

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 27, 2015

Reference No.: 4.3
Information

From: WILL KEMPTON
Executive Director

Subject: **ROAD CHARGE TECHNICAL ADVISORY COMMITTEE & PILOT PROGRAM UPDATE**

ISSUE:

The Road Charge Technical Advisory Committee (TAC) met on June 26th in Sacramento, on July 24th in South Lake Tahoe and most recently on August 26th in San Diego.

At the June and July meetings, the TAC discussed a number of policy topics and received an informational update on the Business Case Scenario for road charging in California as well as an introduction to the pilot Concept of Operations that is being developed based on TAC policy decisions made to date. The TAC made the following decisions at the June and July meetings subject to further refinement and adjustment throughout the TAC deliberative process:

- The TAC adopted 50 evaluation criteria for the pilot consisting of 36 goals across 8 categories including: revenue, cost, operation, user experience, privacy, data security, equity, and communications.
- The TAC will contemplate potential non-mileage based road charge accommodations (i.e. social equity based tax policy provisions and payment accommodations such as exemptions, differential rates, payment plans etc.) for Commission consideration upon conclusion of the pilot program and receipt of CalSTA's report on pilot program findings.
- The TAC adopted pilot program volunteer recruitment categories and distribution of approximately 5,000 participants according to targeted numbers in the revised [Participant Matrix](#) provided at the July meeting.
- The TAC adopted a total of 10 Data Security Provisions related to authentication, authorization, data modification notification, data masking, encryption, data storage, data transmittal, data destruction, general IT network security, and third party oversight of data security standards.
- In addition to privacy evaluation criteria, the TAC also adopted 12 Privacy Principles as well as specific Privacy Protection Provisions for testing in the pilot.

Stakeholder engagement in the pilot program development process is critical. To facilitate stakeholder input, a Road Charge Workgroup consisting of 22 members was formed to meet specific consultation requirements outlined in Senate Bill (SB) 1077 and to support the TAC as a resource to efficiently gather and provide expert input on the design and evaluation of the road charge pilot program. The workgroup is chaired by Anne Mayer, Executive Director of the Riverside County Transportation Commission. Workgroup participants include representatives from a wide variety of areas including: vehicle users; vehicle manufacturers; fuel distributors; tribal governments; social equity and sustainability advocates; taxpayers; state, local, and regional transportation agencies; and building, construction, business and

economy interests. As a resource for the TAC, the workgroup is complementary to the larger public engagement process being undertaken by the TAC.

The workgroup held teleconferences on June 16th, July 15th and August 19th to discuss the policy issues being considered by the TAC at the June, July, and August meetings. Workgroup representatives provided a verbal update to the TAC at these meetings and two workgroup member organizations: the California Tax Payers Association and the San Joaquin County Farm Bureau submitted comment letters to the TAC for consideration. In addition to feedback received from the workgroup, the TAC also received comments and feedback through the recently established California Road Charge Pilot Program website: www.CaliforniaRoadChargePilot.com. All comments are posted online as received.

In addition to the ongoing stakeholder outreach and public engagement process, 5 focus groups were conducted in the months of July and August, and a statewide telephone survey will be conducted from late August to mid-September to establish baseline information for use in designing and implementing a road charge pilot program in California.

The August meeting was held on the 26th in San Diego, after the finalization of this memorandum. Staff will provide a verbal update at the Commission meeting regarding the TAC's August deliberations. The next TAC meeting will be held September 16, 2015 in Eureka.

The TAC will continue to undertake an open and inclusive process to gather public input during its study of road usage charge alternatives to the gas tax and development of recommendations on pilot program design. TAC meetings are webcast and all meeting materials are available online at: http://www.dot.ca.gov/road_charge/tac/meetings.html

BACKGROUND:

On September 29, 2014 the Governor signed Senate Bill 1077 (DeSaulnier, Road Usage Charge Pilot Program) mandating the Commission Chair, in consultation with the California State Transportation Agency (CalSTA) Secretary, to create a 15-member Road Usage Charge Technical Advisory Committee (TAC) to study road usage charge alternatives to the gas tax, gather public input, and to make recommendations on the design of a pilot program. CalSTA must implement a road usage charge pilot program by January 1, 2017 based on the recommendations of the TAC and submit to the Legislature, the TAC, and the Commission, a report of its findings by June 30, 2018. The Commission is required to include its recommendations regarding the pilot program in its annual report to the Legislature.