

**TO: Jacki Bacharach, SBCCOG Executive Director**

**FROM: Steve Lantz, SBCCOG Transportation Consultant**

**RE: SBCCOG Transportation Update – August 2013**

**Federal Update:**

**Congressional Transportation Spending Debate Begins for Federal Fiscal Year 2014**

It looks like budget season in Congress is going to be a rocky road due to sequestration and spending cap concerns. After the House Appropriations Committee approved its version of the Transportation, Housing and Appropriations Bill a month ago, House leadership has postponed a floor vote on its bill until September and will consider the measure that was approved by the Appropriations Committee after its August recess. The Senate debated a \$108 billion Senate Transportation Housing and Urban Development Appropriations bill (S. 1243) on the Senate floor during the last week in July hoping to pass the bill before its recess then failed to pass the bill August 1<sup>st</sup> after a Republican filibuster.

The Senate bill would boost Fiscal Year 2014 funding for infrastructure projects and housing subsidies for the poor and is the first bill in a broader budget framework for a number of appropriation bills set up by Senate Democrat leaders that seek to replace deep cuts to agency operating budgets with tax increases and more modest curbs on spending. The measure spends about \$10 billion more than the transportation portion of current House version of the bill. The higher Senate spending levels would permit \$550 million in transportation infrastructure grants first established in the 2009 economic stimulus bill and a new \$500 million fund for “bridge repairs in critical corridors (BRICC)” projects for structures that are seriously deteriorated or “functionally obsolete” – read that as overly congested and in need of widening. The companion House measure contains no infrastructure funding, eliminates high speed rail funds, eliminates Amtrak overtime, and cuts community development block grants to \$1.6 billion, about half the level called for by the Senate.

The dueling Republican and Democratic fiscal philosophy may forebode another series of continuing resolutions. Because the federal fiscal year begins October 1<sup>st</sup>, unless agreement is reached between the House and Senate by September 30<sup>th</sup>, a continuing resolution would be needed to maintain FY14 spending at current levels and to prevent a partial shutdown of the affected federal agencies. However, the continuing resolutions may be difficult since the Senate bill is \$7 billion above the sequestration limits that became law as a consequence of Congress's failure last summer to agree on a broader federal budget.

**House Told Highway Trust Fund Is Nearing Empty**

The House Subcommittee on Highways and Transit held a hearing on July 26<sup>th</sup> to shine a spotlight on the dreadful financial status of the Highway Trust Fund. The HTF will be unable to meet its obligations sometime in 2014. Barring additional revenues (e.g., a 10-cents per gallon motor fuel

tax increase or a \$15 billion general fund transfer), DOT will start rationing reimbursement payments to states. Since the Federal Highway Administration (FHWA) reimburses states for their expenditures rather than advancing funds, state departments of transportation enter agreements with FHWA, award contracts to construction companies and then rely on getting payments from the feds in order to make payments to the contractors. If the situation gets bad enough, the feds might only be able to cover a portion of states' reimbursement requests.

Revenue deposited in the HTF comes from federal fuel taxes – 18.4 cents a gallon on gasoline and 24.4 cents a gallon on diesel fuel. The Highway Trust Fund is made up of two accounts -- one for highways and one for transit. As it stands, budget forecasts indicate that by the end of fiscal 2014 the highway account will have a cash balance of \$4.6 billion. That's problematic, because in a given month the feds might reimburse states more than \$5 billion. The transit account faces a similar shortfall as the highway account: It will end the year with a \$300 million balance, but some months, it pays out as much as \$1 billion. To meet its reimbursement obligations to states, Congress has been transferring money to the fund since 2008; Congress has transferred a cumulative \$41 billion from the general fund to the HTF, with another \$12.6 billion set for 2014.

It's not entirely clear how states might respond to the current situation. Kim Cawley, a Congressional Budget Office analyst, testified at the hearing that there are a few possibilities. They might be willing to simply wait longer for their reimbursements; they might slow down projects to avoid overextending themselves; or they might actually speed up construction in an effort to get reimbursed ahead of other states and before the money runs out.

### **Labor Agreement Discord Forces Feds to Freeze California's Transit Funds**

The federal government has frozen more than \$1.2 billion in transportation grants to California as it weighs whether the state's recent pension-reform efforts violated the collective bargaining rights of workers. In addition to locking up capital project funding, the freeze has also brought labor negotiations to a standstill as both sides wait for the federal Labor Department to act. The dispute centers on a California law passed last year that put limits on the pensions that public agencies can offer their new hires. Supporters of the law touted it as common-sense reform that would help reign in the huge pension obligations that cities, counties and other government agencies have run up.

But labor unions countered that it violated their collective-bargaining rights by rolling back benefits for future employees without negotiation. The unions invoked a section of federal law that demands a guarantee from any agency receiving federal transit grants — that it will preserve the collective-bargaining rights of its workers.

The Labor Department took up the issue, and has refused to certify California projects as eligible for transit grants that were, for the most part, awarded this year, until it can decide whether the state pension law violates that provision.

### **Oregon Passes Nation's First Road-Usage Tax**

The Oregon State Legislature on July 7th overwhelmingly passed the first-ever legislation in the United States to establish a road usage charge system for transportation funding based on miles

driven to replace the state gas tax. The bill authorizes the Oregon Department of Transportation (ODOT) to assess a charge of 1.5 cents per mile for up to 5,000 cars and light commercial vehicles and issue an equivalent gas tax refund to users. The bill calls for the system to be operational by July 1, 2015.

Mileage-based user fees (MBUF) — or road usage charges (RUC) -- are an alternative way to fund the construction and maintenance of roads. Rather than the current gas tax method, which is based on the amount of fuel purchased at the pump, or toll lanes in which users are charged for use of a specific lane, a vehicle mileage fee or road usage charge is based on how many miles are driven.

### **Sacramento Update:**

#### **Legislators Send Governor Bill Banning Cities From Ticketing at Broken Parking Meters**

State lawmakers approved AB 61 on July 3<sup>rd</sup> that would prohibit cities across California from ticketing motorists who park at meters reported broken that the city failed to fix. Existing law authorizes parking at an inoperable parking meter for up to the posted time limit if no ordinance or resolution has been adopted to prohibit it.

But existing law also authorizes a local authority to adopt an ordinance or resolution prohibiting or restricting the parking of a vehicle at an inoperable parking meter or inoperable parking payment center, as defined. So, local jurisdictions have adopted ordinances allowing issuance of parking tickets at inoperable parking meters. If Governor Brown signs the legislation, it would take effect January 1, 2014 and will be in effect until January 1, 2017.

On July 31<sup>st</sup>, Los Angeles City Council revoked an L. A. City 2010 law allowing parking citations at inoperable meters at least half a year to assess its effect on vandalism of meters by people hoping to avoid paying. Los Angeles City has more than 37,000 digital meters that take credit cards and cash. The city is automatically informed when these machines malfunction.

#### **California Highways Among Worst In Nation; Increased State Gas Tax May Help**

The state excise gas tax had not been raised in two decades until Monday July 1<sup>st</sup>, when it was increased by 3.5 cents per gallon. But the 20 year stagnation has resulted in California's highway system being ranked 47<sup>th</sup> among the 50 states in overall highway performance and efficiency in the latest annual highway report by the Reason Foundation. That is a slight improvement for California, which ranked 48<sup>th</sup> in the two previous studies. Only Alaska, Rhode Island and Hawaii have worse roads. The report covers road conditions through 2009, the most recent year data was compiled by the US Department of Transportation.

According to the report, California spent \$679,000 per mile on road maintenance and other highway upgrades in 2009 making per-mile spending in the state nearly five times the national average. But with 18,260 miles, California's highway system is the 11<sup>th</sup> largest in the nation and carries the most traffic of any state. California's urban interstates are the most congested in the nation, ranking 50th. The state ranks next to last in urban interstate pavement condition and 49th in the condition of key rural roads.

The dismal condition of roads is especially critical since new regulations being issued by the federal government to implement MAP-21 may require first use of formula federal gas tax funds to repair federal highways that are not meeting new performance standards.

### **Southern California Update:**

#### **Ramp Closures Announced for I-405 Northbound Carpool Lane Construction Zone**

Beginning August 3, 2013, the northbound off-ramp to Sunset Boulevard will close for 120 days for the construction of a longer and wider off-ramp. The new Sunset Bridge configuration will feature two northbound right-turn lanes to eastbound Sunset and one northbound left-turn lane to westbound Sunset. The new off-ramp will add 60 percent more capacity to store vehicles and segregate traffic from Sunset Boulevard and the I-405.

On August 22, demolition of the northbound I-405 on-ramp from eastbound Wilshire Boulevard begins, marking the last leg for re-constructing the I-405/Wilshire Boulevard ramps. The Wilshire ramp demolition, expected to last 90 days, will result in a new on-ramp with 280 percent more vehicle storage capacity, created by the bridge's increase from 824 to 3,129 feet in length.

#### **LA Mayor Garcetti appoints three new Metro Board Members; Bonin has Triple Play**

The mayor of the City of Los Angeles controls four seats on the Metro Board of Directors. On July 18<sup>th</sup>, new Los Angeles Mayor Eric Garcetti named two city councilmen and a nonprofit leader to join him on the board: L. A. City Councilman Paul Krekorian from the San Fernando Valley, Mike Bonin from the Westside, and Jackie Dupont-Walker, president of the USC Master Plan Advisory Committee and president of the Ward Economic Development Corp. Garcetti's appointees replace board members appointed by former mayor Antonio Villaraigosa: Mel Wilson, Richard Katz and current L. A. City Councilman José Huizar.

Councilman Bonin, who replaced former LA City Councilman Bill Rosendahl on July 1<sup>st</sup>, had a triple-play first month as he was appointed Chairman of the LA City Council Transportation Committee and Vice Chair of the Exposition II Construction Authority Board.

#### **Metro Orders 25 All-electric Buses**

Metro has signed a contract with BYD Motors for up to 25 new all-electric buses, as an element of a \$30-million clean air bus technology pilot project. An initial purchase of 5 vehicles provides an opportunity to determine whether electric buses can meet LA's rigorous performance requirements. If those work out, Metro may choose to purchase up to 20 additional buses. Metro is also soliciting bids to convert six of its existing hybrid buses to Super Low Emission Bus standards.

Metro's Super Low/Zero Emission Bus Program started in 2011 to meet future vehicle emission reduction targets set by the California Air Resources Board. The program tests EV technologies to check for improved operating characteristics including more range, better integrated subsystems and lighter weight construction. The overriding question is whether the electric buses reduce operating, maintenance and life cycle costs compared to Metro's current fleet.

### **Metro to Study Conversion of I-405 HOV Lanes to Express Lanes**

At the urging of Metro Board Member Mike Antonovich, the Metro Board on July 25th asked Metro staff to produce a report on whether it makes sense for the HOV lanes being constructed on the I-405 to become High Occupancy Toll Lanes to offset the ever expanding budget of the widening project. Metro staff is also exploring creation of HOT Lanes for the I-5 and I-405 from the Orange County line to LAX to pay for expansion of the local HOV network. Metro will report on the performance of the existing I-110 and I-10 Express Lanes in 2014 once the demonstration project period ends

### **Interim ExpressLane Performance Evaluation Released by Caltrans**

More vehicles traveling at higher speeds are using the high-occupancy vehicle lanes on the 110 Freeway since they were converted to ExpressLanes, while speeds on the other lanes largely remained constant, according to a six-month evaluation of the project by Caltrans. Workweek trips are averaging 57,256 per day on the ExpressLanes compared with the average of 50,000 trips before the 11 miles of ExpressLanes were installed between the 91 Freeway and Adams Boulevard. Ridership on the Metro Silver Line has increased 5 percent, a figure that closely tracks the 4 percent improvement in on-time transit performance. In addition, 18 new van pools have formed.

The average ExpressLanes speed on the Harbor Freeway was 65 mph during the peak morning commute, from 5-9 a.m. The average speed for the rest of the freeway lanes during the peak morning commute was 48.3 mph, largely unchanged from the average speed of 48.4 mph prior to the Nov. 10 opening of the ExpressLanes. Travel speeds have actually exceeded the goal of an average 45 mph speed 90 percent of the time during peak periods. In the morning peak travel period (6-9 a.m.), average speeds in the 110 ExpressLanes have increased by over 5 mph with the implementation of ExpressLanes. The average price for the trip was \$5.35, although the cost during the peak morning commute was considerably higher -- about \$10. However, a majority of trips cost less than \$3 in either direction. About 41 percent of motorists drive solo and pay the fee, while the remainders have 2 or more people in the vehicle.

Metro cautioned that the data is preliminary and subject to change ahead of an independent evaluation scheduled for release in mid-2014.

### **Palos Verdes Peninsula Transit Changes Schedule for August**

Now that summer school has ended Palos Verdes Peninsula Transit will only be running buses on the 225/226 lines through the end of August, according to a message sent Friday from the Palos Verdes Peninsula Transit Authority. All other bus lines will begin to run Aug. 27, when school starts.

Line 225 runs all day from Averill and Eighth Street to Palos Verdes Boulevard and Via Valencia, with stops by Miraleste Intermediate School and the Promenade on the Peninsula in between. Line 226 services Palos Verdes Drive West in the mornings and evenings.