August 19, 2022

AMENDED

Ms. Jennifer Gress, Division Chief
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Gress:

Subject: SANDAG 2021 Regional Plan Update

Thank you for your August 18, 2022, letter and the questions you raised regarding the 2021 Regional Plan implementation and its update.

Below are responses to the questions.

CARB Question: How does SANDAG staff intend to carry out the vote by the SANDAG Board on July 8...? 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.

SANDAG Response: The Road Usage Charge (RUC) remains in the 2021 Regional Plan and the 2021 Regional Plan remains a foundation for all future plans. In order to carry out the July 8, 2022, Board Action, SANDAG is initiating work on our next Regional Plan. This work will include a comprehensive update in consultation with ARB, and in accordance with CEQA, SB 375, and all applicable state and federal laws, guidelines, and procedures. Part of the development of the 2025 Plan will include an analysis of various funding options and GHG reducing strategies including, but not limited to a RUC. The analysis for the 2025 plan has begun and we anticipate a draft plan in spring 2025 and a final plan for Board consideration in the fall of 2025. The development and evaluation of the update poses no risk to the implementation of the current RTP, as the work underway is planning and analytical work and the current plan does not assume an implementation of a RUC until 2030.

In short, we are committed to implementing our plan, which is used as an example for the nation on how to develop a transportation system to move people and goods while reducing GHG and addressing social equity in a meaningful way.

CARB Question: 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. Please describe SANDAG’s current plans to begin deploying pilot testing by fiscal year 2026 to inform the detailed design of new pricing mechanisms.
**SANDAG Response**: The SANDAG Board’s July 8, 2022, vote will not impact any of the implementation actions in the currently adopted plan. SANDAG staff is moving forward with the two studies needed for implementing the pricing strategies included in the 2021 Regional Plan. We are continuing our work as scheduled and there will be no change in the work plan as a result of the July 8 Board vote. The work plan includes a robust public engagement process that will lay the foundation for prioritizing goals and expanding awareness of the potential of tools like the RUC to advance the goals of the plan. We will continue to work towards pilot testing pricing strategies, including a RUC, in Fiscal Year 2026. The Request for Proposals for consultant support to design and implement the pilot test will be released on August 22, 2022, with consultant proposals due on October 3, 2022. SANDAG will continue with the implementation schedule outlined in the Regional Plan as adopted, until an updated Regional Plan has been adopted by our Board of Directors and approved by state and federal agencies, as required.

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

**SANDAG Response**: The Board action does not change the revenue estimates in the 2021 Regional Plan because the RUC was not removed from the approved plan. Automobile operating costs in 2035 are consistent with the modeling estimates submitted to CARB.

We look forward to your certification of our plan.

Sincerely,

Hasan Ikhrata  
Chief Executive Officer  
CCL/TFA/DKO/KGR

Enclosure(s): Board of Directors July 8, 2022, Meeting Agenda, Item No. 8
### Item No. | Action
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1. | Public Comments/Communications
2. | Chief Executive Officer’s Report
+3. | Approval of Meeting Minutes
+4. | Approval of Contract Award
+5. | Specialized Transportation Grant Program Cycle 11 Supplemental Call for Projects Funding Recommendations

#### Item 1. Public Comments/Communications

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board of Directors on any issue within the jurisdiction of SANDAG that is not on this agenda. Public speakers are limited to three minutes or less per person. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comment.

#### Item 2. Chief Executive Officer’s Report

*Hasan Ikhrata, SANDAG*

Chief Executive Officer Hasan Ikhrata will present an update on key programs, projects, and agency initiatives.

#### Consent

<table>
<thead>
<tr>
<th>Item</th>
<th>Action</th>
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<tbody>
<tr>
<td>+3. Approval of Meeting Minutes</td>
<td>Approve</td>
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<tr>
<td>+4. Approval of Contract Award</td>
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<tr>
<td>+5. Specialized Transportation Grant Program Cycle 11 Supplemental Call for Projects Funding Recommendations</td>
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6. **Policy Advisory Committee Actions**

*Francesca Webb, SANDAG*

The Board of Directors is asked to ratify the actions taken by the Policy Advisory Committees since the last Board meeting.

7. **Reports**

*+7. 2022 TransNet Independent Taxpayer Oversight Committee Annual Report*  
    *Sunnie House, TransNet Independent Taxpayer Oversight Committee Chair*

In accordance with the TransNet Extension Ordinance, Independent Taxpayer Oversight Committee (ITOC) Chair Sunnie House will present the 2022 TransNet ITOC Annual Report, including the results of the FY 2021 TransNet Triennial Performance Audits and annual FY 2021 TransNet Fiscal and Compliance Audit.

8. **+8. Potential Update to the 2021 Regional Plan**

*Antoinette Meier, SANDAG*

Staff will present preliminary modeling results and the work plan for updating the 2021 Regional Plan for the Board of Directors’ consideration.

9. **State Route 125**

*Mayor Mary Salas, City of Chula Vista*

The Board of Directors is asked to consider adoption of a resolution to eliminate debt and toll-only operations on the State Route 125 as early as 2027.

10. **Member Comments**

Board members shall have the opportunity to provide information and announcements on any issue within the jurisdiction of SANDAG that is not on this agenda. Subjects of previous agenda items may not again be addressed under member comments.

11. **Upcoming Meetings**

The next Board of Directors meeting is scheduled for Friday, July 22, 2022, at 9 a.m.

12. **Adjournment**

*next to an agenda item indicates an attachment*  
*next to an agenda item indicates that the Board of Directors also is acting as the San Diego County Regional Transportation Commission for that item*
Potential Update to the 2021 Regional Plan

Overview
At its December 10, 2021, meeting, after adoption of the 2021 Regional Plan, the Board of Directors directed staff to immediately begin evaluation of a potential update to the 2021 Regional Plan for Board consideration, including evaluating alternatives to the regional road usage charge (RUC) program, staying with our values, upholding equity and other mechanisms that reduce pollution faster. This report summarizes preliminary modeling results and the work plan for updating the 2021 Regional Plan for the Board’s consideration.

Key Considerations
Updating the 2021 Regional Plan to remove the regional RUC\(^1\) is considered a substantial change that would impact estimated revenues, phasing of projects and their costs, greenhouse gas (GHG) emissions, air quality analysis, performance metrics, and social equity analysis. Preliminary modeling analysis of the 2021 Regional Plan without the regional RUC shows that vehicle miles traveled go up and per capita GHG emission reductions decrease to 18.6\%.\(^2\) The impact on GHG emissions and air pollution could jeopardize the 2021 Regional Plan’s ability to meet the region’s required SB 375 GHG reduction target of 19% by 2035. To ensure the GHG target is met and there is sufficient revenue to cover costs, additional changes would be required to projects, phasing, cost estimates, and revenue assumptions. SANDAG would also be required to prepare an updated environmental analysis under the California Environmental Quality Act to disclose any increase in environmental impacts and provide mitigation to reduce those impacts; complete the necessary modeling and analysis with the latest data and planning assumptions; conduct the required public review and response to comments; finalize documents; and obtain approval of the updated Regional Plan from federal and state agencies. Attachment 1 includes the major tasks and anticipated schedule for undertaking an update to the 2021 Regional Plan.

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1. The regional RUC included in the 2021 Regional Plan begins in 2030.
2. This is a preliminary figure and could change as model inputs are updated and more thorough quality assurance/control checks are conducted.
Activities already underway include conducting travel surveys, collecting commercial vehicle travel data, enhancing the cross-border model component, and preparing updated modeling tools that will allow for the use of current, post-pandemic data in preparing an update to the 2021 Regional Plan. This fall, staff will return to the Board with an overview of these and other planned modeling enhancements.

**Next Steps**

Pending Board discussion, staff may return to request funding if needed to proceed with an update to the 2021 Regional Plan. In late spring of 2023, staff anticipates bringing the Board alternative project and policy scenarios to consider for the updated Regional Plan.

**Coleen Clementson, Deputy Chief Executive Officer**

Key Staff Contact: Antoinette Meier, (619) 699-7381, antoinette.meier@sandag.org

Attachment: 1. Draft Work Plan and Schedule for Updating the 2021 Regional Plan
### Draft Work Plan and Schedule for Updating the 2021 Regional Plan

<table>
<thead>
<tr>
<th>Tasks/Milestones</th>
<th>CY 2022</th>
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<td>Q3</td>
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<td>Travel Surveys, Data Collection, Regional Growth Forecast, and Model Development</td>
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<td>Notice of Preparation for Environmental Impact Report (EIR)</td>
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<td>Public Outreach and Engagement</td>
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<td>Project and Policy Scenario Development and Initial Analysis</td>
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<td>Updated cost estimates and revenue assumptions</td>
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<td>Prepare updated technical studies to support the EIR</td>
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<td>Preferred Project, Policy and Funding Scenarios</td>
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<td>Prepare draft EIR</td>
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<td>Modeling Analysis and Document Production</td>
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<td>Draft Regional Plan and EIR Public Comment Period</td>
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<td>Respond to Public comments on the Draft Regional Plan and EIR.</td>
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<td>Adopt Final Regional Plan and Certify EIR, submit documents to state and federal agencies for approval</td>
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