State of California
DEPARTMENT OF TRANSPORTATION

California State Transportation Agency

Memorandum

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

TAC Meeting: June 26, 2015

Reference No.: 8.b
Information Item

From: NORMA ORTEGA
Chief Financial Officer

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Road Charge Pilot Program

Subject: **Follow-Up Questions from May 29, 2015 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 May 29, 2015 Technical Advisory Committee (TAC) meeting.

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

UPDATE:

Equity:
Q – Low-income households may prefer the time permit option for a variety of reasons. Therefore, they may be unfairly disadvantaged if the time permit is priced effectively higher on a per-mile basis than the mileage-based options. What accommodations can be explored? Similar equity concerns were also noted in a letter to the TAC by a Work Group member – TransForm, dated May 28, 2015.
A – Agenda item #14 has been added to the June 26, 2015 TAC meeting to address this issue.

Q – Are data available that show low-income populations drive less (per household and per vehicle)?
A – Yes, the National Household Travel Survey (NHTS), conducted periodically by the Federal Highway Administration, demonstrates that income is correlated with miles driven, or vehicle miles traveled (VMT).

Household Income	Cars per household					National Average Annual Household VMT
	0	1	2	3	4+	
<$25k	530	8,430	N/A	22,490	34,444	9,384
$25-50k	1,871	10,089	20,625	26,583	41,383	17,559
$50-75k	3,160	12,008	23,381	33,126	44,279	24,282
>$75k	2,792	13,706	27,579	37,146	47,015	30,620
Average (All incomes)	1,050	9,726	23,084	32,066	43,516	19,851

Source: National Household Travel Survey, 2009, http://nhts.ornl.gov/2009/pub/profile_2012.pdf

The California Air Resources Board also published a study, *Quantifying the Effect of Local Government Action on VMT (2013)*, one output included VMT by household income. The table below summarizes those results, showing a similar trend as the national numbers, but with data specific to California:

Household Income	California Average Weekday Household VMT
<$25k	22.69
$25-50k	38.20
$50-75k	56.23
>$75k	67.88

Source: http://www.arb.ca.gov/research/rsc/10-18-13/item3dfr09-343.pdf

Schedule:
Q – Is the proposed pilot test schedule (target for completion in summer 2017) feasible from a technical standpoint?
A – Yes, the project team has evaluated the proposed schedule and concluded that the pilot can be managed and successfully performed within the parameters outlined in SB 1077 and based on the recommendations by the TAC so far.

Revenue:
Q – In the absence of actually collecting revenues in the pilot test, what alternatives can the TAC consider?
A – The TAC has raised the issue of collecting revenue in the pilot test for at least two reasons: (1) to simulate privacy protections that would be built into the transaction process, and (2) to understand how people react to a road charge when they must actually pay it. The project team is developing content for the August briefing materials that will explain what processes the pilot could implement to simulate alternatives for billing and revenue collection for TAC consideration.

Q – How do we trade the advantages of enforcement (i.e., to deter leakage) against possible invasions of privacy?
A – Even the most efficient revenue collection systems experience leakage. Leakage can be addressed through system design that encourages voluntary compliance and enforcement efforts that address violators. There are many considerations in designing an enforcement system, including trading off potential privacy impacts as well as costs of enforcement against revenues gained through collections or deterrence. The TAC will have an opportunity to consider these tradeoffs when recommending enforcement methods to be tested in the pilot test at the August meeting.

Vehicles:
Q – How many vehicles are there in each weight class?
A – See chart below, based on 2013 California Department of Motor Vehicle registration data.

Class	Count	% of Total
Passenger cars and light trucks	22,482,235	80.7%
Class 2 trucks	4,470,212	16.0%
Class 3 trucks	258,864	0.9%
Class 4 trucks	142,464	0.5%
Class 5 trucks	70,265	0.3%
Class 6 trucks	144,236	0.5%
Class 7 trucks	86,648	0.3%
Class 8 trucks	222,635	0.8%

Total (All vehicles)	27,877,559	100%