Transportation Funding and California Road Charge Pilot Program Updates

Jim Madaffer
Commissioner
California Transportation Commission
TRB - Future Interstates Committee
February 24, 2017
Pay By The Mile – Road Charge – Mileage Based User Fee
Jim Madaffer | Commissioner | California Transportation Commission

- Deferred Transportation Maintenance
  Source: Governor Brown’s 2015 Five-Year Infrastructure Plan

- State Ranking for Overall Highway Performance
  Source: Reason Foundation’s 21st Annual Report on the Performance of State Highway Systems

- Ten-Year Project Funding Shortfall
  Source: California Transportation Commission’s 2011 Statewide Transportation Needs Assessment

$59 Billion - Deferred Transportation Maintenance
$296 Billion - Ten-Year Project Funding Shortfall

58% of California Roadways Require Rehabilitation or Pavement Maintenance
87% of California’s Counties have an Average Pavement Rating of “At Risk” or “Poor”
25% of Local Streets and Roads will be in “Failed” Condition by 2022 under our Current Funding Levels
6 of the Nation’s 10 Worst Urban Area Pavement Conditions
...But our transportation system is in financial crisis
Evolution of Light-Duty Fleet Fuel Economy

Pay By The Mile – Road Charge – Mileage Based User Fee
Jim Madaffer | Commissioner | California Transportation Commission

Model Year 1975

Evolution of Light-Duty Fleet Fuel Economy

Pay By The Mile – Road Charge – Mileage Based User Fee
Jim Madaffer | Commissioner | California Transportation Commission

Evolution of Light-Duty Fleet Fuel Economy

Pay By The Mile – Road Charge – Mileage Based User Fee
Jim Madaffer | Commissioner | California Transportation Commission

Model Year 2014

Why Explore a Road Charge?

Aging Infrastructure

Shrinking Funding

Increased Requirements

Fuel Efficiency
The Evolution of Road Charge in the United States

- **2006 & 2012** – Researched and conducted two pilots
- **2015** – OReGO launches first mileage-based program for light vehicles

Oregon

- **2013** – The Western Road Usage Charge Consortium formed a voluntary coalition of 14 western state departments of transportation

RUC West

- **2014** – SB 1077
- **2016** – Launched largest live pilot with over 5,000 participants statewide
- **2017** – Final Report to the Legislature

California

- **2015** – FAST Act signed into law by President Obama
- The strength of a Federal partner moving forward

FHWA

- **2015** – FAST Act signed into law by President Obama
- The strength of a Federal partner moving forward
Pilot Background

Included:

• Senate Bill 1077 passed in September 2014

• CTC formed a Road Charge Technical Advisory Committee (TAC)

• The TAC developed their pilot design recommendations in 2015

• CalSTA in charge of implementing the Road Charge Pilot Program
The Pilot by the Numbers

Pilot breakdown:

- 9 month pilot period
- 5,000+ participating vehicles
  - 4,540 private vehicles
  - 55 heavy commercial trucks
  - 243 light commercial trucks
- 5 different reporting methods
  - 83% using an automated method
  - 17% using a manual method

Total miles driven in the pilot so far!
CA Pilot Enrollment Overview

The chart below represents the breakdown of the 5,014 total vehicle enrollments by category:

- **Private Vehicles**: 4,540 (91%)
- **Light Commercial Vehicles**: 259 (5%)
- **Heavy Commercial Vehicles**: 55 (1%)
- **Other (out-of-state, etc)**: 160 (3%)

**Private Vehicle Enrollment**
(Breakdown By Region)
Participants of the 4,540 enrolled vehicles in the pilot represent the diverse demographic, geographic and socio-economic aspects of California.

- **Out-of-State Vehicles**:
  - Arizona (1)
  - Nevada (2)
  - Oregon (2)
  - Washington (1)

All information is current as of December, 2016

The contents of this material reflect the views of the author who is responsible for the facts and accuracy of the data presented herein.
Mileage Reporting Methods

Low Technology Options:
- Time Permit
- Mileage Permit
- Odometer Charge

High Technology Options:
- Plug-in Device
- Smartphone App
- Built-In Technology
Vehicles by Account Manager

- 57% • Plug-in Device (with and without location)
  - Smartphone App (with and without location)
  - Telematics

- 22% • Plug-in Device (with and without location)
  - Smartphone App (with and without location)
  - Telematics

- 20% • Time Permit
  - Mileage Permit
  - Odometer Charge
  - 350 agency vehicles

- 1% • 55 Heavy Commercial Trucks
  - EROAD’s FMCSA-compliant electronic logging device

The contents of this material reflect the views of the author who is responsible for the facts and accuracy of the data presented herein.
Enrollments of Private Vehicles by Method

67% of participants using technology chose a location-based mileage reporting option.

- Plug-In Device: 61%
- Smartphone: 18%
- Telematics: 1%
- Time Permit: 1%
- Mileage Permit: 4%
- Odometer Reading: 14%

The contents of this material reflect the views of the author who is responsible for the facts and accuracy of the data presented herein.
Participant Feedback

Survey results:

• **90%** Satisfied with reporting method

• **86%** Found participated in the pilot easy

• **83%** Overall satisfied with the pilot

• **71%** Think a road charge is more fair than a gas tax
The CA Pilot Timeline

**Phase 1 Complete**
- Establish a pilot program design
- Evaluation criteria

**Phase 2 Complete**
- Pre-pilot planning
- Develop pilot program test plan
- Procure independent evaluator

**Phase 3 Current**
- July 2016 – March 2017
  - Conduct live pilot
  - Concurrent independent evaluation

**Phase 4 Next**
- April 2017 – July 2017
  - Report findings and evaluation results
  - Next steps
What’s Next?

The timeline includes:

• March 31, 2017 – pilot closeout
• April through June 2017 – develop final findings report
  • Caltrans and CalSTA
• June 2017 – CalSTA releases the final report
  • To the Fiscal and Policy Committee’s of the Legislature, CTC and the TAC
• December 2017 – CTC Annual Report
  • Includes recommendations to the Legislature

The RCPP final report will include:

• Insights and findings from the pilot
• Pilot volunteers’ feedback
• Stakeholder input
Final Report Policy Perspectives

- Data Security
- Privacy
- Rural vs. Urban
- Other State Policies
- Fleet Parity
- Rate Setting
- Income Equity
- Admin Costs
Pilot Insights – What Has Worked?

1. Successful Stakeholder Relationships
2. Diverse Input from the Road Charge Technical Advisory Committee (TAC)
3. Cohesive Program Branding
4. Continuing the Conversation
FAST Act Grants – Additional RUC Studies

The RUC West Regional Study:
- Builds on RUC West-funded projects
- Includes 11 western states
- Leverages state DOT relationships and agreements
- Utilizes lessons learned from existing road charge projects

The CA pilot enhancement:
- Education and outreach plan
- Organizational Structure & Compliance Program Development
- Pay-at-the-Pump/Charging Station Investigation
Conclusion – Questions?

Jim Madaffer
Commissioner
California Transportation Commission
TRB - Future Interstates Committee
February 24, 2017