

Principles for the CA Road User Charge

ClimatePlan

Declining gas tax

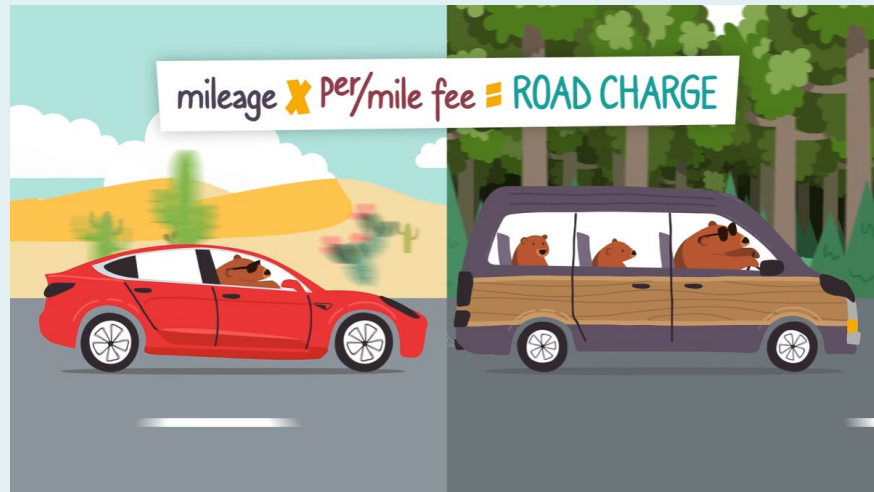
Revenues from state gas taxes, a critical part of California's transportation funding, may decline by \$4b or more by 2035, plus another \$700M from the diesel tax.

California needs to replace the gas tax with a funding source that supports our transportation system, including maintaining our roads and creating an affordable, multimodal system.



What is a road user charge?

Road Charge is a way that drivers can fund transportation based on how many miles they drive, instead of how many gallons of gas they use. It could replace the gas tax in a revenue-neutral way that advances climate, equity and affordability for California.



Road Charge Pilot Studies by Caltrans

California's 2017 Pilot



- General Feasibility
- Areas of Future Study

SB 1077 (2014)



Four-Phase Demonstration 2021



- User Experience
- Clearinghouse
- Communications Research

Federal Grant (STSFA)



Public/Private Roads Project 2023



- Technical Test of GPS
- Conversations with Key Stakeholder Groups
- Communications Research

Federal Grant (STSFA)



Revenue Collection Pilot 2024



- Test of Revenue Flow and Administrative Processes
- Communications Research

SB 339 (2021)



Road Charge can be more equitable than the status quo

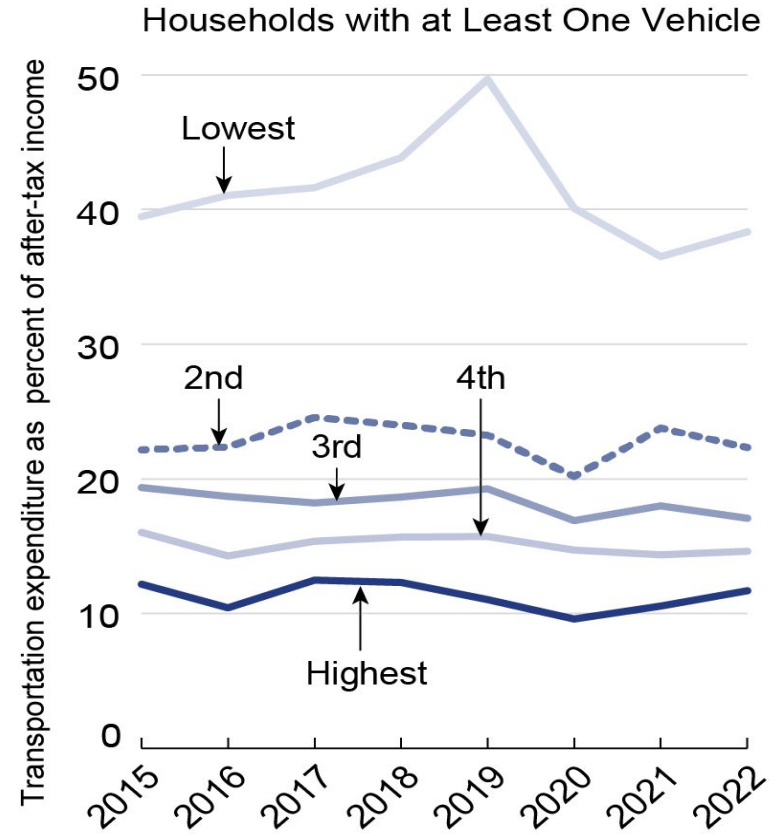
The gas tax disproportionately impacts low-income residents, especially those who cannot afford more fuel-efficient vehicles and can't afford to live near jobs, schools and other amenities.

Shifting to a Road Charge creates the opportunity to make transportation costs less regressive.



Low-income families that own a car spend 38% of their income on transportation, showing the need to reduce their costs, relative to others.

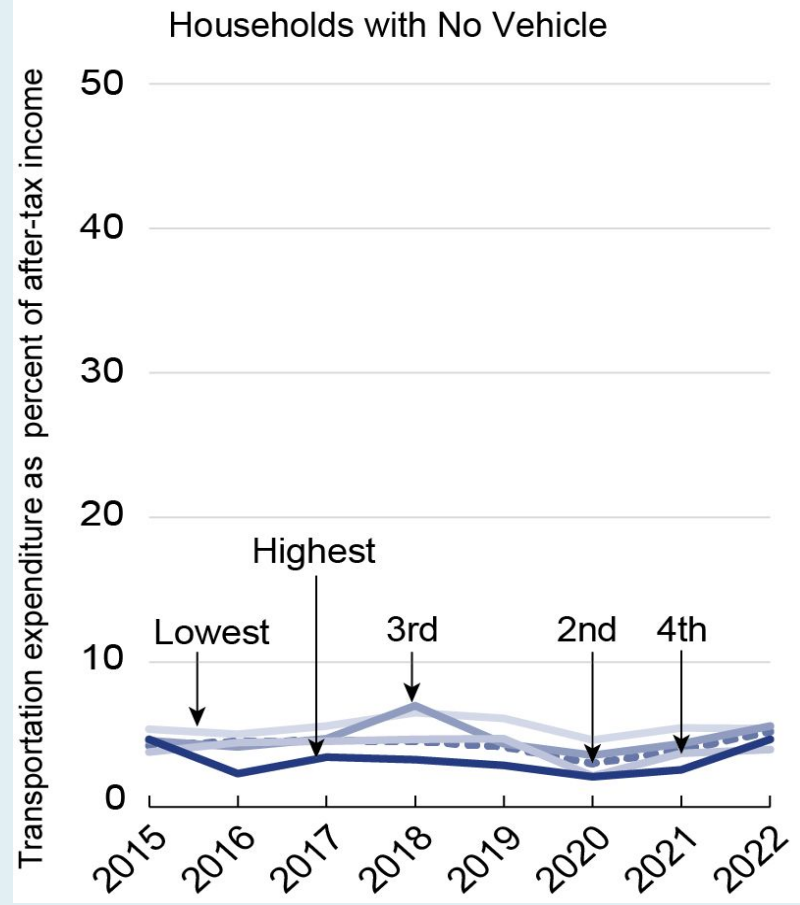
NOTE: No vehicle means households do not own or lease a vehicle.
SOURCE: Calculations by U.S. Department of Transportation. 2022 Consumer Expenditure Survey microdata
https://www.bts.gov/data-spotlight/household-cost-transportation-it-affordable?utm_source=chatgpt.com



Percent of Income Spent on Transportation by Households with at Least One Vehicle, by Income Quintile

Low-income families without a car spend just 5% of their income on transportation, showing the need for effective public transit, and for building affordable housing near transit.

SOURCE: Calculations by U.S. Department of Transportation. 2022 Consumer Expenditure Survey microdata
https://www.bts.gov/data-spotlight/household-cost-transportation-it-affordable?utm_source=chatgpt.com



Percent of Income Spent on Transportation by Households with no vehicle, by Income Quintile

Groups in the ClimatePlan Network have developed principles for a more equitable, environmentally-friendly Road Charge



A well-designed Road User Charge can help us achieve our **climate** goals by reducing VMT and GHG emissions and set a new course for an **equitable** society where everyone pays their fair share and has **affordable access to opportunity**

"We will not effectively resolve inequities in our transportation system unless improving equity is a major project goal for road pricing proposals. Such concerns need to help drive and lead the agenda, not follow it." **Transform:**
Pricing Roads, Advancing Equity

Priorities for a road user charge

- 1) Enshrine equity in the fee structure by considering income.
- 2) Incentivize cleaner, safer vehicle use within the fee structure.
- 3) Prioritize investments aligned with CAPTI with revenues from the fee.

1) Enshrine equity in the fee structure by considering income

- Replacing the gas tax with a flat Road Charge risks extending this disproportionate affordability burden on low-income drivers, especially those without access to transportation alternatives.
- We recommend a variable rate model where road users pay different amounts per mile depending on their incomes, discounting the rate for low- and very-low income drivers
- Cal-ITP can be leveraged to simplify digital verification process, as it will be tied to SNAP and transit discount programs

Do you travel on I-880 in the Bay Area?

Express Lanes START is a trial program that offers qualified low-income households at least a 50% discount on tolls in the I-880 Express Lanes between Oakland and Milpitas. When you carpool, you can get larger discounts or even ride in the express lanes for free! Applying takes less than 10 minutes.

[Apply Now](#)



2) Incentivize cleaner, safer vehicle use within the fee structure

- Larger and heavier vehicles increase wear and tear on streets and are more dangerous to people bicycling and walking. Internal combustion engines, especially those with poor fuel efficiency, create more pollution and greenhouse gas emissions.
- We recommend a higher per mile rate for higher-income drivers with low-efficiency and larger vehicles.
- The current Road Charge pilot includes variable rates and can help determine an effective pricing strategy.




3) Prioritize investments aligned with CAPTI with revenues from the fee.


- California Transportation Commission's recent State and Local Transportation Needs Assessment report identifies a \$277B shortfall in transportation funding over the next 10 years.
- Revenue generated from a Road Charge should prioritize fix-it-first road maintenance and alternatives to driving.
- CA's Road Charge should set an investment target in disadvantaged communities to address existing transit gaps, increase access to opportunity, promote sustainable development, and avoid harms.

CAPTI


Climate Action Plan for Transportation Infrastructure



Active transportation projects supporting safer, more walkable streets




Expansion of a statewide public electric vehicle (EV) fast charging network



Transportation infrastructure resilience from future extreme weather events and other climate impacts



Support for transit service, bus and rail, and multimodal facilities



Restoring connectivity across communities divided by transportation infrastructure

Helpful Resources

- For information on how to implement equitable road pricing strategies, see TransForm's [Pricing Roads Advancing Equity Report and Toolkit](#).
- The [California Road Charge](#) website has great information, including on the pilot projects
- The Greenlining Institute wrote two blogs about the San Francisco Congestion Pricing study's [equitable design](#) and [community engagement strategies](#).
- SPUR Report: [Value Driven: How pricing can encourage alternatives to driving alone and limit the costs that driving imposes on others](#)
- [Pricing Options for Equitable Mobility \(POEM\)](#) by Portland.gov
- [ClimatePlan: What You Need to Know on Road Pricing](#)

