South Bay Cities Council of Governments

March 26, 2015

TO: **SBCCOG Board of Directors**

FROM: **SBCCOG Steering Committee**

RE: **SBCCOG Transportation Update – March 2015**

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.

FOLLOW THE MONEY…

FEDERAL

President's Proposed 2016 Budget Includes $330 Million For Metro Rail Projects

The White House released President Obama's Federal Fiscal Year 2016 Budget on February 1st that recommends that increased federal funding for two existing projects and a third new subway segment. The Regional Connector and Westside Subway Extension (Section 1) would be increased from $100 million annually for each project to $115 million annually for each project. The budget also recommends a Full Funding Grant Agreement for Westside Subway Extension (Section 2), with a funding recommendation of $100 million for Fiscal Year 2016.

President Obama's Fiscal Year 2016 budget also recommends a host of innovative transportation financing initiatives, including an America Fast Forward Bonds proposal with a reduced rate of interest, expansion of Private Activity Bonds, and Qualified Public Infrastructure Bonds aimed at attracting more interest in developing Public/Private Partnerships.

The Long Term Solvency Of The Highway Trust Fund Is Trending in Congress… Again

The Congressional Budget Office (CBO) on Jan. 26th kicked off the debate on how to bring long-term stability to the federal Highway Trust Fund (HTF). The CBO projected a 10-year shortfall of $168 billion in the HTF, as projected outlays under road and transit programs outpace its dedicated revenue stream. The CBO estimated HTF highway spending would rise from $46 billion this year to $50 billion in 2025 while revenues and interest earnings for the trust fund's highway account would be $35 billion in most years, for a cumulative deficit of $125 billion.

The somewhat shaky projections are built on a huge assumption that Congress will increase and extend the trust fund by May 31, 2015 to avoid a current year shortfall and interruption of federal payments for existing projects. The federal government normally spends about $50 billion per year on infrastructure projects, but the federal gas tax only brings in about $34 billion annually. The gas tax has not been increased since 1993, and it has struggled to keep pace with increased construction costs as cars have been more fuel efficient. Lawmakers have turned to other areas of the federal budget in recent years to close the gap.

On February 17th, U. S. DOT Secretary Anthony Foxx called for a six-year, $468 billion transportation bill. However, Congressional leaders continue to debate ways to pay for a long-term extension of the HTF. Thus far there is no consensus on a funding source beyond extending the 18.4-cents-per-gallon federal gas tax.

This year's debate includes a renewed effort by some Republican legislators, principally from rural areas, to eliminate the 20% transit subsidy program and pedestrian and bicycle projects to exclusively fund highway and bridge projects. Since 1983, 80% of HTF revenues have been used for highway projects and 20% have been used for mass transit projects. A similar initiative in 2012 was quashed by bi-partisan metropolitan and suburban legislators.

Rep. Earl Blumenauer (D-Ore.), a leading advocate of mileage taxes, introduced a measure to raise the federal gas and diesel tax 15 cents over three years and then replace it with a mileage-based federal tax system. Rep. John Delaney (D-Md.) wants to phase in the transition over six years by supplementing the current federal gas tax with revenues from "repatriated" tax money American corporations owe on their overseas profits.

California passed legislation last fall to begin piloting a mileage-tax system to replace state gas taxes in recognition of the fact that, since1994, the last time the state raised its fuel taxes, the purchasing power of the fuel tax revenues has dropped 50% due to more efficient cars and an aggressive statewide alternate fuel vehicle program.

Foxx Sees Innovation Out-Running Regulation; New Drone Regulations Hastily Issued

Using the emergence of drone technology as an example, Transportation Secretary Anthony Foxx suggested in a February 13th national town hall at Google Headquarters that the pace of technological innovation in transportation is out-running the ability of federal regulators to devise rules governing the use of that technology.

In 2012, Congress ordered the FAA to integrate commercial drones safely into U.S. airspace by 2015, a deadline the agency is certain to miss by at least a few years. Two days after the speech, on Sunday February 15th, the Federal Aviation Administration released draft regulations for the commercial operation of a category of drones officially known as lightweight unmanned aircraft systems. The draft regulations, which had originally been expected in 2011, must now go through a lengthy federal notice and comment process before being finalized.

Commercial use of drones has been predicted to be a multi-billion-dollar industry with the potential to launch in industries as diverse as agriculture, entertainment, transportation, ecology and emergency services. But to fulfill the promise, the FAA needs to remove what has been until now a nearly complete ban on commercial drone operation. (Hobbyist drones can operate largely without permission, so long as they remain below 400 feet and stay away from airports.)

In the absence of FAA action, U.S. commercial drone operators have been stranded in bureaucratic limbo. And FAA is understandably concerned about the safety of the new flying technologies. The agency started issuing individual exemptions late last year, mostly for closed set film production, but has so far only granted 24 exemptions from nearly 350 requests.

The proposed regulations are very conservative and restrictive. While the draft rules do not require commercial drone operators to obtain a pilot's license, as earlier reports anticipated, operators will still be regularly required to pass written tests that will only be administered in person, and obtain some form of clearance from the Transportation Security Administration.

And, much to the consternation of firms like Amazon that rely on home delivery, the drones will only be allowed to operate within visual sight of the operator.

STATE

State Board Proposes 21 Percent Cut in State Gas Tax Rate

The California Board of Equalization released a proposal on February 13th to reduce the per-gallon tax Californians pay on regular gas by 7.5 cents per gallon, a 21 percent cut from the current 36-cent excise tax. The new rate of 28.5 cents per gallon could take effect July 1, the start of the 2015-16 fiscal year. During the past 10 fiscal years, sales and excise tax revenues from fuel sales grew by nearly 35 percent – from $6.5 billion to a record $8.7 billion between fiscal year 2004-05 and 2013-14.

The board is required to adjust state excise tax rate under a complex system called the fuel-tax swap that was approved in 2010 by the state legislature and then-Gov. Arnold Schwarzenegger. The system allows the state to take some money away from fixing roads for other uses. To do this, California reduced the sales tax rate from 8.25 percent to 2.25 percent, and then made up for it by nearly doubling the excise tax rate from 18 cents per gallon to about 35 cents per gallon.

To avoid voter approval, the new blended taxing system of sales taxes based on prices and excise taxes based on gallons consumed was required to generate the same total amount of money as the old system would have, which has led to adjustments each year. Because of the ebb and flow in consumption and prices, the board can do what's called a "look back" and see how much tax revenue was actually raised in the two previous fiscal years versus what would have been collected under the previous system. It can then adjust the excise rate moving forward either upward or downward, based on prior activity as well as estimations on future price and consumption.

State Assembly Speaker Proposes Road User Charge

The state legislature and the governor have recognized the state has a confounding problem linked to addressing climate change with dramatic reduction in vehicle emissions. Although Governor Brown last month announced a laudable goal of reducing petroleum use in cars and trucks by 50% in the next 15 years, he and legislators are just now facing the need to find another funding source to maintain the roads.

Fuel-efficient cars are great for the air and the planet. But gas taxes pay for road repairs in California. And with more efficient vehicles, gas tax revenues are down as repair costs continue to rise. California has about the worst pavement in the nation — 48th by one study. Governor Brown estimated that the state has accumulated $59 billion in needed upkeep and maintenance in his State of the State address. He hasn't said what to do about it. A state report isn't due until mid-2018.

Assembly Speaker Toni Atkins (D-San Diego) doesn't want to wait for the report. She offered a plan on February 4th that could raise $1.8 billion per year for road maintenance. Her new $52 annual fee, called a "road user charge," could be tacked on to insurance bills or vehicle registration charges. The $1.8 billion generated annually would be used in two different ways, according to Atkins' office. Roughly $800 million would go directly to road improvements. The additional $1 billion would add money to the State General Fund to allow truck weight fees to be spent on maintenance, their original purpose before they were redirected in 2010 to help cover

debt costs. The proposal would require a two-thirds vote for legislative approval because it creates a new fee.

New State Law Proposed to Regulate Motorcycle Lane Splitting

When a motorcyclist zips between two lanes of slow-moving cars, known as lane splitting, it's not a violation of California law. A proposed state law, AB 51, would make lane-splitting unequivocally legal, permissible when traffic is moving at 30 mph or less and when motorcyclists drive no more than 10 mph faster than nearby traffic.

Motorcycle advocates oppose the proposed law due to its difficulty to enforce and because of the difficulty of determining the speed of surrounding traffic. The bill's opponents argue that vehicles in different lanes may be traveling at different speeds and that speed and maneuverability might help keep drivers safe.

Senator Liu calls for mandatory helmets for California cyclists

California Senator Carol Liu on February 11th introduced SB 192, a bill that will require bicycle riders to wear helmets or face a $25 fine. California has had a mandatory helmet law since 1994 for anyone under 18. Liu's bill also would require cyclists to wear reflective clothing when cycling at night. A National Conference of State Legislatures report saying that 91 percent of bicyclists killed in 2009 reportedly were not wearing helmets. According to Liu, no states require helmets for adults. Bicycle advocacy organizations are already expressing opposition to the bill.

Metro Sales Tax Authorization Bill Introduced In State Senate

State Senator Kevin De Leon introduced SB767 on February 27th, a bill that would authorize Metro to seek voter approval for a new ½-cent transportation sales tax in L. A. County. The bill would provide an exemption to existing state law which limits local sales taxes to 2% the combined rate of all transactions and use taxes imposed in any county, with certain exceptions.

Metro already administers three ½-cent transportation sales taxes (Proposition A, Proposition C, and Measure R). The bill delegates exclusively to Metro the determination of uses of the revenues generated by the new tax and requires Metro to adopt an expenditure plan of projects and programs that would have to be attached to the ballot measure. The bill allows bonding of the revenues. The bill is considered "evergreen" because it does not impose a sunset clause and is silent on the potential date a measure would be placed before voters by Metro.

REGIONAL

TRANSFORMATIVE TRANSPORTATION PLANNING …

Metro Holds EIR Scoping Meeting for Crenshaw Rail Transit Station To Connect To LAX

L. A. Metro held a formal scoping meeting on February 23rd to kick off the EIR process for a new two-level Airport Metro Connector (AMC) rail transit station that will connect an LAX automated people mover (APM) to the regional rail system and serve as a gateway to the airport for transit riders. Metro is adding the station at Aviation Boulevard and 96th Street (in addition to the nearby Century Boulevard / Aviation Boulevard station) to create the new connection that serves the APM, the Crenshaw / LAX light rail line, an extension of the Green Line, long term parking, a new transit bus terminal, pedestrian and bicycle amenities, an enclosed station, and a consolidated rental car facility.

The preferred alternative to be studied in the Metro EIR is a light rail station platform aligned parallel to Aviation Boulevard at ground level with the APM station platform built one level

above the light rail platform parallel to Century Boulevard. LAWA simultaneously is preparing an EIR for the APM and the consolidated rental facilities. The APM will be planned, built and operated by LAWA. Metro will construct and operate the light rail line and transit center elements of the station.

Comments on the EIR scoping document must be received by March 9. See more at: http://smdp.com/metro-sets-public-meeting-transit-station-connect-lax/145763#sthash.fteOdXik.dpuf

L. A. City Releases Visionary Mobility Plan 2035

The Los Angeles City Department of City Planning on February 15th released a revised version of the Mobility Plan 2035, an aspirational, wide-ranging vision for getting around the city in the next 20 years. The 180-page plan touches on virtually every aspect of mobility in Los Angeles, from walking and bikes to buses and trains, in an attempt to integrate them all into something resembling a cohesive vision.

Major goals of the plan include establishing a network of "Complete Streets" that are accessible for both people and cars, reducing greenhouse gas emissions, improving "first-mile/last-mile" access for getting people to and from transit stops and stations, and an enhanced bicycle network throughout the city to encourage bicycle commuting. Reliability of public transit is also of concern; the plan aims to establish off-peak 5 minute bus frequency on a quarter of the transit network, and 15 minute frequency on all of it.

Other notable programs in the plan include: creating an adequate industrial street infrastructure, freight/Metrolink grade crossing elimination, Congestion and Cordon Pricing including demand-based parking meter pricing, converting the City Fleet to clean fuels, adding bike racks to buses, and increasing the number of trash cans on sidewalks.

The public comment period on this draft report ends April 6. The City Planning Commission will be presented with the final environmental impact report on May 14. Additional information is available at·
https://losangeles2b.files.wordpress.com/2015/02/appendix-b1-mobility-2035.pdf

California Is Spending $20 Million On 'Hydrogen Highway'

More than a decade after former Gov. Arnold Schwarzenegger talked about building a "hydrogen highway" that would speed fleets of non-polluting cars from Mexico to Canada, the California Energy Commission is spending $20 million to build nearly half of the approximately 100 stations needed to give a driver of a hydrogen car enough range to travel freely through most parts of the Golden State.

So far, only about 10 stations are operational in the state, including stations in the Harbor City neighborhood of Los Angeles and Torrance. Starting in October with a new fuel station in the city of Coalinga, near Interstate 5 in the San Joaquin Valley, hydrogen cars will be able to get from Los Angeles to San Francisco. Such vehicles can go about 300 miles on a fill up. Hyundai, Toyota and Honda have announced plans to make hydrogen cars available in dealer showrooms.

Four 2030 Metropolitan Transportation Scenarios Re-Envision Future Metropolitan Areas

A report released last December shouts at the public sector to lead, follow or get out of the way. Anthony Townsend, of New York University's Rudin Center for Transportation Policy & Management, published “Re-Programming Mobility” to provoke city officials, urban

planners, and the general public into participating in the future of transportation, rather than reacting to it. The report conceives four fictional-but-fact-based disruptive urban-mobility scenarios set in Atlanta, Los Angeles, New Jersey, and Boston circa 2030.

In the Los Angeles scenario, driverless cars have arrived in the Los Angeles of 2030, but they don't play nicely together. L.A. roads carry a mix of tiny neighborhood electric vehicles, bigger luxury models, and low-cost Chinese knock-offs—each with varying degrees of automation and poor overall connectivity. The result is enormous congestion. (Adding to the problem, driverless cars now circle in traffic to avoid paying for parking, increasing vehicle-miles traveled by 30 percent.) Youth interest in transit has waned, because digital disengagement is just as easy in a driverless car as it was on a train. No one considered the risks of incomplete automation, and now planners everywhere are trying to figure out ways to accelerate the adoption of these technologies and avoid getting stuck in transition.

In the Atlanta scenario, the metropolitan region decided to fix its urban congestion by sprawling more rather than infilling its urban core with transit and transit and transit-oriented development Facilitating this shift are solar-powered automated roads run by Google—G-Roads — were driverless cars connect commuters to the city at 90 miles an hour and solar powered, fiber connected communities provide cheap alternative energy to the urban core.

In the tech-centric Boston scenario, the city becomes dense to the extreme degree. Freed of possessions by the sharing economy, young people flock to micro-apartments just 135 to 160 square feet in size. The possessions they do own exist in local warehouses, with a system of driverless valets to pick up or drop off items on demand—a sort of "goods cloud." Autonomous bikes thrive, reducing the need for car-ownership and creating streets friendly to pedestrians by day. At night, however, driverless urban freight vehicles take over the roads to replenish and relocate the shared stream of goods. From the report. In less than a generation, Boston splintered into two new connected cities, living side-by-side but rarely touching—one of people and one of stuff, one existing by day, the other by night.

In the New Jersey scenario, major climate events have crushed New Jersey's road network, but from the wreckage has emerged an incredibly sustainable mobility system based on bus-rapid transit corridors. Commuters can arrange a BRT trip on demand or rely on predictive schedules developed by Big Data. The suburbs have collapsed around BRT hubs situated within walkable areas near bike-share stations. Private cars still exist, but they're heavily tolled to pay for BRT upgrades, and commute time into New York has fallen considerably. The scenario concludes that the nation's most densely populated state, which had reached the limits of sprawl ahead of all others, is now a model of planned, transit-oriented development that has preserved its economy and its landscape.

Townsend says no scenario is intended to be a favorite or ideal, and expects the "real outcome" to be a mixture of each.. "There's not a single technology, or a single decision, or a single economic force that's going to shape the outcome. It's actually the interplay of lots of different forces, including the policy and planning choices we make."

VTA Opens 'Living Lab' for Transit Innovation in Santa Clara

The Santa Clara Valley Transportation Authority on February 18th opened the VTA Innovation Center that the agency hopes will act as a "living laboratory" for testing new mobility technologies. The new initiative aims to rethink how VTA delivers bus, rail, roadway and other transportation services.

As a catalyst for ingenuity, the center intends to pair itself with academics, startups, tech firms and nonprofits from the region. The center also will operate the VTA's open data portal. The VTA initiative will enable innovators to emulate real-world conditions for the testing of, for example, self-driving vehicles, automated traffic enforcement, vehicle-to-infrastructure communication, street light innovations, and sensors for collecting data on traffic, noise and air quality

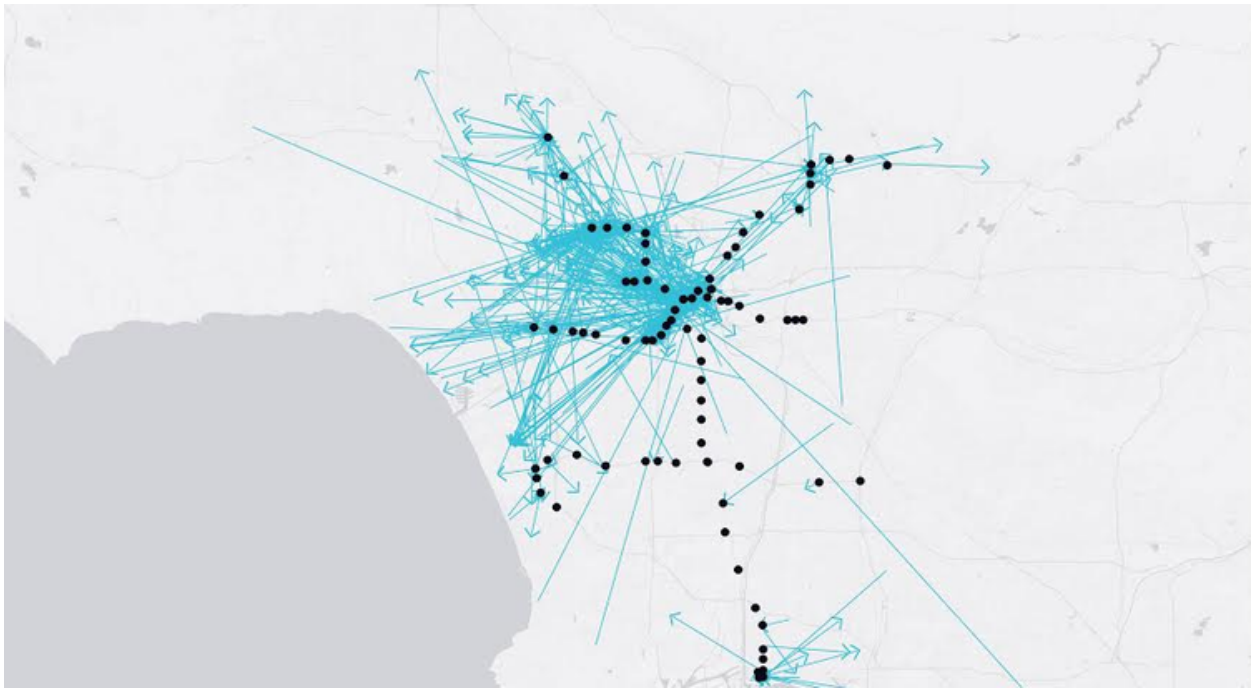
Innovations developed at the center are likely to be tested in the North San Jose Transportation Innovation Zone, an 11-mile stretch of roadways that contain 21 traffic signals, 670 street lights, a VTA bus yard and the intersection of two light rail lines. The area is the testing grounds for Google's self-driving cars.

Collaborations are in the works with tech firms and civic hackers, San Jose State University's Mineta Transportation Institute and the San Jose Environmental Innovation Center for research and joint innovation endeavors.

Uber Data Shows It Complements Rail Transit Commute Trips In L A. County

The ride-hailing company, which connects riders with drivers via a mobile application, said on February 12th it sees itself as complementary to the area's existing public transportation infrastructure, helping close "gaps" in people's commute by getting them to and from public transportation hubs.

To gauge how commuters were using the service, the company used its own internal data to look at trips that started or ended within a quarter mile of a Metro station over a one-month period in the city of Los Angeles. The company found a quarter of rides in the city were during commuting hours, and 22% of L.A. trips taken near Metro stations took place between 7 and a.m. and 4 to 7 p.m., Monday to Friday.



Uber says its data confirms the service helps people access public transportation in L. A**.** It might be interesting to see how the Uber commute hours usage map looks in areas like the South Bay not yet served by rail transit.