

From: [Gutierrez, Gary F@DOT](mailto:Gutierrez.Gary.F@DOT) on behalf of [Road Charge Pilot Program@DOT](mailto:Road.Charge.Pilot.Program@DOT)
To: [Devon Jones; Road Charge Pilot Program@DOT](mailto:Devon.Jones@DOT)
Cc: [Chew, Florence F@DOT](mailto:Chew.Florence.F@DOT); [Pennebaker, Laura@DOT](mailto:Pennebaker.Laura@DOT)
Subject: RE: TAC Meeting #9: North State Area
Date: Friday, May 08, 2015 7:51:52 PM

Hello Devon,

I am cc-ing your question to California Transportation Commission staff who are familiar with, and responsible for, arranging all the meeting locations. I will ask Laura to provide a response when she returns to the office on Monday.

Thank you for your question and your interest in the California Road Charge Pilot.

Best Regards,

Gary Gutierrez, P.E.
Project Manager, Road Charge Program
California Department of Transportation
(916) 206-7144 (m)
(916) 654-4227 (o)

Caltrans Mission: *Provide a safe, sustainable, integrated, and efficient transportation system to enhance California's economy and livability.*

Caltrans Vision: *A performance-driven, transparent, and accountable organization that values its people, resources and partners, and meets new challenges through leadership, innovation, and teamwork.*

From: Devon Jones [mailto:mendofbdirector@pacific.net]
Sent: Friday, May 08, 2015 4:59 PM
To: Road Charge Pilot Program@DOT
Subject: TAC Meeting #9: North State Area

Has there been consideration for where the meeting may be located in the North State Area that is scheduled for September 25th?

Outside of the Sacramento Meetings, there does not appear to be any meeting location for citizens of Northern California to attend. This proposed road charge program will have greater impacts on rural residents who have to travel further to reach employment or other resources. Due to this, it is suggested that it would be beneficial to plan on adding an additional meeting in Northern California to cover both the North Coast and North East.

For the North Coast locations such as Santa Rosa, Ukiah or Fortuna/Eureka would be suggestions. For the North East, perhaps the Redding area.

We strongly encourage you to consider an additional meeting location in the North State Area.

Thank you

Devon Jones
Executive Director
Mendocino County Farm Bureau
303-C Talmage Road
Ukiah, CA 95482
(707)462-6664

From: Gutierrez, Gary F@DOT
To: Pennebaker, Laura@DOT
Cc: Pourvahidi, Carrie@DOT
Subject: FW: California Road Charge Pilot Program Public Comments
Date: Monday, May 11, 2015 9:25:23 AM

Public comment submitted Saturday 5/9.

Best Regards,

Gary Gutierrez, P.E.
Project Manager, Road Charge Program
California Department of Transportation
(916) 206-7144 (m)
(916) 654-4227 (o)

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Caltrans Vision: A performance-driven, transparent, and accountable organization that values its people, resources and partners, and meets new challenges through leadership, innovation, and teamwork.

-----Original Message-----

From: dan.jordan@ventura.org [<mailto:dan.jordan@ventura.org>]
Sent: Saturday, May 09, 2015 3:51 AM
To: Road Charge Pilot Program@DOT; Hinson, Philip@DOT; Chhimi, Jigme@DOT; Gutierrez, Gary F@DOT; brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments

Below is the result of your feedback form. It was submitted by Daniel Jordan, PhD (dan.jordan@ventura.org) on May 9th, 2015 at 03:50AM (PDT).

firstname: Daniel
lastname: Jordan, PhD
city: Oxnard
zip: 93035
email: dan.jordan@ventura.org

comments: Do I understand this correctly? Road use is a measure of just one externality. Gas tax includes a number of externalities. Let's say I travel 30,000 miles in my Prius (I don't) and someone else travels 30,000 in his super-duper 6 wheel four-ton high rise truck. We'd both get charged the same because we're "using" the same amount of road? Hmm. No, we are not using the same amount of road. Our two cars would be using very different amounts of road, in terms of wear and tear on the road. Gas tax is much more realistic measure of "use." Yes, I know, older cars get less mileage, but they also pollute more, and thus use the public space more, we can go around and around. But just miles driven is a less good measure than gas tax. Gas tax is a much better reflection of both road and total "externalities" costs than road use, because it includes the costs of extraction, delivery (the road use to get the gas to my car), air pollution, etc. This proposal seems a move backward because it is a measure of only one externality.

submit: Submit Comments

From: lilliehotmail@yahoo.com
To: Road_Charge_Pilot_Program@DOT; [Hinson, Philip@DOT](mailto:Hinson_Philip@DOT); [Chhimi, Jigme@DOT](mailto:Chhimi_Jigme@DOT); [Gutierrez, Gary F@DOT](mailto:Gutierrez_Gary_F@DOT); brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Saturday, May 09, 2015 11:21:43 AM

Below is the result of your feedback form. It was submitted by Lillie Herrera (lilliehotmail@yahoo.com) on May 9th, 2015 at 11:21AM (PDT).

firstname: Lillie
lastname: Herrera
city: Hanford
zip: 93230
email: lilliehotmail@yahoo.com
comments: Stop giving TAX BREAKS to the companies so we can fix our roads. We already pay taxes for.

submit: Submit Comments

From: Huntnfooltwo@yahoo.com
To: Road_Charge_Pilot_Program@DOT; [Hinson, Philip@DOT](mailto:Hinson,Philip@DOT); [Chhimi, Jigme@DOT](mailto:Chhimi,Jigme@DOT); [Gutierrez, Gary F@DOT](mailto:Gutierrez,Gary_F@DOT); brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Monday, May 11, 2015 2:01:22 PM

Below is the result of your feedback form. It was submitted by Bob Varner (Huntnfooltwo@yahoo.com) on May 11th, 2015 at 02:01PM (PDT).

firstname: Bob
lastname: Varner
city: Corning
zip: 96021

email: Huntnfooltwo@yahoo.com

comments: This Pilot Program for the Road Charge is Shocking. Here our government wants to be less dependent on fossil fuels, we are showing signs of improvement, then they realize they aren't generating enough money to fund the needed repairs to the roads. Here's my solution cut all non essential bodies of the government and farm it out to the private sector which would surely be more efficient. Balance the budget so that we have a surplus of revenue and run the state like a business. you cant spend more than you bring in.

submit: Submit Comments

From: [Davis, Dave](#)
To: [Pennebaker, Laura@DOT](#)
Cc: [Pourvahidi, Carrie@DOT](#); [Gutierrez, Gary F@DOT](#); [Chew, Florence F@DOT](#); [Johnson, Anne@DOT](#); [California Transportation Commission@DOT](#)
Subject: RE: Pilot Program
Date: Tuesday, May 12, 2015 11:03:30 AM

I thank you for the response. Appears that I added myself to the email list again by joining the interest list (feel free to delete on if necessary).

I chose not to post any comments to the webpage as you have my current comments and if you would like me to place these on the website just say the word.

Just a little background

- I have been a 7 passenger vanpool operator for over 18 years.
- My van is full (6 riders plus me = 7) but I average six riders per day (5 riders plus me), which means that on average we take 5 cars off the road per day.
- The van operates on average 20 days per month and travel approximately 100 miles roundtrip per day.
- Therefore when you do the math we travel between 24-25K miles per year.

Fyi I can provide a fair amount of detail on vanpools. You may already have this but I have some data on costs, average ridership, alternates riders and so on.

I would hope that vanpools are given some serious thought and consideration. I am not suggesting that vanpools should be exempt but the impact of taking vehicles off the road does have a significant impact on the amount of road use attributable to the vanpool.

Thanks for taking the time to consider my comments. It is appreciated.

David Davis
Supervising Tax Auditor
ADRS – Allocation Group and Summary Unit
State Board of Equalization
(916) 341-6901

From: Pennebaker, Laura@DOT [mailto:laura.pennebaker@dot.ca.gov]
Sent: Monday, May 11, 2015 2:33 PM
To: Davis, Dave
Cc: Pourvahidi, Carrie@DOT; Gutierrez, Gary F@DOT; Chew, Florence F@DOT; Johnson, Anne@DOT; California Transportation Commission@DOT
Subject: RE: Pilot Program

Good afternoon Dave,

Thank you for your comments and your interest in the Road Charge Technical Advisory Committee (TAC) and Pilot Program.

We will share your feedback with the TAC members for their consideration at the next TAC meeting which will be held Friday May 29th from 9am to 3:00pm in Fresno at the Doubletree Hotel located at

2233 Ventura Street Fresno, CA. The meeting will be webcast live and the video feed will be also be archived to watch at a later date if needed.

We have added you to our email distribution list so that you will receive email updates regarding all Technical Advisory Committee meetings and materials.

Regarding your interest in pilot program information and potential impacts to the cost of operating a vanpool, the TAC is currently in the process of developing recommendations on road charge pilot program design features such as the type of mileage and reporting methods that will be explored in the pilot, as well as how the pilot will operate and what types of vehicles will participate. Now would be a great time for you to engage and provide feedback to the TAC as a vanpool operator.

Please note that the California Road Charge Pilot Program also has a new, interactive [website](#) that has been established to serve as the web platform during the actual pilot program implementation. Please feel free to visit this site where you can: [join the Interest List](#), [submit Comments](#), and [sign-up to Volunteer](#) for the pilot program when it launches.

Thanks again for your interest in this effort.

Sincerely,
Laura

Laura A. Pennebaker
California Transportation Commission
1120 N Street, MS-52
Sacramento, CA 95814
Office: (916) 653-7121 | Fax: (916) 653-2134
<http://www.catc.ca.gov/>

From: Remedios, Douglas@DOT **On Behalf Of** California Transportation Commission@DOT
Sent: Friday, May 08, 2015 9:27 AM
To: Pennebaker, Laura@DOT
Subject: FW: Pilot Program

FYI

Douglas Remedios
Associate Governmental Program Analyst
California Transportation Commission
1120 N Street MS-52
Sacramento, CA 95814
(916) 653-2066
www.catc.ca.gov

From: Davis, Dave [<mailto:Dave.Davis@boe.ca.gov>]
Sent: Wednesday, May 06, 2015 7:06 AM

To: California Transportation Commission@DOT

Subject: Pilot Program

I drive a vanpool and would like to gather some information about the program, especially how this might impact the cost of operating a vanpool. I might also be interested in being a volunteer in the pilot program.

David Davis
Supervising Tax Auditor
ADRS – Allocation Group and Summary Unit
State Board of Equalization
(916) 341-6901

From: [Pennebaker, Laura@DOT](mailto:Pennebaker.Laura@DOT)
To: [Pennebaker, Laura@DOT](mailto:Pennebaker.Laura@DOT)
Subject: California Road Charge Pilot Program Public Comments
Date: Tuesday, May 12, 2015 9:39:36 AM

-----Original Message-----

From: wwjohnson5@me.com [<mailto:wwjohnson5@me.com>]
Sent: Tuesday, May 12, 2015 8:35 AM
To: Road Charge Pilot Program@DOT; Hinson, Philip@DOT; Chhimi, Jigme@DOT; Gutierrez, Gary F@DOT; brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments

Below is the result of your feedback form. It was submitted by william johnson (wwjohnson5@me.com) on May 12th, 2015 at 08:34AM (PDT).

firstname: william

lastname: johnson

city: placerville

zip: 95667

email: wwjohnson5@me.com

comments: I see no need to have a program other than the gas tax. It already covers miles driven. I understand with more fuel efficient vehicles the state may not be collecting enough tax to cover repairs. But if that's the case propose raising the gas tax. Let the people of CA decide if they are willing to pay more. Having to report miles driven to the state is intrusive and is ripe to be gamed.

submit: Submit Comments

From: jfitch@woodrogers.com
To: Road_Charge_Pilot_Program@DOT; [Hinson, Philip@DOT](mailto:Hinson_Philip@DOT); [Chhimi, Jigme@DOT](mailto:Chhimi_Jigme@DOT); [Gutierrez, Gary F@DOT](mailto:Gutierrez_Gary_F@DOT); brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Thursday, May 14, 2015 11:12:19 AM

Below is the result of your feedback form. It was submitted by Jerry Fitch (jfitch@woodrogers.com) on May 14th, 2015 at 11:12AM (PDT).

firstname: Jerry
lastname: Fitch
city: Sacramento
zip: 95816

email: jfitch@woodrogers.com

comments: It's nice to see some efforts like this on updating roadway funding. I support the mileage charge, but I feel it should be by weight also, since wear and tear on roads is directly related to vehicle weight, maybe more so than mileage. The unit of charge should be ton-miles (tons x miles), not just miles.

Also, the ton-mile fee should be phased in concurrent with phase-out of per-gallon taxes, so that the gas tax savings will somewhat offset the new ton-mile fee and avoid the appearance of taxes piled on top of taxes, which would be politically troublesome.

submit: Submit Comments

From: jwalters@mono.ca.gov
To: Road_Charge_Pilot_Program@DOT; [Hinson, Philip@DOT](mailto:Hinson.Philip@DOT); [Chhimi, Jigme@DOT](mailto:Chhimi.Jigme@DOT); [Gutierrez, Gary F@DOT](mailto:Gutierrez.Gary.F@DOT); brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Friday, May 15, 2015 4:02:16 PM

Below is the result of your feedback form. It was submitted by
Jeff Walters (jwalters@mono.ca.gov) on May 15th, 2015 at 04:02PM (PDT).

firstname: Jeff

lastname: Walters

city: Bridgeport

zip: 93517

email: jwalters@mono.ca.gov

comments: 1. What about out-of-state or out-of-country drivers on California roads? How will they or will they be charged for using California's roads?

2.

submit: Submit Comments

From: swaite@co.siskiyou.ca.us
To: Road_Charge_Pilot_Program@DOT; [Hinson, Philip@DOT](mailto:Hinson.Philip@DOT); [Chhimi, Jigme@DOT](mailto:Chhimi.Jigme@DOT); [Gutierrez, Gary F@DOT](mailto:Gutierrez.Gary.F@DOT); brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Monday, May 18, 2015 2:59:25 PM

Below is the result of your feedback form. It was submitted by
Scott Waite (swaite@co.siskiyou.ca.us) on May 18th, 2015 at 02:59PM (PDT).

firstname: Scott

lastname: Waite

city: Yreka

zip: 96097

email: swaite@co.siskiyou.ca.us

comments: Have you considered eliminating the fuel tax and using a tire tax. Tires are used by all road users regardless if its a motorcycle, electric car, hybrid, diesel semi or gas vehicle.

Tire wear is proportional to use and typically the larger the tire the more impact there will be on the roadway.

submit: Submit Comments



**California Building
Industry Association**

1215 K Street
Suite 1200
Sacramento, CA 95814
916/443-7933
fax 916/443-1960
www.cbia.org

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Association of
Central Coast

Home Builders
Association of
Kern County

Home Builders
Association of
Tulare & Kings Counties

North State Building
Industry Association

May 26, 2015

To: California Transportation Commission, Members, Road Charge Technical
Advisory Committee

From: Silvio Ferrari, Vice President of Legislative Affairs, California Building Industry
Association

Subject: Considerations Related to the Business Case for Road Charging

Transmitted Electronically: amayer@rctc.org

Dear Members,

CBIA is grateful for the opportunity to participate as an active member of the Road Charge Working Group. California's roads continue to be underfunded and leave many critical transportation corridors in a state of disrepair. A safe, well maintained, and appropriately funded road system is indispensable to our economy and the future success of California.

While we strongly support increased funding to build, operate, and maintain a healthy road system, we also recognize that a transition to another form of revenue collection poses many challenges. We look forward to engaging in this process to assist the creative thinking and overall success of the pilot program.

Please accept these comments on behalf of the California Building Industry Association representing thousands of member companies; including homebuilders, land developers, trade contractors, architects, engineers, designers, suppliers and other industry professionals.

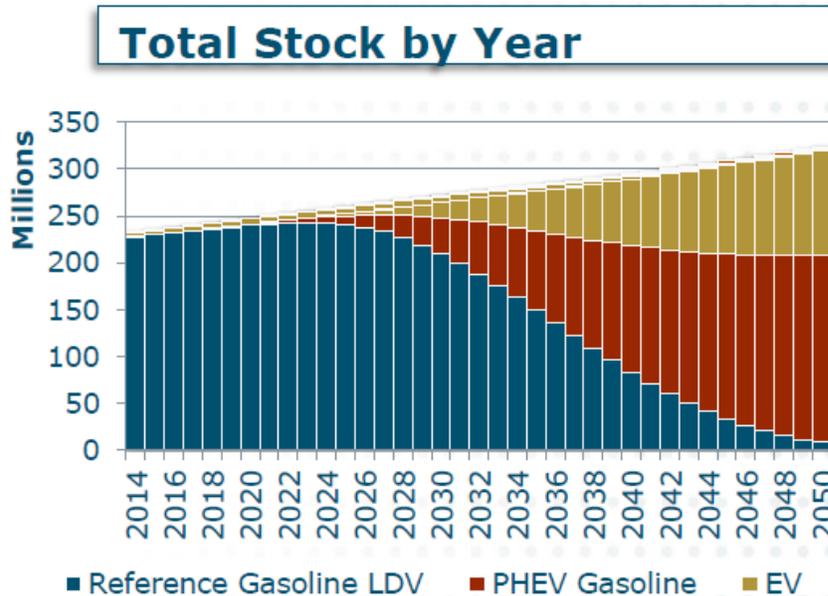
WHAT VEHICLES ARE INCLUDED?

Our comments are focused on those vehicles that fall within the Light-duty vehicle (LDV) classification.

As we are all well aware, California has implemented laws, regulations, executive orders, and lead international climate change discussions on the fight to combat climate change. It is in this spirit of California's progressive nature that we'd encourage the Advisory Committee to implement a pilot program that analyzes all vehicles within the LDV classification. We cannot afford to test a program that takes us backwards. From increasing vehicle fuel efficiency, to California actively working to dramatically change the fleet that currently drives our roads, these and other underlying trends will continue to reduce fuel tax revenues.

Whether using gasoline, electricity, hydrogen, or other, all vehicle types use our roads and apply daily stress and strains to the infrastructure below; and should therefore bear some financial responsibility to its maintenance.

On May 13, 2015, Energy and Environmental Economics made a presentation to the Air Resources Board regarding “Pathways to Deep Decarbonization in the United States.” In this report they provide the following graph that clearly shows what a 2050 vehicle fleet is expected to look like. It also reinforces our belief that all vehicles should be part of this pilot program.



Link to Presentation:

<http://www.arb.ca.gov/research/lectures/speakers/williams/williams.pdf>

WHAT ROAD USAGE MILEAGE EXEMPTIONS?

We encourage the Advisory Committee to give some thought as to how “private” roads might be exempted from the road user charge. Roads are often private because either 1) they were never dedicated to a city/county upon completion, or 2) they were constructed with the intent of generating revenue from users (e.g., toll roads). In both of these cases there is a revenue source currently – and on future projects – being collected to maintain these “private” roads.

Thank you for the opportunity to offer these comments. If you have any questions please do not hesitate to contact me at sferrari@cbia.org or 916-340-3302.

Sincerely,

Silvio Ferrari
Vice President of Legislative Affairs
California Building Industry Association



Date: May 26, 2015

To: California Transportation Commission Road Charge Technical Advisory Committee Members

From: Robert Gutierrez, Director, California Tax Foundation

Subject: CalTax Comments for TAC's May 29th Meeting

The Road Charge Technical Advisory Committee (TAC) made decisions at its April meeting regarding a number of design elements for California's Road Charge Pilot Project. TAC addressed the role of the account manager and procedures for how a simulated billing process would be incorporated into the design of the pilot project. However, issues involving tax administration, including collection issues, were not addressed. We would urge the TAC to direct D'Artagnan Consulting to include these issues into the overarching policy discussions in the June meeting and future meetings.

In response to the May Briefing Book and the items appearing on the TAC's meeting agenda scheduled for May 29, a number of tax policy and administrative issues arise with regard to the following issues:

I. Pilot Project Participants and Exemptions

One of the critical questions before the TAC is: "Who is a taxpayer?" If the pilot project is to provide accurate data on reflecting real world road usage, then all existing motorists (individuals, business, light vehicle, heavy vehicle, even motorcycles, if possible) should be included in a pilot project. This will provide in-depth data to understand the mechanics of how a future statewide road charge structure might work. CalTax asks the TAC to include the broadest group possible into the pilot project.

A future road charge ought to consider the benefit theory of taxation – those that benefit from roads pay for roads. Taxes for roads are among the best example of the benefit theory and any transition to a road charge system should seek to reflect this principle. Consistent with how California has defined taxes and fees, CalTax believes road charges should be equally apportioned among motorists.

Both the gas tax and a road charge have regressive impacts, imposing a greater burden on low-income taxpayers. But, the purpose of a road charge is to best assess the benefit one receives from using roads. Should the Legislature desire to mitigate regressivity, certain policy alternatives could be considered (deductions, credits, etc.). Imposing road charges on a broad basis allows the charge for using roads to be imposed at low rates, reducing the overall cost impact to motorists.

II. Privacy Protections

Existing law guarantees taxpayers will have a right to privacy and confidentiality – when the Franchise Tax Board and the State Board of Equalization administer and collect revenue. The May Briefing Book re-creates the wheel when determining how taxpayer privacy will be protected. For a complete review of existing taxpayer protections, refer to State Board of Equalization Publication 70, which can be found on the BOE’s website at www.boe.ca.gov. The analysis provided in the May Briefing Book is minimal at best in understanding how state tax agencies handle taxpayer confidentiality and taxpayer disclosure requirements. CalTax recommends that the TAC ask D’Artagnan Consulting to compare and contrast privacy design components from existing state tax agencies and private entities.

The May Briefing Book’s Question 4 (What specific personal privacy protections should be used for the pilot?) assumes the state is seeking to privatize tax collection. Yet, as noted at the TAC’s April meeting, neither a private nor state entity has been assigned the role of the account manager.

III. Elements of Utility Metering and Billing Systems

In anticipation of the June TAC Meeting, the May Briefing Book includes Appendix 4, which address the cost of collecting a road charge system. As noted on page 143-144 of the May Briefing Book, the State Board of Equalization’s administration and collection of fuel taxes is extremely efficient. In other words, the gas tax is collected at a very low cost, with very high compliance rates.

It is clear that a more sustainable funding source is needed for California’s roads and highways. But, what are the costs of collection? How does the state transition to a road charge? How would the state hire more auditors in an age of public sector attrition? Any alternative to the gas tax will likely cost more than 1 percent to collect. In designing a pilot project, the TAC must fully analyze simulated billings and study collection methods and the costs of administration.

The TAC still has many broad, high-level tax and fee structural discussions that need to take place in considering a viable road charge levy that might one day replace the gas tax. With respect to the role of the account manager and administration of a road charge, we hope these issues are addressed in the overarching policy discussions moving forward.

From: [Tricia Stever Blattler](#)
To: [Road Charge Pilot Program@DOT](mailto:Road.Charge.Pilot.Program@DOT)
Subject: May 29 TAC Meeting on Road Charge
Date: Tuesday, May 26, 2015 3:49:18 PM

I will be attending the May 29 meeting of the Road Charge TAC group in Fresno, here's a few comments I want to add for the meeting discussion:

Comments:

- *Agriculture needs to be represented in the discussions - California is home to the largest population of agricultural commodity producers in the country. Paying new road charges will be disproportionately shared with this industry because of their trucking and freight needs.
- *Privacy is a serious concern, how will that be dealt with?
- *Alternative fuel vehicles and zero emission vehicles should pay their fair share for using the CA highways.
- *This will impact people who must commute to work and do not have the availability of other kinds of transportation.

Questions:

- *Will the per-mile tax be differentiated according to vehicle weight?
- *Will there be a fleet option for private carriers to simplify management and administration of the program?
- *How will credit for private roads/farm roads be managed?
- *How will agricultural vehicles that are only used seasonally be affected?
- *How will commercial vehicles that enter the state for delivery only be managed?
- *How will fleets that travel out of CA regularly be managed?
- *Will the impact to low income and the disadvantage public be considered?
- *Will there be credit given for out of state miles traveled?
- *Will all state agency vehicles be included in the program?

Thank you,

Tricia Stever Blattler
Executive Director
Tulare County Farm Bureau
PO Box 748
Visalia, CA 93279

559-732-8301
pstever@tulcofb.org

From: lforst@jacksoncasino.com
To: Road.Charge.Pilot.Program@DOT; Hinson.Philip@DOT; Chhimi.Jigme@DOT; Gutierrez.Gary.F@DOT; brady.tadcol@dot.ca.gov
Subject: California Road Charge Pilot Program Public Comments
Date: Tuesday, May 26, 2015 11:21:21 AM

Below is the result of your feedback form. It was submitted by
Larry Forst (lforst@jacksoncasino.com) on May 26th, 2015 at 11:21AM (PDT).

firstname: Larry

lastname: Forst

city: Mount Aukum

zip: 95656

email: lforst@jacksoncasino.com

comments: How will this affect people in rural communities that travel an hour or more on county roads to get to work?

Will the revenues be distributed equally based on actual road miles within a County or will it be based on population

.

thanks

submit: Submit Comments



Alameda County
Transportation
Commission

Contra Costa County
Transportation Authority

Fresno County
Transportation Authority

Imperial County
Transportation
Commission

Los Angeles County
Metropolitan
Transportation
Authority

Madera County
Transportation Authority

Marin County
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Napa County
Transportation & Planning
Agency

Orange County
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Transportation Authority

San Joaquin County
Council of Governments

San Mateo County
Transportation Authority

Santa Barbara County
Association of
Governments

Santa Clara Valley
Transportation
Authority

Tulare County

May 27, 2015

Laura Pennebaker
Senior Transportation Planner
California Transportation Commission
1120 N Street, Room 2221 (MS-52)
Sacramento, CA 95814

Re: Opposition to ZEV Exemption

The Self-Help Counties Coalition (SHCC) is the organization of local county transportation agencies delivering super-majority voter-approved transportation sales tax measures throughout California. SHCC member agencies are dedicated to keeping the faith of the voting public who has provided the authority and the funding so that SHCC agencies may deliver the priority transportation projects Californians depend upon everyday. SHCC as an organization is dedicated to ensuring sound public policy so that the State of California can meet our transportation infrastructure needs.

SHCC applauds the Road Charge Working Group for challenging the status quo in pursuit of identifying resources to provide an improved performance of California's transportation system. California's reliance on the gas tax to provide funding to repair and maintain our roads and highways does not provide enough resources to meet the growing infrastructure needs of our State. As we have learned, the gas tax is a diminishing resource, declining every year due to increased fuel efficiencies and inflation.

In response to these challenges, the Road Charge Working Group was formed to develop a policy to ensure an equitable funding source that focused on all users of the transportation system, a policy goal SHCC member agencies have embraced.

SHCC is concerned about recent suggestions to exempt ZEVs from a future Road Charge program. SHCC is strongly opposed to exempting ZEV vehicles, or any other class of vehicles, from a Road Charge. An equitable road user charge should be just that: a charge for all vehicles that drive on the system. As ZEV sales continue to grow in California, ZEV's impact on our roads and highways will as well. Exempting them from participating in a user charge would only exacerbate the current road maintenance crisis and we believe stand in contrast to the goals of establishing an equitable user pay system.

SHCC recognizes the transportation sector's significant role in achieving the State's ambitious environmental goals. We believe that achieving environmental objectives and providing safe, reliable infrastructure can – and should be – compatible. To remove ZEVs from consideration for a Road Charge is to ignore one side of this equation and would represent an unbalanced, inequitable public policy for all California motorists.

Please do not hesitate to contact me to discuss further.

Sincerely,

A handwritten signature in black ink that reads 'Keith N. Dunn'. The signature is written in a cursive style with a long, sweeping underline.

Keith N. Dunn
Executive Director



May 28, 2015

Road Usage Charge Technical Advisory Committee

Re: Research data and needs to understand potential equity impacts of a Road Usage Charge

Dear members,

Thank you for your work preparing a study of the feasibility of replacing our gasoline tax with a road usage charge (RUC). TransForm, California's largest statewide organization dedicated to equitable and sustainable land use and transportation policies, appreciates the opportunity to submit the following comments and requests regarding the possible socioeconomic impacts of the RUC, in order to help develop a complete study of its feasibility in replacing our current inequitable, ineffective and unsustainable system.

Our current system of gasoline taxes places an undue, almost doubly-regressive burden on those least able to pay. Currently, as individuals pay per dollar or per gallon, individuals pay a regressive tax. But the poorest among us also drive the oldest, least efficient vehicles in our fleet, and so pay additional amounts simply to drive the same distances as others. Meanwhile, as cars become more efficient and wealthier people drive more and more electric vehicles, fewer drivers pay into our road maintenance – in fact, the same drivers who tend to drive far more miles pay relatively fewer amounts, sometimes no tax at all! Though we want to encourage electric vehicles and other, non-carbon- and smog-emitting technologies, we also want to ensure that our road, bridge, transit and active transportation infrastructure has a steady and reliable source of funding for decades to come. We also do not want to saddle our poorest neighbors with the heaviest burdens.

If done right, the RUC can mitigate these inequities in any number of ways, but it must be designed to do so. In order to help ensure that a proper, equitable and sustainable funding source is created and supported by a diverse coalition, we recommend the following:

- **Gather data on current VMT, car ownership, and gasoline fuel efficiency averages by socioeconomic quintile or income level to determine true cost share.**

In order to create a RUC that addresses socioeconomic inequities in fee collection, we recommend that baseline data be gathered that identifies vehicle miles traveled, car ownership, and gasoline fuel efficiency averages by socioeconomic quintile or income level. This data is vital to understanding the true cost share of drivers under the current gasoline tax.

- **Compare data on current costs by socioeconomic quintile to the various RUC scenarios,**

When developing possible RUC alternatives, TransForm requests that data be gathered regarding the impacts of fee collection by socioeconomic quintile or income level, and that this data be compared with the data gathered on the current gasoline tax impacts, in order to get a clear picture of the potential impacts of various RUC alternatives.

- **Study the potential economic impacts (cost share by socioeconomic quintile, revenue collection) of various methods of fee collection with exemptions/mitigations for low- to extremely low-income groups**

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When developing potential RUC alternatives, it is also important to study the impacts of various exemptions or other mitigations to address any identified socioeconomic inequities. TransForm specifically recommends studying the following:

- 1) Exempting the first X miles of travel. Federal travel data suggests that low- to extremely low-income households travel from around 7,500 to just over 10,000 miles per household. Exempting the first 7,000 miles, for example, from the RUC may mitigate negative socioeconomic impacts;
- 2) Exempting households earning under a certain income level from all or part of the RUC. Many progressive tax structures include an exemption by income, and various RUC alternatives (such as a time charge in lieu of a vmt fee) may lend themselves to easily identifying and relieving low- to extremely low-income drivers;
- 3) Creating a tiered, progressive fee structure based on income. A traditional tiered structure based on income is often a very effective way to address socioeconomic inequities, and is used around the world in a variety of ways, from assessing income taxes to levying fines for moving violations.

Thank you for the opportunity to comment on the RUC feasibility study creation. We look forward to working with you and with CTC staff to help craft an effective study.

Sincerely,

Joshua Stark
State Policy Director
TransForm