



Planning Policy  
&  
Programming

## Road Charge Pilot Demonstration Program

Caltrans' support of the creation, demonstration, evaluation and reporting of a road usage charge pilot program according to Senate Bill (SB) 1077.

### WHAT WAS THE NEED?

Since 2000, gas tax revenues have declined significantly as a result of less driving, increasing fuel efficiency and decreasing purchasing power. As such, investment in transportation is about 40 percent of what is necessary to meet the needs of surface transportation infrastructure at all levels of government.

As gas tax revenues dwindle, policymakers in the U.S. have had to divert billions from the general fund and other non-transportation funds to pay for infrastructure. This is increasing pressure on transportation policy makers to search for new, viable transportation financing mechanisms.

Road Charge (RC) is a transportation finance mechanism that has been tested to have significant transportation financing potential. RC is a financing policy whereby motorists pay for the use of the roadway network based on the distance they travel. Drivers pay the same rate per mile driven, regardless of what part of the roadway network they use. A road usage charge program has the potential to distribute the gas tax burden across all vehicles regardless of fuel source and to minimize the impact of the current regressive gas tax structure.

### WHAT WAS OUR GOAL?

Caltrans' goal for RC Pilot Program is to provide research project and contract support to the CTC TAC, CalSTA, and to the CTC to create, demonstrate, evaluate and report the findings of the RC Pilot Program in California as identified in SB 1077.

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California's transportation system

## WHAT DID WE DO?

The recent passing of California SB 1077 on September 29, 2014 legislatively mandates the California Department of Transportation (Caltrans) to support as needed the California Transportation Commission's (CTC) appointed Technical Advisory Committee (TAC), and the California State Transportation Agency (CalSTA) to perform a RC Pilot Program as defined in the bill. The RC Pilot Program research effort will consist of the creation of a RC demonstration development and evaluation plan by the CTC TAC, the RC demonstration and evaluation by the CalSTA, and reporting of the RC Pilot Program by the CTC to the legislature.

## WHAT WAS THE OUTCOME?

In the first year of the RC Pilot Program the CTC met monthly to identify and discuss road charging issues and develop policies and guidelines for a demonstration project in California.

## WHAT IS THE BENEFIT?

The RC Pilot Program will create, test, and evaluate a gas tax alternative with the following potential benefits:

- Reduces further erosion of purchasing power of gas tax as fuel efficiency dramatically increases in the future;
- Links usage of road capacity directly to the taxes collected (or price paid), which permits more direct demand management;
- Results in all vehicles being equipped for some form of road pricing which opens up huge opportunities for increased pricing initiatives, such as congestion charging, other forms of variable tolling, HOT lanes, etc.;
- Increases efficiency of toll collection process on all toll operations.

## LEARN MORE

Further information can be found on the California Road Charge Program Website at:  
[http://www.dot.ca.gov/road\\_charge/index.html](http://www.dot.ca.gov/road_charge/index.html)