

South Bay Cities Council of Governments

January 23, 2014

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Consultant

SUBJECT: SBCCOG Transportation Update –January 2014

Federal Update

Federal Transit Tax Benefit Reduced December 31st

The federal commuter tax benefit that had been in effect since 2009 was not renewed as part of a recent federal budget deal. It had allowed a person to set aside \$245 a month in pretax income to pay for public transportation, but that credit dropped back to \$130 a month at the end of 2013. The credit for public-transit commuters had been increasing since 2009, when it was nearly doubled from \$120 a month to \$230 a month as part of the federal stimulus package. It jumped to \$240 a month in 2012 and to \$245 this year.

Commuters are eligible for both the public-transit and parking benefits. Drivers also can set aside \$250 a month before taxes to pay for parking, and that credit is on the books through the end of next year. While the transit benefits dropped, parking benefits increased at the same rate the past two years and will jump again by \$5 on Jan. 1.

Congressman Earl Blumenauer Proposes Federal Gas Tax Increase, VMT Tax
Congressman Earl Blumenauer introduced HR3636 on December 3rd titled “Update, Promote, and Develop America’s Transportation Essentials Act of 2013”, or “The Update Act” for short. The bill would increase the federal gas tax from 18.4 cents to 33.4 cents per gallon over 10 years and would include an indexing provision to keep pace with inflation in order to fund the federal transportation program at current levels.

The next day Blumenauer introduced H.R. 3638 that would set up a Road Usage Fee Pilot Program, which he said would study mileage-based fee systems to replace the federal gas tax over the next decade. His favorite solution is a vehicle miles tax similar to the strategy implemented in Oregon last year to address increasing fuel-efficiency, electric cars, hybrid cars, and just increased efficiency of conventional gasoline engines. The federal gas tax has not been increased since 1993.

Sacramento Update

Electric Car Power Storage Might Fuel The California Power Grid

A pilot project at the University of Delaware is exploring whether the same electric cars that take power from the grid can later send it back to the grid. The pilot project has had enough success to set off a frenzy of activity in the auto and electricity industries, particularly in California, where Gov. Jerry Brown's transportation plan this year promoted "vehicle-to-grid" technology. Entrepreneurs and government agencies see the technology as a possible solution to affordably

storing renewable energy so it can be available when it is needed, not just when the wind blows or the sun shines.

The idea is that utilities would pay vehicle owners to store electricity in the batteries of electric vehicles when the power grid has a surplus and drain electricity back out of them when demand rises. The "Cash Back Car" is how the concept is described by Jon Wellinghoff, the recently retired chair of the Federal Energy Regulatory Commission.

The technology could solve a potentially serious problem. The power grid needs to maintain a steady and balanced flow of power. Sudden surges threaten crashes that can cause blackouts. That makes the stop-and-go nature of energy from the wind and sun a constant source of worry. A cost-effective method of storing renewable energy and controlling its flow into the system has long eluded the energy industry. Carmakers also worry what all this usage will do to their batteries and caution that such use would affect their warranties.

However, the week before Christmas, the Pentagon transported 13 Nissan Leafs to a Southern California Edison charging facility in Pomona as part of a \$20-million program involving dozens of vehicles at Los Angeles Air Force Base and the Naval Air Weapons Station at China Lake. The Pentagon hopes to eventually employ the technology at bases across the country, which could jump-start mass production of the chargers and software involved.

An even bigger challenge is reshaping utility regulations, electricity markets and the complicated tangle of algorithms that form the backbone of the grid for electric vehicles to send the energy to the grid when it is needed and the vehicles are idle. Staff members at the California Public Utilities Commission are exploring the regulatory changes that would be needed.

Southern California Update

OCTA Votes To Widen I-405 Without A Toll Lane

Although OCTA and Caltrans staff initially recommended a I-405 freeway's \$1.47 billion widening project that included mixed-flow lanes and toll lanes, the board decided on December 9th to spend \$1 billion to widen bridges to accommodate 4 new lanes, but to initially construct only one mixed-flow lane in each direction in order to not preclude either an additional mixed flow, HOV or HOT lanes in the future.

Two questions were raised during the spirited debate that might also have implications for new ExpressLane proposals in L. A. County. The first was whether the state government will end up diverting any excess revenue generated by toll lanes across the state to other state transportation needs such as maintenance. The second concern was whether the state would assert its control over toll lane policies as owner of the facility once OCTA funded and constructed the expanded facility

OCTA staff assured the committee that existing law already requires that the extra toll lane revenues — beyond paying off their construction and operational costs — be invested in the local communities around the freeway. They also pointed out that although Caltrans will make the final decision on whether to pursue toll lanes, OCTA will have significant influence in the decision since OCTA will provide the funding needed to construct the improvements. But OCTA elected officials worried that state lawmakers could later change those laws and redirect much of the money. They also expressed concern about a potential lawsuit or state legislation from a

coalition of cities and legislators in the I-405 Orange County corridor that oppose the toll lane. Construction of the widening project should start in 2015 and be completed by 2020.

LAX Airport Commission Approves 4 New FlyAway Routes Including One In Torrance

Facing a 2015 deadline to have 9 FlyAway bus routes in service, the LAWA Airport Commission on December 2nd approved adding four new routes to the five existing routes (Van Nuys, Union Station, Westwood/UCLA, Irvine, and Expo/La Brea). The new routes to open:
Santa Monica (near the Civic Auditorium / Civic Center / Expo Line) – Summer 2014
Hollywood (at Vine Street south of Hollywood Blvd.) - Fall 2014
Orange Line (in San Fernando Valley near Van Nuys Blvd.) – Late 2014
Torrance (at Torrance Transit Center on Vermont north of Torrance Blvd.) – Mid 2015

Metro Initiates First / Last Mile Study To Improve Access to Rail Stations

In an effort to improve access to Metro's rail stations, the Board on December 5th voted to:

1. identify two stations for each line which would benefit from implementation of First/Last improvements based on recommendations outlined in Metro's First/Last Mile Study;
2. identify funding to implement the improvements including working with jurisdictions to utilize and/or supplement existing Call funding without impact to other transit lines;
3. coordinate further development of design concepts to prototype a seamless regional First/Last Mile vision for potential implementation at other transit line stations including Crenshaw, Regional Connector and the Westside Subway in addition to rail lines already authorized for construction or presently in operation; and
4. allow "sub-regional funding" (e.g.: Measure R SBHP funds) to be an eligible local source of funding for projects (similar to the Call For Projects approach) that are eligible under sub-regional fund guidelines and meet the first/last mile funding eligibility criteria.

Metro and LAWA to Pursue Parallel Planning Studies For LAX/Crenshaw Connector

The Metro Board approved a Memorandum of Understanding (MOU) with Los Angeles World Airports (LAWA) on December 5th to undertake a parallel design and to subsequently fund the construction of modifications to the Crenshaw/LAX Aviation/Century Station to accommodate elements of LAWA's Specific Plan Amendment Study. Under the plan, LAWA will study people mover alternatives to link to the Aviation/Century light rail station and Metro will design modifications needed to accommodate the people mover at the light rail station.

In a related initiative, L. A. Mayor Eric Garcetti and L. A. City Councilman Mike Bonin advocated in an L. A. Times Commentary on December 8th for Metro to study re-routing the Crenshaw / LAX light rail line to directly connect with the automated people mover in a new Intermodal Transportation Facility (ITF) envisioned by the proponents to be built using LAWA funding on airport property near Lot C and Sepulveda, a mile west of the current Aviation / Century station. Additional funding would be needed beyond the LAX Connector budget in the Metro Measure R Expenditure Plan.

Using a parallel planning process, LAWA would initiate a planning process for the automated people mover that will circulate through the terminals to meet environmental approval requirements of state and Federal Aviation Administration (FAA). Metro would initiate studies to environmentally clear the ITF alternative under state CEQA regulations and the Federal Transit Administration (FTA) federal environmental review process. Although the state processes are consistent, FTA and FAA environmental planning requirements and processes differ significantly.