



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 5

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Memorandum

TO: Legislation Committee

DATE: October 8, 2010

FR: Deputy Executive Director, Policy

W.I. 1132

RE: 2010 Legislative Scorecard

2010 was a challenging year in Sacramento and Washington, D.C. with fiscal challenges once again driving the agenda in Sacramento and leadership to help renew the nation's federal surface transportation program largely absent in Congress. We focused our attention on bills sponsored by MTC and a few others that were consistent with our 2010 Legislative Program.

Unfortunately, despite a concerted effort, we were not successful in securing passage of those bills. Attached is a detailed side-by-side analysis of what we set out to achieve in our Legislative Program and where we stand today.



Ann Flemer

2010 LEGISLATIVE PROGRAM SCORECARD

S T A T E		
Issue	Goal	Outcome
1. State Budget Reform	Reform relationship between state and local government, and provide for timely adoption of state budgets	<p>Judgment on whether any progress was made on this goal will have to be reserved until after the November election when California voters will decide the fate of Propositions 22 and 26, both of which MTC supports.</p> <ul style="list-style-type: none"> ▪ Proposition 22 would strengthen the separation between state and local government finance by prohibiting the state from diverting or borrowing local government funds. ▪ Proposition 26 would restore majority-rule for adoption of a state budget.
2. Protect existing sources of transportation funding	Prohibit General Fund diversion of public transit, Proposition 42 and local gasoline tax revenue	<p>With respect to public transit funding, 2010 was a dismal year; the gas tax swap eliminated the sales tax on gasoline, which was estimated to generate over \$1 billion for public transit in FY 2010-11. The silver lining for public transit was an increase in the rate of the sales tax on diesel fuel and the potential for a stable source of State Transit Assistance funding going forward. With respect to local gasoline tax revenue, similar to Issue No. 1 above, the verdict largely depends upon whether the voters pass Proposition 22 in November. If they do, this local street and road fund source will be unavailable for state diversion or borrowing.</p>

S T A T E

Issue	Goal	Outcome
<p>3. Augment transportation funding sources.</p>	<p>A. Impose a new statewide fee on gasoline</p>	<p>MTC, along with the Sacramento Area Council of Governments, the Los Angeles Metropolitan Transportation Authority and the California Transit Association, supported inclusion of an optional regional motor fuel fee as part of the gas tax swap to mitigate the climate change impacts associated with motor vehicle fuel. To help secure the Governor’s signature, this provision was dropped from the final package.</p> <p>The gas tax swap did not create any <i>new</i> sources of transportation funding, but it did ultimately result in an increase in funding for the State Transportation Improvement Program (STIP) and local street and road repairs, relative to what was estimated to be generated by Proposition 42. For the Bay Area, there is virtually no change in FY 2010-11 but in FY 2011-12 funding for the STIP is approximately \$15 million higher than would have otherwise been the case, while funding for local streets and roads in approximately \$20 million higher.</p>
	<p>B. Lower the 2/3 super-majority vote for local transportation taxes.</p>	<p>ACA 9 (Huffman), a bill which would have lowered the approval vote for local special taxes to 55 percent, did not advance this session. Proposition 26 on the November ballot, which MTC opposes, would take things in precisely the opposite direction, imposing a 2/3 supermajority for transportation fees, other than developer fees.</p>

S T A T E

Issue	Goal	Outcome
4. Bay Area Express Lane Network	Authorize MTC to develop a high-occupancy toll lane network	MTC ultimately chose not to advance AB 744 due to numerous compromises that were made during the legislative process. Ultimately, the bill would have created an overly cumbersome process and overly rigid financing rules that could have jeopardized delivery of network. MTC is now pursuing an alternate strategy through the California Transportation Commission to obtain approval to develop additional express lanes in the region.
5. State Transit Assistance Funding	Maximize STA funding in FY 2009-10 and FY 2010-11	MTC worked diligently to defend STA in the budget negotiations and gas tax swap, helping secure a \$400 million infusion in FY 2009-10 and an increase in the diesel sales tax rate beginning in FY 2011-12 that was anticipated to result in an annual funding level of about \$350 million statewide, equivalent to \$126 million for the region. Under Proposition 22, this would drop to about \$241 million statewide and \$87 million for the region due to a higher share of funds going to transit capital programs.

S T A T E

Issue	Goal	Outcome
6. SB 375 Implementation	Support legislation to provide new funding to assist in the planning work required by SB 375 and to support sustainable land use and transportation	<p>MTC supported SB 1445 (DeSaulnier) and AB 153 (Ma), both of which would have raised the vehicle registration fee to fund planning and implementation costs associated with developing the sustainable communities strategy under SB 375 (Steinberg), 2008. While earlier versions of SB 1445 provided for a statewide increase of \$1, it was amended in late August to incorporate the approach taken by AB 153 (sponsored by ABAG) — a regional opt-in approach that would have raised the fee by \$4, subject to voter approval. This final version of the bill stalled in the Assembly Appropriations Committee due to objections over the level of the fee.</p> <p>In sum, this is an outstanding issue that will be carried over to our 2011 State Legislative Program.</p>

S T A T E

Issue	Goal	Outcome
<p>7. Toll Bridge Operational Improvements</p>	<p>Improve Enforcement of FasTrak[®] lanes</p>	<p>Throughout 2010, MTC worked with toll operators statewide, as well as the State Department of Motor Vehicles (DMV) and the California New Car Dealers Association (CNCDA) to find a way to get license plates on new vehicles as quickly as possible — in order to reduce toll evasion by vehicles driving with so-called “dealer plates,” which contain no identification.</p> <p>Despite a broad coalition of toll operators, DMV and local law enforcement in support of a proposal put forward by CNCDA, legislative staff objected to the proposal being included in a budget trailer bill, rather than going through the committee process — a strategic decision made by CNCDA late in the process. In addition, the inclusion of an increase in the document processing charge of \$20 per new vehicle — a precondition of CNCDA’s support — drew staunch opposition from consumer advocates, making the overall bill an unattractive candidate for a budget trailer bill.</p> <p>In sum, though no bill was enacted, significant progress was made this year in raising awareness about this problem and building a coalition to address it. Staff will confer with the coalition partners this fall to determine the best approach to take in 2011.</p>

S T A T E

Issue	Goal	Outcome
<p>8. Transit-Oriented Development — Accessibility</p>	<p>Expand availability of transit-oriented development housing units accessible and habitable for persons with disabilities</p>	<p>Assembly Member Hill authored AB 2516 on MTC’s behalf to require that 10 percent of townhome units within one-half mile of a public transit station be designed in a manner that incorporates an accessible route to the primary entrance and that has a bedroom and kitchen on the ground floor that is accessible and usable by persons with disabilities. Due to objections by the California Building Industry Association, the bill was amended to instead require the creation of a task force within the California Department of Housing and Community Development to recommend ways to improve housing accessibility, particularly as it relates to multifamily housing located near public transit. However, a fiscal estimate conducted by the Assembly Appropriations Committee estimated the task force would cost HCD \$250,000 per year for two years; the bill was referred to the suspense file, and there it died.</p>

S T A T E

Issue	Goal	Outcome
<p>9. Carpool Lane Access for non-carpool vehicles</p>	<p>Limit access to carpool lanes for non-carpool vehicles to toll-paying vehicles only</p>	<p>Two bills were enacted this session that extend access to carpool lanes to solo occupants driving specified low-emission, alternative fuel vehicles. While this is generally contrary to MTC policy, in the short-term, the bills actually reduce by more than 50 percent the number of single-occupant vehicles that are permitted to drive in the carpool lanes, so we do not anticipate a negative impact on carpool lane performance.</p> <ul style="list-style-type: none"> ▪ AB 1500 (Lieu) extends the timeframe allowing access into carpool lanes by vehicles classified as inherently low-emission vehicles (ILEV) and ultra low emission vehicles (ULEV). These vehicles generally run on compressed natural gas. There is no cap on these vehicles, but at present DMV estimates there are about 10,000 statewide. We will need to monitor the growth of registered vehicles that fall into this category. ▪ SB 535 (Yee) extends the sunset date for hybrid vehicle access by an additional six months – July 1, 2011. Beginning in 2012, up to 40,000 new stickers will be available to vehicles that meet the Air Resources Board’s standard known as Enhanced Advanced Technology Zero Emission Vehicles (enhanced AT PZEV). The only vehicle that currently meets the requirement is the 2010 Toyota Plug-In Prius. These stickers will expire on January 1, 2015.

S T A T E

Issue	Goal	Outcome
10. Motorist Aid Programs	Authorize regional agencies operating as service authorities to increase the SAFE vehicle registration fee by \$1 to fund freeway service patrol and other motorist aid programs	Assembly Member Wiggins introduced SB 1418 on behalf of MTC and the Santa Cruz Regional Transportation Commission, to broaden the project eligibility for the SAFE program and to authorize an additional \$1. The bill made it through the Senate and Assembly Transportation Committees but failed passage in the Assembly Appropriations Committee due to members' objections to imposing additional fees. Staff will likely make a second attempt to broaden flexibility and raise the fee by \$1 in 2011.

F E D E R A L

Subject	Objective	Outcome
1. New Beginning for the Federal Surface Transportation Act	Establish a well funded and simplified national transportation policy that focuses on fundamental national interests	Congress has already extended SAFETEA seven times since its expiration a year ago, and prospects for significant reform through a multi-year authorization bill continue to be relatively weak. The Obama Administration’s Labor Day announcement in support of a multi-year surface transportation act, including an immediate \$50 billion infusion, helped restore some hope that Congress will turn its attention to this task next year, but given the overall unwillingness to raise the gas tax, our two primary goals — serious reform and higher funding — will be a great challenge.
2. Economic Recovery	Advocate for an additional economic recovery package	Our 31 st Annual Report to Congress led with this theme, titled “Transportation Investment: America’s Economic Recovery Engine.” However, momentum for a second round of economic stimulus in 2010 was stalled by growing concerns about the budget deficit. We share those concerns and would prefer that additional investment in transportation come from new user fees, not the U.S. Treasury.

F E D E R A L

Subject	Objective	Outcome
3. Climate Change	Reduce greenhouse gas emissions from the transportation sector	While the House managed to pass cap-and-trade legislation, H.R. 2454 (Waxman), and the Senate passed a similar bill out of committee, S. 1733 (Kerry), there were not enough votes to win passage in the Senate. Both bills contained acceptable language requiring that metropolitan planning agencies and states adopt climate change reduction goals and strategies as part of their long-range plans, similar to the requirements of California's SB 375 (Steinberg), 2008. In addition, they provided funding for such planning as well as for public transit and other climate-friendly transportation improvements. This issue will likely reemerge in the next session, and MTC will engage to assure that any federal climate bill adequately address emissions from the transportation sector and also provide additional funding.
4. FY 2010-2011 Appropriations	Maximize the region's share of New Starts funds	While Congress has not yet adopted a final appropriations act for FY 2011, the House and Senate version both provide funding for the following three Bay Area New Starts projects: <ul style="list-style-type: none"> ▪ AC Transit Berkeley-Oakland-San Leandro Bus Rapid Transit Corridor (\$15 million) ▪ San Francisco Metropolitan Transportation Authority's Third Street Light Rail-Central Subway project (\$20 million) ▪ San Francisco Metropolitan Transportation Authority's VanNess Avenue Bus Rapid Transit (House: \$15 million/ Senate: \$14.1 million)