South Bay Cities Council of Governments

March 1, 2021

TO: SBCCOG Board of Directors
SBCCOG Transit Operators Working Group –3/4/21 meeting
SBCCOG Transportation Committee - 3/8/21 meeting
SBCCOG Infrastructure Working Group – 3/10/21 meeting

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering February 2021

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

House Rescue Bill Includes $30 Billion for Transit

The $1.9 Trillion American Rescue Plan Act of 2021 (H.R. 1319) that was approved and sent to the Senate on February 26th by a vote of 219-212 includes $30 billion for transit agencies across the nation. L. A. Metro expects to receive more than $975 million through the formulas in the bill. The bill is expected have a bumpier road in the Senate.

The American Public Transit Association (APTA) has been seeking $39.3 billion on top of the $39 billion that has been provided for pandemic-related operating deficits in the two previous relief acts in 2020. H. R. 1319 contains more than $30 billion for the transit industry through urbanized and rural formula funding, planning grants, operating assistance grants and grants to qualifying projects in the federal Capital Improvement Grants (CIG) Program.

Administration Rules Out Federal Gas Tax Increase To Replenish The Highway Trust Fund

The federal debate over how to pay for a massive infrastructure bill began on February 15th when President Biden met with Congressional leaders to discuss his proposed $1.9 trillion infrastructure bill. On the agenda was a discussion of raising federal gas taxes. Federal transportation investments are supposed to be funded by federal gas taxes deposited into the Federal Highway Trust Fund. However, the Trust Fund has required $140 billion in transfers from Federal general fund revenue since 2008.

Democrats have shown significantly more interest than Republicans in raising transportation taxes to meet environmental and racial-justice goals. The Senate Public Works Committee unanimously adopted a five-year highway package in 2019 that would have boosted overall highway spending by more than a quarter, while dedicating some $10 billion to battle climate change and streamlining the approval process for federally-funded projects. But Republicans killed a companion House bill last year which forced Congress to extend the current highway law through October 2021. Now that Democrats control the Senate, they are expected to use their previous bill as the starting point for a new round of discussions.

Major auto makers plan to stop producing gas-powered vehicles by 2035. The Biden Administration has set a goal to have 500,000 electric charging stations across the country by 2030. The shift to electric vehicles will require lawmakers at the federal and state level to re-design the Trust Fund and look for other sustainable transportation revenue sources. In the meantime, Some supporters of a gas tax increase also want to index the gas tax to keep up with inflation, but the Biden Administration removed a gas tax increase as an option. The last attempt to pass a five-year highway bill with a gas tax increase never received a floor vote in the Senate,

LA Metro Seeks Federal Funds for Fareless System Initiative Pilot Program in Infrastructure Bill
The L. A. Metro Board is considering embarking on an initiative conceived by CEO Phil Washington to enable low-income riders and K-12 students to ride Metro buses and trains without paying a fare. If approved in March, the initiative would begin with an 18-month pilot program that is estimated to cost more than $300 million in forgone revenue and increased operating costs.

Since 75% of Metro's riders are low income or students, and anticipating Board approval, CEO Washington sent a letter to the Congressional Delegation on February 15th seeking federal funding for the Metro Fareless System Initiative. The letter points out that the request is consistent with the Biden Administration's Justice40 Initiative in which 40% of benefits from certain Federal investments (including the President's January 27th Executive Order on Tackling the Climate Crisis at Home and Abroad) would flow to disadvantaged communities.

Transportation Agencies Wrestle With New Federal Mask Mandate
A new federal order requires passengers to wear masks "while boarding, disembarking, and traveling on any conveyance into or within the United States," as well as "at any transportation hub that provides transportation within the United States." People with disabilities who cannot wear masks are exempt, and face coverings can be removed while eating, drinking, taking medication and going through security screenings.

Transit advocates welcomed the backing of a presidential order to push mask usage. However, transit agencies are grappling with enforcement protocols and staffing requirements. Many are concerned with the new risks for transit operators who already have reported increasing verbal and occasional physical attacks. L. A. Metro has decided to add ambassadors, increase transit security and partner with social service agencies to remove non-compliant riders from the system. Metro believes new mask and homeless fare enforcement programs are essential to recovering ridership lost during the COVID 19 pandemic, but the initiatives will cost up to $100 million. Metro and other systems in L. A. County already have stepped up outreach in the form of announcements to get the message across to riders that the policy is a federal mandate.

E-BIKE Act Would Provide 30% Federal Tax Credit For Electric Bicycle Purchases
Federal legislation introduced on February 9th would create a federal tax incentive for the purchase of electric bicycles in the US. Advocates seek to provide electric bikes the same federal incentive already available for electric cars and motorcycles.

The bill would offer a 30% tax credit of up to $1,500 for buying an electric bicycle. To qualify, the electric bicycle would have to be priced below $8,000. Only one tax credit would be applied during a three-year period, but couples filing jointly could apply for two tax credits in three years to cover two e-bike purchases. Electric bicycles ranging in price from $1,000 to $3,500 are being marketed as low-cost, commute and delivery options to address climate change.

House Republicans Propose Nationwide Ban On Municipal Broadband Networks
House Republicans unveiled a plan on February 19th to "boost" broadband connectivity and competition. Republicans call it the CONNECT Act, for "Communities Overregulating Networks Need Economic Competition Today."

One of the key planks is prohibiting states and cities from building or expanding their own broadband networks. The bill says that "a State or political subdivision thereof may not provide or offer for sale to the public, a telecommunications provider, or to a commercial provider of broadband Internet access service, retail or wholesale broadband Internet access service. The bill has an exception that would allow existing government networks to continue in cities and towns without substantial broadband competition. States or municipalities that already offer Internet service may continue to do so if "there is no more than one other commercial provider of broadband Internet access that provides competition for that service in a particular area."

The bill is reminiscent of laws in nearly 20 states that restrict the building of municipal networks. But it has no realistic chance of passage in the Democratic-controlled House. Democrats have tried to eliminate restrictions on community broadband networks over the years. House Democrats last year proposed legislation that would overturn state laws that prevent the growth of municipal broadband.

FCC Offers COVID 19- Related Broadband Service Discounts For Eligible Households
The Federal Communications Commission (FCC) issued rules on February 25th for its new $3.2 billion broadband subsidy program which will provide eligible households with discounts of up to $50 a month for broadband services (up to $75 per month for households on tribal lands). It also will provide a one-time discount of up to $100 on a computer or tablet for eligible households.

The Emergency Broadband Benefit Program is open to households that participate in an existing low-income or pandemic relief program offered by a broadband provider; Lifeline subscribers, including those that are on Medicaid or accept SNAP benefits; households with kids receiving free and reduced-price lunch or school breakfast; Pell grant recipients; and those who have lost jobs and seen their income reduced in the last year.

FCC's Universal Service Administrative Company (USAC) will administer the program with service providers, as they do with Lifeline and other subsidy programs.

See the FCC Fact Sheet at: https://docs.fcc.gov/public/attachments/DOC-370355A1.pdf

Region

Metro Considers Congestion Pricing For DTLA, I-10 Freeway, Santa Monica Mountains
L. A. Metro is in the process of conducting a two-year Traffic Reduction Study, which considers managing traffic through congestion pricing and providing more transportation options. At its February 25th meeting, The Metro Board considered four congestion pricing pilot projects that could be implemented beginning in 2025.

The pilot projects would use cordon or corridor pricing strategies to target congestion between Downtown L. A. and the San Fernando Valley, on the I-10 freeway between the I-405 and I-5 freeways, and in an area surrounding Downtown. In the corridor pricing concept travelers would be charged based on distance traveled similar to current ExpressLanes. However, all freeway lanes would be included in the tolling concept. A concept known as cordon pricing would be used to charge a fee to enter the L. A.

Central Business District. Metro staff will spend the next several years refining and environmentally clearing the concepts.

Board members expressed concerns about potential economic impacts on small and disadvantaged businesses, how delivery trucks would be handled, and the need to improve transit service options before the pilot projects begin. Staff committed that revenue generated through congestion pricing would be reinvested into the communities which surround the pilot areas, potentially going toward improved transit service, incentives for carpooling, and active transportation infrastructure.

Trends

Post-COVID-19, Transit Agencies May Shift To Metrics Other Than Ridership And Fare Revenue
For generations transit operators have been funded based on formulae that include ridership and fare revenue in addition to their service costs. The pandemic has required transit leaders to shift their service to continue to serve essential worker trips due to dramatically lower ridership, scarce fare revenues and staff shortages. Unfortunately. recovery is being framed by the old metrics of ridership and revenue growth.

However, the new focus on providing reliable service for essential riders provides transit operators and funding agencies an opportunity to focus on a new metric for usefulness: transit access. The new focus could significantly change the way transit subsidies are allocated.

An agency's success could be evaluated based on its service reliability and the share of jobs reachable for a given population within a given trip time, such as 60 minutes door-to-door. A transit agency would then be motivated to focus on reducing travel times in comparison to alternate modes.

This concept of access can also help transit agency leaders plan how to ramp back up when the pandemic ends. "There is a chance to build back better," says Rogoff, using one of President Joe Biden's favorite catchphrases. "Transit riders in various communities will expect their service to return. Agencies will have less money while they face these expectations to resume service."

Some agencies have already signaled a greater focus on access. As an example, when the transit operator in Santa Clara County, California implemented an access-focused service restructuring in 2019, ridership immediately rose 4%. Over the last decade, Seattle adopted a goal of maximizing the number of households within a 10-minute walk of 10-minute frequency transit service, and the city subsequently posted the fastest transit ridership growth in the nation. L. A, Metro is pursuing a similar strategy with its NextGen Study and Fareless System Initiative by using new travel and fare payment data bases of current and prospective riders to more accurately tailor service changes that match trip origins and destination data and to provide transit priority on freeways and streets.

With transit ridership likely to recover slowly after the pandemic recedes, critics of public transportation spending may cite lower passenger counts as a justification to reduce funding, which could push transit into a death spiral. By emphasizing the importance of access, agencies hope to untether policy debates from ridership numbers. With newly appointed U.S. Department of Transportation Secretary Pete Buttigieg already talking about how transit can unlock opportunity for those who are struggling, the language of access could provide the best framework for transit advocates to press their case.

Demand For Electric Cars Stuck In Neutral
California and the federal government agree they need to set ambitious climate goals, and major automakers are increasingly betting that the future of their business lies with electric cars. But consumers aren't there yet.

Despite growing momentum for a national shift toward cleaner cars, fewer than 1% of vehicles on the nation's roads are electric. Americans are buying so many gas-guzzling sport utility vehicles and pickup trucks that they had in effect canceled emissions reductions from every electric vehicle in the United States.

This divide between the reality of America's auto market and what the federal government and some automakers hope it will become is certain to create dilemmas for the Biden administration as it sets out to negotiate a new set of fuel economy standards.

Biden is expected to replace the weaker tailpipe emissions standards put in place by the Trump administration with new regulations modeled on California's voluntary agreement with five automakers. Under the state's rules, car companies would be required to reduce greenhouse gas emissions by nearly 4% each year.

At stake is President Biden's ability to deliver on his promise of eliminating greenhouse gas emissions by 2050 to prevent the worst effects of climate change. Calculating backward, most environmentalists say the only way to meet that goal is to mandate all new cars be emissions-free by 2035.

But federal and California regulators, as well as major car companies, are already looking ahead to the next set of standards that would apply to cars built after model year 2026. Finalizing rules that would apply to cars built after model year 2026 could take two years and prove the ultimate test of whether the administration is able to rein in the nation's greenhouse gas emissions.

China, meanwhile, has mandated that 40% of all new cars must be electric by 2030, threatening to bar slow-to-adapt automakers from the world's largest automobile market.

U. S. car manufacturers are expected to ask the Biden administration to require only small emissions improvements over the next decade so they can devote their resources to introducing dozens of new electric models. This would allow them to continue selling their most profitable and highest-emitting SUVs and pickups while gas is inexpensive and most consumers aren't concerned with fuel efficiency.

To make up for the additional planet-warming emissions from gas-burning vehicles, electric car sales would have to increase fivefold.

Fake Commutes Break Up Days Spent Working From Home
There's a new commuting trend for those who work from home: Not-A-Commuting. Not-a-commuters mornings starts like many. They leave home. Stop off for a cup of coffee or tea, then head to their job site at home for another day of working remotely.

Their justification? By working online at home using Zoom through a computer screen., there are times when they realize they haven't left the house in five days. So every few days they start the morning with a walk or an errand to clear their head and make the a conscious work/life segmentation.