California Road Charge Pilot Program

Background

The revenues currently available for highway and local roads are insufficient for preserving and maintaining road infrastructure. While the fuel efficiency of the fleet is increasing, the funding available for our transportation infrastructure is on a steady decline. In an effort to find a funding solution, the State of California set forth on the journey to examine a new transportation funding model—road charge. In 2014, the Legislature called for a pilot program to study a road charge model as an alternative to the gas tax. The nine-month pilot began in July 2016, with over 5,000 participating vehicles statewide. The California State Transportation Agency (CalSTA) will report findings in July 2017. The California Transportation Commission (CTC) will make recommendations to the Legislature in December.

FUEL EFFICIENCY CONTRIBUTES TO REVENUE LOSS

- Vehicle Miles Traveled
- Gas Consumption with Increased Efficiency

More Miles Traveled

Revenue loss due to increased fuel efficiency

Less Fuel Used

Historical Projected

SENEATE BILL 1077 HIGHLIGHTS

- Gather Public Input
- Address Privacy & Data Security
- Provide at Least One Non-technological Reporting Method Option
- Implement Pilot by January 2017 (Accelerated to July 2016)
- Report Findings
- Make Recommendations

PILOT OUTLINE

- Include 5,000 Participating Vehicles Statewide
- Represent Diversity in Vehicle Types
- Include Commercial & State Account Managers
- Represent Multiple Mileage Reporting Methods
- Protect Privacy
- Ensure Data Security
- Include an Independent Evaluation

PROGRAM 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
- CTC recommendations to the Legislature (Dec. 2017)

Follow the progress of the pilot and learn more by visiting the pilot website at www.CaliforniaRoadChargePilot.com
WHO IS TAKING PART?

Private Vehicle Enrollment (By Region)
Participants represent the diverse demographic, geographic and socio-economic aspects of California.

- Private Vehicles: 4,498 (87%)
- Light Commercial Vehicles: 258 (5%)
- Heavy Commercial Vehicles: 55 (1%)
- Other: 359 (7%)

Out-of-State Vehicles:
- Arizona (1)
- Nevada (2)
- Oregon (2)
- Washington (1)
*The other category includes 350 agency vehicles, 6 out-of-state and 3 tribal land.

MILEAGE REPORTING METHODS
- Plug-in Device: 61%
- Smartphone: 18%
- Telematics: 1%
- Time Permit: 1%
- Mileage Permit: 4%
- Odometer Reading: 14%

64% of participants using technology chose a location-based mileage reporting option.

PARTICIPANT FEEDBACK
Participant perceptions from mid-pilot survey:

- 90% Satisfied with mileage reporting method
- 86% Found participating in the pilot easy
- 83% Satisfied with the overall pilot
- 71% Think a road charge is more fair than a gas tax

81% Using an automated reporting method

19% Using a manual reporting method

324 Toyota Prius is the #1 participating vehicle

228 Ford F-150 is the #2 participating vehicle

Note: The heavy vehicle mileage meter used by our heavy vehicles represents in the pilot makes up 1% of the total of 5,170 enrolled vehicles. Also includes 54 vehicles signed up with CalSAM (not selected a new method or have expired time permits).

All information is current as of February 2017.
California Road Charge Pilot Program Updates
California:

- 33.5 billion vehicles traveled
- 33 million registered vehicles
- 394,000 lane miles of roadways
- 6th largest economy in the world

Transportation Funding is Critical
Why CA is Exploring a Road Charge?
Report findings by June 2016
Implement pilot by January 2017
Provide at least one non-technology option
Address privacy and data security
Gather public input
Road Change Technical Advisory Committee (TAC)

Legislation Highlights:

Senate Bill 1077 (2014)
Technical Advisory Committee (TAC)

TAC Pilot Design Recommendations

- 5,000 participants statewide
- Diversity in vehicle types
- Commercial and State account managers
- Multiple mileage reporting methods
- Protect privacy
- Ensure data security
- Independent evaluation
This included:
- Ongoing Newsletters
- DMV Insert & Public Service Announcement
- Digital Marketing Campaign with Facebook
- Updated Program Website

California's expressed high interest in being involved! Goal = 5,000 volunteers
Signed-up = over 7,800 volunteers
The Pilot Program by the Numbers

Pilot breakdown:
- 9 month pilot period
- 5,000+ participating vehicles
  - 4,498 private vehicles
  - 55 heavy commercial trucks
  - 258 light commercial vehicles
- 6 mileage reporting methods
- 4 account managers

Total miles driven in the pilot so far!

27205755
Upcoming:

- Legislative in Summer 2017
- Findings Report due to the April 2017 start the Final Pilot Closeout March - April 2017

Completed:

- Statewide Focus Groups
- Final Pilot Survey January - March 2017
- Mid-Pilot Switch November 1-15, 2016

Major Pilot Milestones October 2016
CA Pilot Enrollment Overview

WHO IS TAKING PART?

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- **Other**: 359 (7%)

**Private Vehicle Enrollment (By Region)**
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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
- Odometer Charge
- Mileage Permit
- Time Permit

High Technology Options
- Built-In Technology
- Smartphone App
- Plug-in Device
Enrollments of Private Vehicles by Method

High Technology
- 80%
- Plug-In Device: 61%
- Smartphone: 18%
- Telematics: 1%

Low Technology
- 20%
- Time Permit: 1%
- Mileage Permit: 4%
- Odometer Reading: 14%

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<table>
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<th>EROAD's FMCSA Compliant Commercial Trucks</th>
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<table>
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<th>Telematics Location (with and without Smartphone App)</th>
<th>57%</th>
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<td>Plug-in Device</td>
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Participant Feedback

Survey results:
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- 83% Overall satisfied with the pilot
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The CA Pilot Timeline

- Phase 1 Complete
  - Establish a pilot program design and evaluation criteria

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

- Phase 3 Current
  - July 2016 - March 2017
  - Conduct independent evaluation of Concurrent pilot

- Phase 4 Next
  - April 2017 - July 2017
  - Report findings and CTC recommendations to the Legislature (Dec 2017)
Final Report Policy Perspectives

- Data Security
- Privacy
- Rural vs. Urban
- Other State Policies
- Fleet Parity
- Rate Setting
- Income Equity
- Admin Costs