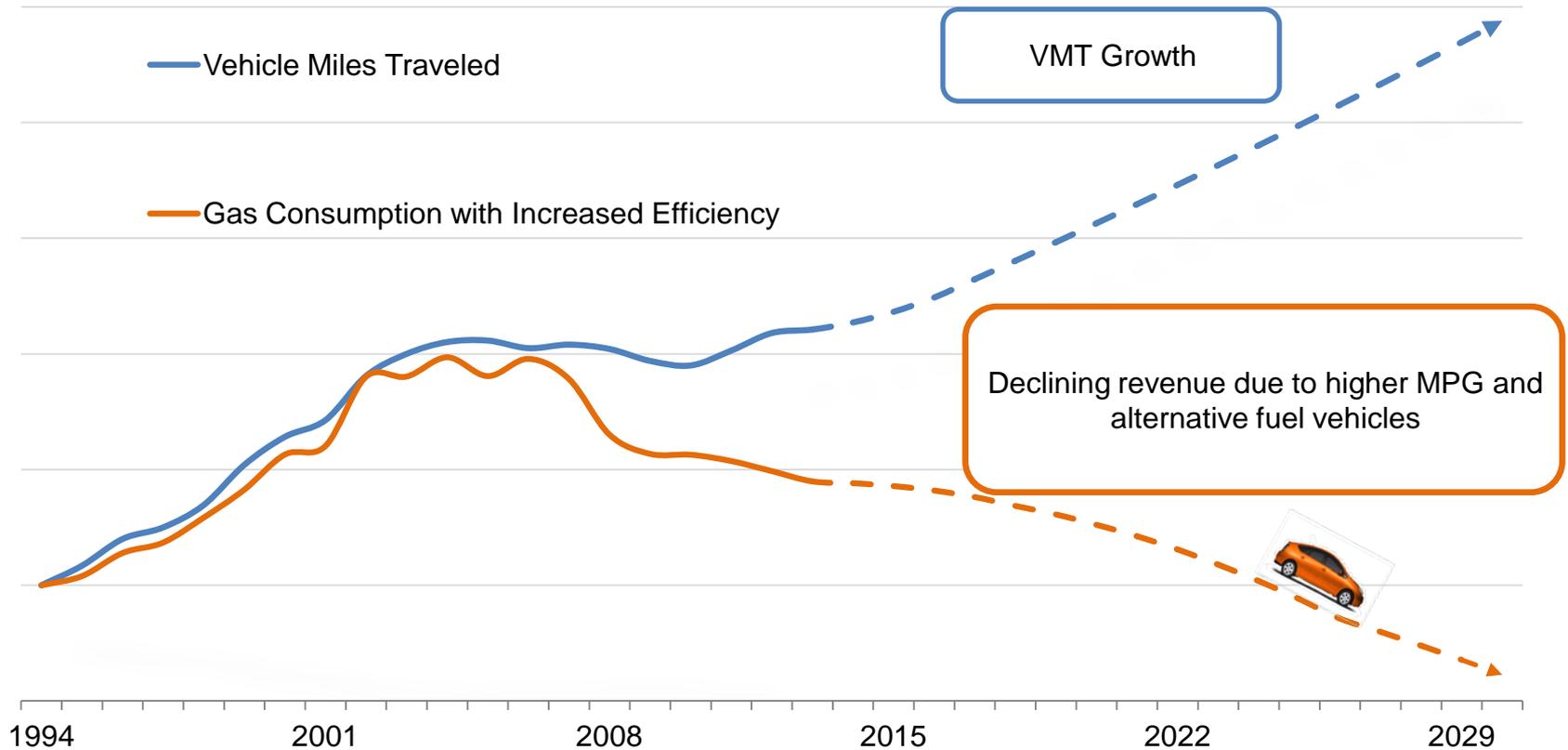


Discussion Objectives

- ◆ Identify policy decisions specified in SB 1077 – what is already established and what needs work by the TAC
- ◆ Establish framework for the TAC's consideration of road charging policy
- ◆ Provide overview of policy issues the TAC may wish to consider in the development and evaluation of a pilot program
- ◆ Agree on approach for future meetings



Why We Are Here



Source: Caltrans



SB 1077 Charge to the TAC

#1: Study road charging alternatives

#3: Recommend pilot program design

TAC

#2: Gather public comments on issues and concerns

#4: Recommend pilot program evaluation criteria



Recommend Road Charging Approaches and Pilot Design Parameters to CalSTA

- ◆ How many reporting methods? (SB 1077 requires >1)
- ◆ How many non-location reporting methods? (≥ 1)
- ◆ Personal data to collect?
- ◆ Which process(es) to safeguard data?
- ◆ Which reporting methods to use?
- ◆ Which billing methods to use?
- ◆ Which methods of collecting payment?
- ◆ Which mechanisms for enforcement?
- ◆ Involve commercial account managers?
- ◆ Location and distribution of participants?
- ◆ Type of participants/vehicles to include?
- ◆ Level of involvement by agencies?
- ◆ Will collected revenues be consistent with cost to administer?
- ◆ Test road charging for visitors to the state?
- ◆ How to safeguard personally identifiable information?



Make Recommendations on Evaluation Criteria to Use for the Pilot Program

- ◆ Availability, adaptability, reliability, and security of methods of recording and reporting highway use
- ◆ Necessity of protecting personally identifiable information
- ◆ Ease and cost of recording and reporting highway use
- ◆ Ease and cost of administering road charges compared to fuel taxes
- ◆ Effectiveness of methods of maintaining compliance
- ◆ Ease of re-identifying location data even when personally identifiable information has been removed
- ◆ Privacy concerns if road charging location data are used in conjunction with other technologies



Why Worry About Policy?

It is important to get the foundation right.

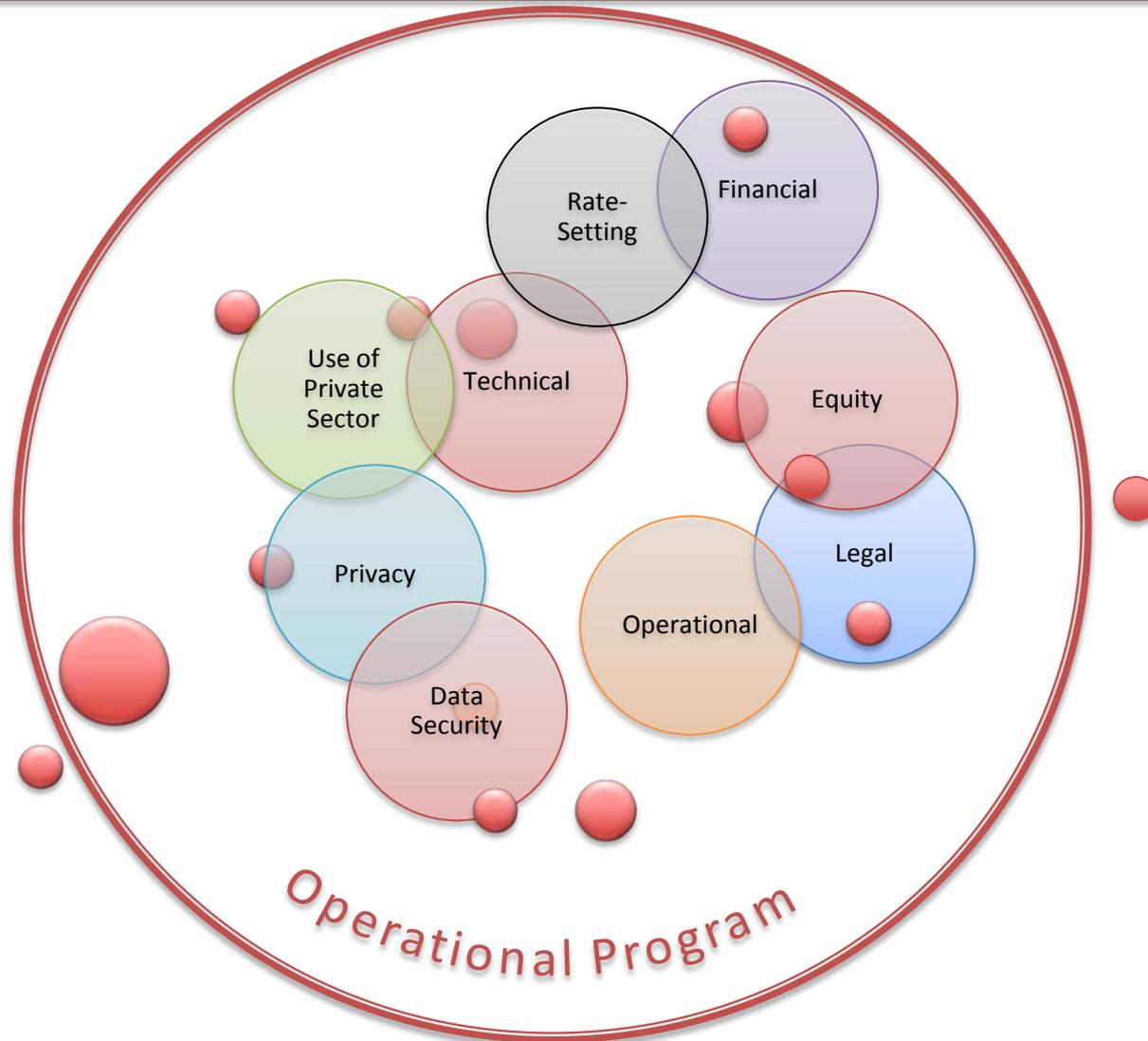


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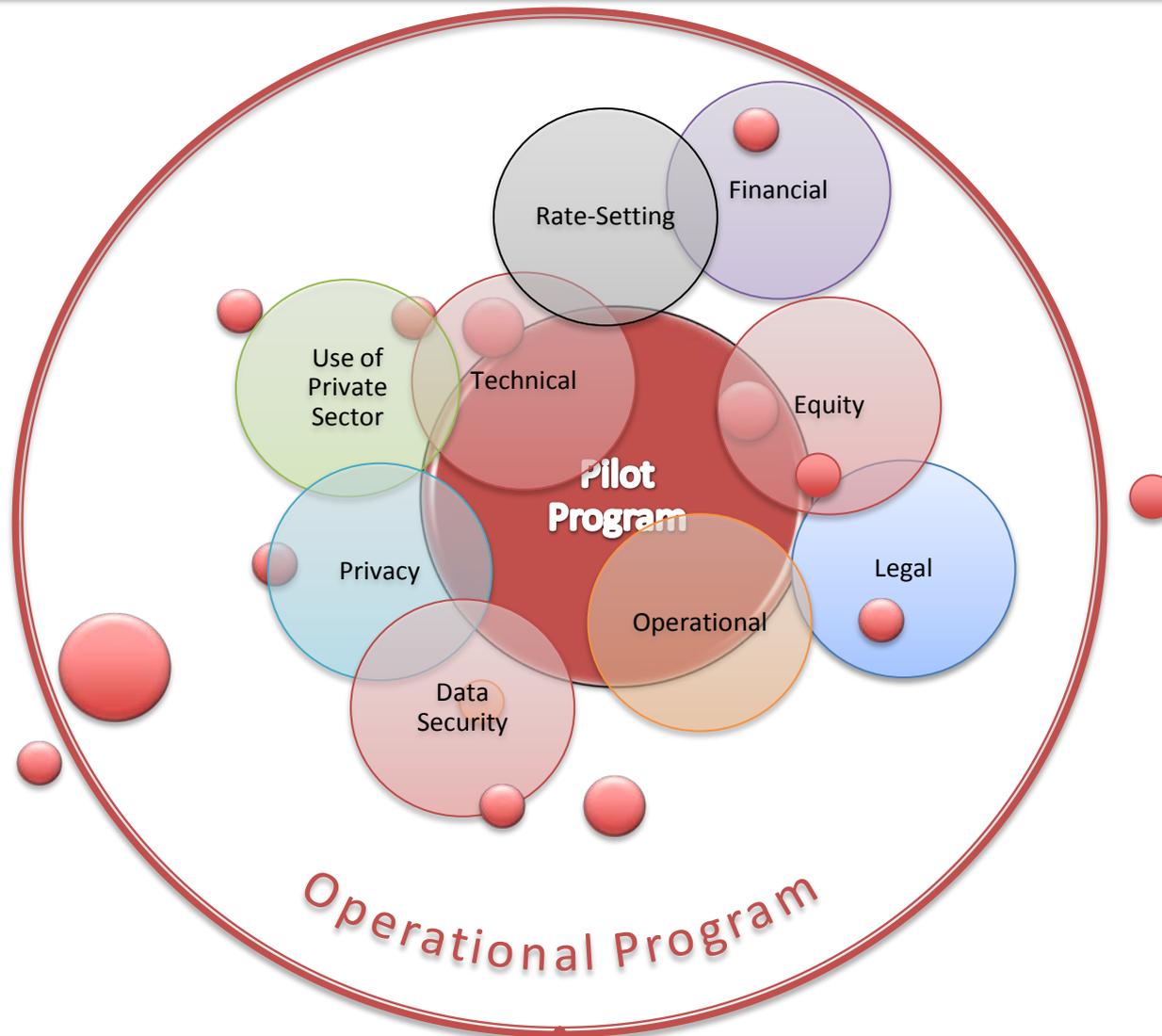
- ◆ Technical decisions are probably more exciting, and in some ways easier to evaluate, because costs and benefits are concrete – GPS/non-GPS, telematics, odometer, paper permits...
- ◆ ...but, if the technology comes first, you may end up with a program that does not meet the needs of California.
- ◆ Start with what you what you wish to accomplish, then find technology to achieve it.



An Operational Road Charging System Requires a Mature Policy Framework With Many Dimensions



A Pilot Program Requires Only a Subset of Policy Issues be Addressed



SB 1077 Clearly Calls Out Some Policy Questions for the TAC to Address

Policy Question	SB 1077	Related Question(s)
Replace vs. supplement gas tax?	Replace	
Should rates differ by location/time (requires location data)?	No	Should rates differ by type of vehicle?
Should motorists have choice of distance reporting method?	Yes – including at least one method that does not rely on electronic vehicle location data	What reporting methods should be tested?
What privacy protection requirements should the system include?	Minimum amount of personal information necessary	What is the minimum information necessary?
What data security requirements should the system include?	Processes for collecting, managing, storing, transmitting, and destroying data in place to ensure security of personal data	How do you monitor data security compliance?



Additional Relevant Policy Questions to Address While Developing the Pilot

- ◆ Should rates differ by vehicle type (e.g., weight, engine size, MPG)?
- ◆ How do we ensure equity between urban and rural drivers?
- ◆ Should California address road charging interoperability with other states and if so how?
- ◆ How should road charges be enforced?
- ◆ What payment options should motorists have?
- ◆ What are the various agencies' roles?
- ◆ Should the road charging system be entirely state-run, or should private account managers be allowed?
- ◆ Should standards be employed for any vendor technology or systems? If so, which ones?
 - ✦ How should technology or systems be certified?
 - ✦ Will private account managers be regulated?
- ◆ How should privacy and data security requirements be enforced?
- ◆ Should road charging use open or closed systems?



Additional Relevant Policy Questions to Address While Developing the Pilot (continued...)

- ◆ Decisions taken by the TAC on these questions should be in the context of testing possibilities with constant focus on meeting the need for a sustainable, equitable, effective revenue source for transportation.
- ◆ Many of the policies would require CalSTA or legislative action in a fully operational statewide context – but the TAC has a significant role in establishing policy for the pilot.
- ◆ Deciding *what* and *how* to test will lay the foundation for road charging in California.



Moving Forward

Policy direction in SB 1077	Technology	Organizational design/communications baseline	Evaluation criteria/business case criteria	Pilot test options	Procurement strategy/business case	Communications baseline	Demo and evaluation plan	Risk analysis/draft report outline	Draft report	Final report
Feb 2015	Mar 2015	Apr 2015	May 2015	Jun 2015	Jul 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015



Moving Forward: March 2015

Decision Points:

- ◆ Open/closed system
- ◆ How many reporting options?
- ◆ Interoperability?
 - ✧ with tolling
 - ✧ with other states?
 - ✧ with congestion charging?
- ◆ Should rates differ by type of vehicle?
 - ✧ Include trucks?

New Topics:

- ◆ Should standards be employed for any vendor technology or systems? If so, which ones?
 - ✧ How should technology or systems be certified?
 - ✧ Will private account managers be regulated?
- ◆ What level of encryption and data security is required?
- ◆ How should encryption and data security requirements be enforced?



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