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TO: Jacki Bacharach, SBCCOG Executive Director

FROM: Steve Lantz, SBCCOG Transportation Consultant

RE: SBCCOG Transportation Update – October 2013

Federal Update:

Governor Brown Temporarily Saves Federal Transit Funding

As reported last month, US Secretary of Labor Thomas Perez forced California Governor Jerry Brown to fashion a legislative fix to an impasse over implementation of the pension reform bill that was threatening the delivery of federal transit funds to 85 transit districts throughout the state. The federal dispute centers on a California law passed last year that put limits on the pensions that public agencies can offer their new hires. Labor unions claim that their collective-bargaining rights are protected under a 1964 federal law, known as 13-C, were violated when California voters approved the California Public Employees' Pension Reform Act (PEPRA) of 2013. The labor unions claim benefits for future employees were decreased without negotiation.

Governor Brown signed AB 1222 at the end of September to exempt transit workers from PEPRA for 15 months to provide enough time for Sacramento's transit authority -- the one organization not covered by the bill -- to sue the U.S. Department of Labor. The federal government, in turn, will re-certify California as having complied with the law and allow the remaining grants to flow to the state in 2013 and 2014. Should the Federal government win in court, AB 1222 would shield transit workers indefinitely from the effects of PEPRA. However, should Sacramento prevail, transit workers will see adjustments to their pensions. Since the lawsuit involves the relationship of state and federal law, this case may be important for larger battles over pensions, such as the bankruptcy of Detroit, Michigan and Stockton, California.

US DOT To Furlough 18,000 employees

The Department of Transportation announced on September 27th it would have to furlough 18,000 employees beginning October 1 during "a lapse in annual appropriations." Under the DOT plan the biggest decrease in its workforce is in the Federal Aviation Administration (FAA), which is the agency's largest subsidiary. The FAA would go from 46,070 employees currently to 30,556. FAA's air traffic controllers would be exempt from furloughs.

Sacramento Update

Bill Reducing Transportation Sales Tax Approval to 55% is Amended; Becomes 2-year Bill

SCA 4 would allow a local government to impose a special tax for transportation projects upon approval by 55% rather than the currently required 2/3rd approval. As amended in late August, the proposed state constitutional amendment includes several provisions that might limit its appeal to L. A. County Supervisors and Metro.

The new provisions would:

1. prohibit a local government from expending any revenues derived from a special transportation tax approved by 55% of the voters at any time prior to the completion of a statutorily identified capital project funded by revenues derived from another special tax of the same local government that was approved by a 2/3 vote. In effect, a new sales tax in LA County could not be used to accelerate a project approved under Propositions A, C, or Measure R.
2. require that at least 50 percent of the tax proceeds be expended for programs or purposes included in an adopted sustainable communities strategy.
3. require a local government, when expending any of the tax proceeds for an expansion project on the state highway system, to dedicate a portion of those proceeds, as determined under statute, for the ongoing maintenance of that expansion project.

SCA4 was referred back to a Senate Committee and has become a two-year bill since the state legislature is in recess through December.

Governor Signs Third Version of Three-foot Passing Law

Governor Brown signed AB 1371, the Three Feet for Safety Act on September 23rd. California has joined the ranks of 21 other states (plus the District of Columbia) with three-foot laws. The Three Feet for Safety Act goes into effect in California a year from now, on September 16, 2014.

This was a third legislative attempt at creating a minimum three-foot distance to pass a cyclist on California streets, after Governor Brown vetoed the two previous attempts. The bill replaces the current requirement that drivers pass bicyclists at an unspecified “safe distance”. AB1371 would require a minimum three-foot cushion between any part of the vehicle and the bike or its rider for any motor vehicle traveling in the same direction as the bike it’s passing whether the bicycle is in a through lane, bike lane or turn lane.

AB1371 also removes provisions that were included in the 2011 and 2012 vetoes bills requiring drivers to slow down to 15 mph to pass a bike rider if they are unable to give a three foot passing distance and requiring drivers to slow down to 15 mph more than the speed of the rider. And, unlike the 2012 version, it does not give drivers permission to briefly cross the center line in order to pass riders safely. However, the 2013 version of the bill allows drivers to pass at less than three feet if they decide that the three-foot margin isn’t safe or practical and if the driver slows to a speed that is reasonable and prudent, and passes only when doing so would not endanger the safety of the operator of the bicycle, taking into account the size and speed of the motor vehicle and bicycle, traffic conditions, weather, visibility, and surface and width of the highway.

Governor Signs Bill Extending Eligibility of ZEV’s to Use HOV Lanes

Governor Brown signed AB 266 on September 28th that extends the eligibility period for certain low-emission, hybrid, or alternative fuel vehicles that meet California’s transitional zero-emission vehicle (TZEV) standard (identified with green and white stickers) to use HOV lanes even if they are not carrying the requisite number of passengers otherwise required for the use of

an HOV lane. The deadline for DMV to issue valid green and white stickers is extended from September 30, 2017 to January 1, 2019, or until federal authorization expires, whichever occurs first.

Governor Gets Bill to Expand California Transportation Commission's Sustainability Role

A bill that would modernize the California Transportation Commission (CTC) and expand its mission to encompass sustainability has been passed by the Legislature and is now awaiting the Governor's signature. AB 1290 would expand the CTC by two voting members and would add the Chairperson of the State Air Resources Board as an ex officio member. It would also provide that the CTC's Committee on Planning become responsible for monitoring outcomes from the sustainable communities strategy or alternative planning strategy required to be adopted by transportation planning agencies as part of the regional transportation plan.

Among other provisions, AB 1290 would require each transportation planning agency (SCAG) that is required to prepare a sustainable communities strategy as part of its regional transportation plan and regional transportation improvement program to provide the commission with a copy of the strategy and a brief report describing the progress the agency has made in reducing greenhouse gas emissions.

The bill also includes a provision specific to the SCAG region that allows a sub-regional council of governments and the county transportation commission to work together to propose the sustainable communities strategy for that sub-regional area. SCAG would be required to include the sub-regional sustainable communities strategy for that sub-region in the regional sustainable communities strategy to the extent consistent with state and federal law. SCAG would develop overall guidelines, create public participation plans consistent with detailed guidelines in the bill, ensure coordination, resolve conflicts, make sure that the overall plan complies with applicable legal requirements, and adopt the plan for the region.

USDOT Rewards Caltrans with \$155 Million for Meeting all 2013 Project Deadlines

Caltrans and the California Department of Transportation announced on September 16th that the federal government is awarding the state \$155 million for delivering its federally funded projects on time during FY 2012-13. Each year, some states fail to spend all of their federal transportation funding before federal deadlines, causing those funds to revert to a federal pool to be redistributed to states like California that have completed all requirements and can use the additional money. This year, that federal pool totaled \$1.6 billion of which California received \$155 million, the most in the nation. New York was a distant second with \$81 million. Caltrans will get roughly \$97 million of this extra funding and local transportation agencies will receive approximately \$58 million.

CPUC Green Lights commercial ride-sharing services; Taxi Operators Object

On September 19th, the California Public Utilities Commission unanimously approved new rules to support on-demand ride-sharing services such as Uber, Lyft and Sidecar. The vote makes California the first state in the nation to formally endorse and regulate such services, which have taken off in big cities as an alternative to driving or hailing taxis.

Consumers book and pay for rides using the companies' mobile apps. Drivers are average people looking to make a little extra money on the side. Under the new PUC rules, ride services must

apply for a permit and comply with safety requirements such as driver background checks, vehicle inspections and insurance coverage.

Taxi operators denounced the PUC decision, contending that it fosters unfair competition. Insurance could turn out to be ride-sharing's Achilles' heel, according to taxi operators since the drivers of shared vehicles are relying on personal insurance which may be cancelled if the insurer finds that the operator is being paid to carry passengers.

The PUC is prepared to deal with ongoing uncertainties by revisiting the ride-sharing issue in a year.

Southern California Update:

Light Rail Vehicle Manufacturer moves U. S. Headquarters to El Segundo
Kinkisharyo, International is moving its U.S. headquarters from Massachusetts to El Segundo, bringing about 25 jobs to the South Bay city and about 250 jobs to Palmdale where it will manufacture rail cars for the METRO. Kinkisharyo International is the U.S. subsidiary of The Kinki Sharyo Co., Ltd., based in Osaka, Japan. The headquarters move to a 5,000-square-foot site, at 300 N. Continental Blvd., started over the summer and is expected to be completed sometime this fall.

In July, the MTA board voted to exercise two options to an earlier contract with Kinkisharyo. Worth a combined \$397 million, the two options call for 97 new light rail vehicles to be used on the Crenshaw/LAX Line and to replace older vehicles in Metro's fleet. Kinkisharyo's business model has been to perform final assembly of rail cars in the area where the transit agency ordering the vehicles is located. Kinkisharyo is also finalizing a lease at Plant 9, a parcel of land near Palmdale Airport that is owned by the city of Los Angeles.

First New 405 Flyover Ramp Opens at Wilshire Interchange

The first new flyover ramp for the 405 Sepulveda Pass Improvement project opened on September 23rd. The new ramp carries southbound 405 Freeway traffic onto eastbound Wilshire Boulevard. The new flyover ramp is 300 percent longer than the previous ramp and includes one additional lane dedicated to traffic exiting to the Westwood area.

Crews still have one more ramp to finish before the entire Wilshire interchange is complete. The final ramp, which will take eastbound Wilshire traffic onto the northbound 405 freeway, is expected to open in November.