

South Bay Cities Council of Governments

March 28, 2019

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering February 2019

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

Truckers Ask Congress To Allow Larger, Longer Trucks On U.S. Roads

Congress is expected to draft a new infrastructure bill in the next few months and the trucking industry is hoping it will include new rules for heavier, longer tractor trailers. The trucking industry would like to increase national truck weights from a current standard of 80,000 pounds up to 91,000 pounds (an increase of 5.5 tons) which would require increasing the length of each trailer by 5 feet.

An advocacy group for the trucking industry, Americans for Modern Transportation, argues the rules are needed to help companies like UPS and Amazon deal with the growing demand for online shopping delivery and that the larger trucks could reduce the number of trucks on the road without increasing safety risks. As expected, there also is a national coalition against bigger trucks made up of law enforcement and highway safety advocates.

The American Automobile Association (AAA) has concerns related to safety and infrastructure deterioration caused by the heavier and longer trailers. AAA believes that rigorous and credible scientific studies should guide any discussions regarding truck size and weight limits and that the effects of such changes on congestion, traffic safety and highway and street costs must be thoroughly understood to offset any adverse effects.

Climate Action Proposed As One Of The Key Focuses Of Next Infrastructure Bill

A 14-page proposed resolution (H.R. 11) on climate action published in early February includes a paragraph urging that the next federal infrastructure bill include funding to overhaul “transportation systems in the United States to eliminate pollution and greenhouse gas emissions from the transport sector as much as is technologically feasible, including through investment in zero-emission vehicle infrastructure and manufacturing; clean, affordable and accessible public transportation; and high-speed rail.”

The passage — the only one to address transportation — is part of a 14-page document that spends almost a third of its space just defining the magnitude of the climate crisis facing the nation, including the \$500 trillion in lost economic output expected by 2100, according to the

Intergovernmental Panel on Climate Change. The resolution mentions a wide variety of issues worth tackling, such as decarbonizing buildings, deforestation and the need to “eliminate pollution and greenhouse gas emissions from the agricultural sector.”

The new House Transportation Committee Chairman Peter DeFazio and other Democratic leaders in the House and Senate are hoping to use the new transportation bill to reduce the fossil fuel consumption within the nation’s transportation systems. The legislators have yet to release specific language on their proposed legislative solutions.

Trump Widens ‘Buy America’ Rules To Include Financing Tools

The Trump administration issued an executive order on January 31st that expands “Buy American” requirements to infrastructure projects that receive federal financing as a way to boost the use of American-made products and support U.S. manufacturing and jobs.

Previously “Buy America” has applied to direct federal purchases of goods or products. The program expansion requires federal agencies that provide loans, loan guarantees, grants, insurance, interest subsidies or other types of federal financing for bridges, roads, sewer systems, broadband internet, cyber security and other projects to encourage the purchase and use of U.S.-made steel, aluminum, cement and other products. The use of American-made products would apply to contracts, subcontracts, purchase orders and subawards.

A review of projects that received federal financing in fiscal 2016 found that Buy American requirements did not apply to 200 of 265 infrastructure projects that received financing. The 200 exempt projects across 14 agencies added up to \$45 billion.

Ride Hailing Apps Have Reduced Transit Ridership Nationwide

According to a new report from the University of Kentucky, ride hailing apps like Uber and Lyft have impacted transit in major cities across the country. A study of travel patterns in major U.S. cities last year found that 60 percent of customers would have gone by foot, bike or transit — or just stayed home — if the ride-hailing services had not been available.

Researchers in the University of Kentucky study examined the effects of the introduction of ride-hailing apps like Uber and Lyft in 22 cities, and found that when ride-hailing services enter a city, rail ridership fell by 1.29 percent each year, and bus ridership fell by 1.7 percent. And the effect was cumulative, meaning that in cities like San Francisco, bus ridership fell 12.7 percent since app-based taxis entered the market in 2010. And declines like that are present in every city -- except Seattle.

The Kentucky study found that declines in ridership on transit often track closely to the rise of Uber and Lyft. In New York City, trips on Uber and Lyft between 2015 and 2018 grew from about 60,000 to nearly 600,000; in the corresponding period from April 2015 to April 2018, New York City ridership decreased by about 580,000. However, in Seattle and other transit systems that were not so directly affected, the impact of ride-hailing apps depended on the overlap between transit and ride-hailing app service in the types of trips they serve.

Researchers found that Seattle Metro reduced ride hailing impacts by focusing on key improvements -- like dedicated lanes for transit and access to more frequent transit. As of January 2018, 64 percent of households in Seattle are within a 10-minute walk of a 10-minute all-day transit service, up from 25 percent in 2016.

A key impact of not repositioning transit services to complement ride hailing was confirmed in another study by the University of Kentucky released in late 2018 that concluded ride-hailing apps contributed to half of the congestion in San Francisco between 2010 and 2016.

STATE

Autobahn Bill Proposes New Lanes on I-5 and SR-99 With No Speed Limit

A bill introduced on January 21st (SB 319) in response to the downsizing of the California High Speed Rail Project calls for Caltrans to build two additional traffic lanes in the north and southbound directions on both I-5 and SR-99 highways. Those lanes would not have speed limits, although drivers in the other pre-existing lanes would still need to abide by the official 65 miles per hour limit.

The proposed autobahn would be funded from the state's Greenhouse Gas Reduction Fund, which currently allocates 25 percent of the fund for the high-speed rail project on the theory that the project would improve air quality by providing drivers "with access to high-speed, unabated transportation across the state."

Opponents expressed safety concerns and questioned the vehicle emissions improvement claims between idling in traffic versus travelling at 100 mph.

Caltrans Scrambles To Hire Workers To Deliver SB 1 Accelerated Maintenance Program

The new money available for state highway and freeway from Senate Bill 1 has Caltrans human resources staff scrambling. The agency has already filled 1,000 entry-level jobs to speed road upkeep funded by the bill by holding mass-hiring events during which people could interview and get a job offer the same day. But Caltrans is scrambling to fill another 333 additional maintenance jobs.

SB 1 is expected to generate about \$5.4 billion per year for road projects over 10 years. The department expects to patch about 220,000 potholes in the coming fiscal year, up from about 86,000 in fiscal year 2017-18, according to the budget request. It also anticipates improving its response to wrecked guardrails, responding to 90% of them within 72 hours and the department plans to perform maintenance work on 112 bridges in the coming year, up from 38 in 2017-18.

Maintenance workers that patch roads, fix bridges, keep up guardrails and lights, take care of rest areas, pick up litter and perform other needed tasks for the state with no prior experience can start at about \$39,000 per year, while those with more experience or skills can make up to about \$75,000 per year, according to the department's figures. The department also is hiring more engineers, planners and surveyors.

Study To Evaluate Replacement Of State Sales Tax With A Carbon Tax To Reduce Emissions

What if products sold or used in California were taxed based on how much carbon is emitted during their production and use, not how much they cost? Some California lawmakers want to find out if a carbon tax based on how much carbon is emitted during production, sales or use of a product could replace the state sales tax to reduce greenhouse gas emissions. The fees might be imposed at each stage of the product development lifecycle ala value added taxes.

If the bill (SB 43) becomes law, the California Air Resources Board, with aid from the California Department of Tax and Fee Administration, would be required to submit a study scope of work

report to the legislature by 2021. The goal of the study is to determine if reinventing the state sales tax is worth investing in. The agencies involved would have five years to come up with answers.

Concerns were immediately raised by the business community about how the study would create an equitable carbon tax calculation methodology and the potential for inequitable economic impacts on low income drivers that could result from the carbon tax.

REGION

Metro Board Approves Studies Of Congestion Pricing And TNC Fees

The Metro Board of Directors on February 28th approved studying two new transportation programs that help reduce congestion while raising revenue. The congestion pricing initiative, now called “The Re-Imagining of L.A. County,” is a two-year feasibility study of congestion pricing and other potential new fees, including a strategy for addressing equity.

Overall Metro ridership has dropped 20 percent in the last 5 years, to the lowest level in more than a decade. The agency hopes to fund improvements in the transit network that will attract new riders with a restructuring of its services, new fees, and congestion pricing charges that would make transit more attractive compared to driving alone.

Toward that end, the board on February 28th also approved exploring imposing Metro fees on trips taken using Transportation Network Companies” (Lyft, Uber – also called TNCs). The Uber and Lyft fees might apply to e-scooters as well. The initial approaches being studied would be to assess either a flat fee for every Uber or Lyft trip, or to charge a percentage of the total cost of the trip. L. A. is not the only city to consider a tax on ride-sharing. New York City, Chicago and Washington DC assess a fee on Uber and Lyft. San Francisco is in the process of developing something similar.

The 12-to-24-month congestion pricing study would address equity issues and will include outreach. Jim Butts urged the Board to let local jurisdictions rather than Metro implement the fee programs to ensure that the fees do not adversely affect local economic development initiatives (e.g. the stadium and a potential new arena in Inglewood).

The Metro board will vote before moving forward with any congestion pricing pilot.

Metro Board Separates 28 By 2028 Acceleration From Congestion Pricing Evaluation

In addition to the two planning initiatives, the Board also adopted a motion on February 28th that decoupled the 28 by 2028 LA Olympics/Paralympics project acceleration initiative from evaluation of the congestion pricing and ride-hail fees. In the motion, the Board provided staff with refined directions on the project acceleration initiative including the following three key points:

- A. Explore the full range of funding and financing options with the exception of Local Return funds.
- B. Prepare a detailed year-by-year potential financial forecasts to prioritize delivery of four “pillar” projects (Gold Line Eastside Extension Phase 2, Green Line Extension to Torrance, Sepulveda Transit Corridor, and West Santa Ana Branch to Downtown LA)
- C. Conduct a “Constructability Analysis” for the four pillar projects, including scope, costs, risks, P3 status, the use of alternative technology modes, and timelines for environmental clearance,

conceptual design, preliminary engineering, and construction. It's interesting that the right-of-way acquisition timeline was not identified as one of the milestones.

Metro Board Approves \$3.2 Billion Budget For The Last 2.6-Mile Leg Of The Purple Line

The price to complete Metro's subway to the Westwood has more than doubled since the Measure M Campaign estimate in 2016. The Metro Board unanimously approved a new budget for the third and final leg of the Purple Line extension on February 28th. The approval increased the budget for the 2.6-mile rail segment from \$1.4 billion budget estimate in 2016 to \$3.2 billion.

According to an agency expenditure plan, a little under half of the project's budget is expected to come from the federal government, though staffers indicated during the meeting that a grant agreement with the U.S. Department of Transportation is still being finalized. Metro expects the final Westwood segment to open in 2026.

The Purple Line is the latest project affected by swiftly escalating construction costs, which have inflated the prices of some of Metro's signature projects. Metro board member John Fasana expressed concerns that cost increases could threaten the viability of future subway projects, which are typically much more expensive than transit lines that travel along aerial tracks or at street level. He suggested that agency staff should consider "other options" in the future, such as monorail.

Metro is currently examining monorail as one of three options for a planned rail route between the Westside and the San Fernando Valley. But even the monorail alternative has significant subway segments through West L. A. and San Fernando Valley residents are already advocating for more subway segments through their communities.

Metro and Getaround Launch Peer-To-Peer Car Sharing at Metro Station Lots

Metro and Getaround announced a new partnership program on February 7th to offer peer-to-peer car-sharing at 27 Metro park-and-ride lots. Getaround car-share is now available at 110 Metro station parking spaces scattered over 27 Metro park and ride lots.

Getaround is a peer-to-peer car-share that works somewhat like an AirBnB for cars; car owners can join the app and make their cars available for people to rent. Car owners apply to Getaround and, if approved, the company installs "Getaround connect" hardware in the car. The hardware allows the car to be unlocked using the Getaround app, and also prevents theft by preventing the car from being used when there is no active reservation.

Metro Bike-Sharing Ridership Not Meeting Targets

The Port of Los Angeles, located in San Pedro, has the lowest bike-sharing ridership numbers among the four regions across Los Angeles County, according to a Metro report. While Metro has set a target of one ride per bike per day for each region, none of the regions have managed to achieve the company's ridership expectation on a quarterly basis,

Since the first pilot program rolled out in downtown Los Angeles two years ago, the Metropolitan Transportation Authority has expanded the bike-sharing system to Pasadena, Venice and the Port of Los Angeles. Metro's data show that the port recorded an average of 0.09 rides per bike per day in the fourth quarter of 2018. Not only did the performance fall far short of the goal, but it also marked the lowest ridership at the port since the launch of the program. The problem of low ridership did not happen only at the port. In the December quarter, downtown Los Angeles had an average of 0.65 rides, while Venice had 0.47 rides. All the numbers missed Metro's expectation.

With 134 bikes operating at the port in the fourth quarter of 2018, the operation and maintenance cost of those bikes totaled \$509,200 from October to December. Metro has forecast a budget deficit of \$12.5 million for Metro Bike Share's operation for the 2019 fiscal year

To combat an underperforming ridership number, Metro has initiated a slew of promotions to invigorate the use of bike-sharing. With the TAP card integration and discounts for college and vocational students, Metro spokesperson Sotero said the bike-sharing facilities can be a viable transit option at the port. Despite the low ridership, the bike-sharing expansion plan in Los Angeles is underway during 2019 in neighborhoods including University Park, Koreatown, MacArthur Park, Echo Park, Silver Lake, Palms, Mar Vista, and Playa Del Rey.

TRENDS

Delivery Robots Want A Share Of Your Sidewalk

Earlier this year six Amazon Scout delivery robots rolled out in a pilot program in Snohomish County, Wash. Why are companies investing in delivery bots?

Between 2016 and 2017 online retail sales in the U.S. increased by 16 percent. Meal-kit companies are proliferating and grocery stores are making an increasing percentage of their sales online. On the final leg of all these deliveries, called the last mile, humans on bicycles, motorized scooters or large delivery trucks typically ferry packages. Deliveries are trending upwards in all dense city centers but a study found 73% of freight and delivery vehicles in Arlington, Va. were parked outside of authorized areas, often blocking bike lanes, fire hydrants and crosswalks.

By moving the last leg of deliveries from the road to the sidewalk, cities could reduce congestion and eliminate the parking problem entirely. In addition, self-driving vehicles and sidewalk robots could slash last-mile delivery costs in cities by as much as 40 percent, according to a 2018 report by the New York-based McKinsey & Company consultancy firm.

There are significant challenges to be solved before autonomous deliveries will co-exist with humans. The robotic software that helps delivery robots avoid both still and moving objects needs to be perfected and the robotic delivery companies need to satisfy city officials who want to protect public spaces.

Ultimately, the best solution to a glut of delivery vehicles could be less high-tech. A 2016 McKinsey report pointed out old-fashioned bicycles remain the most cost-competitive choice for many last-mile deliveries. "If droids do not become significantly cheaper," the analysts wrote, "bike couriers are likely to be the best delivery form for instant delivery in urban areas."

BMW And Daimler Will Spend Over \$1 Billion On The Future Of Transportation

BMW and Daimler are pooling their resources in a joint mobility effort that spans autonomous cars, ride-hailing, electric scooters, car-sharing, and electric car charging. The two companies announced on February 15th that their intention is to spend \$1.13 billion to explore embracing new business models and alternatives to personal car ownership as well as disruptive technologies like self-driving cars.

Other global auto companies have paired up, including Ford and Volkswagen, which announced recently their intention to build trucks and vans together. And deals are rarely exclusive.

Volkswagen and Mobileye, the computer vision firm owned by Intel, also announced a plan to launch a commercial self-driving ride-hailing service in Israel in 2019.

The cooperation between BMW and Daimler will take the form of five separate companies: Reach Now for multimodal services; Charge Now for EV charging; Free Now for taxi ride-hailing; Park Now for parking; and Share Now for car-sharing.