

South Bay Cities Council of Governments

June 25, 2020

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering May 2020

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

USDOT Allocates \$374 Million in New Starts Funding for Metro Rail Transit Projects

The Federal Transit Administration announced on May 27th an allocation of \$374 million for Metro New Starts rail projects – broken down in the following manner: \$100 million for the Westside Purple Line Extension (Section 1), \$100 million for the Westside Purple Line Extension (Section 2), \$100 million for the Westside Purple Line Extension (Section 3), and \$74 million for the Regional Connector Transit Project.

CDC Finally Issues Guidelines For Reopening Transit Service

The Centers for Disease Control (CDC) shared a 60-page set of guidelines over the Memorial Day weekend for how states can safely reopen to limit further spread of Covid-19. The guidelines recommend practices that were adopted by L. A. County operators two months ago, including: ask passengers to enter and exit through different doors; close every other row of seats and reduce occupancy or add service to ensure passengers are at least six feet apart at all times; install physical barriers like sneeze guards and partitions; use physical guides like floor decals to show passengers where they should and should not stand or sit; require face masks and personal protective equipment to be worn by passengers and transit operators; and, intensify cleaning, disinfection and ventilation. Interestingly, the CDC recommendations do not include elimination of fare collection during the pandemic.

State

Uber, Lyft And Doordash Initiative Seeking Labor Law Exemption Heads To Voters

A ballot measure championed by Uber, Lyft and DoorDash to exempt their drivers from a new California law that requires companies to give benefits to more workers has qualified for the November election. The initiative promises to raise compensation for ride-hailing and delivery drivers by requiring companies to pay them above minimum wage, plus 30 cents per mile, according to the coalition. It would also mandate health care coverage for drivers who work at least 15 hours per week and would provide insurance for on-the-job injuries.

The initiative is a response to Assembly Bill 5 signed by Gov. Gavin Newsom in September that limits in most cases an employers' ability to use independent contractors. Instead, the law requires these workers be treated as employees with benefits.

Stay-Home Order Could Cost California \$370 Million In State Gas Tax For Road Fixes

If California's stay at home order lasts eight weeks, the state could lose \$370 million in funds that help pay for highway construction and maintenance as well as aid for transit, a new study from UC Davis' Road Ecology Center reported on May 1st.

Vehicle miles driven have plunged more than 75 percent in the state since the coronavirus outbreak shut down much of California in mid-March and revenues dropped from \$61 million in early March to \$15 million in the second week of April. The state had initially projected \$7.5 billion in fuel tax revenues in FY 2020-21.

Governor Releases May Budget Revisions – Funding Gap Widens

Projected sales tax revenues are down by 27%, transportation revenues have declined by \$1.8 billion through 2024, and \$1.2 billion of the loss occurs in FYs 19-21. Yet the Governor's May revision has Caltrans accelerating projects to achieve cost savings, add jobs and improve roads. Planning and engineering projects also remain unchanged to be prepared for any future stimulus funding for capital projects.

State Senate leaders, never at a loss for a creative spending plan, have proposed filling the funding gap with a \$25 billion economic recovery fund that would come from voluntary, early state tax payments with tax credits in years 2024 to 2033.

CARB Proposes To Speed California's Transition To Zero-Emission Vehicles

The California Air Resources Board on May 5th issued an accelerated plan to mandate that truck manufacturers transition a portion of their sales from heavy diesel trucks to electric zero-emission vehicles beginning in 2024.

The draft plan would require that 5% of all Class 7 and Class 8 heavy trucks sold in 2024 be electric — an increase from 3% initially proposed in December. The updated requirement for Class 4 through Class 8 truck sales would begin at 9% in 2024.

The new proposal also calls for the percentage of heavy trucks sold in the state to gradually increase each year with a goal that 100% of the trucks be zero-emission electric vehicles by 2045. The updated proposal envisions an all zero-emission drayage fleet in California ports and railyards by 2035, and last-mile delivery fleet by 2040.

To allow 30 days for public comment, CARB will hold a public hearing on the proposal at its June 25-26 meeting.

CPUC Readying Rules For Automated Vehicle Taxis And Ride-Hailing

California's first-ever Autonomous Vehicle (AV) Passenger Service Pilot Program (AV Pilot) is underway as the California Public Utilities Commission (CPUC) is wrestling with regulations for the second phase of the state's driverless taxi or ride-hailing services pilot programs, including whether driverless AVs in pilot services should be allowed to collect fares for trips, whether they should be allowed to accept pooled or shared rides, and what types of data they should report.

The first of the two state pilot programs allows DMV-approved companies to offer rides in AVs that have a driver present in the car – so-called “drivered AVs.” The second pilot program allows AVs without a driver to pick up passengers – “driverless AVs.” Under the rules of the pilot, driverless AVs must have a remote operator in contact with the vehicle and its passengers while a ride is happening.

Both CPUC's AV pilot programs require AV ride providers to obtain explicit passenger consent, and they prohibit the companies from collecting any money or other compensation for rides, regardless of whether a driver is present or not. Both pilot programs also require companies to submit trip data to the CPUC on a quarterly basis. Providers of driverless AV rides are also barred from offering pooled rides.

In developing the final rules, the CPUC has solicited feedback from key stakeholders on a variety of issues, including how to ensure passenger safety, how to incorporate equity and environmental justice into the AV regulatory framework, what data sharing should be required, and how to regulate emissions from AV ride-hail trips.

San Francisco and Los Angeles, both of which caution against allowing compensation without further consideration of passenger and road safety, want to slow the development of automated ride sharing and taxis in order to avoid a repeat of the rapid adoption of ride-hailing or e-scooters, which forced many cities to respond reactively, with little time to plan or adapt to major changes on their public streets.

Region

LA Metro Replaces Go Metro Trip-Planning App With No-Cost Private "Transit" App

LA Metro is replacing its Go Metro app with a new trip planning app from Transit. The new app will offer LA Metro riders real-time bus and train schedule information; step-by-step navigation and trip planning; personalized service alerts; and accessibility tools.

Transit was selected through a competitive request for proposals (RFP) process that started in fall 2019. The Transit proposed a partnering agreement with Metro to provide the Transit app through a no-cost marketing agreement that is expected to save LA Metro \$240,000 annually in app maintenance and development costs.

The Transit app will integrate information from multiple transportation options in the Los Angeles region — including bike-share services, scooter services and ride-hail services. The app also has the capability to offer features like mobile ticketing.

Metro Monthly Pass Cost Lowered 50%; Other Fare Cuts Under Study

Under the COVID-19 crisis, Metro transit is effectively operating fare-free with Metro only collecting 5% of its customary fare revenue. At its May 28th meeting, the Board approved a six-month promotional fare that will begin once front-door boarding is resumed and fare payment is enforced on Metro bus and rail lines. The promotional fare will reduce the cost monthly pass cost from \$100 to \$50.

In addition to reducing the monthly pass fare, the Board directed staff to report back in June on reducing Metro's other fare types and capping the fares collected from TAP card users each month at the promotional monthly fare rate. With fare capping, a TAP card user who takes a lot of trips during a certain time period but cannot afford a monthly pass up front would not need to pay more in a month than they would have paid for a monthly pass. The board also directed Metro staff to prepare a marketing plan to inform frequent riders of the fare changes, with a focus on helping cash-paying riders take advantage of the promotional fares by transitioning to TAP-card payments.

Metro To Restore Pandemic-Reduced Bus And Rail Service In Four Phases

L.A. Metro will implement a four-phase plan for restoring bus and rail service as the stay at home orders are lifted. Under the recovery plan, L.A. Metro will be ramping up bus and rail service between now and early 2021 to match service levels with expected ridership and the need to maintain physical distancing on buses and trains as well as more cleaning

Phase 1 is projected to take place in June with some modest gains in service on the busiest corridors to accommodate returning non-essential trips. Phase 2 is projected to take place as early as July and August with additional service to provide transit service for students returning to school and additional people returning to work. Phase 3 may be implemented between September and November and includes modest gains in service in areas where and when the authority sees demand growing. Phase 4 is projected to take place between December and January and is expected to begin implementing changes and enhancements proposed under ongoing bus restructuring effort—called NextGen. The emphasis of the NextGen Plan is to provide more frequent service on L.A. Metro’s busier routes that would result in faster door-to-door trips for most riders.

Metro Releases I-105 ExpressLanes Draft EIR

The I-105 corridor experiences heavy demand during peak commute hours that exceeds its capacity. As a result, Metro and Caltrans are studying the possible implementation of ExpressLanes on the 105 freeway between the 405 and Studebaker Road, which is just east of the 605. The project will also study the 105 west of the 405 to Sepulveda Boulevard to identify potential signage locations and access points into the ExpressLanes. This corridor traverses the cities of El Segundo, Inglewood, Hawthorne, Los Angeles, Lynwood, South Gate, Paramount, Downey, Norwalk and unincorporated areas of Los Angeles County.

The Draft Environmental Impact Report/ Environmental Assessment (EIR/EA), Project Report, Concept of Operations, and Traffic and Revenue Study for the I-105 ExpressLanes Project has been released and will be available for public review and comment through Monday, July 6, 2020. The supporting Draft EIR/EA and Project Report technical studies are available at <http://media.metro.net/2020/I105-Expresslanes-DraftEIREA.pdf>. Printed copies of the reports are available upon request.

Due to current COVID-19 restrictions, in-person public hearings will not be held in order to maintain social distancing requirements. However, a virtual open house is available (105virtualforum.com) that contains maps, narrated presentations, and other supporting material the public can review. In addition, a live presentation with Q&A will be held on Thursday, June 11, 2020, 6pm and the public can participate via the web or phone. For details, please visit the I-105 ExpressLanes Project website at (metro.net/105ExpressLanes) or 105virtualforum.com).

The I-105 ExpressLanes are included in the Measure M Expenditure Plan which provides \$175 million for this project.

Trends

COVID-19 Recovery and Restoration Lifestyle and Workstyle Changes: A Tipping Point?

The stay-at-home orders have clearly shown the environmental and economic impacts (and sustainability benefits) of immobility. COVID-19 recovery will be gradual, and we will emerge from it into a different world. A wide range of strategies was suggested during April as planners begin to focus on the post COVID-19 “new normal”.

In April, IBM polled 25,000 adults across America to understand how COVID-19 has affected their perspectives on a number of issues including retail spending, transportation, future attendance in large venues and returning to work. The findings show that 54% of people would like to continue primarily working from home after the pandemic, while 75% said they would like to work remotely at least occasionally.

Other key results show that more than 20% of respondents who regularly used buses, subways or trains no longer will, and another 28% said they would use public transportation less often. More than half of people surveyed said they would use ridesharing apps less or stop using them completely. That leaves personal vehicles or bikes, which have seen a 30-50% increase in sales over the last couple months.

IBM's survey also found that people aren't eager to attend large events once the crisis dwindles. Just over 33% of respondents said they would visit bars and restaurants, 25% said they will be ready to visit the beach, and 20% said they will be OK with going to a shopping center.

Working from home has expanded dramatically over night and it may become permanent at least for part of the work week and a significant share of workforce. American workers doing their jobs from home has slowly but steadily increased in the last two decades, from 3.3 percent in 2000 to 5.2 percent in 2017. Surveys suggest anywhere from 29 percent to 43 percent of American workers could potentially do their jobs at home.

A recent PWC study showed that about half of businesses expect a dip in productivity during the pandemic due to a lack of remote work capabilities and clear policies regarding secure access to business records and proprietary information.

Online shopping may also be at a tipping point. Instacart orders jumped 150% in the last month and Amazon reported grocery delivery orders up 50 times higher than normal. That translates into nearly a half million new jobs that may become permanent from the two companies alone. And the on-line models save trips and reduce congestion by being linked and routed for efficiency.

In a Post-Pandemic World, Curbside Pickup May Increase Need For Loading Zones

Between late February and late March, buy-online-pickup-in-store orders, which includes curbside, increased 87% year over year, according to Adobe Analytics. Experts predict that this is not just a short-term approach to connect with customers during a global pandemic. Retailers from every industry segment are turning into no-contact stores. Grocery stores saw a significant surge in pickups and delivery in the U.S. during a 30-day period in February and March. Nearly one-third of U.S. customers used a delivery or pickup service, compared to 13% in August 2019, jumping 145.3% during that period.

Retailers are beginning to offer their own mobile apps to improve brand loyalty, convenience, speed and to make ordering and payments easy. The change in retail may offer a long-term opportunity to re-purpose off street parking and local jurisdictions may need to re-consider the mix of curbside parking and loading zones on streets in retail districts.

Can Self-Driving Scooters End Sidewalk Clutter and Improve Profitability?

One of the most challenging aspects of operating a dockless scooter service is keeping them charged, clean, and out of the middle of sidewalk. Go X, an electric scooter company, has

licensed technology from automated positioning technology company Tortoise to enable its scooters to be operated remotely and autonomously. It retrofitted its scooters with training wheels of sorts and an automated self-righting kickstand that enables them to operate autonomously.

The self-driving scooters are now part of a six-month pilot program at Curiosity Labs in Peachtree City, Georgia. The pilot will test a new mobility service that ends the frustrating hunt for a fully-charged scooter by autonomously delivering a scooter to the customer. At that point, navigating is up to the rider to get to their destination. After the ride is completed and the scooter parked, it returns on its own to the depot for complete sanitization to ensure the scooter is clean and fully charged for the next customer.

Powering the self-driving and repositioning system is Tortoise. Based in San Francisco, the startup licenses its artificial intelligence technology to companies such as Go X, and uses a team of remote teleoperators that are based in Mexico City to monitor the scooters as they traverse the pilot area.

The new technology may improve the scooter business model. By not having to drive around to find and recharge its fleet of 100 scooters, the company estimates that it saves approximately 75% of traditional operational costs. Recharging the scooter after each use also increases its available up-time and reduces the number of scooters needed.

Drone Deliveries May Be Feasible Within Five Years

Gartner predicts that in 2026, more than one million drones will be carrying out retail deliveries, up from 20,000 today. Gartner does not expect routine, large-scale autonomous drone flights to be feasible before 2025 due to the need for the FAA to create a nationwide unmanned air traffic management system.

Autonomous drones offer lower cost per mile and higher speed than vans in last-mile deliveries. When they deliver parcels, their operational costs are at least 70% lower than a van delivery service. However, technological investments are needed to improve location tracking by adopting full digital tracking and location systems for packages.

Last year, DHL launched a fully automated and intelligent smart drone delivery solution to tackle the last-mile delivery challenges in urban areas of China. DHL states that the service reduces delivery time from 40 to eight minutes for an eight-kilometer distance and can save costs of up to 80% per delivery, with reduced energy consumption and carbon footprint compared with road transportation.