

South Bay Cities Council of Governments

April 27, 2017

TO: SBCCOG Board of Directors

FROM: Jacki Bacharach, SBCCOG Executive Director
Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update – April 2017

Adherence to Strategic Plan:

Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

FEDERAL

Trump’s Proposed “Skinny Budget” Includes Major Transportation Funding Cuts

President Trump’s Administration kicked off the federal budget season on March 16th with a summary budget document, known as the “Skinny Budget”. In a budget "blueprint" for the 2018 fiscal year that starts Oct. 1st, President Trump proposed cutting an array of programs across numerous federal programs including transportation programs both within and outside of the U.S. Department of Transportation.

In order to increase defense spending by \$54 billion in 2018 without adding to the Federal deficit, the Trump Administration’s budget proposes \$16.2 billion for U. S. Department of Transportation discretionary programs, a \$2.4 billion (13%) decrease from the Fiscal Year 2017 budget. Beyond the transportation cuts, the “Skinny Budget” would cut the Environmental Protection Agency budget by 31%, would eliminate Community Development Block Grants administered by the U. S. Department of Housing and Urban Development, and reduce HUD’s public housing capital fund (\$1.3 billion) and its public housing operating fund (\$600 million).

The proposed budget would retain federal highway formula funds that support new highway construction. However, the proposed DOT budget would impact [a host of programs](#) that benefit both urban and rural communities. The Administration’s plan would eliminate the USDOT’s annual "TIGER" infrastructure grant program and eliminate funding for “new-starts” transit capital projects that have yet to receive federal full-funding grant agreements, including the Los Angeles Downtown Streetcar and Purple Line Segment 3 subway between Century City and Westwood. Last year, federal funds amounted to about 18 percent of L.A. Metro’s budget and paid for nearly half of Metro’s big projects including the Purple Line subway to Westwood and Regional Connector in Downtown Los Angeles.

The plan also would end federal subsidies for Amtrak’s long-distance passenger trains outside the lucrative Northeast Corridor, would privatize air traffic control, and end the Federal Aviation Administration’s Essential Air Service subsidies that support commercial air travel in smaller, rural communities. Energy and Commerce department grant programs that support advanced

vehicles and economic development-related transportation projects would be eliminated and the budget for the Army Corps of Engineers, which maintains inland and coastal navigation channels, would be cut \$1 billion, or 16.3%.

To reduce the impact of their proposed budget cuts, the Administration noted that a "more complete picture" would come when the White House Budget Office releases its final budget in May and the President's 10-year, \$1 trillion infrastructure investment plan takes shape over the summer (see article below).

Infrastructure advocacy groups immediately opposed the cuts, including the American Association of Port Authorities, Transportation for America, National Association of Rail Passengers, the American Public Transit Association, the National Association of Counties and the National Association of City Transportation Officials.

Trump Proposes Eliminating New Transit Capital and TIGER Funding in Current Year

The Trump Administration doesn't want to wait until FY 2018 to cut TIGER and new transit construction funding. You might recall that the federal government failed to pass a FY2017 budget and is operating on a continuing resolution. The Administration announced on March 28th that it is proposing in its FY17 budget negotiations to suspend additional projects from entering the TIGER grant and "New Starts" transit capital grant programs.

Fed. Lawmakers Seek Offshore Tax Reform To Fund \$1 Trillion Transportation Bill

A bipartisan group of federal lawmakers thinks the key to uniting Republicans and Democrats around President Trump's \$1 trillion infrastructure package is to couple it with tax reform in the form of a "repatriation" tax holiday to pay for part of the investment plan. The process involves taxing corporate earnings that are being stored abroad when that money returns to the U.S.

Representatives John Delaney (D-Md.), Ted Yoho (R-Fla.) and Rodney Davis (R-Ill.) introduced two bills during the week of March 20th aimed at tapping into cash overseas that would use the money to upgrade U.S. roads, bridges and other public works. An estimated \$2 trillion in earnings is stashed overseas, they say.

One of the bills, from Delaney and Yoho, would allow U.S. multinational corporations to repatriate earnings at a mandatory, one-time tax of 8.75%, a discount on the current 35% rate and deferral option. Those revenues would be used to improve the nation's infrastructure, with an estimated \$120 billion going to the Highway Trust Fund, \$50 billion going to an infrastructure bank and \$25 million going to a pilot program focused on rural infrastructure. The legislation also sets an 18-month deadline for international tax reform and creates a panel to explore long-term funding solutions for financing the ailing Highway Trust Fund.

The other measure, sponsored by Delaney and Davis, would establish the \$50 billion infrastructure bank to finance local transportation, energy, water and education projects. The bank would be funded through the sale of 50-year bonds to U.S. corporations that want to repatriate overseas earnings. In turn, the companies would be allowed to bring a certain amount of overseas earnings back to the U.S. with no federal tax liability for every \$1 invested in the bonds.

The trio believes their legislation can bridge the partisan gap in Congress. Fiscal conservatives have been reluctant to back massive federal spending on transportation, especially if it adds to

the federal deficit. Even though Trump and Congress have both signaled interest in tackling tax reform and infrastructure this year, that doesn't mean they will dovetail together since the lawmakers tasked with writing tax laws have been reluctant to commit to spending the cash from repatriation on infrastructure. Instead, they prefer to use that money to ensure their overhaul of the tax code doesn't add to the deficit, and there are questions over whether there's enough revenue to effectively accomplish both.

STATE

Governor and Legislature Reach Accord On State Transportation Funding Bill

If approved by 2/3 vote in the State Senate and Assembly, S. B. 1 / A. B. 1, known as the Road Repair and Accountability Act of 2017, would generate an estimated \$52 billion in new revenues and \$10 billion in revenues recaptured from the state General Fund over the next 10 years to chip away at the state's \$140+ billion backlog in highway and road repairs. Both bills would increase excise taxes on gasoline by 12 cents to 17.3 cents per gallon, increase diesel fuel tax by 20 cents to 36 cents per gallon and boost the sales tax on diesel fuel by 4% to 9.75%. These rates would be adjusted every three years to reflect changes in the Consumer Price Index.

The annual state vehicle registration fee would be increased using a sliding scale based on the value of the vehicle. The fee would range from \$25 for a vehicle valued less than \$5,000 to \$75 for a vehicle valued higher than \$60,000. A new fee of \$100 a year would be levied on electric vehicles beginning on July 1, 2020 in recognition of the fact the electric cars do not pay a fuel tax as they use California roads.

Over the next decade, the revenues would be allocated as follows:

- \$30 billion to repair and upgrade state highways and local roads split 50/50 between the state and local jurisdictions
- \$11 billion for State Transportation Improvement Program grants
- \$7.5 billion for transit, split 50/50 between capital and operating subsidies
- \$4 billion for state highway bridge and culvert repairs
- \$3 billion for freight, trade corridors and goods movement
- \$2.5 billion for Congested Community grants in major commute corridors
- \$2 billion for the State-Local Partnership Program
- \$1 billion for the state Active Transportation Program
- \$275 million for transit and intercity rail capital projects and operations
- \$250 million for local transportation planning grants
- \$70 million to CSU and UC for transportation research and workforce development

The accountability aspect of the bills comes from empowering the California Transportation Commission to hold state and local governments accountable for project delivery, creating an Office of Transportation Inspector General with independent audit and investigation authority, and creating an Advanced Mitigation program for transportation projects that are planned over the next 20 years. The Natural Resources Agency would establish mitigation banks that could lend funds to implement mitigation measures that would be reimbursed from project budgets.

California Legislature To Consider Several Other Transportation Bills

In addition to SB 1 / AB 1, several other transportation bills have been introduced. Key transportation bills include:

- **SCA 2** would prohibit the state from borrowing money from vehicle fees and gas taxes for use by non-transportation programs.
- **A.B. 179** would require future appointees to the California Transportation Commission (CTC) to include members with expertise in social equity, sustainable transportation, air quality, public health effects of transportation, and climate change mitigation. It would require that two commissioners have experience working in or be members of communities that are burdened by high levels of pollution. The bill also would require the CTC to meet twice annually with the California Air Resources Board to coordinate transportation policy implementation.
- **A.B. 1103** would allow bike riders to treat stop signs as yield signs.
- **A.B. 694** would clarify the rules around when bikes have to stick to the right side of the road, specifically what exceptions allow them to move to the left.
- **S.B. 760** would require projects on state highways that cut through cities to prioritize active transportation modes like walking and bicycling. That includes South Bay state highways like Pacific Coast Highway, Sepulveda Boulevard, Hawthorne Boulevard and Western Avenue.
- **A.B. 390** would change the law regarding pedestrian countdown signals. Current law prohibits pedestrians from entering a crosswalk once a pedestrian signal begins flashing, whether it's flashing a number or a hand or a "Don't Walk" signal. This bill would authorize a pedestrian facing a "countdown" signal to proceed across the roadway in the direction of the signal if there is sufficient time left on the countdown to reasonably complete the crossing safely.
- **S.B. 672** would make permanent an existing law that expires next January that requires any traffic signals that are "traffic actuated" to be able to detect bicycles and motorcycles.
- **A.B. 1640** would require regional transportation planning agencies to set aside at least a quarter of the money they receive under the state transportation improvement process for projects "that provide direct, meaningful, and assured benefits to low-income individuals . . . or to riders of transit service that connect low-income residents to critical amenities and services." It also requires the state to help low-income residents participate in the development of guidelines for how to select those projects.
- **S.B. 263** would create a technical assistance program to help local community organizations, cities, and small businesses apply for and benefit from funding from the state's cap-and-trade program.

REGION

Southern California Gets \$56 million For New Bike Lanes, Walkways; South Bay Gets \$0

The California Transportation Commission on March 16th awarded \$56 million to 25 active transportation projects in 6 counties throughout the state for bike lanes, sidewalks and safer ways to walk to school in cities.

Although there were no projects funded in the South Bay, there were 11 projects funded in L. A. County including:

- Downtown L.A. Arts District pedestrian and cyclist safety - \$14.9 million
- Long Beach: Atherton Bridge and campus connections - \$3 million
- El Monte: Mountain View School District's Safe Routes to School program \$583,000
- Baldwin Park: Maine Ave./Pacific Ave. complete streets improvements (phase 2) - \$183,400
- Vernon: Pacific Blvd./Vernon Ave. complete streets pedestrian, bike project - \$1.9 million:
- LA Metro: Reconnect Union Station to historic downtown L. A. communities - \$3.2 million
- Pasadena: City/Pasadena Uni. School. District Safe Routes to Schools program - \$462,000
- Pasadena: Union Street cycle track - \$3.7 million
- Commerce: city active transportation and safe routes to schools - \$245,000
- San Gabriel Valley COG: Greenway Network Implementation Plan - \$200,000
- Exposition Park Active Transportation Plan - \$200,000

Metro To Study New Rules And Rates For ExpressLanes And Carpool Lanes

The Metro Board of Directors voted on March 23rd to study ways to improve traffic flow in sluggish carpool and ExpressLanes on Los Angeles freeways, including increasing the number of passengers required for vehicles to use the area's carpool lanes and changing the ExpressLane fee structure.

Right now, you can use most high-occupancy vehicle lanes in the LA area if your vehicle has a minimum of two occupants. The study will investigate the potential effects of increasing that threshold to three occupants (a driver and two passengers). The changes could affect lanes considered to be "degraded" by federal standards, which require vehicles in those lanes to average speeds of 45 mph during peak hours over a six-month period.

The study will also examine possible changes to the ExpressLanes on the 10 and 110 freeways. Potential adjustments to the system could include a new pricing format that fluctuates based on demand and a program for identifying drivers who regularly break the rules regulating use of the lane. The motion proposing the study also suggested expanding the ExpressLane system and coordinating with Orange County on a region-wide approach to traffic mitigation.

L. A. City May Use Measure M Local Return For Safety Rather Than Street Repairs

The Los Angeles City Council Transportation Committee voted 3-2 on March 28th to allocate 60% of the city's Measure M Local Return funds for the Department of Transportation's Vision Zero Initiative and the balance for sidewalk repairs, pedestrian refuge and median islands, curb extensions, and to expand the city's bicycle infrastructure.

A staff report recommended that the city dedicate two-thirds of the Measure M Local Return money to repaving the city's most deteriorated streets based on its estimate that nearly \$4 billion

would be required to fix the worst streets. However, the city leads the nation in pedestrian deaths, with more than 200 recorded in 2014.

In Los Angeles, local return money is expected to total around \$53 million in the first full year after the measure goes into effect. The city currently spends just over \$3 million annually on its Vision Zero initiative; New York, by comparison, spends more than \$100 million.

The use of Measure M Local Return will also be considered by the city's Public Works and Budget Committees before going to the full City Council.

LAWA Approves \$5.5 Billion LAX Ground Facility Improvement Program

After a special joint session on March 23rd, the Los Angeles City Planning Commission and the Board of Airport Commissioners signed off on a \$5.5 billion plan to reduce auto traffic and congestion at Los Angeles International Airport. The plan includes roadway improvements, two new intermodal transportation facilities, and a Consolidated Rent-A-Car Center (CONRAC) that will move more than 20 car rental offices to one location. The project also includes a 2.25-mile Automated People Mover to connect the terminals, the CONRAC project and the Metro Crenshaw/LAX 96th Street station by Aviation Boulevard. CONRAC will eliminate the need for rental car courtesy vehicles to circle around the Central Terminal Area and reduce the number of autos driving in and out of LAX by 3,200 each day.

TRENDS

A Dutch Town Embeds Traffic Lights In The Sidewalk

Public sidewalks these days are a free-for-all of pedestrians meandering along while staring intently at the screens of their phones. As well as infuriating other pedestrians, there's some evidence that this behavior increases our chances of being hit by a car at crosswalks.

To avoid that fate for its smartphone-addicted residents, Bodegraven, a town in the Netherlands, has initiated a pilot program to put traffic lights where everyone is already looking. The city has installed LED light strips on the sidewalk at intersections that synchronize with traffic signals and turn red or green at pedestrian crossings, so that people can't miss them even if their eyes are cast down toward their smartphone screens.

Lyft will let software developers manage rides

You don't need a Lyft account to order a Lyft ride anymore. The company has introduced a new application known as the Dispatch Developer Program on Lyft's open API, or application program interface. The new program will allow (and require) the software developer to handle everything: hailing the ride, any customer responses during the ride, and billing.

Lyft's new program will let startups implement new services such as arranging rides for senior citizens who might not have smartphones, or giving car dealerships the ability to arrange rides for customers while their vehicles are in the shop. Lyft and Uber have let select partners run pilot programs like this before, especially in non-emergency medical transportation. The pilot projects have mostly been aimed at the 30% of Americans that don't own a smartphone, most of whom

are seniors that just want to make a phone call to arrange and pay for a ride. Now, any developer will be able to offer a similar service to any target market.

Ideo Envisions New Car For The Automated and Shared Mobility Age

As ride-sharing becomes more popular and autonomous vehicles more capable, one thing becomes clear: Society needs a new kind of car. A new project from Ideo presents one of the most compelling visions to date of an autonomous, ride-sharing future.

Ideo's vision places the car at the center of a new marketplace, one where owners of an autonomous vehicle can toggle between ride sharing, car sharing, and private use. Drivers can choose to ride solo or offset the cost of their car by picking up passengers or renting it to others. The passengers, too, can reduce the price of their trips by agreeing to run errands for the owner. Ideo's concept envisions what happens when private vehicles become a public resource. The firm created a new design to encourage car manufacturers to start thinking about this notion of designed interiors that facilitate seamless sharing.

Ideo's futuristic minivan is a glassy four-seater designed to shuttle multiple passengers who may or may not know each other. Riders can book a seat in advance and set it to social or private mode. Privacy mode activates noise cancellation technology, while social mode triggers acoustic enhancements that makes it easier to hear your fellow passengers. Each seat functions as a discrete environment.

Looking beyond privacy, Ideo imagined ways to make the riding experience as seamless as possible. It designed the doors to open and close automatically, to ease entry and exit. Lighting beneath each seat ensures riders don't forget their belongings when they leave. A screen on the front of the car can display passenger information during pickup, to make finding an unfamiliar car less of a hassle. Car trunks front and rear that can be marketed as delivery drop off points. Because ride-sharing won't eclipse individual ownership anytime soon, design studios like Ideo are imagining systems that cater to both realities.