California Road Charge Pilot Program Technical Advisory Committee (TAC)
Minutes
February 26, 2015

Sheraton Grand Hotel, Kamilos/Hendricks Rooms
1230 J Street
Sacramento, CA

http://www.catc.ca.gov

1. Roll Call

Jim Madaffer, Chair, convened the meeting of the Road Charge Technical Advisory Committee (TAC) at 10:00AM. Chair Madaffer introduced Carrie Pourvahidi, staff of the California Transportation Commission (CTC), to conduct the roll call.

Chair Jim Madaffer	Present	Richard Marcantonio	Arrived @ 10:10am
Senator Jim Beall	Arrived @ 1:00pm	Pam O'Connor	Present
Assembly Member David Chiu	Arrived @ 10:08am	Eshwar Pittampalli	Present
David Finigan	Present	Robert Poythress	Absent
Stephen Finnegan	Arrived @ 11:00am	Eric Sauer	Present
Scott Haggerty	Absent	Lee Tien	Present
Gautam Hans	Arrived @ 10:10am	Martin Wachs	Present
Loren Kaye	Present		

2. Approval of Minutes for January 23, 2015

Chair Madaffer made a request to include the names of the Aye votes pursuant to new provisions in the Bagley Keene Open Meeting Act for Agenda Items 4b and 4d.

Motion: O'Connor Second: Sauer Action Taken: Approved

Vote Result: 8-0

Ayes: Finigan, Kaye, Madaffer, O'Connor, Pittampalli, Sauer, Tien, Wachs

Nays: None

Absent: Beall, Chiu, Finnegan, Haggerty, Hans, Marcantonio, Poythress

3. California State Assembly Transportation Funding Proposal

John Casey, Chief of Staff of the California State Assembly Speaker's Office, provided a brief overview of Assembly Speaker Toni Atkins proposal to increase transportation infrastructure funding.

Chair Madaffer requested that the Speaker's Office to be mindful of the messaging when writing the legislative bill. There needs to be a differentiation between using the wording "Road

Charge" as used by the TAC pursuant to SB 1077 and the Speaker's proposal of a flat road usage fee. There may be confusion between the two in the view of the public.

Professor Wachs asked if there were any polling or focus groups prior to the Speaker's proposal.

Mr. Casey responded that no polling or focus groups were done. There were initial talks with the Department of Finance and some transportation funding organizations.

Mr. Tien asked how the bill plans to proceed with addressing privacy issues in vehicle location tracking.

Mr. Casey responded that their bill is placing a flat fee per vehicle and not charging by how many miles traveled.

Chair Madaffer introduced TAC members Assembly Member David Chiu and Richard Marcantonio. Each member gave their individual perspective.

Will Kempton, CTC Executive Director, commented on Speaker Atkins' proposal.

Mr. Tien asked if there is a two-page summary sheet to better understand transportation funding.

Mr. Kempton responded that a summary can be provided and Caltrans publishes a pamphlet (about 30 pages) that explains how transportation is funded.

Chair Madaffer requested a 15 minute transportation funding overview presentation for the March TAC meeting.

4. Committee Reports

Chair Madaffer reported that he participated on a panel to talk about what is being done in California at the Mileage-Based User Fee Alliance (MBUFA) Conference in Washington D.C. on February 24, 2015, along with Gary Gutierrez, Caltrans, and James Whitty of the Oregon Department of Transportation. Professor Wachs was also in attendance at the conference.

5. Consultant Support, Roles, and Introductions

Carrie Pourvahidi, CTC Staff, provided a brief overview of the working relationships and roles between CTC staff, Caltrans, and D'Artagnan Consulting (Consultants).

Gary Gutierrez, Caltrans Project Manager, gave a brief summary of Caltrans' role of providing technical support.

Jack Opiola, Managing Partner and President of D'Artagnan Consulting, provided an Introduction of D'Artagnan Consulting and Overall Program Approach (click here for a link to the presentation).

Ms. O'Connor asked if there is a communication strategy plan in place to address trial and error aspects.

Mr. Opiola responded that yes, there are two sides of the communication picture. One is the immediate strategy in getting messaging out (working with CTC and Lucas Public Affairs). Second part is base-lining by conducting phone surveys and focus groups in getting the attitudes from the public.

Mr. Kaye asked who the client is in the relationship with the Consultants.

Mr. Kempton responded that the contractual client is with Caltrans with collaborative effort with Caltrans, CTC, and CalSTA. For the first phase, in real terms, the TAC is the major client. CTC staff will carry direction given by the TAC, through to the Consultants.

Chair Madaffer added that the text in SB 1077 is the guiding principle and the TAC provides direction pursuant to the law.

Mr. Opiola added that their number one client is the project and how to best serve the State of California in carrying out a successful program. In the next few months during phase one, the TAC is the client.

6. <u>TAC Communications & Public Participation Strategy</u>

Carrie Pourvahidi, CTC Staff, spoke on the coordinated effort in working with Caltrans and Consultants to develop a public outreach strategy that will allow ample opportunity for stakeholders and the public to participate in the development of the Road Charge pilot program. In the next week, Ms. Pourvahidi will be asking for stakeholders' information from each TAC member, in making sure special interest groups other than transportation are being reached. An independent website for the TAC will be developed and will include Meeting Materials, FAQ's, fact sheets, articles related to Road Charge, and the website will also have the ability to take public comments. Due to the increased interest from a broad range of groups and individuals and coupled with the requirements of SB 1077, a Road Charge Workgroup will be formulated. This Workgroup will be headed up by Anne Mayer, Executive Director of the Riverside County Transportation Commission, and will consist of representatives from the business sector, equity advocates, environmental organizations, telecommunications and technology, data security and privacy, vehicle users, vehicle manufacturers, and fuel distributors. This Workgroup will serve as a resource to the TAC and will also provide insight to each area of their expertise.

Mr. Pittampalli asked for clarification on when and how the Consultants will provide technical assistance to the TAC.

Ms. Pourvahidi responded that it is anticipated the assistance will be at every TAC meeting. If there was a subject matter that comes up like technology or vehicle manufacturers, for instance, members of the TAC or Workgroup may also come forward and present their perspective in that particular industry to assist in deliberations.

Mr. Kempton added that if the TAC has any questions, concerns, or needs assistance, the member can contact CTC staff in lieu of waiting until the next monthly TAC meeting.

Mr. Finigan asked if anyone will prepare a capacity analysis. For instance, will the mechanism be taxes or fees, Road User fee or fees on tires or on cars?

Mr. Kempton responded that the issue of the level of charge is not an immediate issue but it definitely will be a concern at a later time. This is a replacement to the gas tax, so in terms of *the actual dollars or the level of burden on the public, this calculation is not planned to be incorporated into the TAC process. If the TAC wants information relevant to that, we can do our best to provide that.*

Chair Madaffer added that the legitimate question should be, is the TAC just trying to set a fee? Nothing restricts the TAC from submitting a package of recommendations to CTC and ultimately to CalSTA pursuant to SB 1077 from weighing in on that question. Some economist should be able to step in and provide some expertise on that analysis for the TAC. Or Caltrans staff can provide a presentation on what would the per mile rate be to replace all transportation taxes.

Mr. Finnegan added that the public is looking at the total impact across all sorts of things that are being paid as a motorist. The information that Caltrans has put together in the Road Charge pamphlet shows a comparison of the gas tax to a person's coffee consumption and cable bill, but the gas tax they are looking at only shows one slice of the overall motorist tax pie. So it behooves us to be open and honest and inclusive and recognize that funding is part of the mix.

Mr. Marcantonio requested a two page detail of the compositions/roles of the new Workgroup.

Jack Opiola, D'Artagnan Consulting, introduced Donna Lucas, Lucas Public Affairs, who will be working jointly with the CTC, Caltrans, and the Consultants on Communications Strategic Planning.

Mr. Opiola provided an overview of TAC Communications and Public Participation (click here for a link to the presentation).

7. Policy Dimensions/Tasks Ahead

Shannon Crum, D'Artagnan Consulting, provided an overview of California Policy Dimensions and Tasks Ahead for the TAC (click here for a link to the presentation).

In reference to page 3 of presentation, Mr. Finnegan asked if revenue depicted recognizes the fluctuating rate of gas taxes we have in California. He requested an explanation of what the numbers represent.

Steven Keck, Division Chief, Caltrans Division of Budgets, responded that the graph represents the revenue collected on the base 18 cents tax that has not changed since 1994.

Professor Wachs asked why there is no vertical axis on the graph.

Mr. Keck responded that the vertical axis is not represented on purpose. The graph is to illustrate that there is a divergence between the miles traveled and the fuel consumed which will create a gap in the revenue.

Mr. Finnegan requested to see the real numbers.

Mr. Sauer asked if diesel (and electric cars – added by Mr. Tien) were included in the pilot program, would that require a statutory amendment to SB 1077 or do we have flexibility?

Mr. Kempton responded that it will depend on what the Legislature decides down the road. The TAC has the flexibility since there are no restrictions on which type of vehicles to include or exclude.

Mr. Finnegan added that the policy questions are inherent and moving forward will require future legislative action. It is important for the TAC to provide input into deliberations that will continue with broader policy debates.

Professor Wachs asked how policy questions were addressed in other states.

Ms. Crum responded that Mr. Opiola will be speaking on the international policy lessons learned in the afternoon segment of this meeting. As we move through the list of topics in the next few months, there will be a more in depth discussion on the U.S. examples closely related to that month's topics.

Mr. Tien asked how "sustainable" and "equitable" will be measured (in reference to page 13 of presentation).

Ms. Crum responded that it will be discussed in future TAC meetings and there will be a transportation economist to help address the sustainability question.

Mr. Pittampalli asked what decisions are to be made in the March meeting in regards to technology.

Ms. Crum responded that the goal for the March meeting is to present an array of technology options and have discussion before coming back in April to take certain actions.

Chair Madaffer added that the March meeting is to educate the TAC on the various technology options that are out there. There will be a presentation on Automation, and will make time in the agenda for a Telematics presentation by Mr. Pittampalli.

Mr. Kaye asked how the policy issues (in reference to page 11 of presentation) will be addressed within the monthly schedule/timeline (in reference to page 14 of presentation).

Ms. Crum responded that the topics/activities that are laid out in the schedule, with the ideas in March, there will be a lot of background of the available technologies and what the system architecture might be. Following the March meeting, the TAC will discuss how the technology fits with equity goals and with funding goals.

Mr. Finnegan had the same question as Mr. Kaye. Would like to know when and how the policy decisions will be made. The TAC will need to make decisions really soon and it would be very helpful to have a better understanding. Some decisions will be built on prior decisions.

Chair Madaffer added that if the TAC decided on something, the TAC has the right to go back and make revisions prior to the submittal of the final recommendation to CalSTA.

Mr. Marcantonio expressed concern about having a better sense of some alternatives and how to stage these discussions knowing that decisions can be iterative. He agreed with Mr. Kaye about which policy questions would come up for the first time and then be iterative the next time, and so forth. In regards to Mr. Tien's question, he wasn't fully satisfied with where "sustainable" and "equitable" fits into the monthly schedule/timeline (in reference to page 14 of presentation). In his perspective, too often social equity becomes an add-on after the fact. The best practice is to integrate questions throughout.

Ms. Crum responded that what has been done so far is to look into what is coming up for the next month. In reference to page 14 of the presentation, there is not a month where privacy will be discussed or a month to discuss equity, because those topics are a part of technology, are a part of organizational design, are a part of communications baseline, are a part of business case, etc. These are not separate stand alone concepts and will be addressed every single time different topics are discussed. There will be some things that will not have definitive answers until close to the end.

Mr. Marcantonio requested to not only break out some of the things on the monthly schedule/timeline chart and identify how the questions build on each other, but also provide alternatives that the TAC can consider to be comfortable with one alternative over another.

Chair Madaffer added that there is a possibility to have more meetings as the TAC sees fit. There is a heavy load and a lot of work to do in a short amount of time and the TAC should not feel rushed in making decisions. If at some point that there should be more meetings to address some of the topics, then that is something to consider.

Mr. Tien asked in regards to the technology discussion in the March meeting, will the TAC be provided the basic information about the interoperability issues.

Ms. Crum responded that there will be a significant amount of background information in the briefing book. To keep the meetings on schedule, she will not re-present everything that is in the briefing book so there can be more time for discussion.

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Chair Madaffer introduced Eric Thronson, Senate Transportation and Housing Committee staff, who worked for Senator DeSaulnier, who authored SB 1077. Mr. Thronson provided a high level overview of certain aspects of SB 1077.

8. <u>Global Evolution of Road Charging Policy</u>

Jack Opiola, D'Artagnan Consulting, provided an overview of Global Evolution of Road Charging Policy (click here for a link to the presentation).

Mr. Tien asked what GPS means (in reference to page 10 of presentation) and whether it means the same thing in the different countries.

Mr. Opiola responded that GPS is an independent device to measure the mileage. It is a GPS based system with an algorithm to keep calculating points and distance between points. In Switzerland, GPS was far more accurate than the odometer.

Mr. Tien commented that if charging just based on distance, then only anyone other than the car owner needs to know is the distance. If you have everything done internally with the map, then the only data that passes through are the miles traveled in a particular amount of time, which has very different privacy implications than transmitting the location history.

Mr. Opiola responded that in all the cases listed, the only thing reported was the mileage and not location.

Mr. Tien commented that the distance travelled does not have to be accurate. If the odometer is 2% off or the GPS is 1% off, that may not matter much because other things will completely overwhelm that issue, like privacy.

Chair Madaffer commented that the TAC needs to be cognizant of the privacy issues and that is why the public should have an opt-in/opt-out option.

Mr. Tien asked if any generalizations from experience as to how different approaches show one more favorable than another in terms of equitability.

Mr. Opiola responded that it depends on individual situations. One thing we try to use as a guiding light is for the new system to be more equitable than the old system by doing it more holistically.

Professor Wachs commented that in transportation finance, much larger equity issues are associated with the way money is spent. The gas tax is inequitable by itself, but if you spend a lot of money on public transit, then it becomes progressive rather than regressive.

Mr. Kaye commented that globally it might make sense, but if an individual that commutes a great distance in an old car and uses a lot of gasoline, is therefore, paying a lot in gas tax. If putting all of that revenue into transit and not into roads, the revenues do not benefit that individual by putting the revenue into transit since the individual is still driving the old car over great distances, this is doubling down on the inequity.

Professor Wachs commented that there are two very vigorously competing themes when people debate equity. One of it being, is it fair in terms of does the user get the benefit and the other is does it discriminate against the poor, which is a separate question, but are interrelated and they are both at work here.

Senator Beall commented that on the equity issue, if you talk about it by definition; need to expand your definition for the purpose of the transportation system to things like access to jobs, access to schools, education, and to healthcare. So, if you have a 90 minute commute that has an area this big and you have a new transit system that allows it to cover in 90 minutes by that much land use, then you are expanding the opportunities for people to find jobs in a much larger area and the number of jobs that are available in those larger areas can lead to social policy goals. That's an argument for transit in the sense that if the people have a goal of getting people out of poverty and having more income, transportation is literally an avenue to accomplish that. So you have to design your transportation system to do that and consider how much influence does the pricing have on that.
Senator Beall asked on "Lessons Learned" (in reference to page 17 of presentation), when people are going through this, were there other countries or states that have developed transition plans and how did they go about doing that. Having a good transition plan is very important.

Mr. Opiola responded that Oregon didn't have a transition plan, other than this idea that we start with a limited number of volunteers and then expand it, but that came out in the legislation and that wasn't something that was planned. There was a look into a transition plan in Washington and it was modeled into the business case to look at what the costs of those transitions are.

Senator Beall commented that California is different than other states in that we have this global warming policy, that a bill right now explicitly states the carbon fuel usage will decrease by 50% by the year 2030. How does that play into our situation?

Mr. Opiola responded that California's situation is similar to the situation in the United Kingdom where there was an active policy to get people off of fossil fuels and a big push by government to get into very efficient vehicles quickly.

Mr. Sauer asked out of all the road user programs, what had the most effective enforcement mechanism to prevent evasion.

Mr. Opiola responded that the Switzerland program had a great system in the way it was enforced and the way the data was being looked at. Their system automatically cross referenced the data and made sure there was no cheating being done.

Mr. Sauer commented that congestion pricing does not work for the trucking industry.

9. Communications - Road Charge Pilot Program Implementation Key Issues/Pilot Program Implementation Outreach Plan

Colleen Gants, PRR, provided an overview of Communications: Road Charge Pilot Program Key Issues (click here for a link to the presentation).

Mr. Kempton commented that communication is the key. If there is an opportunity to sit down and talk to somebody and answer their specific questions, you can get an entirely different result.

Mr. Wachs commented that people don't understand the current mechanisms of the gas tax and that is part of their opposition. It is an uphill battle.

Mr. Finnegan asked what the timing is for some of these things in relation to the work the TAC will be doing and to the pilot program (in reference to page 13 of the presentation).

Mr. Opiola responded that the telephone surveys will begin in May and will take 6-7 weeks. Focus groups will be a month later, which brings it to June/July, and then the baseline report will be done in August.

Mr. Marcantonio commented that there needs to be something done before the telephone surveys, to inform the public about what the TAC is doing and why it is important.

Mr. Kaye asked about how to measure the success of the messaging; with taking on a very skeptical public and giving a lot of information to convince the people that this Road Charge Program will be fine. Are there determinations of the options the consumers can select in how the mileage is being measured? Could you tell if whether the messages were more or less successful than you thought they were going to be based on the various options that participants chose? There are a lot of caveats and may not be measurable today under the current circumstances.

Ms. Gants responded that is why it is important to put together an evaluation plan and how to measure the success. In the case with Oregon, the baseline was done but, have to go back to it again, there are two more annual surveys to do, and there is also a user's forum: all are considered to be a part of the research. Research will be used as a way to guide further communications of what is effective in providing people with the facts and what is not effective.

Mr. Opiola added that while working with the TAC in setting up the evaluation plan and strategy, will use the survey of the participants and repeated surveys throughout the process. (Example: running the survey once a quarter) Another idea is that in the test, if someone starts off with a manual method, maybe in the middle of the test, have them change to a different method, then able to see what they thought about both methods. There are different ways for this to be done and will work with the TAC when we get into the evaluation strategy for the actual test. The area of public acceptance and public survey hasn't been done well and it will be a great case to do that here. The other area we talked about was the dynamic website where the comments coming in will give us an indication of what people think as they become more informed.

Senator Beall announced that the Senate Transportation and Housing Committee will have an informational hearing in Los Angeles on March 13, 2015 from 1:30pm - 4:30pm at the Los Angeles County Metropolitan Transportation Authority Metro Board Room. The Committee will be discussing the financing of transportation and looking at the different methods of financing transportation. Everybody is invited to attend.

Chair Madaffer asked the TAC for feedback if they feel that CTC, the TAC, and the Consultants need to move forward now on a messaging effort that will respond to some of the issues heard at this meeting. Everybody seems to be in agreement.

Mr. Finnegan added that the TAC needs to walk a fine line between not being responsive and being too underground with what we are doing; the more open the better, but at the same time don't know if we are looking at a major PR defensive. We should chart a middle ground path.

Chair Madaffer commented that we do not have anything to sell yet, and that is not our job. The TAC's job is to study and to make recommendations. We need to be responsive to public inquires and to gather the public input.

Professor Wachs commented that he feels it would be very useful to be in constant contact with other states that are doing similar things, which are in different stages of development. Some are drafting legislation, some have legislation, and some have task forces like the TAC. In a way we are all duplicating, in different context, responses to the same questions. It would be very helpful to be networking with those states.

Mr. Kempton responded that California is a member of the Western Road Usage Charge Consortium (WRUCC). Norma Ortega is representing California in this coalition effort.

Mr. Tien asked why isn't a simple odometer reading as a base system an answer because it measures miles driven, then you just have to figure out how much to charge per mile.

Mr. Opiola responded that in other states, the reason why a simple odometer reading has not been the base is because they don't have universal inspections of vehicles to get an independent read of the odometer.

Mr. Finnegan commented that California doesn't have that either. There's a smog check every two years, but only if the vehicle is more than six years old.

Mr. Opiola commented that there should be a choice given to the people, and for them to see what fits to their lifestyle, whether it is GPS, odometer reading, or a flat fee.

Mr. Finigan commented that we need to find out who is wrecking the roads because bottom line is that we need to fix the roads and there is not enough money to do so. So need to take into account the roads travelling on, private roads and public roads. Also need to take into account the trucks.

Chair Madaffer added that the trucking industry may even come up with their own plan and that may factor into this legislation. Or this may just end up addressing passenger vehicles and smaller commercial vehicles.

Mr. Opiola added that truckers are already accounting for miles they have spent in the state.

Mr. Kempton gave the TAC a book entitled *Overview of Transportation Funding in California* (please click here for the link to the book) and asked that pages 1-12 be read prior to the next meeting and questions can be answered at that time. He stated that a two-page summary on transportation funding will be put together and it will be posted on the website.

Mr. Sauer will share a one-page summary on the fees the trucking industry pays at the next meeting.

Mr. Finnegan added that he will do the same for the motorist side.

10. Review of Action Items, Parking Lot, Next Steps, and Other Matters

Jeff Doyle, D'Artagnan Consulting, went through the list of action items to include before or at the March TAC meeting, the Parking Lot, and potential decisions for the March TAC meeting.

To include before or at the March TAC Meeting:

1. Overview on how transportation is funded, eligible uses of that funding, and how (or who) makes those funding decisions.
2. Two-page summary sheet on the new Road Charge Workgroup, describing its role, etc.
3. Who and how D'Artagnan Consulting's technical assistance to the TAC will work.
4. Definitions of "sustainable", "equitable", and how to measure each.
5. Clearly layout the progression of policy-level decisions throughout the TAC process.
6. Discuss interoperability and the policy implications, such as privacy.
7. Status report on efforts to let the public know about the problem in transportation funding, the TAC, and what the process will be to develop a Road Charge Pilot Program.
8. Status reports and progress in other states that are also looking into Road Charging, i.e., WRUCC.
9. On April 28, 2015, International Bridge, Tunnel and Turnpike Association (IBTTA) will be hosting the Transportation Finance and Road Usage Charging Conference in Portland, Oregon.

Parking Lot:

1. Consider an analysis that would show the per mile rate if it were to replace the transportation taxes.
2. Consider how California might transition, over a period of years, to a full Road Charge system.

Potential Decisions for March TAC Meeting: Heavy focus on the current state of transportation technology, what is emerging or evolving, and what some alternatives and opportunities are, leading to decisions on:

1. Open vs. closed technology systems?

2. Interoperability or California-only system?
3. Heavy trucks included or not? Legislation only says the policy purpose is to replace the gas tax. By implication, does that mean diesel vehicles (ergo, trucks) should not be included in the pilot program?
4. Multiple mileage reporting methods or one?

Professor Wachs commented that there is a change in the nature of travel. The systems that the TAC will come up with should be mindful that driving in ten years will be different from now.

Chair Madaffer shared that Mr. Pittampalli will provide a presentation on Telematics and a presentation on Autonomous Vehicles is being worked on for the next TAC meeting.

Mr. Marcantonio would like to add to the parking lot how the road charge revenues should be used and would that be an issue or not to move forward with the road charge program.

Chair Madaffer added that it would be interesting to know how big the per mile number would need to be if it included everything we are already paying in California. Is it 59 cents per gallon if everything were included? The number is 63.8 cents (added Mr. Kempton). What would the number be if that was all inclusive? If the gas tax will be gone in 10-15 years from now, somehow or another you would have to pay for the transportation.

Mr. Tien asked if when using the term “all inclusive”, does that mean including every segment of roads that are travelled on?

Chair Madaffer responded that yes. Money is being flowed from somewhere, whether it is federal excise tax, state sales tax, or state gas tax; its one thing or another. The trucking industry can tell you the same thing in what they are paying. Ultimately our cities are concerned about it. In fact, want to share the CSAC League of California report that comes out every couple of years that talks about the deficiency of $82 billion just for local streets and roads.

Professor Wachs added that if we can monitor how many miles a person has driven in each of the segments, then can distribute the money more equitably; but if we only know how many miles were driven, we can’t.

Mr. Tien commented that he can see where the roads in Berkeley need to be repaired. There are a lot of needs for maintenance and for fixing the roads.

Professor Wachs added that we need to know where people are travelling to know who needs to pay to be more equitable.

Mr. Finnegan commented that as information is being presented, it would be good to have a complete delineation of every tax, fee, and government required expense associated with driving; add those all up and identify them. Then all the uses of that money regardless of their transportation, or roads, or transit and list them out. And the third thing is the need issue. By putting all three pieces together will show the fractures in our system and perhaps pass forward.

Professor Wachs added that the only thing people disagree on is how much money they should get and the only thing people agree on is that we need more data. At the end of the day, if we had better data it would show we had the stronger case. If the TAC is going to go through the huge effort of instituting a new system of charges, and if we don’t get better data, we are missing an opportunity to do better than in the last 100 years.

Ms. O'Connor commented that there are some parts of the county with economics vitality that have potholes where there are a lot of people using the roads, so therefore the funds go there. But there are some other parts of the county that want economic vitality that don't have it now, but could have economic vitality if road improvements were made. Should the money be shifted to where the potholes are now or to an area where there could be economic vitality one day? Where is the equity for the disadvantaged communities?

Mr. Kempton explained the total tax on gas is 63.8 cents, and as of July 1, it will be lowered by 6 cents. The excise tax, which is commonly referred to as the gas tax, is the major component of that larger number which totals 54.4 cents; 18.4 cents is the federal excise tax and 36 cents is the total state excise tax. So when we refer to the gas tax, as opposed to gas taxes, the gas tax typically relates to it at the state level, which is the 36 cents. The bottom line and the closing statement is the TAC can recommend whatever you want, but it's the Legislature that will decide how the Road Charge Program will be implemented and that needs to be kept in the back of everyone's mind as we go through our charge here.

Professor Wachs would like to add to the parking lot that the TAC should be comparing notes with the California Air Resources Board (ARB), because this relates to Cap and Trade, and relates to AB 32. Whatever the Legislature does, if it is endorsed by ARB as an environmental measure as well as a fundraising measure for transportation, then the probability of the Road Charge Program being a success will increase.

Mr. Finnegan added that success depends on what is acceptable to the public. Will Road Charge Program end up on the ballot measure or not and the TAC need to be mindful of that.

Chair Madaffer added that it has been asked of him before too if the Road Charge will be on a ballot measure. It is a legal question and he does not have the answer to that. If a road charge replaces the gas tax, then maybe it would not be on the ballot measure, but if it is a new tax then probably would be required.

Mr. Sauer asked if there will be more TAC meetings than the 12 that have already been scheduled for the year as there is a lot of information being presented and discussed.

Chair Madaffer responded that there can be more meetings if deemed necessary, but not one before the March meeting in Irvine.

11. Public Comment

None

12. Adjourn

Meeting adjourned at 3:42pm.

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