**Exploring A Road Charge for California**

An efficient transportation system is critical to California’s economy and our quality of life. We need a long-term replacement for the outdated gas tax, as it cannot meet our transportation funding needs in the future. A year after being directed per Senate Bill (SB) 1077 to study a “road charge,” we are now ready to take the next steps with a pilot program that explores how a road charge can work in California.

**Why is California Studying a Road Charge?**

* We are considering a road charge as a potential replacement for the gas tax.  The revenues currently available for highway and local roads are insufficient for preserving and maintaining road infrastructure, reducing congestion and improving the driving experience.
* As vehicle fuel efficiency increases, fewer gallons of gas are being purchased, creating a loss in revenue needed to maintain our highway system if the state were to continue with the gas tax.
* Despite the decline in gas tax revenue, more cars are using California’s roads and the wear and tear on roadways is increasing.
* California drivers are suffering the consequences of this extra wear and tear on their vehicles. According to [**TRIP**](http://www.tripnet.org/), a national transportation research group, poor road conditions cost the average California driver $762 per year in operating and repair costs.

**What is the California Road Charge Pilot?**

The California Road Charge Pilot is a 9-month field trial that will launch in July 2016. The pilot will give participants a variety of choices for reporting and simulating payment for the miles they travel, including several which do not require new technology.

* An anticipated 5,000 volunteer participants will test various road charging reporting methods to compare how the performance of each concept measures against an established set of criteria.
* This trial will inform the state Legislature’s decision on whether and how to move forward with a full-scale, permanent road charge program.
* This pilot employs strict data security and privacy requirements to protect drivers’ personal information.
* The state needs, and must develop, a modern transportation funding model to generate adequate revenue for its road maintenance and improvement needs. We invite you to be part of this important effort!

### SB 1077: Authorizing the California Road Charge Pilot and how it came to be

Faced with erosion of motor fuel tax revenues over time, and the need for the state to explore alternative revenue sources that may be implemented in lieu of the antiquated gas tax structure, the California State Legislature passed (and Governor Brown signed) SB 1077, creating the Road Charge Pilot Program as well as a 15-member volunteer **“Technical Advisory Committee” (TAC)** to study, gather input and make recommendations on the parameters of the pilot.

The TAC was made up of members that represent the telecommunications industry, highway user groups, data security and private industry, privacy rights, advocacy organizations, the equity community, regional transportation agencies, national research and policymaking bodies, including members of the Legislature and other relevant stakeholders. The TAC engaged in a yearlong process to solicit feedback and input from a broad and diverse group of stakeholders. The TAC and pilot program are creations of SB 1077, which directed the California State Transportation Agency (CalSTA) to study and explore road charging. During its process the TAC:

* Held 12 public meetings throughout the state
* Reached out and asked for feedback and input from over 400 stakeholder groups and every elected official representing California
* Conducted public surveys and focus groups to gain a better understanding of the public’s views and opinions of the current condition of California’s roads, perceptions of how transportation is funded, and to gauge public reaction to road charging as a replacement for the gas tax
* Briefed reporters and newspaper editors in every major news media outlet to elicit help in broadcasting the work of the TAC to the general public

The Legislature also directed that a statewide pilot program be conducted to test various road charging policies, technologies and payment approaches. At a minimum, the pilot program shall accomplish all of the following:

* Analyze alternative means of collecting road usage data, including at least one alternative that does not rely on electronic vehicle location data
* Collect a minimum amount of personal information including location tracking information necessary to implement the California road charge program
* Ensure that processes for collecting, managing, storing, transmitting, and destroying data are in place to protect the integrity of the data and safeguard the privacy of drivers

**Who is designing and implementing the California Road Charge Pilot?**

The California Department of Transportation (Caltrans) is launching the statewide pilot program to explore road charging. At the conclusion of the pilot, an independent third party will evaluate the pilot results, and CalSTA will submit a report to the Legislature by July 2017 that includes those findings and summarizes the pilot volunteers’ experiences and the stakeholder input received throughout all phases of the process.  The California Transportation Commission (CTC) will then provide its recommendations to the Legislature in its annual report by December 2017. The Legislature will make the final decision on whether and how to enact a full-scale permanent road charge program.