August 18, 2022

Mr. Hasan Ikhrata  
Chief Executive Officer  
San Diego Association of Governments  
401 B Street, Suite 800, San Diego, California 92101  
hasan.ikhrata@sandag.org

Dear Mr. Ikhrata:

Thank you for the San Diego Association of Governments’ (SANDAG) submittal of San Diego Forward: The 2021 Regional Plan, the region’s regional transportation plan/sustainable communities strategy (RTP/SCS) and for your letter dated August 17, 2022 explaining the measures that you are currently undertaking to implement the plan. We are nearing completion of our evaluation in accordance with the Sustainable Communities and Climate Protection Act of 2008 (Senate Bill 375, Steinberg, Chapter 728, Statutes of 2008) to ensure that the RTP/SCS would, when implemented, meet the applicable 2020 and 2035 greenhouse gas emissions reduction targets.¹

We commend you and your team for the vision and innovation reflected in the plan. San Diego Forward was the product of a multiyear effort, and we appreciate the holistic, long-term vision represented by the plan’s “five big moves.” We are impressed by SANDAG’s use of data to analyze where and what types of strategies to implement and the strengthened focus on equity and environmental justice relative to past plans.

We were therefore disappointed to learn that at its July 8, 2022 Board meeting, the SANDAG Board voted to direct staff to update the plan to exclude the Road Usage Charge (RUC), which is an important strategy in the plan to both reduce greenhouse gases and fund other greenhouse gas reduction strategies. Furthermore, in a July 15, 2022 letter from elected officials in the San Diego region, six SANDAG Board members notified CARB that they do not support the RUC and that the plan was going to be amended to remove it. Unfortunately, these events raise significant concerns that the RTP/SCS we are evaluating is not the plan SANDAG intends to implement.

The information that you provided in your recent letter provides helpful confirmation that certain important near-term actions are underway. However, we still have several fundamental questions regarding how SANDAG intends to execute the Board’s direction to update the plan and the extent to which SANDAG will move forward with the RUC as

¹ The targets for SANDAG established by CARB in 2018 are to achieve a 15 percent reduction in per capita greenhouse gas emissions from automobiles and light trucks by 2020 and a 19 percent per capita reduction by 2035 relative to 2005 levels.
Currently articulated. Our core concern is whether the RTP/SCS under review is the plan SANDAG intends to implement. The letter addressed the Fiscal Year 2023 program budget and several near-term actions, and it is helpful to know that these actions are still on track. However, as those actions are only the first in a series of actions set forth in the long-range RTP/SCS in order to reach greenhouse gas emission reduction targets by 2035, we remain concerned that the plan may no longer reflect reasonable expectations about the coming decade. We also have specific questions about how those near-term actions will be impacted by this vote, which came after the May 2022 adoption of the program budget. Please see Attachment A for our full set of questions. Your prompt response will enable us to complete our review of the current plan.

I also want to take this moment to urge SANDAG to continue with San Diego Forward as currently adopted. As SANDAG staff conveyed at the July 8 Board meeting, the region will not meet its greenhouse gas reduction targets without the RUC. We at CARB are hard pressed to see how SANDAG could meet the targets without it. Not only does this undermine achievement of the State’s air quality and climate goals, having a non-compliant plan threatens the region’s ability to secure State funding for priority transportation projects that residents and businesses in the region are counting on.

One of the advantages of the planning requirements in SB 375 is the ability for the region to choose its own path in reducing emissions from transportation. RUCs are a leading strategy that multiple regions have integrated into their own RTP/SCS and that allows transportation to transition away from the gas tax as a primary source of funding. Without a RUC, transportation revenues will decline with gas consumption as cars become more fuel-efficient and electric vehicles become more prevalent, constraining the State’s ability to maintain the transportation network and limiting the region’s options for investing in its vision.

Reliance on the outdated gas tax also places the burden of funding the transportation system more heavily on those with less fuel-efficient automobiles, frequently lower-income households who are more heavily impacted by this cost. In contrast, a RUC that has been thoughtfully designed can be an economically and environmentally sustainable funding source that is more equitable than the current gas tax system. SANDAG’s RTP/SCS identifies several actions that it will undertake to explore how a RUC can best achieve regional goals and minimize impacts on low-income households, and we would like to see that work continue.

The climate crisis is upon us, and mitigating its worst impacts requires that we reject status quo thinking. Climate change will impact California’s quality of life and will create negative economic and public health effects for everyone, and those impacts will fall hardest on low-income households and communities of color. We must improve how we develop our communities to reduce our dependence on fossil fuels and expand the travel choices available to our residents and businesses. By acting quickly and boldly, you can improve the quality of life and strengthen the economy for the San Diego region, as SANDAG’s submitted RTP/SCS lays out. Local leaders are faced with challenging choices, but those choices become more difficult the longer we wait to implement meaningful change.
Innovative plans like *San Diego Forward: The 2021 Regional Plan* are a critical part of addressing the State’s challenges. Ultimately, success will require not only making strong plans but moving steadily forward to implement them. As CARB’s *Draft 2022 Progress Report on California’s Sustainable Communities and Climate Protection Act* shows, the State as a whole, including the San Diego region, has not achieved the progress forecasted by previous plans. We encourage SANDAG to unite around this strong plan in its adopted form and focus on implementing it successfully. CARB welcomes the opportunity to partner with SANDAG to implement a path that will successfully meet its greenhouse gas emissions reduction targets.

We look forward to receiving the responses to our questions, and we will refer to those in completing our review. If you have questions, please do not hesitate to contact me at jennifer.gress@arb.ca.gov or 916-764-0747.

Sincerely,

Jennifer Gress, Ph.D.
Chief
Sustainable Transportation and Communities Division

cc: Coleen Clementson,
Deputy CEO of Planning, Projects, and Programs, SANDAG
coleen.clementson@sandag.org

Antoinette Meier,
Senior Director of Regional Planning, SANDAG
antoinette.meier@sandag.org

John Kirk,
General Counsel, SANDAG
john.kirk@sandag.org

Carey Knecht, Chief,
Transportation Systems Planning Branch
carey.knecht@arb.ca.gov

Lezlie Kimura Szeto, Manager,
Sustainable Communities Policy & Planning Section
lezlie.kimura@arb.ca.gov
Nesamani Kalandiyur, Manager,
Transportation Analysis Section
nesamani.kalandiyur@arb.ca.gov

Abigail May,
Senior Attorney
abigail.may@arb.ca.gov

Attachment A: Questions to SANDAG Staff
Attachment A: Questions to SANDAG Staff

CARB staff requests that SANDAG staff provide additional information about the extent to which the RUC strategy will remain included in the region’s plans and actions and will achieve the outcomes used in developing the 2021 RTP/SCS.

**Plans:** Please explain whether and how SANDAG is moving forward to implement the 2021 RTP/SCS as written, does not intend to consider amending or updating its current plan to remove the RUC strategy from the current plan, and intends to use this plan as a foundation for future plans to create the momentum necessary for successful implementation. In responding, please address the below questions.

- **How does SANDAG staff intend to carry out the vote by the SANDAG Board on July 8** to “approve developing an update to the Regional Plan to remove the regional road usage charge in conformance with all applicable federal and state laws, including state greenhouse gas targets and CEQA, that is consistent with the equity values and shared goals and priorities of the SANDAG Board of Directors.”

  Specifically:

  - Is SANDAG planning to consider amending or updating its RTP to integrate this update and remove the RUC?
  - If so, when does SANDAG anticipate this update to begin and to conclude?
  - To what extent does the development and evaluation of the update pose a risk to the implementation to the current RTP?

- **Please discuss SANDAG staff’s expectations and plans as to whether its subsequent RTP, to be adopted in 2025, will retain the RUC strategy or instead identify budget cuts and VMT reduction efforts that could be implemented in time to meet the 2035 targets to fill the gap that its removal would leave.**

**Actions:** CARB’s evaluation guidelines provide that CARB will analyze the actions that will be taken to realize the assumptions made in the RTP/SCS. CARB staff appreciates the recent letter confirming that SANDAG will continue to move forward to pursue the actions outlined in the current plan.

- **Please discuss whether and how the Board vote will alter SANDAG’s course as it proceeds with the two initial studies that were outlined as an action to advance pricing strategies since the Program Budget’s approval in May 2022, as outlined in the letter.** Specifically, CARB staff requests to know:

  - Will these initial studies retain the RUC components?

---

What, if anything, about their timing or workplan will change as a result of the July 8 Board vote?

How will this work involve a robust public engagement process and lay the foundation for prioritizing goals and expanding awareness of the potential of these tools to advance those goals?

**Please describe SANDAG’s current plans to begin deploying pilot testing by fiscal year 2026 to inform the detailed design of new pricing mechanisms** and understand how they influence travel behaviors, impact different populations, and support regional and state goals. Specifically:

- What is the timeline for the work to prepare for this pilot testing that will allow it to launch in fiscal year 2026? Does SANDAG staff believe that the region is still on track to begin this pilot testing?
- Does SANDAG staff continue to expect the pilot testing to include the RUC strategy?

**Outcomes:** The RUC strategy achieves several important outcomes for the region and its transportation system. It provides funding that can be used to invest in transportation projects, and it has an impact on the cost of driving. These outcomes help achieve the region’s projected GHG emission reductions. CARB staff requests confirmation that the region continues to expect the RUC strategy to achieve these outcomes.

**Please describe how, if at all, the revenue estimates in the RTP/SCS are expected to change as a result of the Board direction.** Specifically:

- Does SANDAG staff still expect the regional RUC strategy to raise $6B by 2035, beginning in 2030?
- Does SANDAG staff still expect a statewide RUC or similar revenue to raise $1.5B by 2035, beginning in 2030?

**Please explain how, if at all, discussions about the RUC are changing SANDAG’s assumptions about the cost of driving and operating a vehicle in 2035.** Specifically:

- To what extent would any update to the RTP/SCS change automobile operating costs in 2035, as compared to the assumptions that were used in the travel

---

3 Source: Pages V-20 and V-28 in the SANDAG 2021 RTP/SCS. Last accessed 8/12/22 at: Appendix-v---funding-and-revenues.pdf (sdforward.com)
modeling used to estimate the 2035 GHG emission reductions as submitted to CARB?