Opinion: Fixing the roads, sensible style

By Larry Weitzman

Bakersfield Assemblyman Vince Fong has introduced a sensible piece of legislation, AB496, as part of the legislative session for 2017. The winter-spring rain and snow demonstrated to California residents that our roads and culverts are in terrible shape, especially in El Dorado County where our Board of Supervisors in the last few years squandered our treasury (the 15 percent raise in 2013) of more than $50 million effectively on county salaries in the face of our crumbling roads. For all the analysts in EDC government, less would result in more.


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In an attempt to raise new revenue our supervisors have supported new taxes whether directly such as new taxes on hotels, increase in franchise fees and new sales taxes, and indirectly in the support of new state Senate and Assembly bills such as SB1 and AB1 which will raise gasoline and other fuel taxes and vehicle registration fees with the promise they will be used for new roads and maintain roads. What they didn't tell us with respect to those bills is about two-thirds of the new revenue of about $7 billion would be siphoned off for other pet projects like high speed trains to nowhere. After public backlash, that support is in limbo.

The reason for Fong’s AB496 was because gasoline taxes and vehicle registration fees have already been siphoned for other purposes like to balance our already bloated budget packed with welfare for politicos, state employees and our failing pension system, never mind public welfare. In other words, for SB1 and AB1 it will be a continuation of the prior tax increases for roads, trust us (the government) with more of your money and watch what happens? Nothing, the roads will continue to decay.

What Fong’s legislation does is to ensure that vehicle registration fees, especially truck weight fees, gas taxes, money borrowed from the transportation funds, vehicle insurance fees, vehicle sales taxes and a whole lot more all get used for roads instead of going into the general fund. Analysts estimate this legislation will raise $5.6 billion annually and $2.2 billion in one-time revenue with absolutely no increase in taxes. SB1 and AB1 will simply raise gas, registration and other taxes and that money will probably get stolen from road maintenance, too. Certainly, a good portion of those potential funds are earmarked for the bullet train to nowhere.

A March 24 EDC board letter signed by Chairwoman Shiva Frentzen directly supported the principles AB496, but also added several twists by supporting a few propositions not contained in AB496. Three of which I am going to discuss here. In Frentzen’s letter it stated as one of the bullet points: “Invest Cap and Trade revenues in Greenhouse Gas (GHG) reducing road maintenance, transit, bicycle/pedestrian, and freight projects.” Frentzen makes an excellent point which along with new oil severance taxes of 5 to 10 cents a gallon are nothing more than hidden additional gasoline taxes probably totaling more than 25 cents a gallon. But these taxes are pass through taxes hidden from the end consumer that hurt the poorest of Californians who can least afford this necessary commodity. Frentzen is on the money here.

Next on the bullet points is: “Ensure that non-gas-diesel vehicles owners pay their fair share of roadway capital investment and maintenance.” Of course, the first question is what is a fair share? The reality is that electric cars are light vehicles anywhere from about 3,000 to 5,000 pound for a Tesla P100D. Consequently, road damage from these vehicles is negligible. Road damage is mostly caused by heavy trucks weighing 80,000 pounds or close to that. In the extreme, how much road maintenance is required from a motorcycle either gas or electric? The answer is effectively none.

And why should we be just another subsidy for electric cars? What should be done is to eliminate all subsidies for EVs. First is the elimination of the $10,000 tax credit on purchase of EVs from the federal and state government. Second is the elimination of zero emitting vehicle (ZEV) credits created by the federal government to the tune of about $10,000 or more per vehicle sold. Third is the elimination of heavily discounted electrical energy rates from utility companies like SMUD and PG&E which are currently discounted by half or more. In fact, SMUD offers for $599 unlimited charging for your electric car for two years. Lucky SMUD customers who don’t use electric cars are paying for that or about 99.9 percent of SMUD customers foot that bill. And the fourth subsidy is carpool lane passes. Car pool lanes are ridiculous to begin with (creation of a Gov. Jerry Brown appointment, Adriana Gianturco, which is a story unto itself) as they are paid for by drivers who can’t use them. All subsidies should be removed for electric cars. As to higher registration fees or a per mile tax, without the subsidies described above it wouldn’t be necessary as there would be no electric cars as there would be no market.

Finally, Frentzen wrote: “Evaluate long-term equitable transportation funding sources like the Road Charge Pilot Program to replace the gas tax.” This would solve the gas tax issue with respect to EVs. Oregon has as pilot program. It is in addition to the gasoline tax and there is much doubt that a mileage tax would ever replace the gasoline tax. To make such a tax is fair it could be no more than a penny a mile as small cars which average 35 mpg would be paying about 35 cents a gallon like the current gas tax which is about 35 cents a gallon. But to make it fair the tax would have to be weighted based on vehicle weight, like big 80,000 pound trucks would pay 5 to 10 cents a mile and so on. And how would we tax out of state vehicle and trucks that use our roads? Gasoline taxes solve that problem, mileage taxes don't.

What about California vehicles that go out of state, the odometer would still be counting yet they would be double taxed every time when buying gasoline out of state and interstate trucks buy lots of fuel out of state.

Gasoline taxes seem the fairest way. High fuel economy cars use less gas and large trucks use the most fuel. And they have weight fees. If we stop subsidizing EVs, they will become like in about 1910, a thing of the past again. Frentzen does support all of Fong's ideas. These additional three items above are not Fong's. In 1900 EVs had 38 percent of the market, by 1905 that market dropped to 7 percent. By 1911 when Charles Kettering invented the electric starter first used on the Cadillac, electric cars were sold next to the buggy whips.

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