

South Bay Cities Council of Governments

July 23, 2020

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering June 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

HR 2 Would Fund \$500 Billion in Highway, Transit Infrastructure Over 5 years

The House of Representatives on July 1st adopted the Invest In America Act (H. R. 2) by a vote of 233 to 183. The five-year, \$1.5 trillion green infrastructure plan would include approximately \$500 billion for transportation related investments. HR 2 extends FY 2020 enacted funding levels through 2021 for federal-aid highway, transit and safety programs and reauthorizes several surface transportation programs for FY 2022-FY 2025.

Much of the \$500 billion in transportation funding in the Moving Forward Act is tied to green measures that require states to set targets for reducing greenhouse gas emissions and make other climate conscious efforts. The bill's focus on carbon reduction efforts marks a significant shift in transportation funding. In addition to highway funding, it gears more money toward public transit, rewarding systems with more frequent service — a key metric for recruiting riders — rather than low net operating costs.

It includes a large suite of tax breaks for renewables and other clean energy efforts, and offers grant funding for zero-emissions buses, electrifying the postal service fleet, and retrofitting schools and other large buildings while offering up weatherizing assistance for homeowners.

While the green measures included in the transportation section have sparked the most debate, the bill sets aside considerable amounts of funding across nearly every sector — including \$25 billion for drinking water, \$100 billion for broadband, \$70 billion for clean energy projects, \$100 billion for low income schools, \$30 billion to upgrade hospitals, \$100 billion in funding for public housing and \$25 billion for the postal service. An amendment added to the bill sets aside \$4.5 billion to replace lead pipes leading into homes.

Key transportation provisions include the return of the Projects of National and Regional Significance (PNRS) grant program - authorized at \$9 billion for goods movement and transit projects, the return of the successful Local Hire Pilot Program, reforms to Buy America that will incentivize domestic manufacturing of buses and railcars, streamlining reforms to the Capital Investment Grant Program (New Starts), a five-fold increase in investments for zero-emission

bus programs, positive provisions regarding workforce development programs. Also it includes strategies to reduce the climate change impacts of the surface transportation system, and directs US DOT to establish a national motor vehicle per-mile use fee to fund the Highway Trust Fund and maintain a state of good repair in the surface transportation program.

The bulk of the Democrats' infrastructure package would commit \$319 billion for the FHWA's Federal-Aid highway program of road repairs and to fix 47,000 structurally deficient bridges, \$105 billion for mass transit, build electric vehicle charging stations, and would invest nearly \$30 billion in Amtrak and rail infrastructure improvements in the Northeast Corridor. HR 2 also would provide \$5.3 billion for NHTSA's highway safety program and \$4.3 billion for the Federal Motor Carrier Safety Administration (FMCSA) motor carrier safety program.

Republican Senate leadership immediately announced that it would not consider the House version of an infrastructure bill due its reliance on debt and its resemblance to previous Green New Deal proposals. The Senate advanced the highway portion of its surface transportation bill through the Commerce, Science, & Transportation Committee last July on a bipartisan basis. But three more committees have yet to contribute their sections of the bill.

The President threatened to veto the House measure arguing it should eliminate or reduce environmental reviews, relies too much on new debt, and doesn't provide enough money to rural America. As always there is still the perennial question of how to pay for HR 2. The issues of funding looms larger than ever, with the coronavirus pandemic and economic downturn adding significant complications to the task.

State

California's Gas Tax Just Increased By CPI

The gas tax in California rose by 3.2 cents on July 1st, bringing the tax to 50.5 cents per gallon. The automatic increase, created in the 2017 SB 1 law, adjusts the tax annually to match changes in the consumer price index. A separate road-improvement annual vehicle registration fee debuted July 1st for electric cars with a model year of 2020 or later. The new funding will be used for road maintenance.

State estimates of gas and diesel tax revenue have declined by almost 7% this year due to reduced vehicle miles travelled and are projected to drop by 7.6% in the fiscal year starting July 1. The decline will mean a loss of about \$1.2 billion in revenue over the two years.

CARB Passes Clean Trucks Rule, Setting Stage For ZEV-Only Sales By 2045

The California Air Resources Board (CARB) adopted its Advanced Clean Trucks (ACT) Regulation on June 25th that will require, by 2045, every new truck sold in California to be zero-emission. The rules require truck Original Equipment Manufacturers (OEMs) to phase in the ZEV regulation by selling an increasing percentage of zero-emission trucks in California between 2024 and 2045.

The move to phase out fossil-fueled trucks is a "first-in-the-world rule," that is part of a larger CARB push to meet state environmental goals, which include reaching federal ambient air quality standards. The standard requires a 40% reduction in greenhouse gases (GHG) by 2030, an 80% reduction in GHG by 2050 and a 50% reduction in petroleum use by 2030.

To achieve that goal, CARB set interim standards. By 2035, 55% of Class 2b to Class 3 truck sales, 75% of Class 4 – 8 truck sales, and 40% of truck tractor sales must be of zero-emission vehicles (ZEV).

Cost-savings of electric vehicles (EV) are beginning to appear for fleets. In the past, the battery for a battery-electric vehicle (BEV) was the main cost. The California Trucking Association, in a May 5th study, found battery cost "has declined as much as 80% over the last eight years. Further cost declines of over 50% are expected in the next decade, which should put upfront costs of many EVs below their conventional competitors by 2030." The rule would create a market for up to 500,000 electric trucks by 2040.

California Transportation Commission Allocates 500 Mil. For Projects In L. A. County

On June 24th the California Transportation Commission approved fund allocations which included over \$500 million for L.A. County projects. These allocations represent a portion of the \$1.88 billion in multi-year funds awarded to Metro in 2018 under the various SB 1 active transportation, highway and transit discretionary grant programs. The State Transportation Improvement Program formula allocations were also approved. Although no projects were approved in the South Bay proper, the list includes \$190 million for the L. A. City Airport Connector / 96th Street Transit Station Project.

The new regulations were adopted in the context of an ongoing fuel standards debate. President Trump has been pushing for a national rule that would raise fuel standards more slowly than California's plan. California and 22 other states are suing the Trump administration to protect the more aggressive fuel economy rule. That court fight matters because California will need the federal government's approval to enforce its proposed trucking rules.

Heavy-duty trucks make up 10% of California's on-road but account for a quarter of the state's diesel pollution according to the air board. Vehicle sources at large account for half of greenhouse gas emissions and over 95 percent of diesel pollution.

California PUC Rules That Uber And Lyft Drivers Are Employees

The California Public Utilities Commission, the state government body responsible for licensing and regulating some transportation companies including Uber and Lyft, officially ruled on June 9th that it would formally consider drivers of those companies to be employees, in line with a newly-enacted state law known as AB5.

As a result, the companies are required to provide workers' compensation for their employees by July 1. If they don't comply, the PUC could consider revoking the companies' relevant operating authority.

For years, the rideshare companies have touted the ad-hoc work schedule as an attractive perk for drivers. However, one of the major downsides has been that drivers are on the hook for incurring numerous work expenses, including gas, car maintenance, insurance, and more. A report commissioned by UBER projected that the new requirement will result in an 80 to 90 percent reduction in the number of drivers.

Region

Metro Restored Some Bus Service; Continues Social Distancing Policies Metro implemented bus service changes on June 21st in response to growing demand by adding bus trips to 95 of the lines currently running daily and increasing the frequencies on selected heavily used bus lines. The agency will continue to use larger, 60-foot articulated buses on all trips on selected lines to the extent possible in support of social distancing.

Other Metro bus routes will continue to run on an enhanced Sunday schedule. A full list is available on Metro's website. The agency continues to not enforce fare payment and nearly all Metro bus riders must board and exit through rear doors only. The front door will remain available to wheelchair riders and those who need the wheelchair ramp. Metro is also requiring all riders to wear face coverings and Metro bus operators will continue to use the transparent protective barrier that helps isolate them.

Metro is hosting a virtual public meeting on the Recovery Task Force July 9th, in English/Spanish, at 6:00 p. m. Metro is hosting a virtual public meeting on the Recovery Task Force on Thursday, July 9, in English/Spanish at 6:00 p. m. Join the Microsoft Live meeting at:

https://teams.microsoft.com/dl/launcher/launcher.html?url=%2f_%23%2f%2fmeetup-join%2f19%3ameeting_ZGRkZjU2MmItNDc3NC00N2M4LWJkZTIzMzk1YzdiMDJhNWEz%40thread.v2%2f0%3fcontext%3d%257b%2522Tid%2522%253a%2522ab57129b-dbfd-4cac-aa77-fc74c40364af%2522%252c%2522Oid%2522%253a%252217626859-8db8-4ea3-96de-e733d02d3b5b%2522%252c%2522IsBroadcastMeeting%2522%253a%2522true%257d%26anon%3dtrue&type=meetup-join&deeplinkId=b01d61de-5146-4419-869d-1c00b5338c00&directDl=true&msLaunch=true&enableMobilePage=false&suppressPrompt=true

Metro To Overhaul Policing Of Buses, Trains and Stations, Offer Promotional Fares

The L. A. Metro Board of Directors voted 9 to 2 on June 25th to develop a package of reforms aimed at responding to the triple threat of the COVID-19 pandemic, an economic recession, and protests against racism and transit policing.

Metro is carrying approximately 450,000 riders each weekday, down from 1.2 million before the Safer At Home Orders. Metro is hoping to attract back riders as its system re-opens with half-price passes and transit policing reforms.

After years of declining ridership, and rising assaults and violent crime, Metro nearly doubled the number of uniformed police on the transit system in 2017. Contracts with the Los Angeles Police Department, Los Angeles County Sheriff's Department and Long Beach Police Department that expire in 2022 have contributed to reducing violent crime on the system 23% from 2015 to 2019. However, the contracts provide sworn officers to Metro on a very costly paid-overtime basis.

Potential policing alternatives could include a transit ambassador program that provides staffed presence at Metro facilities and on Metro vehicles as well as social workers, mediators or mental health professionals.

Study of New Metro Fees Ordered

A study ordered by the agency to explore congestion-based fees as a traffic reduction measure is due next summer. The conceptual plan would use the fees to improve transit throughout L. A. County.

Trends

In a Post-Pandemic World, Curbside Pickup Will Pick Up Steam

Between late February and late March, buy-online-pickup-in-store orders, which includes curbside, increased 87% year over year, according to Adobe Analytics. 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. Experts predict that this is not just a short-term approach to connect with customers during a global pandemic. NY major retailers have installed parking spaces for curbside pickup. Smaller businesses are simply instructing customers to put on their car's hazard lights and call the store when they arrive. Retailers can build brand loyalty with customers by offering fast, touchless digital payments and easy-to-use mobile apps

Can Self-Driving Scooters End Sidewalk Clutter?

Next to achieving profitability, the hardest part about operating a dockless scooter start-up is keeping them charged and out of the middle of sidewalk.

Go X is an electric scooter company that has licensed technology from the automated positioning technology company Tortoise. It retrofitted its scooters with training wheels of sorts and an automated self-righting kickstand that enables them to operate autonomously. These self-driving scooters are now part of a six-month pilot program at Curiosity Labs in Peachtree City, Georgia that will real-world test a new mobility service where riders hail scooters that autonomously go to them.

Any visitor or employee on the 500-acre technology campus can download GoX's app and hail a scooter similar to on-demand ridesharing programs like UBER and LYFT. A scooter navigates on its own to your location. At that point, the navigating is up to the rider to get to their destination. But after ride is completed and the scooter parked, it returns on its own to the depot for recharging and complete sanitization to ensure they're clean and fully-charged for the next person.

Uber Testing \$50 / Hour Ride Option With No Limits On Stops

Uber is piloting a pay-by-the-hour, personal-driver-like service during a period of slumping business because of the fallout from the coronavirus pandemic. The new option, called "Uber Hourly", allows the customer to book a driver for \$50 an hour for up to 8 hours. The driver is all yours during that time, and you can make as many stops as you need without having to request a new car at each stop you make.

Santa Monica, CA to pilot zero emissions delivery zone

The City of Santa Monica, CA, in partnership with the Los Angeles Cleantech Incubator (LACI) and others, has issued a request for information (RFI) for a first-of-its-kind voluntary zero emissions delivery zone. The delivery zone, a one-square-mile area in the city's "commercial activity core," is home to the commercial districts of Downtown Santa Monica and Main Street.

The RFI says LACI and the city are eager to explore new technologies to cut delivery traffic in the zone, with solutions like e-cargo bikes; micro-mobility devices; curb management; light- and

medium-duty electric vehicles (EVs); and measurement and tracking for pollution, congestion and other data points.

Technology providers, including startups, community organizations and nonprofits, were encouraged to respond to the RFI, but LACI said delivery companies, while not eligible funding recipients, were encouraged to submit innovative ideas to be considered in the pilot.

LACI and its partners are looking to try a variety of different delivery options in a bid to figure out what works, It will be "critical" to have legacy delivery companies — UPS, FedEx and the like — involved in the pilot.

Closing Streets to Cars

Throughout the coronavirus pandemic, lockdowns across the nation have made streets look like ghost towns. Yet, in March, e-bike sales in the U.S. jumped 85 percent year-over-year and city planners are jumping on the trend by closing streets to cars to make space for cyclists and pedestrians. New York City, temporarily opened 43 miles of streets to the public; Seattle is permanently closing 20 miles of streets to traffic; Denver has designated 13 miles; and Oakland's goal is 74 miles, or 10 percent of its streetscape.

It will be interesting to see how many of the street closures are made permanent and how many new active transportation restrictive lanes are approved after the Safer At Home restrictions end.

Uber Makes SaaS Move In California Transit Partnership

Uber is partnering with Marin Transit on an on-demand transit service in which Marin Transit will pay Uber a subscription fee to use its transit trip management software, encompassing trip requests and matching, plus fleet tracking.

It is the first example of Uber venturing from its Mobility as a Service (MaaS) model into a Software-as-a-Service (SaaS) partnership. Rather than booking a trip in someone's private car, riders will use the Uber platform to ride on wheelchair-accessible public paratransit vans. Marin Transit claims the move is a boon for disadvantaged riders. The program, Marin Connect, will allow users to request rides, view transit schedules, and receive discounts on Uber rides to transit stops without downloading yet another mobility app to their phones

Trips are booked for the service through a dedicated section in the Uber app. The service will initially be comprised of four fully wheelchair accessible six-seater vans, with trips charged at \$4 per mile (or \$3 per mile for Marin Access riders). Rides can also be shared if two riders are travelling the same direction, though this limits occupancy of the vans to just two people. All fare revenue will be paid directly to Marin Transit; Uber's only financial interest in the partnership is the software licensing fee, rumored to be approximately \$80,000 for a two-year period.

Pushing into public transport services in this way places Uber is in direct competition with Via, which runs numerous on-demand transit services in partnership with transport authorities through the U.S. and Europe (as ViaVan).