



MONTHLY SBCCOG TRANSPORTATION REPORT

COVERING June 2022

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FEDERAL

President Biden Calls For A Three-Month Federal Gas Tax Holiday

In response to the recent \$2+-per-gallon surge in gas prices, the President on June 22nd urged Congress to suspend the 18.4% federal gas tax and 24-cent diesel tax through September 2022 without depleting the Federal Highway Trust Fund. Those taxes generate approximately \$10 billion per quarter and are used to fund highway repairs and public transportation projects. Biden has proposed using other revenues to keep the Highway Trust Fund whole, consistent with legislation proposed in the Senate and the House to advance a responsible gas tax holiday.

The idea has won support from some moderate Democrats facing tough reelection contests in November, particularly in the Senate, where a number of vulnerable lawmakers are endorsing legislation to suspend the gas tax until January. However, the Democratic Party is wary that oil companies will simply siphon off the savings for themselves rather than passing it along to consumers.

There is also a concern that the holiday wouldn't be noticed in people's pocketbook. A person who drives 12,000 miles a year in a car that averages 25 miles per gallon would only save about \$55 if the federal gas tax was suspended for the rest of 2022.

And the critics are irritated that Biden would push an idea he knew to be unpopular among Democratic leaders in Congress, creating an internal rift just as the party is hoping to show a united front heading into November's elections. As of July 1st, there are no updates on leadership's potential plans to consider either proposal.

Among those alternatives being proposed to the gas tax holiday is legislation to apply a one-time windfall tax on the major oil companies that have reported record profits this year, even as consumer costs have soared.

EV Mileage Charge Proposed To Supplement Gas Tax Revenues

The federal Highway Trust Fund (HTF) is funded by federal fuel excise taxes and other fees and is the primary funding source of transportation infrastructure projects. Electric Vehicle (EV) owners aren't contributing to the HTF which continues to receive transfers from the federal general fund to keep it solvent. The Committee for a Responsible Federal Budget, a nonprofit and nonpartisan organization, projects that the HTF will experience a \$215 billion shortfall through 2031 under current law.

The USER FEE Act (Using Sustainable Energy Resources to Fund Equitable e-Transportation Act – H. R. 4016) would establish a user fee of two cents per mile traveled for Electric Vehicles (EVs) and one cent per mile traveled for plug-in hybrid vehicles. Under the legislation, the Department of the Treasury is directed to work with states, which oversee and regulate vehicle registration, to coordinate this program.

As EVs make up a greater share of the cars on the roads, Congress could address the long-term solvency issues of the HTF by ensuring all drivers pay their fair share by changing the federal gas tax model to a user-fee model under which residents would be billed on mileage similarly to how they are currently billed for utility payments.

To address concerns around the capacity of the national power grid, the California Mobility Center (CMC), the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) recently signed a Memorandum of Understanding (MOU) and have formed a working group to help identify and mitigate the potential risks to the Bulk Power System as a result of the rising deployment of electric vehicle (EV) charging loads across the country.

Early participation in the CMC's working group includes experts from the Sacramento Municipal Utility District (SMUD), Southern California Edison, AMPLY Power, Alectra Utilities, E-Source and other CMC members, as well as General Motors and other EV stakeholders.

New Rules Proposed for Federally-Funded EV Charging Stations

The Biden administration on June 9th proposed new standards for its program to build a national network of electric vehicle charging stations that are accessible to all drivers regardless of the location, EV brand or charging company. Under the bipartisan infrastructure law signed last year by President Biden, the government would provide \$7.5 billion to states to create a network of 500,000 charging stations across the country by 2030.

The proposed rules state that electric vehicle charging stations built with federal dollars should be positioned along Interstates every 50 miles, be able to recharge cars quickly and be located no more than a mile from a major highway to ensure rural areas and communities with few services would have the same access to electric charging stations as more urbanized areas.

The proposed regulations would prohibit charging stations built with federal dollars from requiring paid memberships. Charging stations would also have to use mobile apps to make available real-time information about pricing and the availability of ports. Each charging station would be required to provide at least four of the quickest type of recharging ports, known as Direct Current fast chargers to allow multiple drivers to plug in at the same time with a standard facility that can accommodate all models of electric and zero-emissions vehicles.

STATE

Governor Newsom, Legislative Leaders Announce State Budget Deal

On June 26th, Governor Gavin Newsom and leadership in the Senate and Assembly reached a deal on a \$300-billion state budget for FY 2022-23. The budget process has been unique this year, as the state has contended with a historic surplus totaling nearly \$100 billion.

The budget includes a four-year, \$10.8 billion transportation package and represents the largest investment of state dollars into transportation in the state's history. The transportation budget includes \$3.65 billion for transit investments in the upcoming year, with \$4 billion in transit capital funding in subsequent years. Of the \$3.65 billion, \$1.8 billion is set aside for transit projects specifically in Southern California, administered through the Transit and Intercity Rail Capital Program. Of that amount, no less than \$900 million would be set aside for previously approved TIRCP projects that can leverage federal or local funds. In addition, \$300 million is set aside for improvements to the Surfliner for improvements in San Diego where the line is threatened by sea level rise. The total amount of funding for Southern California under this proposal would be just over \$2.1 billion.

A total of \$1.495 billion is set aside for projects in Northern California. Also included is \$1.2 billion over two years for freight-related infrastructure at and around the state's ports, \$1 billion for active transportation projects, and \$350 million for grade separation projects. The budget also includes \$4.2 billion for the California high-speed rail project. The Governor and the Legislature were also able to reach an agreement on inflation-relief measures.

A proposal originated by the Governor's office to provide checks to vehicle owners to offset some of the increases in fuel costs was replaced with a means-tested rebate to most Californians regardless of car ownership.

Waymo, UPS, Others Urge Governor To Allow Autonomous Trucking In California

A group of 34 autonomous vehicle developers, California business organizations, and automotive and logistics companies sent an open letter to Governor Gavin Newsom on June 27th asking him to revisit the California Department of Motor Vehicles 2015 prohibition on the operation of autonomous trucks in the state.

The letter cites a recent study released by the Silicon Valley Leadership Group Foundation, an advocacy group with a mission to maintain Silicon Valley's place as the international capital of tech innovation, that finds automated trucking in California could increase the state's economy by \$6.5 billion or more and generate up to 2,400 new jobs.

California began regulating autonomous vehicles in 2012, and has been the key battleground state for robotaxi operations. Late last week, Cruise began charging for fully driverless rides, and Waymo recently opened up driverless testing for employees in San Francisco. Despite opening AV regulations to larger AVs for the purposes of delivery in 2019, the DMV's regulations continue to exclude autonomous testing or deployment of vehicles weighing more than 10,001 pounds.

California recently passed SB 500, a law that dictates any light-duty autonomous vehicles operating in the state would have to be electric by 2030. However, the group is more focused on getting the green light to put heavy-duty trucks on the road rather than ensuring autonomous trucking in the state is done with zero emissions vehicles from the get-go.

The letter sent to Newsom on Monday follows a similar letter to the governor that was written by a group of seven California legislators and sent in May. That letter requested information from the administration on steps the DMV has taken to understand emerging heavy-duty AV trucking technology and its implications in California; why California has lagged behind other states on AV trucking regulation; and when the DMV will commence the rulemaking process for heavy-duty AV trucking and by what date will it have such regulations complete. The DMV plans to work with the California Highway Patrol on developing regulations governing heavy-duty autonomous vehicles, but it has not yet established a timetable for that rulemaking process.

Omnibus Bike Bill Would Benefit Bicyclists On California Roads

The Bicycle Omnibus Bill (AB 1909) being amended in the California Senate includes proposed four different changes to the state vehicle code that, taken together, represent a significant change in the way California treats bicyclists.

Until now, the California vehicle code has generally treated bikes like skinny cars. People on bikes need to cross with cars at intersections. But drivers can squeeze past bike riders without changing lanes. Like cars, bicycles are required to register (but with cities, not the state), and e-bikes, like cars, are banned from bikeways in some places.

The OmniBike Bill will change the rights and rights of way for people on bikes. The bill's provisions will increase bike access and legalize safe bike riding by:

- Requiring people driving cars to pass a bike the same way they would a car, by going into the next lane, wherever possible.
- Clarifying where the three classes of e-bikes can and can't be prohibited. It will open more bikeways to e-bike riders while allowing them to be banned on hiking and horseback riding trails if desired.
- Making it legal for people on bikes to start crossing the street with the pedestrian signal rather than waiting for the light to turn green for cars.
- No longer allowing municipalities to prohibit the operation of an unlicensed bike, though they can still offer voluntary licensing programs

REGION

L. A. City Council Bans Bicycle Assembly/Disassembly On Sidewalks

The Los Angeles City Council approved an ordinance on June 21st to prohibit "bicycle chop shops" from assembling or disassembling bicycles in the public right-of-way as a way to prevent stolen bike parts from being sold on sidewalks. Three councilmembers opposed to the measure noted that legal tools pertaining to stolen bikes already exist and the new ordinance would cast suspicion on street vendors of non-stolen bicycles, who often serve poor riders.

Under the proposed ordinance, a "bicycle chop shop" is defined as:

- three or more bicycles;
- a bicycle frame with the gear cables or brake cables cut;
- two or more bicycles with missing parts;
- five or more bicycle parts.

FEDERAL, STATE & LOCAL TRENDS / INNOVATION

CiBiC App Enables Safe Bicycle Commuting In Underserved Communities

CiBiC is an experimental transportation research project being led by UCLA and funded by the National Science Foundation to encourage group bike commuting – kind of like carpooling on bikes. The initial project is serving residents of the Northeast LA neighborhoods of Chinatown, Solano Canyon, Lincoln Heights, Cypress Park, William Mead Homes, and adjacent areas.

The Civic Bicycle Commuting (CiBiC) project is a community-based and collective bicycling commuting system designed to promote and enable new bicyclists to travel in a pack to and from work using a trip matching website. At a practical level, the system takes the geographical and temporal commuting

needs of many community members and designs collective routes that the app calls "flows," and stable riding groupings within each flow that are called "pods." Each rider becomes part of a pod in the flow creating a structured system that provides a reliable, safe and enjoyable way to get to work by bicycle.

Participants in the project start by registering for the Pave app through CiBiC website, after which they are guided on how to complete their commuting profiles including their work locations and hours. Participants are then grouped by the software along commuting corridors (flows) and divided into pods (small groups of riders). They are given their commuting schedule by the app software and are instructed where and when to meet their pod. Notifications help participants manage when they should be leaving their homes to meet their pods on time.

Participants can then commute to work in a safe and enjoyable fashion. When they finish their work day, the system provides them the same experience in reverse. The app notifies them when they should leave work and where to meet their pod for the commute back home.

To provide the necessary human support for novice bicycle riders, each pod is led by a steward, a trained and experienced bicycle commuter. Additionally, those interested in joining the system can request a mentor that will answer their questions about bicycle commuting and even provide personal accompaniment from home to work and back during the first few commutes.

For more information, contact Kathleen Johnson, kathleen@larsppartners.org ; or <https://cibic.bike/>