

South Bay Cities Council of Governments

January 28, 2021

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering December 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

Biden Names Pete Buttigieg As Transportation Secretary

President-elect Joe Biden has nominated his former rival Pete Buttigieg as U. S. Secretary of Transportation. Buttigieg, former mayor of South Bend, Ind., is poised to become the first openly gay person confirmed by the Senate to a Cabinet post. At 38, Buttigieg would also add youth to an incoming administration that is dominated by leaders with decades of Washington experience.

Buttigieg will play a central role in shaping some of Biden's leading policy priorities. Biden has pledged to spend billions on major infrastructure improvements and on retrofitting initiatives to help the U.S. battle climate change. He also wants to undo the Trump administration's softened carbon emissions standards, sign a major infrastructure bill that was on the President's desk but was threatened with a Trump veto as the new year began, and immediately mandate mask-wearing on airplanes and public transportation systems to slow the spread of the coronavirus.

Biden's FCC and A Democratic Senate Could Change Broadband Internet Policy

President-elect Biden is expected to seek changes in the policy direction of the Federal Communications Commission (FCC) which regulates interstate and international communications by radio, television, wire, satellite and cable in all 50 states, the District of Columbia and U.S. territories. The agency is also charged with expanding broadband in rural areas and leading the rollout of the fifth-generation wireless network 5G.

Although the FCC is an independent U.S. government agency overseen by Congress, the President appoints its members and chairperson, which must be confirmed by the U. S. Senate. President Biden is expected to appoint the most senior Democratic FCC commissioner, Jessica Rosenworcel, as interim head or the new head of the FCC. Given the Senate's recent confirmation of Republican FCC commissioner Nathan Simington, the agency will then be at a 2-2 deadlock with an equal number of commissioners from the two parties until the Senate approves another nominee.

If the Senate retains its Republican majority, the upper chamber may then end up blocking or delaying a vote on a Biden nominee to the FCC. If Senate control changes hands following the Georgia election in January, it will send a Democratic commissioner to the FCC, paving the way for an entirely different policy agenda for the nation's broadband sector.

President Trump's FCC took a light touch approach to governing the internet, benefiting large private sector service providers but drawing criticism for leaving consumers in the dust. A Democratic controlled FCC would be expected to reinstate the broadband internet as a public utility and to restore net neutrality that would require telecom giants to treat all internet traffic equally and would prevent them from partnering with publishers of content to provide faster speeds for their own apps than they do for other publishers' apps.

A Democratic FCC would also be expected to grapple with the cost of internet services for distance learning and other applications and to provide grants to improve rural internet access.

Congress Sends Trump A \$2.3 Trillion Federal 2021 Appropriations and COVID 19 Package

On December 21st, Congress passed the Consolidated Appropriations Act, 2021 which will provide \$1.4 trillion in federal funding for Fiscal Year (FY) 2021 and approximately \$900 billion for COVID-19 relief from December 1st through March 31st. The 5,593-page package, the second-largest bill ever passed by Congress was signed on December 27th by President Trump, who also sent back a redlined version of the bill that incorporated changes he would like to see incorporated. The President's signature avoided a federal government shutdown that Trump had threatened.

The Act includes all twelve annual appropriations bills for FY 2021 and a quarterly increment of COVID-19 assistance. Although the House of Representatives passed FY 2021 appropriations bills that included critical infrastructure funding earlier this year, this infrastructure funding was not included in the omnibus bill. The bill also does not contain direct COVID 19 assistance for state and local governments or liability protections for businesses. However, the bill extends the ability for state, local, and tribal governments to spend aid money provided under the CARES Act from December 31, 2020 through December 31, 2021.

Transit agencies and other transportation sector stakeholders will receive \$13 billion in federal operating assistance through the Federal Transit Administration. The Federal New Starts transit capital program (Section 5309) would receive \$2 billion compared to \$49 billion in Federal Highway Administration funding.

The COVID-19 relief section of the bill includes: \$10 billion for highways to support State Departments of Transportation and certain local transportation agencies; \$1 billion to support AMTRAK; and \$50 million and spending flexibility for paratransit providers. President-elect Biden indicated that he will pursue additional COVID-19 recovery and stimulus legislation which is likely to include a significant push to modernize U.S. infrastructure to create jobs and combat climate change.

State

California Public Utility Commission Decides to Deploy Automated Vehicles

The California Public Utilities Commission on November 19th voted to deploy an Automated Vehicles (AVs) Program after a successful pilot. California now joins Arizona and Illinois, as well as a number of other states and cities, in providing a green light for companies to operate AVs as taxis, or as ride-hailing vehicles summoned by smartphone apps.

But California's AV regulatory program is distinctly Californian, in that the green light to industry comes with considerable regulatory oversight that reflects a compromise between cities, advocates, and companies. The recent decision:

- Lifts a previous ban on pooling – shared rides among separate parties – and on charging fares for rides.
- Requires companies to submit Passenger Safety Plans that will outline the steps the companies will take to provide accessible and equitable service.
- Requires companies to provide publicly available quarterly data reports that must include each AV trip’s time, date, census tract, and occupancy, total empty miles driven (where neither a driver nor a passenger is in the vehicle), as well as detailed information about the number of electric vehicles in the fleet and their charging behavior.

The CPUC denied the requests of cities for rules that would require local authorities to approve the operation of AV vehicles in their jurisdictions citing a fear that local approvals would, “create a patchwork of local regulations that could conflict with each other and complicate cross-municipality transport.”

CTC Issues Annual Report; Recommends More Money For Active Transportation Program

The California Transportation Commission released its annual report to the legislature in mid-December, describing \$22 billion in transportation investments approved in 2020 for more than 1,200 projects. Due to stay-at-home orders, S. B. 1 gas tax revenues alone were down \$1.9 billion from the typical annual revenue of \$5 billion.

The annual report includes a call for the legislature to increase five-fold the amount of funding for the Active Transportation Program (ATP). Every cycle, the number and size of ATP project requests rise and exceed budgeted funds. Total annual funding for the ATP is about \$220 million, with about \$120 million from the State Highway Account and about \$100 million from S.B. 1. The report notes that additional ATP funds could be allocated from cap-and-trade funds.

The report also recommends providing some relief for another S.B. 1-funded program, the Local Streets and Roads Program, which has required local jurisdictions to keep using local general funds at a consistent level to prevent new gas tax revenues to be substituted for local funds. COVID has been wreaking havoc with local funding, however, so staff recommends lawmakers consider some kind of temporary relaxation of that local commitment requirement.

The report also recommends further exploring a statewide per-mile road charge by testing VMT revenue collection methods. In 2017 the California Road Charge Pilot tested the concept of charging a per-mile fee to eventually replace the gas tax, revenue from which will inevitably shrink as cars become more efficient. That pilot focused mostly on the technology of how mileage could be recorded and accurately reported.

Region

L. A. City Launches Urban Air Mobility Initiative For Flying Cars, Neighborhood Airports

The City of Los Angeles on December 16th launched a one-year initiative, known as the Urban Air Mobility Partnership, to educate and engage the city’s residents about the introduction of low-noise, electric aircraft flying by 2023. A product of a public-private partnership between the Mayor’s Office, the Los Angeles Department of Transportation (LADOT), and Urban Movement Labs (UML), the effort will develop and implement a “vertiport,” a new piece of L.A.’s transportation network where people can go to fly on an urban air mobility (UAM) electric, vertical-take-off-and landing (VTOL) aircraft – a flying car.

The one-year partnership will culminate in a policy toolkit that can be utilized and deployed to support urban air mobility. An Urban Air Mobility Fellow will be charged with advancing a comprehensive public engagement strategy around urban air mobility — how it will strengthen the economy, when L. A. might see vehicles take flight, and how it will impact and improve daily lives while providing a viable option for moving goods and people across the city.

Air Mobility Partnership comes on the heels of the publication of the “[Principles of the Urban Sky](#),” a collaboration between Mayor Garcetti’s office, the World Economic Forum, and a group of 50 industry, not-for-profit, academic, and public sector stakeholders. The principles establish a joint commitment to safe, low-noise, and sustainable urban air mobility operations that prioritize equity of access, connections to transit, purpose-driven data sharing, and local workforce development.

The initiative is being financially supported by the Urban Air Mobility Division of Hyundai Motor Group.

L. A. Metro Launches Innovative MicroTransit Project

Micro is Metro’s introduced a new on-demand rideshare service on December 13th with two zones, one serving the LAX and Inglewood area on weekdays and the other serving Watts/Willowbrook seven days per week. The new service is for short trips and uses small vehicles (seating up to 10 customers). The initial fare is \$1 per ride. The service is meant to be a fast, safe and convenient option for quick trips around town without having to transfer.

Trends

Private Sector Firms Team To Advance Electric Air Taxis

Santa-Cruz based Joby Aviation has raised almost \$1 billion in venture capital and is the first company to receive air worthiness certification from the U.S military. With this certificate, the Joby Aviation eVTOL can now provide transportation of both personal and cargo for the U.S armed forces. This will give Joby the opportunity to further prove the safety and functionality of its electric aircraft, and make any necessary improvements before receiving FAA certification.

Joby Aviation has also acquired Uber Elevate, which is Uber’s initiative to make a network of on-demand air taxi transportation in major cities throughout the globe. Under the terms of the agreement, Uber as a company will remain a part of the partnership and the final overall product. The partnership will integrate both Uber’s ground transportation app and Joby’s air transportation app to provide a seamless travel experience for passengers. To grow this partnership, Uber has invested an additional \$75 million in Joby Aviation, as well as a previously undisclosed \$50 million made in January.

Traffic Thinned, L. A. Smog Grew In 2020

Los Angeles enjoyed a 21-day stretch of smog-free days at the beginning of 2020 that overlapped with the start of coronavirus stay-at-home orders, fueling hopes that dramatic cuts in driving would at least clean the air. No such luck. The year 2020 will instead go down as one of Southern California’s smoggiest in decades with the worst ozone pollution readings and highest number of bad air days since the mid-1990s.

In all, this year there were 157 bad air days for ozone pollution — the invisible, lung-searing gas in smog. The region has also had more than 30 bad air days for fine-particle pollution, or soot. Those numbers were boosted by a pall of smoke from wildfires up and down the West Coast.

Scientists are working to understand the influence of climate change, wildfires, vehicle emissions and lesser-known pollution sources such as the fumes released by disinfectants and other consumer products. They said the pandemic gave them an unparalleled natural experiment, showing what happens when you drastically curtail one source of pollution. What became evident is that decades of regulations have cut passenger vehicle emissions so dramatically that they are no longer California's dominant source of smog-forming pollution.

The highest ozone pollution level recorded in downtown Los Angeles in 26 years — a reading of 185 parts per billion — occurred during a blistering heat wave on Sept. 6, the same day L.A. County exceeded 120 degrees for the first time on record.

Based on this year's high smog readings alone, the South Coast air district said it will not be possible to meet the least stringent of those standards by a 2022 deadline.

Santa Monica To Create Zero-Emission Delivery Zones

Starting in early February 2021, Santa Monica will launch the Nation's first zero-emissions delivery zone. Think robots delivering sandwiches, electric bicycles carting small packages, and plug-in three-wheelers dropping off pizzas.

Funded with a grant from the California Governor's Office of Business and Economic Development and coordinated through the Los Angeles Cleantech Incubator, the pilot program seeks to lower emissions and decrease traffic for food and parcel deliveries. The one-square-mile, zero-emissions delivery zone will be located in Santa Monica's Main Street shopping and dining hub.

How Telework Might Transform L.A.

Formerly bustling downtown office buildings and business districts have felt like ghost towns since the COVID-19 pandemic forced many to work remotely. A third of U.S. workers are still working from home, changing the rhythm of life in cities. The shift to remote work may continue long after the pandemic ends.

A recent University of Chicago study found that 37% of jobs in the U.S. can be done entirely from home. Tech companies like Twitter and Facebook have announced permanent teleworking options, while Nationwide Insurance, REI and others are closing office buildings in anticipation of new work patterns. More than 80% of office workers would like to work from home at least once a week after the pandemic, and nearly 90% of executives expect many or most of their employees will do so, according to a June survey by consulting firm PwC.

If a third of people work from home, overall time spent commuting in Los Angeles could drop 32%. Forty-four percent of employers say they feel their employees have been more productive working from home. However, teleworking's long-range impact on networking, collaboration and other activities that benefit from face-to-face interaction is not yet known. If it ends up dampening productivity in the long run, it could shrink the economy and depress wages, potentially countering the benefits of lower home prices and less traffic.

Although predictions of the death of the office are premature, researchers at USC's Marshall School of Business are considering whether a mass move toward remote work could transform American cities and affect housing prices, traffic and commute times, and where people choose to live. They developed a model to help understand what Los Angeles might look like if a third of employees worked from home and came to the following conclusions:

- The population in Los Angeles would spread slightly out from the core to the periphery as teleworking loosens the connection between where we live and where we work.
- Driven by financial concerns and lifestyle preferences, some new telecommuters would move from the urban core to the suburbs and beyond.
- City centers won't hollow out since millennials and others drawn by amenities like restaurants and the arts may stay put even if they no longer have to, assuming these amenities spring back post-pandemic.
- As higher-paid teleworkers move away from central areas, home prices will drop in those locations, making it more affordable for others to move in — especially those who still need to come into the office. This could benefit low-income workers who have been pushed farther into the suburbs by gentrification and currently face grueling commutes.
- Urban neighborhoods may become more economically diverse. Gentrification won't go away, but with less competition for real estate in the urban core, overall housing prices will likely drop citywide. Our analysis of movement within Los Angeles found that overall home prices could decline by around 6%.
- A handful of large cities, including Los Angeles and San Diego, could draw some of the now-untethered telecommuters attracted by the cities' unique amenities. While home prices in most large cities will drop, costs in the most desirable urban areas may not fall much, because of an influx of new residents.
- As people move and real estate prices shift, businesses may also make different decisions about where to locate. And as people spread out, there may be fewer mixed commercial and residential districts that often define city living.