

South Bay Cities Council of Governments

May 26, 2016

TO: SBCCOG Board of Directors

FROM: Jacki Bacharach, SBCCOG Executive Director
Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update – May 2016

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

U.S. Highway Funds May Require Consideration of Climate Change Performance Measures

The Federal Highway Administration (FHWA) is considering measuring the success of state and local transportation projects by their greenhouse gas emissions. The agency on April 22nd proposed a rule establishing new performance standards for transportation projects receiving federal dollars. If finalized, it would be the first-ever requirement for all state and local transportation officials to tally and report their carbon pollution.

Rather than proposing specific language, FHWA asked a series of questions to determine whether or not it should include a carbon dioxide measure in the final rule, expected at the end of the year. The agency said the unit for the metric would probably be annual tons of CO₂ from on-road mobile sources, but it didn't say whether upstream emissions from vehicle manufacturing or construction and maintenance emissions would be covered. Several states, including California, consider greenhouse gas emissions in their transportation planning.

The proposed rule addresses a requirement of the 2012 Moving Ahead for Progress in the 21st Century Act (MAP-21), which sought to create new ways to measure the success of transportation projects. Carbon pollution would join other metrics proposed by FHWA, like congestion, freight movement improvement, pavement condition, and fatalities and injuries.

The proposal faces considerable opposition. Some critics questioned whether MAP-21 requires the agency to include carbon pollution in the new performance standards since current federal law does not mention greenhouse gas emissions. Environmental advocates said the Department of Transportation (USDOT) has the authority to set standards for greenhouse gases because they are air pollutants. Brian Kelly, secretary of the California State Transportation Agency, wrote to USDOT in January in support of the measure. The state and its 18 MPOs have been tracking and reporting greenhouse gas emissions from transportation since the passage of S.B. 375 in 2008.

GM and Lyft Unveil a New Strategy To Lure Shared Ride Drivers: Free Cars

On March 15th, GM and Lyft announced the two companies are teaming up in a new Express Drive program under which Lyft drivers will be able to rent vehicles from GM from one to eight weeks at a time—potentially for free. Under the pilot program in Chicago, if a Lyft driver completes

more than 65 rides in a week, they pay no rental fee, insurance or maintenance costs (although drivers do pay for their own gas). If drivers complete fewer rides, they will pay \$99 a week to rent the car.

STATE

State Senator Wants to Add Two Members to Metro Board Of Directors

A state senator representing Southeast Los Angeles County wants to add two members to the Los Angeles County Metropolitan Transportation Authority (Metro)'s board of directors. Senate Bill 1472 was sent from the Senate Transportation and Housing Committee to the Senate Appropriations Committee on April 11th. One of the two new members would be appointed by the Speaker of the Assembly and one member would be appointed by the Senate Committee on Rules. At the time a member was appointed pursuant to this subdivision, the member could not reside in the same city as another Metro board member. Metro has opposed similar measures in the past in the belief that such a bill hands power to the state Legislature.

The 14-member Metro board is currently made up of four members from the city of Los Angeles - the mayor plus three appointees; the five members of the Los Angeles County Board of Supervisors; and four city members representing sub-regions (San Fernando Valley/North County, Southwest County, San Gabriel Valley, and the Southeast area). A non-voting member is appointed by the Governor.

State Special Session On Transportation Generates New Legislative Provisions

The state legislature has been working on transportation funding sporadically in a Special Session since last year. During April key provisions added to SBX1-1 would:

- Create an Active Transportation Program within Caltrans, with an annual budget of \$100 million from the Greenhouse Gas Reduction Fund (GGRF). It also includes a requirement that Caltrans update its Highway Design Manual to incorporate the "complete streets" design concept by January 1, 2017. However, it eliminates previous language that would have required any capital improvement project funded by the state to include new bicycle and pedestrian safety, access, and mobility improvements;
- Eliminate the annual gas tax rate adjustment, reinstate the gas excise tax to its 2010 rate and tie it to inflation, and adjust the rate regularly as fuel efficiency increases;
- Create a "Road Maintenance and Rehabilitation" program to be funded by several changes in funding including a 12-cents-a-gallon increase in the gas tax, a 10-cents-a-gallon increase in the diesel tax, a \$35 increase in vehicle registration fees, a \$100 vehicle registration fee for electric vehicles, a new \$35 road access charge, repayment of outstanding loans from transportation funds to General Fund; five percent of the funds so raised would be distributed to counties that approve a new transactions and use tax (unspecified), with the remainder split between state highway maintenance/operations and cities and counties per formula;
- Require the California Transportation Commission to adopt performance criteria related to highway performance goals, greenhouse gas emissions, social equity impacts, and public health impacts;
- Dedicate the increase in the sales tax on diesel for transit capital and "certain transit services," and substitute GGRF money for some tax money in the Public Transportation Account;

- Raise the GGRF appropriation to Transit and Intercity Rail Capital from 10 percent to 20 percent, and to Low Carbon Transit Operations from 5 percent to 10 percent; and
- Remove the California Transportation Commission out from under the jurisdiction of the California State Transportation Agency.

State Senate Bill Would Allow Advertising On Caltrans Changeable Message Signs

SB 1397, would enact the Highway Safety and Information Act that would allow Caltrans to sell advertising displays on changeable message signs. The pilot project would include an evaluation of any driver distraction issues and would require Federal Highway Administration approval of the demonstration phase before the program could be initiated. The ads could generate about \$200 million a year on 700 changeable message signs across the state. The money would be used to repair and upgrade the state highway system.

San Francisco Approves Change from LOS to VMT Metrics Ahead of Statewide Adoption

San Francisco adopted Vehicle Miles Traveled (VMT) in place of Level of Service (LOS) in mid-April as a new metric for all CEQA determinations. By adopting VMT ahead of the statewide implementation of SB 743, San Francisco became the first city in the state to agree with the State Office of Planning and Research (OPR) that VMT is better than LOS at promoting the reduction of greenhouse gas emissions, multimodal transportation, and a diversity of land uses.

The Southern California Association of Governments has approved VMT only as applied to projects in Transit Priority Areas—narrowly defined as half-mile districts around transit stations. But SCAG is recommending that it not be applied to projects outside the transit priority areas and to grandfather in all of the road capacity projects currently included in the SCAG Regional Transportation Plan / Sustainable Communities Strategy.

Uber Settlement Keeps Drivers as Independent Contractors In California

Uber agreed on April 21st to pay up to \$100 million and make several policy concessions to settle a pair of major class-action lawsuits that will keep its drivers independent contractors instead of employees. Federal law does not extend collective bargaining rights to independent contractors such as architects, masseuses or workers dispatched through mobile applications such as Uber and Lyft.

Uber will allow drivers to put signs in their cars saying “tips are not included” in the price of a ride and would be appreciated. Lyft, a rival ride-hailing service, allows for riders to add a tip for the driver on the app, Uber does not. Uber also agreed to improve its systems for communicating with drivers about their ratings and why they are terminated, to allow arbitration in disputes with drivers, and to help start drivers’ associations in both states.

The settlement, which involved about 385,000 drivers in two cases, was filed in a U.S. District Court in San Francisco. It still faces similar suits in several other states including Arizona and Florida. Uber also still faces risks that legislators and labor regulators will change employees’ status.

State's Carbon Tax Raises Gas Prices by 11 Cents A Gallon

The California Legislature’s nonpartisan analyst issued a report on April 6th that estimates the state’s pollution tax has raised gasoline prices by 11 cents per gallon and diesel prices by 13 cents and generates a total of \$2 billion per year. Consumers may not have noticed much impact at the pump because the pollution tax has come at a time when gas prices were plummeting nationally.

The U.S. average for a gallon of gasoline dropped from \$3.26 per gallon at the beginning of 2014 to \$2.14 a year later, according to the U.S. Energy Information Administration.

California launched the pollution-restriction program in 2012 and began applying it to gas and diesel last year. Known as “cap-and-trade,” the program is designed to control emissions of heat-trapping gases and to spur investment in clean technologies. It limits how much pollution businesses can spew, making them buy permits.

The “cap and trade” program puts a price on carbon emissions and caps how much individual polluters are allowed to release. Businesses are required to either cut emissions to the cap levels or buy allowances through a “marketplace” from other companies for each metric ton of carbon spewed over the cap each year.

California Governor Jerry Brown has proposed spending \$3.1 billion of money from the program on initiatives that include high speed rail and incentives for electric vehicles, transit programs and biofuel subsidies.

Caltrans Partners with Waze To Improve Real-Time Traffic And Roadway Information

Caltrans announced on April 5th a new, free data-sharing partnership with Waze, a private-sector navigation application, in which each will share data to provide the public with better traffic and road information. Under the agreement, Waze will share with Caltrans the free, anonymous traffic and incident report data from Waze users. This data will provide real-time travel information on California's roadways provided by Caltrans' QuickMap. Caltrans, in turn, will send Waze Caltrans' road condition reporting data, construction and road closure information to share with its users. According to Waze, Los Angeles has more than 1.7 million active users per month, contributing more than 2.5 million alerts such as potholes and accidents per month.

New California Plan May Shake Up Freight Industry

In a collaboration of the California Department of Transportation, the California Air Resources Board, the California Energy Commission and the Governor's Office of Business and Economic Development, the state released a draft Sustainable Freight Action Plan on April 29th. The plan aims to transform the state's freight system by 2050, making it more efficient, connected and advanced, while transitioning to zero-emission technologies.

The Sustainable Freight Action Plan is a first-of-its-kind initiative. Nothing so fully comprehensive for goods movement has been tried before. The plan includes a variety of investment and regulatory paths to accelerate an improved freight system — covering all modes of freight transport from air to water to land including an implementation strategy for deploying over 100,000 freight vehicles capable of zero-emission or near-zero-emission operation by 2030.

Other proposals include suggestions for next-generation air transportation systems (including plane-to-plane connected technology), electric-truck lanes, air traffic control support, vehicle-to-grid projects (where electricity from batteries in electric vehicles flows from the vehicle to the electric grid and back) and first-mile/last-mile solutions. The plan also has garnered attention from big data companies and connected technology providers seeking to improve system efficiency and overall performance.

Four unique fuel-technology combinations currently hold the most promise to successfully transform the heavy-duty vehicle transportation sector to zero and near-zero emissions using low-carbon, non-

petroleum fuels. The choices consist of two types of advanced low-natural gas and renewable diesel internal-combustion engines and two types of electric-drive systems powered by batteries or hydrogen fuel cells.

REGION

Beverly Hills to Develop Autonomous-Vehicle Public Transportation Program

The City of Beverly Hills, Calif., will begin developing an autonomous vehicle program for public transportation, following the City Council's April 5 approval of the initiative. The City Council hopes the vehicles will address "first and last mile" issues related to the expansion of Metro's Purple Line subway into the city. The subway extension with two stops in Beverly Hills is expected to be operational by 2026, but no new public parking is planned.

The city envisions the autonomous vehicle shuttles would provide on-demand, point-to-point transportation within the city, with users requesting a ride using their smart phones. The city expects to develop partnerships with autonomous vehicle manufacturers and to work with regulators and policy makers.