

# Tell Your Legislators to Support New Revenues for Transportation Infrastructure

### **Background**

California is facing a significant transportation fiscal cliff and it's been decades in the making. The state base gasoline excise tax (gas tax) has not been increased since 1994. The federal gas tax hasn't been adjusted in 21 years. Over the last two decades, inflation, improvements in fuel efficiency, and the move to alternative fuel and electric vehicles has severely eroded the purchasing power of these funding streams that are vital to the maintenance, preservation, and safety of the multi-modal statewide transportation network. Making matters worse, the steep drop in the price of gasoline during the end of 2014 and the first few months of 2015, while good for consumer pocketbooks, will result in a loss of \$885 million for local streets and roads and highways next fiscal year.

Local streets and roads and state highways are the bedrock of California's jobs and economy. Everyone – pedestrians, bicyclists, transit riders and drivers – use local and state roads and are negatively impacted by safety issues and congestion. The condition of the state's roads is an indicator of how well California is serving Californians. If we do not address infrastructure deficiencies, we are paving our own road to ruin. The local street and road system is facing a nearly \$8 billion annual shortfall for the maintenance and preservation of the existing system, not including other critical modes of transportation. State highways have \$59 billion in deferred maintenance over the same time horizon.

### **Status**

The Governor and Legislature have elevated transportation infrastructure to the top of the public policy agenda in 2015. Assembly Speaker Toni Atkins has announced an interim funding package that would generate \$2 billion a year for five years for improvements to state highways and local streets and roads. Meant as a starting place to kick-off dialogue and negotiations within the Legislature and with the Governor, CSAC anticipates additional proposals before a final funding solution is identified. The Senate Republican Caucus released its priorities for a new transportation funding package which includes repaying existing transportation loans, ending the off-highway vehicle gas tax diversion, and returning weight fees to transportation. At the time of this writing, Senator Jim Beall is also developing another interim five year funding plan that could generate between \$2.8 billion to \$3.6 billion annually. CSAC staff will provide updates with additional details as they become available. In the meantime, there is plenty to discuss with your legislative delegation that will lay the groundwork of support for the ultimate funding solution.

### **TAKE ACTION**

Finding new revenues for transportation will take a bipartisan effort and requires a super majority, twothirds vote of the Legislature and the Governor's signature to enact. It is incumbent upon every county to reach out to their legislative delegation to explain the infrastructure conditions in their communities and why action is needed this year. Provide them with examples of projects in their communities they can expect to see if they support new revenue options. Make the connection between their vote and positive impacts to your mutual constituents! The following talking points can be used in a variety of forums to get your message across, whether in a face-to-face meeting or in an Op Ed.

### **Talking Points**

### **Primary Points**

- The 2014 California Statewide Local Streets and Roads Needs Assessment Report found that counties and cities are facing a \$79.3 billion funding shortfall for the maintenance and preservation of just the local street and road system over the next decade. State highways have \$59 billion in deferred maintenance.
- It is important to invest in both local and state transportation systems. Drivers, transit, pedestrians and bicyclists do not care about ownership of the transportation system; they just want to get from Point A to Point B as efficiently and safely as possible.
- Without new revenues, the transportation system will continue to crumble. The longer we wait, the more it will cost to fix our roads.

### **Secondary Points**

- The 18-cent per gallon state gas tax is worth approximately 6.8-cents today adjusted for inflation and fuel efficiency.
- New vehicles are more fuel efficient and federal standards will continue this trend.
- Electric and hybrid cars pay less or no taxes at the pump for the same use of state highways and local streets and roads.
- Public transit ridership is increasing and the state is investing more in transit and other mobility options in recognition of our climate and sustainability goals. Transit, bicyclists and pedestrians use the local street and road system as their main right-of-way, so even with passengers shifting from driving to using alternative transportation, traditional transportation infrastructure remains important.
- Californians pay, on average, \$780 annually for a daily coffee habit and over \$1,000 for cable television. In contrast, drivers only pay \$368 in all taxes on gasoline (including state, federal and local add-ons).

### **Hold a Meeting in the District**

Your state legislative delegation returns to their respective districts on a weekly basis. Request a meeting with each Assembly Member and Senator that represents your county in their district office. Discuss the county's transportation infrastructure inventory; the conditions of the local street and road system, including your essential components and locally owned bridges; the importance of the local

system to the mobility of all Californians and the economy; and the needs to bridge the system into a state of good repair (Attachment One: Selections from 2014 California Statewide Local Streets and Roads Needs Assessment). Take this opportunity to lend support to specific solutions that CSAC and your county are advocating for and provide any needed information to your elected officials so they know what those solutions would mean to their constituents (think about those project lists you just developed). Click <a href="here">here</a> to locate your representatives' office locations and contact information.

### **Give a Tour**

Take your meeting outside and provide your legislative delegation with a tour of your county's transportation facilities and projects. Invite local business and community leaders, community transportation advocates including bicycle, pedestrian and transit to participate. Demonstrate that there is a coalition of support for fixing California's failing infrastructure. Show your representatives what a street or road with Pavement Condition Index (PCI) rating of 40 or a failing bridge really looks like. You can also show them a project that proves investment in the local street and road system has positive implications for local, regional and statewide mobility, the challenge to reduce greenhouse gas (GHG) emissions, and the safety of pedestrians, bicyclists and drivers. Need inspiration? Visit the <u>California Statewide Local Streets and Roads Needs Assessment</u> website to view award winning projects from counties and cities across the state.

### Write a Letter

Pen a letter on county letterhead explaining your county's current infrastructure challenges and how the solutions that CSAC and your county support can address these issues (Attachment Two: Sample Letter to Your Legislator). If your county doesn't have a position on a specific proposal you can explain the principles CSAC (Attachment Three: CEAC Memo to CSAC on New Transportation Revenues) or your county supports to educate your delegation on which factors are most important when contemplating specific proposals.

### **Get Social**

Tell the California State Legislature why your county cannot afford to wait for new revenues for transportation via social media. Tell them how much more it costs to rebuild a road than keep one in good condition. Tell them that school children cannot walk and bike to school without safe local streets and roads. Tell them that by using innovative technologies and practices your county is saving money and reducing GHG emissions when doing routine road maintenance and preservation.

A picture is worth 1,000 words. With Twitter's 140 character limit, snap a photo of your county's streets, roads, and bridges (and the pedestrians, bicyclists and transit buses that use those facilities in your community) that need additional support. Most Assembly Members and Senators are on Twitter and regularly monitor their Twitter feeds. The easiest way to find your legislators is to utilize the search function on Twitter or by visiting their websites. Be sure to include our new hash tag #Roads4AllModes!

### Sample Tweets

• CA streets & roads need \$7.3 billion/year to be safe & reliable. Invest in CA local streets & roads. #Roads4AllModes www.savecaliforniastreets.org

- Keep CA economy moving; invest in CA local streets and roads. #Roads4AllModes www.savecaliforniastreets.org
- Don't let CA streets & roads get worse. Invest in local system and keep CA people & economy moving. #Roads4AllModes www.savecalfiorniastreets.org
- Every trip begins on a local street or road. #Roads4AllModes www.savecaliforniastreets.org
- Billions needed to make CA local streets & roads safe & reliable for walkers, bikers & drivers.
   #Roads4AllModes www.savecaliforniastreets.org
- Sustainable CA needs good streets and roads. #Roads4AllModes www.savecaliforniastreets.org
- CA streets & roads are 81 percent of state's roadways, new report said more \$ needed to make them safe. #Roads4AllModes www.savecaliforniastreets.org

For additional support on your advocacy efforts, please contact transportation policy staff: Kiana Buss, CSAC Legislative Representative (916.650.8185 or <a href="mailto:kbuss@counties.org">kbuss@counties.org</a>)

Chris Lee, CSAC Legislative Analyst (916.650.8180 or <a href="mailto:clee@counties.org">clee@counties.org</a>).

### **ENGAGE THE MEDIA**

Engage your local media outlets to bring attention to your county's infrastructure needs, the statewide nature of the problem, and the need for a 2015 solution. Inform them about tours and other events through press releases. Write and submit Op Ed columns or guest commentaries to your local newspapers. You can use the talking points provided above to craft an Op Ed to clearly communicate the problem in your county and how it affects readers and your community at large.

### **Op Ed Guidelines**

The term "Op Ed" refers to a longer form opinion piece that is usually placed on the page "opposite the editorial page." Most newspapers will run responsible, well-written Op Eds from ordinary citizens, especially when they come from someone with a demonstrable expertise in the subject matter. For that reason, a newspaper may be more likely to run an Op Ed regarding local roads and bridges from the County Public Works Director or County Engineer. Contacting the paper ahead of time and asking if they are interested in an Op Ed on a specific topic may also be helpful.

Op Ed requirements will vary considerably from one paper to another. You can usually find the guidelines for a specific paper on its website by clicking the "Opinion" tab. In general, you should try to keep your Op Ed to between 500-1,000 words and typically, the shorter the better. Try to keep them non-technical. Use plain language. Remember that most of your audience probably does not have a background in civil engineering.

Op Eds can usually be submitted via email to the Editor of the paper, or for larger publications, the Editor of the Editorial page. Many newspapers carry email addresses for these staff members under the "Contact Us" tab on the web page, and some of them also attach email addresses to specific stories or editorials that run in the paper. If you need help finding the right person to send it to, consult your County Public Information Officer, or call the newspaper directly.

### **Letter to the Editor Guidelines**

Letters to the Editor guidelines will also vary widely from publication to publication. Some require letters to be as short at 150 words, but some do allow longer submissions. Usually, you can find specific guidelines for a given newspaper under their "Letters to the Editor" page, or the "Contact Us" page. In all cases, Letters should be concise, use plain language and consider the audience. You may be able to include links to additional resources. Sign your name and use your title if appropriate. A letter from Barbara Smith might be used in the paper, but a letter from Barbara Smith, County Public Works Director, has a better chance.

Some papers allow you to submit a letter via simple email, either directly to an editor's email address, or to a special "letters" email address set up for that purpose. Some papers require them to be submitted via a web-form. It may be helpful to follow up a web-form submission with another email directly to the Letters editor, explaining that you have already submitted a letter via their online process, and you are simply following up.

For additional support on your media relations efforts, please contact public affairs staff: Gregg Fishman, CSAC Communications Coordinator (916.327.7500 x516 or gfishman@counties.org)

### **ATTACHMENTS**

Attachment One ......Selections from 2014 California Statewide
Local Streets and Roads Needs Assessment

Attachment Two .....Sample Letter to Your Legislator

Attachment Three .....CEAC Memo to CSAC on New
Transportation Revenues





Table C.1 Pavement Needs by County\* (2014 \$)

County (Cities included)	Center Line Miles	Lane Miles	Area (sq. yd.)	2014 PCI	10 Year Needs (2014 \$M)
Alameda County	3,538.15	7,999.12	82,401,946	66	\$2,305
Alpine County	135.00	270.00	1,900,800	44	\$48
Amador County	477.96	958.12	6,485,201	33	\$383
Butte County	1,800.07	3,675.85	26,771,323	66	\$658
Calaveras County	716.98	1,332.66	8,937,332	51	\$374
Colusa County	986.70	1,523.51	12,503,304	62	\$317
Contra Costa County	3,376.49	7,047.81	63,500,917	68	\$1,577
Del Norte County	323.88	643.80	5,334,695	63	\$129
El Dorado County	1,252.70	2,508.40	21,671,673	63	\$635
Fresno County	6,195.51	12,679.92	106,057,018	69	\$2,572
Glenn County	910.42	1,821.73	13,917,626	68	\$354
Humboldt County	1,470.96	2,933.21	24,234,864	64	\$683
Imperial County	2,999.96	6,086.66	45,427,410	57	\$1,236
Inyo County	1,134.80	1,802.50	13,700,999	62	\$308
Kern County	5,026.42	11,648.11	103,132,477	64	\$2,927
Kings County	1,328.00	2,795.72	20,026,009	62	\$598
Lake County	752.70	1,494.45	9,997,345	40	\$436
Lassen County	431.41	878.80	6,282,324	66	\$186
Los Angeles County	21,329.61	57,629.56	459,830,656	66	\$12,971
Madera County	1,822.44	3,680.41	23,490,290	47	\$1,019
Marin County	1,021.14	2,055.14	17,166,574	63	\$488
Mariposa County	1,122.00	561.00	3,949,440	44	\$150
Mendocino County	1,124.43	2,255.81	16,004,034	35	\$625
Merced County	2,330.00	4,954.00	37,182,870	58	\$1,224
Modoc County	1,491.48	2,982.97	17,545,534	46	\$566
Mono County	727.38	1,453.39	10,071,369	67	\$147
Monterey County	1,779.28	3,725.79	33,599,361	50	\$1,389
Napa County	725.80	1,507.56	12,896,309	59	\$429
Nevada County	802.04	1,616.70	10,370,868	71	\$234
Orange County	6,600.63	16,808.28	150,276,239	77	\$2,725
Placer County	1,986.35	4,194.49	34,182,680	69	\$799
Plumas County	703.90	1,408.60	11,409,902	64	\$225
Riverside County	7,560.55	16,834.63	149,403,177	70	\$3,551
Sacramento County	5,053.22	11,284.73	95,918,441	62	\$2,939
San Benito County	452.32	916.23	5,951,814	48	\$261
San Bernardino County	9,106.58	22,249.14	181,002,241	71	\$ 4,103
San Diego County	7,813.98	18,596.42	170,696,012	66	\$5,016

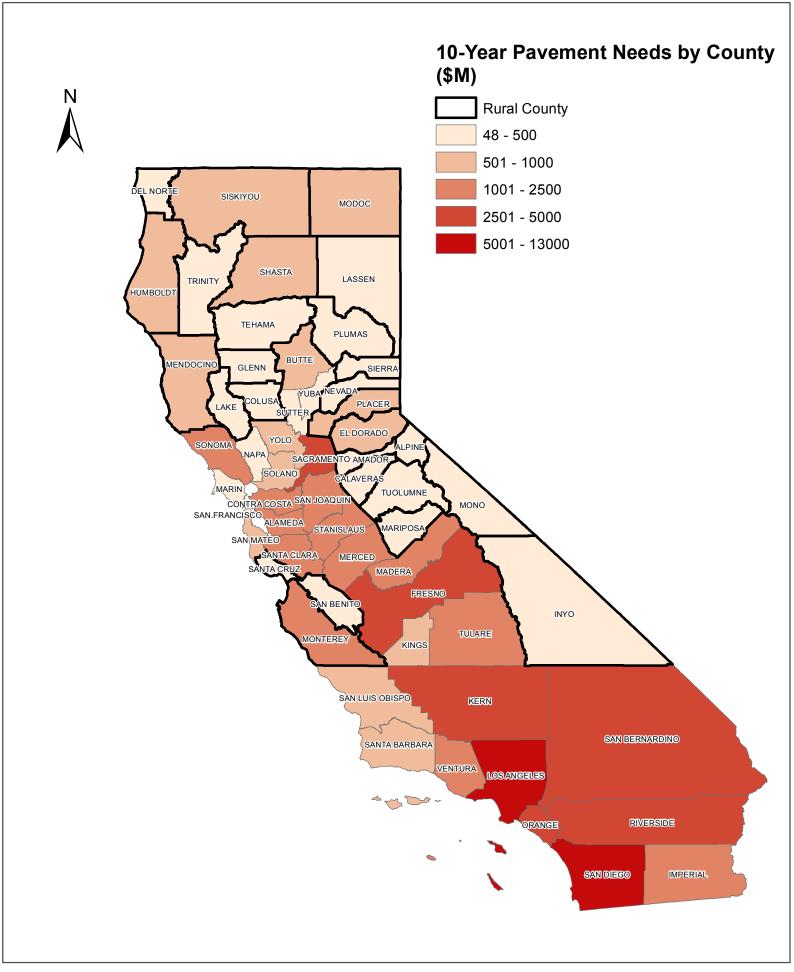


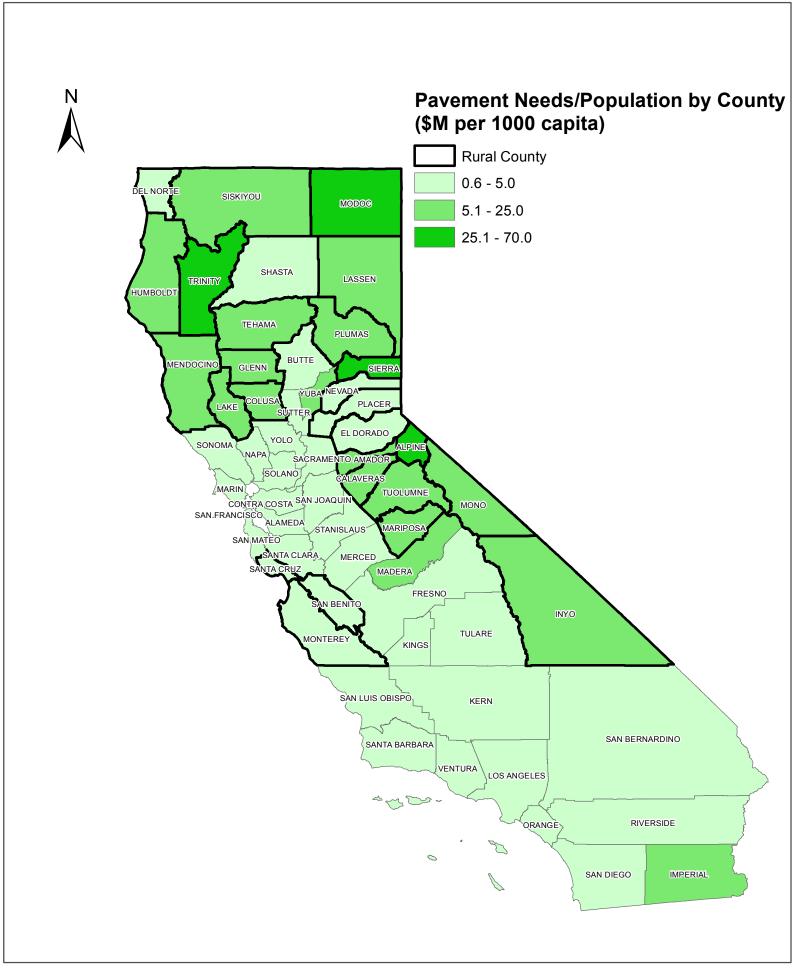
### California Statewide Local Streets & Roads Needs Assessment 2014

	SAVE
5	STREETS

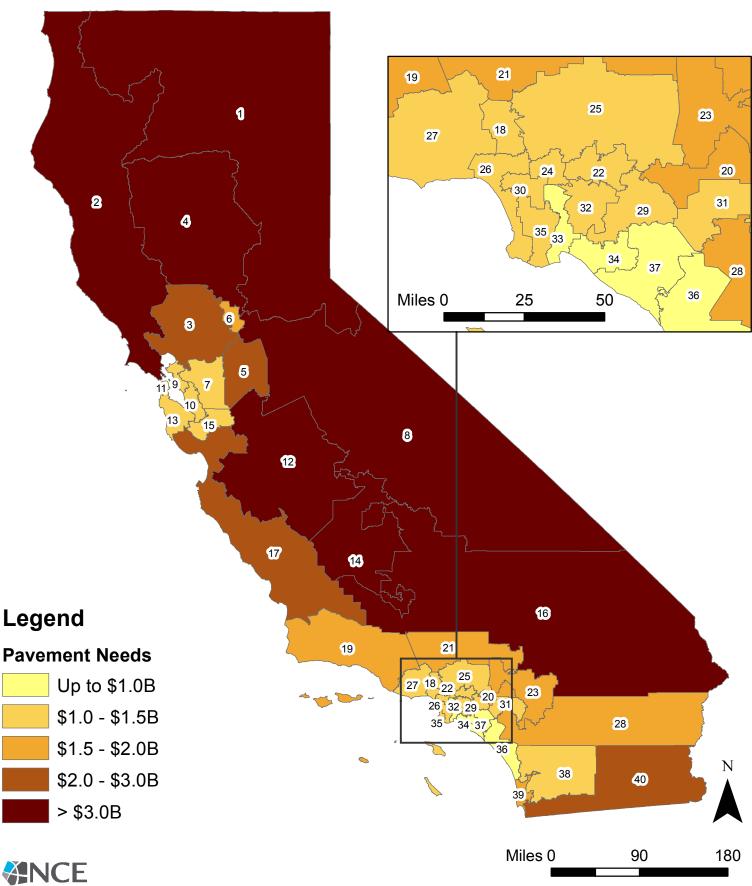
County (Cities included)	Center Line Miles	Lane Miles	Area (sq. yd.)	2014 PCI	10 Year Needs (2014 \$M)
San Francisco County	989.00	2,135.00	17,758,676	66	\$473
San Joaquin County	3,287.78	6,806.76	60,571,515	73	\$1,245
San Luis Obispo County	1,965.93	4,078.93	32,385,537	64	\$887
San Mateo County	1,864.70	3,904.15	33,272,016	70	\$769
Santa Barbara County	1,587.32	3,375.52	30,610,681	66	\$852
Santa Clara County	4,172.80	9,431.15	92,436,719	68	\$2,314
Santa Cruz County	873.65	1,790.15	14,190,207	57	\$480
Shasta County	1,686.97	3,479.08	26,243,076	60	\$799
Sierra County	398.20	798.65	3,669,765	45	\$116
Siskiyou County	1,519.15	3,049.62	20,519,624	57	\$604
Solano County	1,699.55	3,582.19	27,706,938	65	\$744
Sonoma County	2,371.17	4,922.58	39,557,359	52	\$1,540
Stanislaus County	2,916.30	6,031.63	53,459,748	55	\$2,044
Sutter County	981.51	2,010.93	15,199,498	65	\$385
Tehama County	1,197.49	2,400.88	15,834,143	62	\$437
Trinity County	692.97	1,113.86	11,757,354	60	\$352
Tulare County	3,937.17	8,132.39	60,195,390	68	\$1,482
Tuolumne County	552.70	1,115.65	8,200,702	47	\$369
Ventura County	2,512.86	5,530.08	50,382,156	70	\$1,211
Yolo County	1,328.40	2,457.72	21,290,870	60	\$655
Yuba County	724.40	1,504.26	12,862,583	60	\$404
California	143,671	320,466	2,661,335,629	66	\$72,746
* Includes Cities within County					



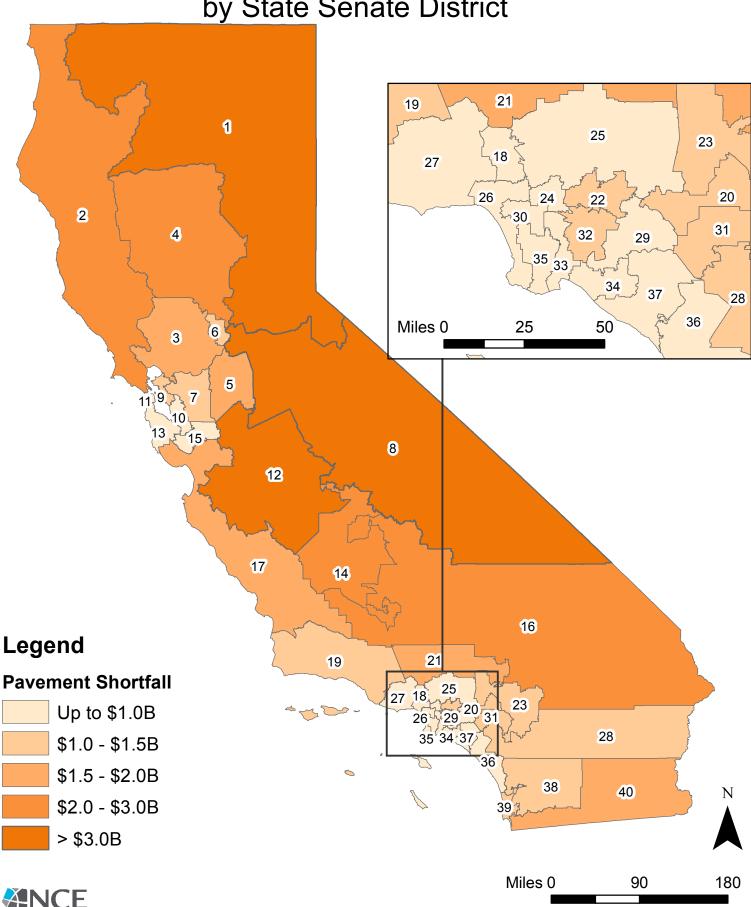




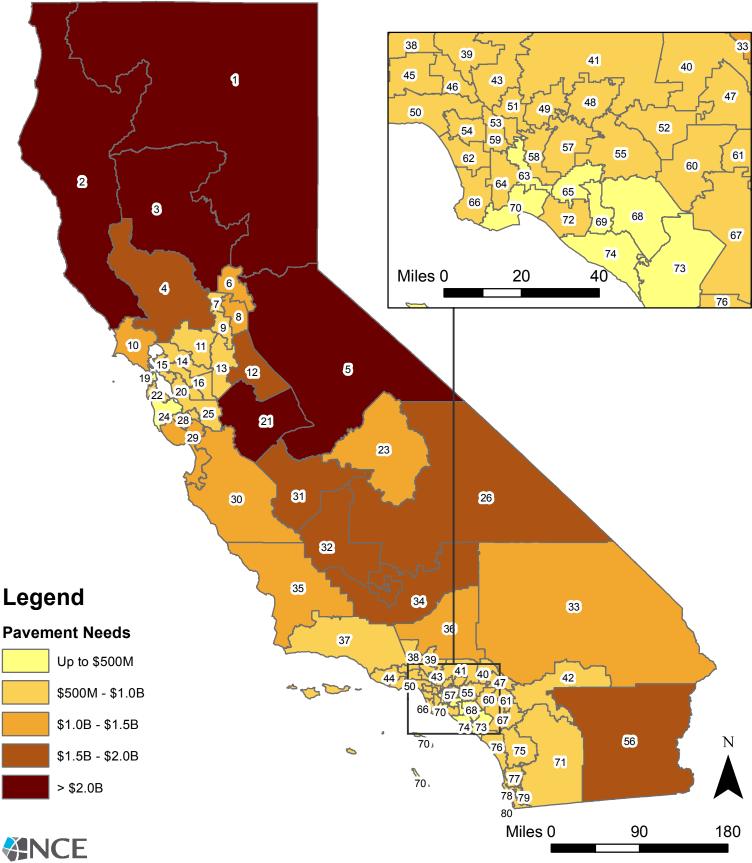
# Pavement Funding Needs by State Senate District



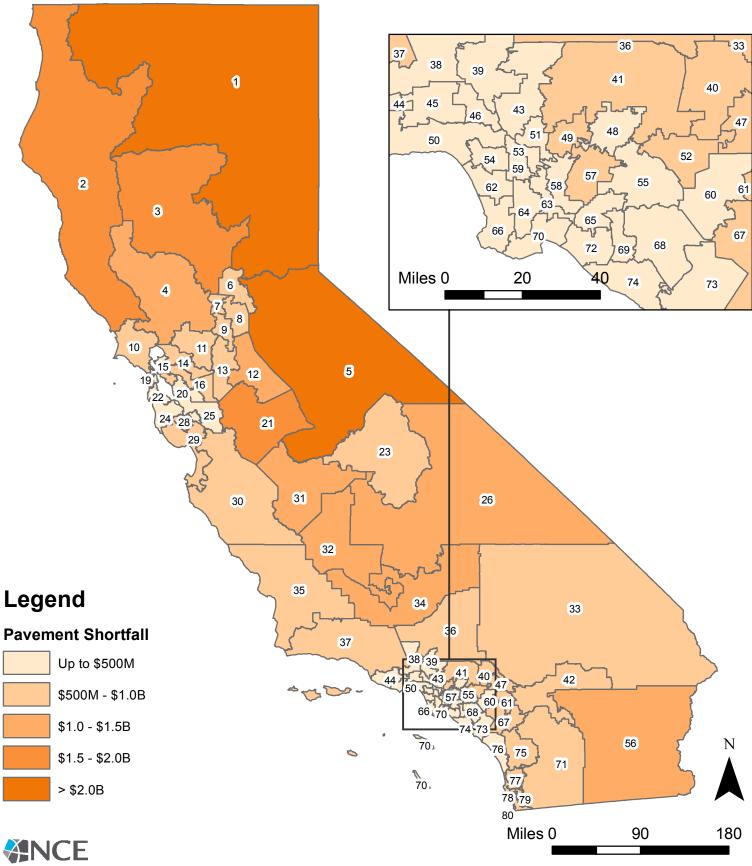
# Pavement Funding Shortfall by State Senate District



# Pavement Funding Needs by State Assembly District



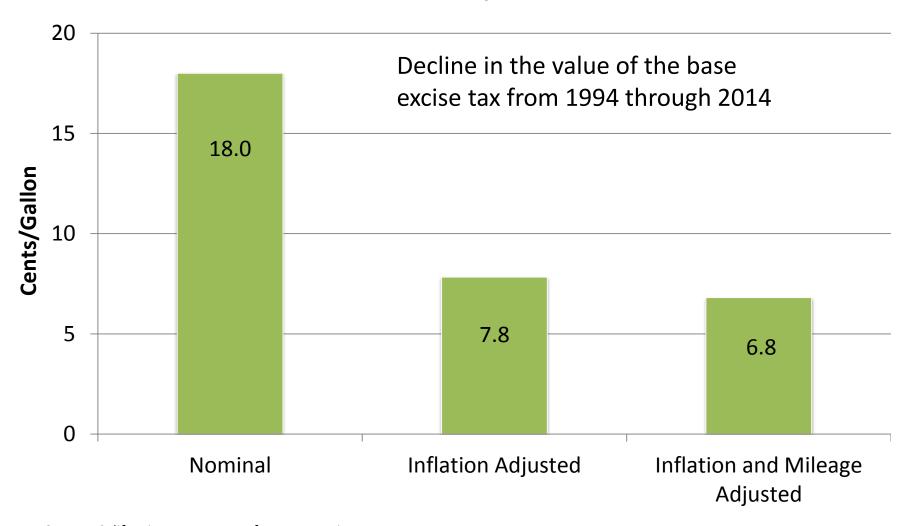
# Pavement Funding Shortfall by State Assembly District



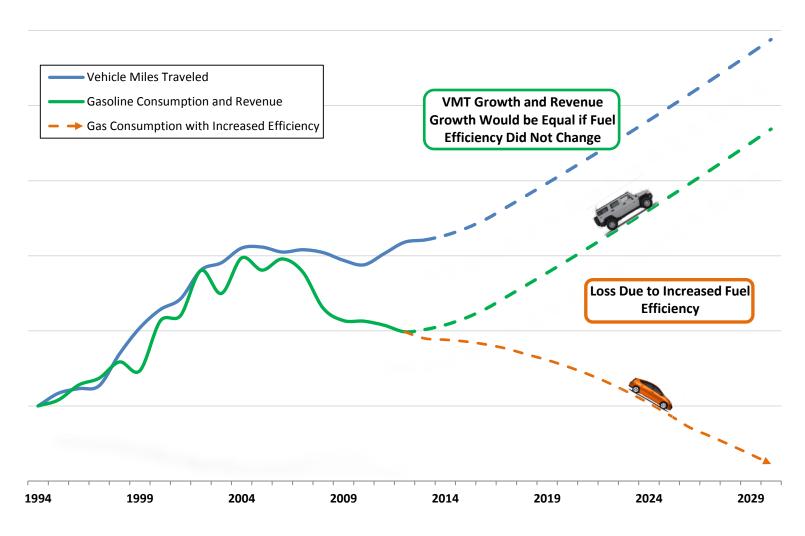
# What Are Funding Shortfalls?

Transportation Asset	10 Year Needs (2014 \$B)	Funding	Shortfall
Pavements	\$72.7	\$16.6	\$ (56.1)
<b>Essential Components</b>	\$31.0	\$10.1	\$ (20.9)
Bridges	\$4.3	\$3.0	\$ (1.3)
Totals	\$108.0	\$29.7	\$ (78.3)

# What is the 18-cent Gas Tax Worth Today?



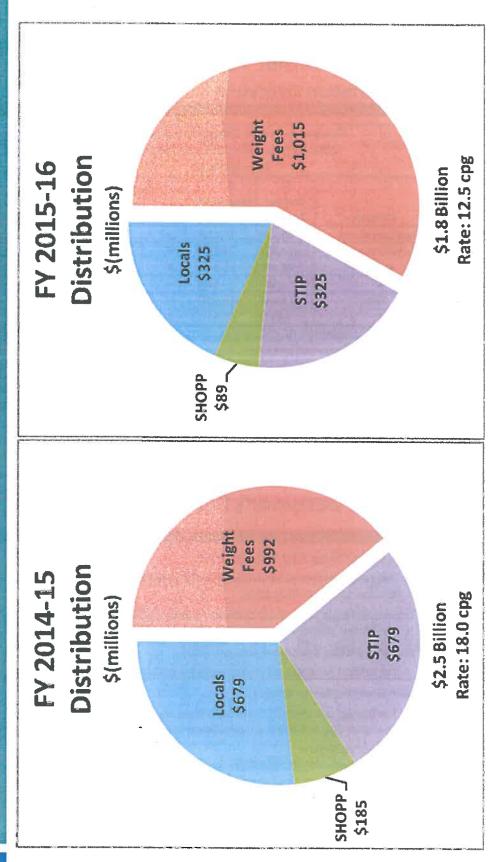
## Revenue Loss Due to Increases in Fuel Economy



Source: California Department of Transportation

# Price-Based Excise Tax Comparison

**Estimated based on Governor's Budget** 



Note: Does not include \$91 million in revenue associated with Off-Highway use.





### Sample Letter to Your Legislator

The Honorable [Assembly Member or Senator's name]
Member, California State [Assembly or Senate]
State Capitol, Room [Number]
Sacramento, CA 95814

Dear [Assembly Member or Senator]:

On behalf of the [County of XXX], I write to urge you to take action to avert the looming transportation crisis in the State of California and your district by working to find a bipartisan solution in 2015.

California has more than 50,000 miles of state highways, 143,000 local streets and roads, and 24,000 bridges. In [XXX County] alone, we own and operate [XX] miles of roads and [XX] bridges. California's economic vitality and the mobility of all Californians both depend upon a first—class, multi-modal transportation network. In spite of this fact, the stagnant level of investment into our shared transportation infrastructure has resulted in significant unmet maintenance and rehabilitation needs on both the state and local transportation systems.

The 2014 California Statewide Local Streets and Roads Needs Assessment Report found that counties and cities are short \$79.3 billion over the next 10 years just to bring the system into a state of good repair, which would minimize future maintenance costs. In [XXX County], we need [XX] in additional revenues to address our failing local infrastructure. This includes bike lanes and sidewalks that are critical to active transportation options. California's transit operators also rely on local streets and roads as their primary right-of-way. The state highway system is also facing \$59 billion in deferred maintenance costs over the next decade.

The primary sources of revenue to maintain, preserve, repair, and rehabilitate highways and local roads and bridges are state and federal gasoline excise taxes (gas taxes). Neither the state nor federal gas tax has been increased in more than 20 years. Both gas taxes are not adjusted for inflation or increases in the cost of construction. Increases in fuel efficiency, which is critical to reduce costs to motorists and meet our environmental goals, means that vehicles are travelling more yet paying less for use of the transportation system. Making matters even worse, the recent short-lived decline in the price of gas, while good for consumer pocketbooks, will result in a year-to-year reduction of \$885 million in transportation revenues.

The California Transportation Commission is currently studying alternatives to the state gas tax such as a road user charge that would more accurately charge drivers for their use of the system, but the results of that study are years away. That is why the <code>[XXX County]</code> is asking you to take bold action this year to find new interim funding solutions to begin to make much needed improvements in the transportation system. The California State Association of Counties is recommending that the Legislature and Governor agree on a funding plan that returns existing revenues to transportation (through repayment of \$1 billion in outstanding loans and an end to the diversion of gas tax swap revenues related to vehicles that do not use public roadways) and creates new revenues through a variety of means, such as an increase in the gas tax and/or a new vehicle registration or license fee.

The bottom line is that the longer we wait to address our failing transportation infrastructure, the more it will cost in the long run. We need an immediate funding solution in 2015 to ensure the problem doesn't

get worse and to bridge the funding gap while California considers whether to implement longer-term options to replace the gas tax.

Sincerely,

cc: The Honorable Edmund G. Brown Jr., Governor, State of California
The Honorable Kevin de Leon, President Pro Tem, California State Senate
The Honorable Bob Huff, Minority Leader, California State Senate
The Honorable Toni Atkins, Speaker, California State Assembly
The Honorable Kristin Olsen, Minority Leader, California State Assembly





1100 K Street Suite 101 Sacramento California 95814

Telephone 916.327-7500 Facsimile 916.441.5507 May 31, 2012

To: CSAC Housing, Land Use, and Transportation Policy Committee

From: Mike Penrose, Chair, CEAC Transportation Committee DeAnn Baker, CSAC Senior Legislative Representative

Kiana Buss, CSAC Senior Legislative Analyst

Re: Recommendations for New Transportation Revenues

### **Background**

During the CSAC Housing, Land Use, and Transportation Policy Committee (HLT Committee) meeting in November 2011, after a presentation on the California Transportation Commissions' Statewide Transportation System Needs Assessment Report (CTC Report), Chair, Supervisor Efren Carrillo (Sonoma County), directed staff to develop a list of revenue options for the HLT Committee to consider to address California's enormous and still growing needs on the transportation network. As reported to the HLT Committee, the CTC Report found that the total cost of system preservation, system management, and system expansion over a ten-year period in California is roughly \$536.2 billion. With a total estimated revenue of \$242.4 billion over the same period, Californians are facing a \$293.8 billion shortfall in order to bring the transportation network into a state of good repair and maintain it in that condition into the future.

CSAC staff has worked with the County Engineers Association of California (CEAC) to develop a list of possible revenue sources for new transportation funding. In addition to developing the list of possible revenue sources, the CEAC Transportation Committee developed a set of principles for evaluating each possible revenue stream to see how well each option fits within existing CSAC policy and the goals of the HLT Committee and Association as a whole. Staff has also listed the major pros and cons related to each possible revenue stream.

After an in-depth discussion on eleven various revenue options, CEAC agreed that four in particular were the most appropriate to fund the transportation needs that are most important to counties (i.e. local streets and roads, state system, and transit). They are listed in alphabetical order and do not reflect any sense of priority.

### **Principles**

- I. <u>Unified Statewide Solution.</u> All transportation stakeholders must stand united in the search for new revenues. Any new revenues should address the needs of the entire statewide transportation network.
- II. <u>Equity.</u> New revenues should be distributed in an equitable manner, benefiting both the north and south and urban, suburban, and rural areas alike.

- III. <u>System Preservation.</u> Given the substantial needs for all modes of transportation, a significant portion of new revenues should be focused on system preservation. Once the system has been brought to a state of good repair (the most cost effective condition to maintain the transportation network), revenues for maintenance of the system would be reduced to a level that enables sufficient recurring maintenance.
- IV. <u>All Users Based System.</u> New revenues should be borne by <u>all</u> users of the system from the traditional personal vehicle that relies solely on gasoline, to those with new hybrid or electric technology, to commercial vehicles moving goods in the state, and even transit, bicyclists, and pedestrians who also benefit from the use of an integrated transportation network.
- V. <u>Alternative Funding Mechanisms.</u> Given that new technologies continue to improve the efficiency of many types of transportation methods, transportation stakeholders must be open to new alternative funding mechanisms. Further, the goal of reducing greenhouse gases is also expected to affect vehicle miles traveled, thus further reduce gasoline consumption and revenue from the existing gas tax. The existing user based fee, such as the base \$0.18-cent gas tax is a declining revenue source. Collectively, we must have the political will to push for sustainable transportation revenues.

### **Local Streets and Roads Revenue Options**

I. Gas Tax Increase and Indexing. Increase the excise tax on gasoline and/or index the new revenues along with the base \$0.18-cent gas tax to keep pace with inflation. Another option is to just index the existing \$0.18 base portion of the gasoline tax. Per every one-cent gas tax increase, approximately \$150 million is generated. The California Statewide Local Streets and Roads Needs Assessment Report identified a \$79.9 billion shortfall over the next ten years or an \$8 billion annual need just to address the preservation of the local street and road system. Thus, this equates to a 56-cent gas tax increase just to meet local system preservation needs.

Pros	Cons
User-based fee; pay at the pump to use	Declining revenue stream – vehicles are
the system	more efficient, hybrid and electric
	technology, less consumption. Further,
	greenhouse gas reduction goals strive to
	reduce vehicle miles traveled, less
	consumption
Indexing makes the tax sustainable by	
keeping pace with the cost of living and	
construction costs	

ax payers pay over time, not in a lump-
um

II. Sales Tax on Gasoline Options. Reinstate the sales tax on gasoline and/or reduce the voter threshold for the imposition of local sales tax measures for transportation purposes. The two options could be implemented individually or together as a package of changes to the sales tax on gas. The sales tax on gasoline would have generated approximately \$2.8 billion in FY 2012-13 if it were still in place. If shared between the State, transit, and cities in the same manner as the previous sales tax, it would generate \$560 million for counties in the same fiscal year. Regarding the local sales tax option, the self-help counties coalition estimates another 15-17 counties could pass local measures with a reduction to a 55% voter threshold.

Pros	Cons
Increasing revenue stream; generates	Unlikely to have support from the
more revenues as the price of gas	Legislature and Governor given the
increases	transportation tax swap and 2012
	November ballot initiatives
Tax payers pay over time, not in a lump-	Also effected by reduced consumption
sum	
	Political viability since Prop 42 was
	passed by the voters to direct sales taxes
	on gasoline to transportation and was
	then replaced with the new HUTA by the
	Legislature in the swap

III. <u>Transportation System User Fee.</u> Institute a one-percent annual vehicle registration fee based on the value of a vehicle and dedicate revenues to transportation. Research indicates 27 million vehicles would be subject to the fee. Funds would be distributed in the same manner of the old sales tax, 40% to counties and cities, 40% state highways, and 20% transit. The fee would generate \$2.7-\$3 billion annually, which would provide counties \$540-600 million. The Transportation System User Fee is especially intriguing as Transportation California, representing business, construction, and labor groups, has already drafted a proposal and is undertaking an education and outreach campaign to build support for a near-term ballot measure.

Pros	Cons
New idea; different from conventional	Annual fee so taxpayers feel the burden
sales tax or gas tax proposals	all at once

Sustainable; captures revenues from all	A fee based on value of a vehicle is close
vehicle operators of the road system	to VLF, which can be a hot button issue,
including operators of electric vehicles	voters react to it, i.e. Schwarzenegger
and other alternative fuel vehicles	reducing the VLF and taking over as
	Governor

IV. <u>Vehicle Miles Traveled Fee.</u> Institute a fee based on a vehicle miles traveled per registered vehicle, personal and/or commercial. This could require GPS tracking devices to be installed in vehicles or perhaps reporting on a quarterly, semi-annually, or an annual basis to the State on the total number of miles driven per registered vehicle. It is unclear how much such a tax would need to be set at to generate the funds necessary to address California's transportation revenue shortfalls. In 2010, there was 327 million vehicle miles traveled in the state.

Pros	Cons
User based revenue; pay to use the	Concerns about privacy rights related to
system	a GPS tracking device
Can link fee to peak driving times like	It is a potentially declining revenue
congestion pricing on toll roads	source as greenhouse gas reduction goals
	attempt to reduce VMTs
	Implementation would be significant
	given there isn't the same or similar
	process already set up

The CEAC Transportation Committee also considered the following revenues possibilities but did not conclude that these options were as viable or sustainable or otherwise did not meet the overarching principles:

- Weight Fee Increase
- Regional Fee
- Local Fee
- Public-Private Partnerships

- Infrastructure Bank
- Toll Roads
- Congestion Pricing

### Recommendation.

Again, the four aforementioned revenue options appear to be the most viable and sustainable opportunities for increased revenues to address the significant funding shortfalls for transportation in California. The CEAC Transportation Committee recommends that the HLT Committee take action to recommend that the CSAC Board of Directors support these options to fund our transportation needs. Policy direction should be broad enough to allow CSAC to support any of the options that meet our overall policy goals.