



California
Road Charge

Public Private Roads Project

APPENDIX

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Rural Focus Group Results

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TO: California Road Charge Public/Private Roads Pilot Team
FROM: EMC Research
RE: Road Charge Focus Groups Takeaways
DATE: December 2023

The following memo summarizes the key takeaways from the four focus groups conducted as part of the California Road Charge Public/Private Roads Pilot on behalf of California Department of Transportation. This phase of the research collected feedback from Californians who live in rural and remote areas in California. To this end, two groups were conducted among Northern California drivers and two groups were conducted among Central Coast/Central Valley drivers. In addition to the geographic breakdown, participants were invited to separate groups based on the number of miles they typically drive per week. All four groups were conducted online in English.

EMC produced summary memos for each individual group which highlight specific findings for each group, as well as the demographic and behavioral make-up of the respective group. This memo discusses the main themes that emerged from the entire research effort.

Group Make-Up

- Group 1: Northern California drivers who drive less than 100 miles per week
- Group 2: Northern California drivers who drive more than 100 miles per week
- Group 3: Central Coast/Central Valley drivers who drive less than 100 miles per week
- Group 4: Central Coast/Central Valley drivers who drive more than 100 miles per week

Discussion Guide Content

The focus group guide asked questions on the following topics:

- Driving habits, state of the roads, and current gas tax awareness and attitudes
- On-screen text description of the gas tax's shortcomings, followed by introduction of the concept of road charge and discussion of initial reactions towards the concept
- Perceptions of negative and positive outcomes from road charge on participants' own communities
- Perceptions of private roads funding and the mileage tracking device

Key Themes

Issue Environment

- **Many were displeased with road conditions in their communities, although state highways and busier roads were generally viewed as better maintained.** Potholes and construction were common complaints about local roads in the rural and remote areas where participants lived. Participants reported positive experiences with state highways, leading some to believe that more densely populated areas are prioritized when it comes to road maintenance. Even in their local communities, they observed main roads and those near commercial centers to be usually better kept. Participants largely felt that rural roads were the most neglected and many questioned whether their tax dollars were staying local or being used to fix roads in more urban areas.

"I don't know if [funding] is going to my county's roads as I haven't really seen any progress in the entire time I've lived here, so I don't know if it's actually doing too much unless it's helping out the highways."

- Shorter distance Northern California driver
- **Awareness of road and highway maintenance funding sources varied.** Most participants were aware that taxes fund road and highway maintenance in California, and some were aware of the gas tax specifically. Speeding tickets and local revenue measures were also named as funding sources for roads. Despite varied levels of awareness, many were uncertain how the funds collected through these mechanisms are distributed across localities. When asked whether they thought the gas tax generated enough revenue for road maintenance, most assumed it did as they believed Californians paid more for gas, and by extension for gas tax, than those who lived in other states. Many pointed out the disparity between the high price of gas and the crumbling roads they saw in their own communities.
- **Once prompted, most were aware of the distinction between public and private roads.** Forest service roads, roads near indigenous lands, and roads in private communities were all named as examples of private roads that participants were aware weren't funded by taxes.
- **Some believed that the root cause of unmaintained roads was government misspending, rather than insufficient gas tax funds due to evolving vehicle technologies.** When made aware of the problem of decreasing revenues from the gas tax, most participants found it hard to believe that there were enough electric vehicles on the roads to significantly impact gas tax funding, as they focused on electric cars rather than vehicles getting more fuel efficient in general. Consequently, some were convinced that the issue is one of inefficient use of tax dollars rather than a funding shortage. This notion was bolstered by the perceived differences in quality between run-down local roads and well-maintained highways; many felt as though rural communities were deprioritized in terms of road repairs compared to their urban counterparts. There was also a sentiment that since other states have lower gas prices and roads that

*"...You'd think there'd be enough money with the amount of cars and people that drive in California. And there's only so many electric cars on the road. Especially since the majority of cars are still gas, **there's no way that they're not raising enough money.**"*

- Longer distance Central Coast/Central Valley driver

are decently maintained, California should be able to do the same within the current funding scheme.

- **The sentiments about electric vehicles were mixed.** Some participants thought it was contradictory that electric vehicles are blamed for funding shortages while the government incentivizes them within the framework of climate goals. Others, however, felt it was unfair that electric vehicles do not pay their fair share for road repairs and maintenance.

"It kind of confuses me because I thought the whole point of electric cars was that we have to incentivize them so that we get less gas cars on the road. So now if the problem is [that] they aren't paying their fair share... I feel like it's not that big of an issue yet, so I feel like nothing should change honestly."

- Shorter distance Central Coast/Central Valley driver

Initial Road Charge Reactions and Perceived Outcomes

- **The initial road charge description was met with many concerns and questions.** Most participants were not enthusiastic about a potential road charge for California when they heard a brief description of the mechanism, especially those who disagreed with the premise that there was a need to generate more revenue in the first place. Those who reacted negatively to the concept were also quick to assume there would be several negative outcomes from it both in general and for their own communities in particular.

"How much money is this going to cost to design it...to regulate it...to monitor it. How [can] California afford that?"

- Longer distance Northern California driver

- **The startup and operational costs of road charge were perceived to be too high to make implementation worth it.** Participants generally thought that California should simply adopt the same methods other states are using to secure road maintenance funding; many were concerned that a road charge would be too difficult and costly to implement, and the money to establish and run the road charge should be put into road maintenance instead.

- **Many thought that rural drivers would be unfairly impacted by a road charge.** Many participants thought that a road charge would impact people living in rural and remote areas in a negative way, since those residents have to rely on driving and to drive long distances to get anywhere. Some thought it would force them to drive less; meaning skipping certain activities, taking fewer trips for fun, or being forced to consolidate trips. While in almost every group at least one participant pointed out that rural drivers already pay more under the gas tax because of the same reasons, others envisioned a greater impact from the road charge. Additionally, a few pointed out that if driving becomes more expensive, rural folks

"You're going to be putting some peoples in certain demographics at risk and they're going to be taking on a bulk of the cost, especially for people who live in rural areas. If I need to go to the grocery store, it could be 30 miles from my home."

- Longer distance Northern California driver

can't easily opt to take public transportation like those in cities can. Because of this, many thought that a road charge would need to be accompanied by expanded public transit in order to be fair for as many people as possible. Finally, road charge was seen as unfair to rural and remote communities because even though people like themselves who need to drive a lot due to where they live and would have to pay significant amounts in road charge, many didn't believe the monies would be spent where they are collected.

"I feel like that would still not be equitable, given that a good majority of drivers put a lot of their mileage due to their jobs. So people who are working further away would be penalized for having a job that they have to drive so far to get to anyway."

- Longer distance Central Coast/Central Valley driver

- **Road charge was also perceived as especially unfair to low-income drivers and those who have to drive for work.** In several groups, those who have long commutes due to being priced out of the cities where they work were called out specifically, as their situation was seen as the most unfair. One participant gave the example of people who drive long distances to work in San Francisco but can't afford to live near the city. Generally, there were concerns around people with less disposable income being prevented from traveling for leisure and for other non-work-related purposes because of road charge. People who have to drive for work, such as rideshare drivers, truck drivers, and manual laborers were mentioned as specific groups who could be most burdened by road charge if not reimbursed by their employers.

- **Billing frequency and amount was another concern that would disproportionately affect low-income drivers.** Some thought a road charge would be difficult to budget for if it is billed a few times per year such as a property tax. They prefer the smaller, frequent increments of a gas tax charge for personal budgeting purposes.

"If I have a gas tax at the gas pump, which is part of the money I have to spend by gas, but if [there's] another bill that's coming to me once a month, once a quarter, I'm not going to save the money that I'm supposed to. It's just going to be another bill I'm going to have to pay."

- Shorter distance Northern California driver

- **There were concerns around how tourism might be affected.** Some were worried that a road charge would suppress California's tourism; with rural California presenting various tourist destinations, the thought lead to concerns about how local economies would be impacted. One participant specifically mentioning wineries as an industry in Central California that could suffer.
- **Some thought road charge could not be fair if it did not take additional factors into account.** A few participants who were more open to the concept of a road charge brought up the question of vehicle weight, and said that unless it takes vehicle type and weight into account, road charge could not be a fair mechanism.
- **How road charge would be implemented for out-of-state drivers was another question on participants' minds.** Some were concerned about road charge not being applicable to out-of-state vehicles, which also contribute to road wear and tear but would no longer contribute to repairs the way they do when they purchase in the state under gas tax.

- **Many had a hard time imagining positive outcomes from road charge.** When pressed, participants listed more money for road maintenance and therefore better roads, a more fair system that makes all drivers pay for road repairs, and incentivizing use of public transit as potential benefits of a road charge—even though many did not believe that these positive outcomes would materialize. Similarly, some thought the money they pay at the pump would be less, but many didn't believe that the gas tax would really go away.

"In a way that would be a positive outcome, is that you would have people who currently aren't paying to help improve the roads. But I don't feel like that is a big enough positive to overcome all of the negatives."
- Longer distance Northern California driver

Mileage Tracking and Identifying Miles Driven on Private Roads

"What if you live in an area where it is so rural, there's no internet. How is it going to know if you are driving on that area or not?"

- Shorter distance Northern California driver

- **Road charge brought up a host of logistical questions and concerns.** In addition to concerns around operational costs, many brought up questions and concerns about how a road charge could be implemented in real life. Some questioned whether the system would be based on self-reporting, which would make it prone to underreporting and cheating. Others imagined there would need to be a device tracking a vehicle's mileage, but questioned whether such a system would work in areas with unreliable cell service. There was a sentiment that if tech giants like Google and Apple cannot perfect their mapping and GPS functionalities, the government won't be able to do any better. Some noted that the government would likely have to outsource mapping to a third party which added a layer of privacy and data concerns. Some also envisioned that such a system would be prone to glitches and other failures that would make real-life implementation difficult.

- **Many were skeptical of the mileage tracking device and viewed it as an invasion of privacy and a sign of government overreach.** Above and beyond logistical concerns, many thought mileage tracking would provide the government too much control over communities. While someone in each group brought up that their phones already have tracking capabilities, and others mentioned that their miles are already tracked through their insurance or similar mechanisms, most felt uncomfortable with the idea of the government tracking their location and other information. Some wondered whether the device could be used to issue speeding tickets or for other punitive measures, which presented additional invasion-of-privacy concerns.

"I know that's the way the world's going, but that's just a further invasion of privacy. We all know our cell phones are tracking us. We all know they know exactly where you're at... It's just not okay."
- Longer distance Northern California driver

"They're going to be able to eventually want to start monitoring how fast everybody's going, so they can send out tickets too if you're speeding or braking too hard or whatever you're doing."

- Shorter distance Central Coast/Central Valley driver

- **There was little concern about the details of being charged for driving on private roads.** While many participants were aware of private roads in their area that don't receive state funding from the gas tax, and some even drove regularly on private roads, there were no strong feelings about paying into the gas tax when they did so. There was no awareness around the option to get a gas tax refund for the distances driven/gas spent driving on private roads.
- **Most didn't see the option to avoid paying road charge on private roads as a good enough reason to install a tracking device in their car.** Just as paying gas tax when one drives on private roads was accepted as normal, participants did not raise concerns about having to pay road charge when they drive on private roads. They did not see enough of a benefit from installing a device to track the miles they drove on different types of roads, which, because of the spotty cell phone service in the areas that they lived in, they didn't believe would accurately distinguish between public and private roads anyway.

"then you're going to have to do a whole bunch of extra work to make sure you're tracking your miles accurately and then the government is very, very petty. There's going to be people that will be audited just like IRS because they're not reporting their correct miles or people that accidentally mess up their mileage and this whole system it sounds wrong."

- Shorter distance Central Coast/Central Valley driver

"At least [with] gas... I know how far I'm going to go. If I don't have any gas, my daughter ain't driving the car, but... how are they going to decipher the difference between the two of us?"

- Longer distance Northern California driver

- **Many had questions about how a road charge would be calculated for a car with multiple drivers.** Many were curious about how a road charge would be divided among people with a shared car. Contrary to the privacy concerns associated with a tracking device, some said they would be more on board with a road charge if their car could verify who is driving using biodata like a fingerprint or eye scan for the sake of ensuring that charges are accurate and driver-specific.

- **There was significant concern about the possibility of people cheating the system.** Drivers tampering with a mileage tracking device or self-reporting mileage incorrectly were concerns raised across the groups. Some compared it to emissions tampering. A few predicted that wealthy people will "find the loopholes" as they can with other taxes and be able to leverage it

"People nowadays are too smart. And by that I actually mean cheat the system... they lie. So people will find ways to lie and it might just run through the system and just get away with it."

- Shorter distance Central Coast/Central Valley driver

to their advantage.

- **A split system whereby hybrid and electric vehicles pay a road charge, and others continue paying a gas tax, was viewed mostly favorably.** Despite initial skepticism toward the road charge itself, many agreed that electric vehicles should be paying their fair share for road repair and maintenance. As such, implementing a road charge for only electric and hybrid vehicles and otherwise maintaining the gas tax was well received. Taxing electric vehicle charging stations was raised as an alternative in multiple groups, and many thought doing that would also circumvent the logistical and operational challenges of implementing a road charge.
- **Most thought they would pay more under a road charge than what they currently paid in gas taxes.** However, some who were retired or didn't drive as often thought it might be cheaper for them, and a few were hesitant to guess which option would be more affordable in the absence of concrete road charge numbers. When prompted to consider that rural drivers already pay more in gas due to driving more, participants pointed out that rural drivers buy more fuel-efficient cars to make up for this disparity.

"it feels like [the split system] would be the most fair way to address all the points. If you're driving a gas vehicle, you're paying the gas tax. If you're not driving a gas vehicle, and you're paying the mile tax or whatever, then that's a way to collect from all the vehicles who are on the road, minus your tourists. But when the tourists come, they pay the gas tax, or maybe there'll be some kind of charge on the charging stations. I don't know, but I just feel like that would just make it a fair field for everybody. That way everybody is still contributing. So that's just my opinion."

- Shorter distance Central Coast/Central Valley driver

California Statewide – Rural Communities
Online Focus Groups - Confidential Moderator's Guide
 12/05/23
 EMC Research #23-9026

Nov 1st, 2023	5:30PM Drivers who live in rural Northern California zips and drive less than 100 miles a week	7:30PM Drivers who live in rural Northern California zips and drive over 100 miles a week
Nov 2nd, 2023	5:30PM Drivers who live in rural Central Coast/Central Valley zips and drive less than 100 miles a week	7:30PM Drivers who live in rural Central Coast/Central Valley zips and drive over 100 miles a week

I. Introduction (10 minutes for section/10 minutes time elapsed)

Goal: To warm up the discussion

- A. Welcome, moderator introduction, explain focus group process
 - 1. Ask everyone to format screen to Gallery View instead of Speaker View by selecting it in the top right corner
 - 2. Participate fully/No multi-tasking
 - 3. Please have pen and paper at hand, will be asked to jot down notes/thoughts
- B. Explain confidentiality, note audio/video recording and observers
- C. Introduction of participants
 - 1. Name
 - 2. Occupation
 - 3. Where do you live?
 - 4. How long have you been in the area?

II. Issue environment (15 minutes/25 minutes)

Goal: Perceptions of road conditions, gas tax.

Tonight we are going to talk about roads and driving.

- A. What are your typical driving habits? *If needed* How often do you drive? What kinds of roads do you drive on? *Listen for driving on public/private roads.*
- B. Generally speaking, how would you describe the condition of the roads and highways in the area where you live? *Listen for differences in the conditions of public/private roads*
- C. Where does the money for road repair and maintenance come from in California?
 - 1. Are there different sources for different types of roads? *Listen for understanding of public/private roads maintenance.*

- D. As you may know, the state has a gas tax that provides much of the funding for public road and highway maintenance in California. What do you know about the gas tax in California?
1. Do you know what types of roads receive funding from the gas tax and what roads don't?
 2. Are there roads in your area that don't use gas tax funding to maintain?
- E. Do you think California is able to raise enough money by the gas tax to fund road and highway maintenance?

III. Road charge concept (10 minutes/35 minutes)

Goal: Introduce concept, observe initial reactions.

- A. Let me share a little bit of information with you: **(Moderator shares screen with statement; also reads out loud)**

The gas tax was created 100 years ago to make sure everyone pays their fair share for public road repairs and maintenance. But today, there are more and more fuel-efficient hybrid and electric cars on the road who pay little or no gas tax at all.

Because of this, California is falling further and further behind on generating the funds needed for maintaining the state's transportation network. It also means that lower-income drivers who cannot afford newer vehicles end up paying more in gas tax, and they contribute more into road repairs than those who are able to afford a new vehicle.

Californians deserve a transportation system that is safe, equitable, and efficient so that we can support a thriving economy and a high quality of life for everyone. To achieve this, the state needs a fair and sustainable revenue source.

What is your reaction to this?

- B. The state is studying **replacing** the gas tax with a per-mile fee that allows drivers to pay for road and highway maintenance based on how many miles they drive, instead of how many gallons of gas they buy. It's called a road charge.
1. What do you think of the idea of a road charge for California? In general, does it seem like a good idea, or a bad idea? *Probe to understand reasons behind reactions*

IV. Road charge impact on rural communities (25 minutes/60 minutes)

Goal: Dig into perceptions of potential outcomes of road charge on rural communities.

- A. Let's do a quick exercise. Please grab your pen and paper and write down how you think a road charge, if implemented, would impact you or others like you in your community—as everyone in this room live in a rural area in (Central Valley/Central Coast OR Norther California). Take a couple of minutes and then we'll discuss your notes.

- B. OK, as we discuss, I will share my screen, and jot down things you say. I will write the positive outcomes on one side and negative outcomes on the other. *Moderator types to fill the page with participant input; probes for behaviour change, perceived changes in cost of driving, impact on road conditions.*

1. Take a look at the list we made, and now think about the current gas tax. If we were to make a list like this for gas tax, would it look different? Are there any you would remove or move from one column to the other?

V. Private roads (25 minutes/85 minutes)

Goal: Understand perceptions around private roads funding and the device

- A. Under a road charge, people would be paying a fee based on the actual number of miles they drive. This means there has to be some way to report that information so the fee could be calculated and applied.
1. What questions or concerns do you have about how mileage information is reported?
 2. Would you expect that data to be reported automatically, like through a plug-in device in your car or a smart phone app?
 3. Are there any specific situations where you think people should be able to opt out of reporting miles?
- B. *If not brought up already* As you may know, not all roads in California are maintained by public agencies. There are many private roads in California as well, which are generally on private or tribal properties, and they do not receive any gas tax money for their maintenance.
1. Are there any roads like this in the area where you live?
 2. Do you drive on any private roads?
- C. Right now, if you are buying gas from a gas station, you are paying the gas tax, no matter what types of roads you are driving on. While there is a process to request refunds for the gas tax paid while driving on private roads, many Californians either don't know how, or don't have the time to do that.
1. Had you ever heard of the gas tax refund option before?
 2. Do you ever get gas tax refunds for driving on private roads?
- D. Typically, there are more private roads in rural and remote areas in California than more urban areas, and the state is looking for ways make sure road charge is fair for rural residents. One option people could have is to install a device that automatically knows if you are driving on a public or a private road and only reports the miles driven on public roads.
1. What is your reaction to that?
 2. What questions or concerns does this information bring up?

- E. Another option could be that people pay for all miles driven, regardless of what type of road, so they don't have to have something in their car that uses location.
 - 1. What is your reaction to that?
 - 2. What questions or concerns does this information bring up?
 - 3. Based on this information, would you opt for using the device that automatically tracks and reports eligible miles, or would you rather not use it and pay for every mile you drive at a slightly higher cost? Why or why not? *Probe around reason not to use this device; including data security and accuracy*
 - 4. What would help you feel comfortable with the device that can report only public road miles you drive?
 - a. Are there organizations you would trust more than others to collect this kind of data? The state? The DMV? Car insurance companies?
- F. What if the road charge program applied only to zero-emission, hybrid, and highly fuel-efficient vehicles, and drivers of other types of vehicles would just continue paying the state gas tax as they are now? *Listen for general reactions*
 - 1. How would that impact you and your community?
 - 2. What if it would mean that drivers of gas or diesel vehicles would need to pay slightly more in gas taxes than they do now?

VI. Conclusion (5 minutes/90 minutes)

Goal: Wrap up and dismiss

- A. Now that we've discussed more, do you think a Road charge for California is a good idea, or a bad idea?
 - 1. Regardless of whether you think it's a good or bad idea, how do you think road and freeway maintenance can be funded in the most fair way in California?
- B. What else do you want to know about a road charge for California?
- C. Thank and adjourn.

California Statewide – Rural Communities
Online Focus Groups – Group Intervention/Exercise

How would a road charge impact you or others like you in your community?	
<u>Positive outcomes</u>	<u>Negative outcomes</u>