MEMORANDUM

TO: Santa Clara Valley Transportation Authority
   Board of Directors

FROM: Kurt Evans, Government Affairs Manager
      Santa Clara Valley Transportation Authority

DATE: May 27, 2015

SUBJECT: Federal and State Legislative Update

______________________________________________________________

MAP-21

Prior to the Memorial Day holiday, Congress passed legislation to extend the Moving Ahead for Progress in the 21st Century Act (MAP-21) until July 31, 2015. President Barack Obama is expected to sign this bill into law before the end of the week.

Without this short-term extension of MAP-21, the authorization for federal highway and public transit programs would have expired on May 31. The two-month extension came after several weeks of negotiations between House and Senate leaders failed to find the roughly $11 billion needed to keep the Highway Trust Fund solvent until the end of the calendar year.

According to estimates prepared by the U.S. Department of Transportation, the Mass Transit Account of the Highway Trust Fund will still have $1.6 billion and the Highway Account $3.6 billion in cash on hand at the end of July. However, absent additional action by Congress, the Mass Transit Account is projected to hit a zero balance sometime in last September or early October, while the Highway Account will run out of money sometime in late August.

FY 2016 Transportation Appropriations

On May 13, the House Appropriations Committee marked up a transportation spending bill for FY 2016 that funds federal-aid highway and public transit formula programs at their FY 2015 levels, but reduces appropriations for discretionary surface transportation programs by $1 billion. The New Starts/Small Starts and the Transportation Investment Generating Economic Recovery (TIGER) Programs are among those expenditures that are proposed to be cut.

The House Appropriations Committee bill provides a total of $1.92 billion for the New Starts/Small Starts Program, a reduction of $200 million from FY 2015. Of this amount, $1.25 billion is set aside for the nine
New Starts projects with existing Full Funding Grant Agreements (FFGAs). This set-aside would enable each of these projects to receive their full amount under their FFGAs, including $150 million for Phase 1 of VTA’s BART Silicon Valley Extension Project. In the case of TIGER, the House Appropriations Committee legislation recommends $100 million. The FY 2015 appropriation for this program was $500 million.

The bill will likely be scheduled for a vote on the House Floor in June or July. Meanwhile, the Senate has not yet announced when it will begin work on its version.

**Governor’s May Revision**

On May 13, Gov. Jerry Brown released the May Revision to his proposed FY 2016 budget. The May Revision makes adjustments to the spending plan that the Governor presented to the Legislature in January, using the most recent projections for revenues and expenditures. Its release kicks off the next round of negotiations between Gov. Brown and lawmakers, which will culminate in the enactment of a final budget for the fiscal year that begins on July 1. The Legislature is under a constitutional deadline to pass a budget by June 15. If this deadline is not met, lawmakers face the prospect of losing their pay.

The May Revision offered Gov. Brown another opportunity to reiterate the importance of finding a way to provide additional resources to maintain and rehabilitate the state highway system. Similar to the Governor’s January budget, the May Revision highlights the $5.7 billion annual shortfall in the State Highway Operation and Protection Program (SHOPP), but does not offer a solution to this problem. Instead, the May Revision notes that the California Transportation Infrastructure Priorities (CTIP) Workgroup, which was set up by Transportation Secretary Brian Kelly in 2013, is continuing to meet to “prioritize transportation investments and explore pay-as-you-go funding alternatives to address the state’s infrastructure needs.” At the same time, the May Revision indicates that the Brown Administration is also working with lawmakers who have surfaced their own proposals in an effort to develop an agreement on a funding package by the end of the year.

So far, one major transportation funding bill has been introduced in the Legislature: SB 16 (Beall). This measure proposes to generate between $3 billion and $4 billion in new funding annually over a five-year period by increasing several taxes and fees; accelerating the repayment of loans owed by the General Fund to four different transportation accounts; and using vehicle weight fee revenues for transportation projects, rather than for bond debt service. Almost all of the new revenues would be allocated to Caltrans for SHOPP projects, and to cities and counties for maintenance and rehabilitation work on their local roadway systems.

The most significant transportation-related change in the May Revision involves cap-and-trade. In his January budget, Gov. Brown estimated that $1 billion in cap-and-trade revenues would be raised from the four allowance auctions that are scheduled to be held by the California Air Resources Board (CARB) during the upcoming fiscal year. The May Revision increases this estimate to $2.2 billion. This increase is largely driven by the fact that the current-year auctions are generating more revenues than assumed when the FY 2015 budget was enacted last year. The May Revision carries these “excess” revenues over into FY 2016.
In addition, the May Revision includes the Governor’s recommendations for investing the $2.2 billion in estimated cap-and-trade auction proceeds, using the SB 862 framework enacted last year as a guide. The recommended distribution proposed in the May Revision is as follows:

- **Low Carbon Transit Operations Program** = $100 million. This formula-based program provides operating and capital assistance to public transit agencies to reduce greenhouse gas emissions, improve mobility, and enhance or expand service to increase mode share. Under this program, funding flows to public transit agencies according to the State Transit Assistance Program (STA) formula. If a public transit agency’s service area includes disadvantaged communities, at least 50 percent of its funding must be used for projects or services that benefit those communities. Caltrans is the grant administrator for the Low Carbon Transit Operations Program.

- **Transit and Intercity Rail Capital Program** = $265 million. This competitive grant program is intended to fund capital improvements and operational investments that reduce greenhouse gas emissions, and modernize intercity, commuter and urban transit systems. The California State Transportation Agency (CalSTA) is responsible for selecting the projects to be funded under this program, while the California Transportation Commission (CTC) administers the grants. SB 862 requires at least 25 percent of the money allocated to the Transit and Intercity Rail Capital Program to be spent in a way that benefits disadvantaged communities.

- **Affordable Housing and Sustainable Communities Program** = $400 million. This program provides grant funds on a competitive basis for projects that reduce greenhouse gas emissions through the implementation of land-use, housing, transportation, and agricultural land preservation practices that support infill and compact development. The Strategic Growth Council is responsible for administering the Affordable Housing and Sustainable Communities Program. SB 862 establishes a goal of spending 50 percent of available funding under this program to benefit disadvantaged communities. In addition, at least half of the money must be used for affordable housing projects.

- **High-Speed Rail** = $500 million. The California High-Speed Rail Authority intends to use these funds for construction of the initial piece of the state’s proposed high-speed rail system in the Central Valley, and for further environmental and design work related to other segments of the project.

- **Miscellaneous** = $972 million. SB 862 calls for setting aside a certain portion of cap-and-trade auction proceeds for low-carbon transportation, as well as for energy efficiency, clean energy, weatherization, wetlands, coastal watersheds, fire prevention, urban forestry, and waste diversion. How much gets appropriated in any given fiscal year to each of these categories is determined by the Legislature during the annual budget process. Of the $972 million referenced in the May Revision, $350 million is recommended to be allocated to CARB to augment its existing programs that provide rebates for zero-emission cars, and vouchers for hybrid and zero-emission trucks and buses.
In January, Gov. Brown proposed five new positions and $9.4 million in State Highway Account funding to begin moving forward with the Road Usage Charge Pilot Program that CalSTA is required to implement pursuant to SB 1077 (DeSaulnier). The purpose of this pilot program is to explore the feasibility of replacing the state’s current per-gallon, gasoline excise tax with a mileage-based revenue collection system to fund California’s transportation infrastructure. Under the provisions of SB 1077, CalSTA is required to submit recommendations based on the results of the pilot program to the Governor and the Legislature by June 30, 2018. The May Revision indicates that CalSTA plans to accelerate the completion of this pilot program by a year, resulting in $1.3 million in additional costs that would be incurred in FY 2017.

Finally, the May Revision updates the FY 2016 estimate for STA. The Governor’s January budget included a $387.8 million estimate for STA. In the May Revision, that estimate is now $351.5 million. Revenues for STA are derived entirely from the sales tax on diesel fuel. Because this revenue source is highly volatile and is difficult to project, the budget typically includes an estimate, rather than a line-item appropriation for this program.
VTA Board of Directors:

We are forwarding to you the following:

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<td>VTA</td>
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Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
From: Roland Lebrun  
Sent: Sunday, May 17, 2015 11:07 AM  
To: Caltrain Board  
Cc: Caltrain CAC Secretary; Board.Secretary; SFCTA Board Secretary; Lisa Marie Alley; Heminger, Steven; info@mtc.ca.gov  
Subject: FRA approach to Caltrain/HSR compatibility

Dear Chair Tissier and Members of the Caltrain Board of Directors,

Please find attached a copy of a letter addressed to the TJPA Board of Directors.

Highlights:

- The FRA believes that High Speed Rail equipment must be operationally compatible with existing Tier 1 service.

- HSR systems height and width need to be compatible with North American equipment to allow sharing of tracks

- The Rail Safety Advisory Committee (RSAC) Engineering Task Force (ETF) is developing criteria for HSR train sets (width, floor height & ADA compliance strategies)

- The FRA believes that too many changes in configuration can upset the balance and cause unexpected safety issues

I hope that this document will help Caltrain & HSR blend seamlessly in the Peninsula and beyond.

Sincerely,

Roland Lebrun
Dear Chair Harper and members of the TJPA Board of Directors,

The intent of this letter is to elaborate on the presentation I gave at the May 14\textsuperscript{th} TJPA Board of Directors Meeting (Item #15).

**Background**

On October 1\textsuperscript{st} 2014, the California High Speed Rail Authority (CHSRA) issued a Request for Expressions of Interest (REoI) for Tier III Trainsets

http://www.hsr.ca.gov/docs/Programs/trainsets/REOI_for_Trainsets_Final.pdf

which included a specification significantly incompatible with Caltrain’s current and future infrastructure.

On December 8\textsuperscript{th} 2014, Supervisor Kim scheduled a hearing of the Land Use Committee in an attempt to get all parties involved to arrive at a mutually acceptable solution. The hearing included a presentation by Mr. Ben Tripousis (CHSRA Northern California Regional Director) which exposed significant issues with the proposed CHSRA VHST procurement including conflicts with the Federal Railroad Administration (FRA)’s approach to the integration of HSR with Tier 1 railroads in the United States:


The following slides are an extract of an APTA presentation


which gives an overview of:

- The FRA regulatory process as it applies to the implementation of HSR in the United States
- The role of the Rail Safety Advisory Committee (RSAC) Engineering Task Force (ETF)
- The guidance likely to be found in ETF_001-03 once it is published by the FRA.
Implementing High Speed Rail in the United States

Development of US High Speed Rail Safety Requirements

Ron Hynes
Director, Office of Safety
Compliance and Assurance
Federal Railroad Administration
Ronald.hynes@dot.gov

FRA’s Passenger Rail Division

Mission:
Provides technical expertise and direction in the execution and administration of Passenger Rail Safety Programs to ensure maximum safety in:

- High Speed Rail,
- Intercity Passenger Rail,
- Commuter Rail,
- Shared Use Operations.
FRA’s Regulatory Process
Same for both RGAs or RPAs

1. Need for a regulation is identified:
   o Safety Issues identified through data analysis
   o Safety Issues identified through Accident Investigation
   o Government Mandates – Congressional Acts (RSIA-2008)
   o Safety Issues identified by the Rail Safety Advisory Committee (RSAC)

2. Rule text and supporting documentation is developed.
   o Notice of Proposed Rulemaking (NPRM)

3. Rule text and supporting documentation is published in the Federal Register.
   o Comments from the public requested.

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Regulatory Process:
(continued)

4. Comments are received from the Public
   o Reviewed by FRA Staff
   o Public Hearing held as required

5. Final Rule Text and supporting documentation is developed.
   o Preamble Documentation Explains and Support FRA’s position

6. Final Rule Text Published in the Federal Register
   o Regulation becomes Law
Rail Safety Advisory Committee (RSAC)

RSAC provides a forum where:

“all concerned stakeholders interested in railroad safety become more directly involved in improving rail safety through a collaborative rulemaking process”

RSAC Guiding Principles

- Decisions about the best approach to safety is made with full participation of all affected parties
- RSAC provides a continuing forum for advice and recommendations to FRA on major railroad safety issues
- RSAC seeks agreement on the facts and data underlying any real or perceived safety problems
- RSAC identifies cost-effective solutions to safety problems and regulatory options to implement solutions
- RSAC provides advice and recommendations on specific tasks assigned to it by FRA
A Few HSR Challenges

- Current FRA regulations do not address equipment requirements for train speeds above 150 mph (240 km/h).

- Some existing speed neutral regulations may not be appropriate for trains operating at higher speeds (e.g. ballasted track, safety appliances, removable emergency windows, etc.).

- **HSR systems will need to be compatible with some existing North American equipment (height, width, crashworthiness) to allow for some sharing of track.**

- HSR systems should be operationally compatible with other HSR systems to allow for connections and growth of the system.

FRA’s HSR Regulatory Approach

Five Elements:

1. High Speed Passenger Rail Safety Strategy
2. RSAC Task with the Engineering Task Force
3. **Rules of Particular Applicability for California HSR**
4. System Safety
5. Rules of General Applicability
2. RSAC Engineering Task Force

The Engineering Task Force is developing criteria for certain aspects of HSR train sets:
- Train set Crashworthiness
- Glazing Standards (windows)
- Passenger Occupied End Cars
- Luggage Retention
- Emergency Lighting
- Emergency Evacuation
  - Trainset Width
  - Trainset Floor Height
  - Strategies for the Disabled (ADA)
- Other

Definition of Tier III

Tier III Operation

- Maximum operational speed above 125 mph.
- Exclusive right of way required above 125 mph
- No intermixing with freight or non Tier III passenger operation (Tier I or Tier II) at speeds above 125 mph.
- No grade crossings when operating above 125 mph.
- Operationally compatible with Tier I and Tier II equipment at speeds below 125 mph.
- Can operate in a Tier I environment at appropriate Tier I speeds.
CFR Tier III

- FRA’s desire for a nationwide high-speed rail network dictates that high-speed rail equipment be operable in three environments
  - On conventional track in conventional-speed ROW
  - On dedicated track in shared ROW
  - On dedicated high-speed tracks in dedicated high-speed ROW
  - FRA believes that High Speed Rail Equipment must be Operationally Compatible with Tier 1 Service.

3. Rule of Particular Applicability

FRA is developing the requirements to be incorporated in the Rules of Particular Applicability by:
- Reviewing FRA regulations
- Reviewing North American Railroad Industry Standards
- Reviewing European and Asian HSR Standards
- Meeting with HSR operators around the world to identify issues and solutions
- Identifying best HSR practices
- Conducting technical meetings with California to develop appropriate criteria
California will need an RPA or other FRA Regulatory Approach to Operate

4. System Safety

- FRA believes that the safety and reliability of a high speed rail system is dependent on a system approach and a system procurement.

- FRA believes that too many changes in configuration can upset the balance and cause unexpected safety issues.

- FRA wants the US High Speed Rail System – to the greatest extent practicable – to be based on a complete service proven system.
Conclusion
- The FRA believes that HSR should be compatible with Tier 1 passenger railroad operations
- ETF_001-03 will address HSR compatibility issues with height, width and strategies for ADA compliance
- The CHSRA will not be able to issue an RFP until a new set of Rule(s) are added to the Federal Register
- Caltrain can and should proceed with an EMU RFP compliant with exiting TIER 1 regulations as soon as possible

Cc
Caltrain Board of Directors
Caltrain CAC
VTA Board of Directors
SFCTA Board of Directors
CHSRA Board of Directors
May 26, 2015

Ms. Marie Bernard
Executive Director
Sunnyvale Community Services
725 Kifer Road
Sunnyvale, CA 94086

Re: Transit Assistance Program (TAP)

Dear Ms. Bernard:

Thank you for your letter and also for your partnership with Santa Clara Valley Transportation Authority (VTA), Santa Clara County, and the other Emergency Assistance Network (EAN) agencies for administration of TAP. We appreciate that this is a very meaningful program for low-income members of our community.

With regard to your concerns about program funding, I can confirm that the proposed VTA FY16-FY Biennial Budget does include appropriation authority to continue funding EAN agency administrative or program management costs at the level of $200,000 per year as referenced in your letter dated May 1, 2015 (attached).

As previously communicated, existing grant funding for the $45 subsidy per monthly pass is currently expected to fund TAP pass subsidies for about another 12 months, and VTA has already applied for “cap and trade” funding to fund TAP sales for another year after the existing funding is exhausted. We expect to get confirmation regarding the award of this funding sometime in June. Assuming this grant is approved, we plan on applying again to the same funding source in a year’s time to further extend TAP.

Again, we appreciate your support for accessible and affordable public transportation in our county.

Sincerely,

Ali Hudda
Deputy Director of Accounting

Attachment

cc: VTA Board of Directors
To: Board of Directors, Santa Clara County Valley Transit Authority  
cc: Board of Supervisors, Santa Clara County  
Executive Directors, Emergency Assistance Network Agencies  
From: Marie Bernard, Executive Director, Sunnyvale Community Services  
Re: “TAP” Transit Assistance Program  
Date: May 1, 2015

As an Executive Director of an Emergency Assistance Network (EAN) agency, I am writing to request that the Santa Clara County Valley Transit Authority (VTA) fully fund the $200,000 program management costs for the Low-Income Transit Assistance Program (TAP).

In 2013, the EAN agencies were asked by VTA and the County to implement a two-year pilot “TAP” Low-Income Transit Assistance Program. The TAP pilot program has been supported and implemented onsite at the Emergency Assistance Network (EAN) agencies across Santa Clara County.

The purpose of the Low-Income Fare Project was “...to promote transit ridership among low-income clients who are not eligible for transportation assistance in other public benefit programs and who lack the economic means to afford public transit.” The program was strongly supported and advocated by community leaders including People Acting in Community Together (PACT).

The TAP program allows low-income residents to purchase a monthly VTA pass for $25. The number of passes sold through the EAN agencies continues to grow, with 812 individual passes sold in April.

The two-year pilot program was funded through a grant from MTC. The grant included $200,000 to fund program costs of $28,517 for each participating EAN agency. At the time, it was acknowledged on all sides that the funding would not fully cover the EAN costs of launching and managing the program. Nonetheless the EAN agencies saw it as a core service for low-income individuals coming to them for basic services.

Funding from MTC for the TAP program ends this fall. During this year’s budgeting process, VTA has cited the $45 price difference between the full price and the reduced price of a monthly pass as a subsidy requiring funding. The $200,000 funding for EAN agencies was positioned as administrative costs, and VTA has not recommended funding the $200,000 amount.

These assumptions are, in the opinion of EAN leadership, upside down. First, TAP is an income-generating program for VTA. Second, the $200,000 funding to the EAN agencies are true program costs with little used on required administration of this cash program.

A VTA Revenue-Generating Program: This program has actually Increased VTA revenues from monthly passes. By definition, the low-income individuals who were targeted for these passes were NOT able to afford buying monthly passes from VTA. They walked, biked, hitched rides, and had to forgo trips to the doctor, job interviews, employment, and education classes. The vast majority were not current VTA customers and if they did use public transportation, it was to use day passes infrequently. Many clients had to walk long distances from bus stops to buy the passes at EAN
locations each month. VTA did not have to add any busses or change any routes for the TAP program.

The 812 monthly passes sold collectively by EAN agencies in April increased the gross revenue to VTA by $20,300 for just one month. Pro-rated this equals $243,600 of new income per year. The number of passes sold by the EAN agencies continues to grow each month. We expect to soon reach the 1,000 allotment, which will equal $25,000 per month, or $300,000 per year in new VTA revenues.

Program Costs, not Administrative or Overhead Costs: We believe that VTA has miscast the EAN funding as administrative costs. In fact, the majority of the funding goes to required program costs, as typically defined in County or foundation grant programs. These program costs were required as part of the TAP program design.

The TAP program was founded on the principal that the EANs would be screening for income eligibility and also offering monthly case management check-ins to each client when they came to renew the passes. The screening and the monthly check-ins are all program costs, as defined by other contracts with the County or with any funded grant.

The TAP pilot took tremendous effort to launch and implement at each EAN. Agency staff were required to attend several hours of training offsite. The initial program and passes did not always work, and for many months, clients who paid for their passes found they did not work properly, requiring EANs to spend their own funds to give out day passes until the system was fully de-bugged.

The EANs fully acknowledge that the TAP program required resources at VTA as well as County Social Services Agency. It has been a worthwhile partnership that has benefited both VTA as well as the low-income residents needing public transportation.

We have calculated the annualized program and administrative costs for this program at Sunnyvale Community Services, which now has 175 monthly passes sold (22% of the April total of 812). These typical program costs are detailed in the attached appendix, and demonstrate the investment needed to launch and continue the TAP program.

Nonprofits and particularly EAN agencies operate on thin budgets and staffing and work hard to make every dollar serve those most in need. EANs don’t have large administrative staff or overhead. The $200,000 funding utilizes the EAN reach across Santa Clara County so that low-cost passes are available to residents.

Most importantly, the TAP program has changed lives and proven that low-income residents need and use affordable public transportation. Here is just one example:

A 56-year-old unemployed man has purchased the TAP monthly pass since the start of the program. He makes sure to buy it early each month to take advantage of the program. Having an affordable monthly pass is critical in his life. It's the way he looks for employment, goes to his volunteer work, and visits his step-son who is currently in a rehabilitation program. It is literally his only way to get around in Silicon Valley.

In conclusion, the EAN agencies in Santa Clara County request that the annual funding of $200,000 be fully budgeted for the TAP program. The TAP program has been a revenue-generating program for VTA. At the same time it has generated program costs for the EANs administering the program. We request that VTA continue the program, and continue to fund the program costs incurred by the EANs.
in serving the program’s clients.

The EANs request that the allocation of 1,000 passes be maintained and if possible expanded, with appropriate support for program and administrative costs.

The community-based EAN agencies remain committed to this robust low-income transit program that has increased ridership and revenue for VTA. The EANs will continue to be advocates for accessible and affordable public transportation here in Santa Clara County.

Best Regards,

Marie Bernard
Executive Director
Sunnyvale Community Services
mbernard@svcommunityservices.org
(408) 738-0121

attachment: Appendix
Appendix

Annual TAP Assumptions for Sunnyvale Community Services

Revenue to VTA:
Annual cash handled and then PAID TO VTA for 175 passes x 12 months x $25/pass = $52,500

Program Management:
- Initial Intake/screening by case worker/case manager: 45 minutes (first month).
- Monthly meeting/payment transactions with case worker/case manager: 15 minutes (11 months/year). This includes entering the client information into the required VTA database. This time also gives an opportunity for check-ins with clients to connect them with other benefits and services.
- Total annual case worker/case manager time per "pass" = 210 minutes/year. (Does NOT include any supervisor time)

210 minutes x 175 passes = 36,750 minutes/year = 612.5 hours/year
+ Conservative estimate of monthly time dealing with non-working passes/issues: 4 hours/month (across all clients) = 48 hours/year (This was MUCH higher earlier in the program, but # of passes was also lower so this is a fair estimate).

Grand Total annual caseworker/case management time: 660.5 hours/year.

Average caseworker (salary/taxes/benefits) = $32.53/hour = $21,486 PROGRAM staff time.

Total "program" costs of Passes + Program = $73,986
+ 10% "admin" costs = $7,398
Total of program/admin costs for 175 passes = $81,384
REVENUE paid to VTA for 175 passes = ($52,500)
Funding to EAN for program/admin = $28,884

Each EAN received an annual allocation of $28,517, remarkably close to the estimate above.

The administrative cost estimates of 10% are conservative. Cash transactions require extra time for any organization or business. The "admin" has to cover: required staff training on TAP, meeting times, mileage, accounting for all-cash transactions, accounting audit of program, printing flyers and outreach. EANs did not charge for mileage for required meetings and supervisor time to oversee and manage the program. Each EAN staff member working on the TAP program had to allocate six or more hours be trained and then updated on the changes to VTA database. EANs together also used over 100 of their own supply of VTA day passes, purchased at ½ price, to give to clients with non-working passes. Agencies also spent over 100 collective hours of staff time resolving service issues.

10% admin costs are therefore low. If calculated at 15% admin costs, which we feel is more than justified, the average annual total for each EAN would be $31,685 for the above example.
From: Board.Secretary
Sent: Friday, May 29, 2015 3:15 PM
To: VTA Board of Directors
Subject: VTA Correspondence: Letters of Support - AB 194 (Frazier) and SB 9 (Beall)

VTA Board of Directors:

The Board is copied on the following correspondence:

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Thank you.

Office of the Board Secretary
Santa Clara Valley Transportation Authority
3331 N. First Street
San Jose, CA 95134
408.321.5680
board.secretary@vta.org
MEMORANDUM

TO: Members of the California State Assembly

FROM: Perry Woodward, Chairperson
Board of Directors
Santa Clara Valley Transportation Authority

DATE: May 29, 2015

RE: Support for AB 194 (Frazier)

The Santa Clara Valley Transportation Authority (VTA) respectfully requests your support for AB 194 (Frazier) when this bill comes before the Assembly for a vote. AB 194 calls for putting in place a process that would allow VTA and other regional transportation agencies, as defined, to submit applications for constructing and operating express lanes and other toll facilities on the state highway system within our respective jurisdictions to the California Transportation Commission (CTC) for approval. A similar process for express lane facilities was initially established only on a temporary basis through the enactment of legislation in 2006, but it expired at the end of 2011.

As you know, an express lane is a carpool lane that permits solo drivers to use the carpool lane for a fee, which typically fluctuates by time of day and level of congestion. The fee is set at a level to ensure that the lane never becomes too congested in order to provide a time-savings benefit to carpoolers, public transit passengers and toll-paying solo drivers. Carpoolers continue to use the lanes for free. The revenues generated by the fee are typically used to operate, maintain and provide enforcement for the express lanes, improve the transportation corridor where the express lanes are located, and increase public transit service in the corridor. Experience with express lanes in Santa Clara County, in other parts of California and across the country has shown that these lanes can provide more air quality and congestion relief benefits than a simple carpool lane.

In California, a number of agencies, including VTA, have existing statutory authority to implement express lanes on the state highway system, but the number of corridors that we can pursue is capped. Given the success of the express lanes that are currently in operation in Santa Clara County and in California, as well as the growing interest on the part of our communities to build out full express lane networks, it makes sense to put in place a way for VTA and other regional agencies to pursue express lanes without having to seek specific authorization through the Legislature on a corridor-by-corridor basis. We also appreciate that AB 194 applies not only to express lanes, but also to other toll facilities, so that VTA would not have to seek separate legislation each time we decide to pursue a toll facility project on the state highway system within Santa Clara County.

For these reasons, we respectfully seek your support for AB 194. Thank you for your consideration of our request.

3331 North First Street · San Jose, CA 95134-1927 · Administration 408.321.5555 · Customer Service 408.321.2300 · www.vta.org
MEMORANDUM

TO: Members of the California State Senate

FROM: Perry Woodward, Chairperson
       Board of Directors
       Santa Clara Valley Transportation Authority

DATE: May 29, 2015

RE: Support for SB 9 (Beall)

The Santa Clara Valley Transportation Authority (VTA) respectfully requests your support for SB 9 (Beall) when this bill comes before the Senate for a vote. This legislation makes several changes to the structure of the Transit and Intercity Rail Capital Program, so that the program would be able to accommodate large, transformative, transit expansion projects that would achieve the greatest reductions in greenhouse gas emissions. SB 9 proposes to accomplish this objective by incorporating into the Transit and Intercity Rail Capital Program a number of concepts that have been successfully used for other state and federal transportation funding programs that provide resources to large-scale transportation infrastructure projects. As you know, the Transit and Intercity Rail Capital Program is one of the statewide competitive grant programs created last year through the enactment of SB 862, and that is funded with cap-and-trade auction proceeds.

Rather than initiating a new competitive process every fiscal year, the California State Transportation Agency (CalSTA), under the provisions of SB 9, would instead be required to put together a five-year program of projects for funding under the Transit and Intercity Rail Capital Program, which would be updated every two years. This process is the same one that is used for the State Transportation Improvement Program (STIP). In addition, SB 9 allows CalSTA to make multi-year funding commitments and to enter into multi-year funding agreements with public transit agencies for their projects, which is an approach that the Federal Transit Administration (FTA) uses with all projects funded under the New Starts/Small Starts Program.

By enabling CalSTA to program, commit and allocate funding over multiple fiscal years, SB 9 would allow the Transit and Intercity Rail Capital Program to accommodate large transit expansion projects that are seeking to receive a more substantive amount of cap-and-trade dollars that would be provided over a period of time, rather than all at once. Such projects would not fit under this program if CalSTA were to initiate a new competitive process every fiscal year and program only one year’s worth of money at a time because a public transit agency would have to resubmit an application for the same project over and over again, and would have to compete for funding for the same project year after year in order to obtain the amount of cap-and-trade revenues that it needs to build the project. Furthermore,
this situation would create uncertainty with regard to the receipt of cap-and-trade auction proceeds for the project, thereby preventing a public transit agency from using these dollars to leverage federal funding or to secure financing, both of which are typically done for large transit expansion projects.

Cap-and-trade auction proceeds are not typical transportation dollars because of the linkage to reducing greenhouse gas emissions. Therefore, the state’s approach to allocating these funds for transportation purposes should be different. If California is to be successful in achieving significant greenhouse gas emissions reductions from the transportation sector, a necessary outcome given that the transportation sector accounts for roughly 40 percent of these emissions, it is important to ensure that there is an opportunity within the SB 862 investment framework to use cap-and-trade auction proceeds for projects that will have the most impact. In the case of transit, it is typically the large expansion projects that would result in the “biggest bang for the buck” when it comes to reducing greenhouse gas emissions because they add significant capacity to existing public transit systems operating in heavily congested, urbanized areas with high concentrations of pollutants. This additional transit capacity is essential to accommodate substantial ridership growth that would result from a major shift from solo driving to public transit. This mode shift needs to occur in order to reduce vehicle miles traveled and, thus, greenhouse gas emissions.

The Transit and Intercity Rail Capital Program is currently not structured, either statutorily or in the guidelines issued by CalSTA, in a way that would allow the program to accommodate large transit expansion projects that, in order to be built, need a more sizable amount of cap-and-trade dollars provided over multiple fiscal years. The changes proposed in SB 9 would result in a more desirable outcome for the Transit and Intercity Rail Capital Program by allowing CalSTA to focus the funding on a smaller number of larger projects, which would maximize the reductions in greenhouse gas emissions that could be achieved under this program.

For all of these reasons, we respectfully request your support for SB 9. Thank you for your consideration of our request.