



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort  
MetroCenter  
Oakland, CA

## Meeting Agenda

### Legislation Committee

*Alicia Aguirre, Chair Sam Liccardo, Vice Chair*

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Friday, October 9, 2015

9:05 AM

Lawrence D. Dahms Auditorium

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#### Call Meeting to Order

#### 1. Roll Call / Confirm Quorum

*Quorum: A quorum of this committee shall be a majority of its regular voting members (4).*

#### 2. Consent Calendar

- 2a. [15-0859](#) Minutes of September 11, 2015 meeting

**Action:** Committee Approval

**Attachments:** [Minutes Sept 2015.pdf](#)

- 2b. [15-0860](#) Legislative History

**Action:** Information

**Presenter:** Rebecca Long

- 2c. [15-0878](#) Update on Transportation Special Session

Update on the Transportation Funding Special Session

**Action:** Information

**Presenter:** Randy Rentschler

**Attachments:** [Update on Transportation Special Session.pdf](#)

- 2d. [15-0879](#) Overview of the Senate-passed DRIVE Act

Summary of the U.S. Senate's multi-year surface transportation proposal.

**Action:** Information

**Presenter:** Rebecca Long

**Attachments:** [Overview of the Senate-passed DRIVE Act.pdf](#)

- 2e. [15-0862](#) Tom Bulger's Report
- July 2015 report from MTC's advocate in Washington D.C.
- Action: Information
- Presenter: Randy Rentschler
- Attachments: [Tom Bulger's DC Report July 2015.pdf](#)

### 3. Federal Legislation

- 3a. [15-0880](#) S. 1994 (Carper)
- Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC)
- Action: Support / Commission Approval
- Presenter: Randy Rentschler
- Attachments: [3a S. 1994 Carper.pdf](#)
- 3b. [15-0885](#) Tom Bulger's Report
- September 2015 report from MTC's advocate in Washington D.C.
- Action: Information
- Presenter: Randy Rentschler
- Attachments: [Tom Bulger's DC Report Sept 2015.pdf](#)

### 4. Public Comment / Other Business

### 5. Adjournment / Next Meeting

The next meeting of the Legislation Committee will be November 13, 2015, 9:40 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.

**Public Comment:** The public is encouraged to comment on agenda items at committee meetings by completing a request-to-speak card (available from staff) and passing it to the committee secretary. Public comment may be limited by any of the procedures set forth in Section 3.09 of MTC's Procedures Manual (Resolution No. 1058, Revised) if, in the chair's judgement, it is necessary to maintain the orderly flow of business.

**Meeting Conduct:** If this meeting is willfully interrupted or disrupted by one or more persons rendering orderly conduct of the meeting unfeasible, the Chair may order the removal of individuals who are willfully disrupting the meeting. Such individuals may be arrested. If order cannot be restored by such removal, the members of the committee may direct that the meeting room be cleared (except for representatives of the press or other news media not participating in the disturbance), and the session may continue.

**Record of Meeting:** MTC meetings are recorded. Copies of recordings are available at a nominal charge, or recordings may be listened to at MTC offices by appointment. Audiocasts are maintained on MTC's Web site ([mtc.ca.gov](http://mtc.ca.gov)) for public review for at least one year.

**Accessibility and Title VI:** MTC provides services/accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Commission matters. For accommodations or translations assistance, please call 510.817.5757 or 510.810.5769 for TDD/TTY. We require three working days' notice to accommodate your request.

可及性和法令第六章：MTC 根據要求向希望來委員會討論有關事宜的殘疾人士及英語有限者提供服務/方便。需要便利設施或翻譯協助者，請致電 510.817.5757 或 510.817.5769 TDD / TTY。我們要求您在三個工作日前告知，以滿足您的要求。

**Acceso y el Titulo VI:** La MTC puede proveer asistencia/facilitar la comunicación a las personas discapacitadas y los individuos con conocimiento limitado del inglés quienes quieran dirigirse a la Comisión. Para solicitar asistencia, por favor llame al número 510.817.5757 o al 510.817.5769 para TDD/TTY. Requerimos que solicite asistencia con tres días hábiles de anticipación para poderle proveer asistencia.

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Attachments are sent to committee members, key staff and others as appropriate. Copies will be available at the meeting.

All items on the agenda are subject to action and/or change by the Committee. Actions recommended by staff are subject to change by the Committee.

MTC's Chair and Vice-Chair are ex-officio voting members of all standing committees.



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

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**File #:** 15-0859      **Version:** 1      **Name:**  
**Type:** Minutes      **Status:** Consent  
**File created:** 9/11/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Minutes of September 11, 2015 meeting  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Minutes\\_Sept 2015.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**  
Minutes of September 11, 2015 meeting

**Recommended Action:**  
Committee Approval

### Attachments



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort  
MetroCenter  
Oakland, CA

## Meeting Minutes - Draft

### Legislation Committee

*Alicia Aguirre, Chair Sam Liccardo, Vice Chair*

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Friday, September 11, 2015

9:35 AM

Lawrence D. Dahms Auditorium

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#### Call Meeting to Order

#### 1. Roll Call / Confirm Quorum

**Present:** 6 - Chairperson Aguirre, Commissioner Haggerty, Commissioner Halsted,  
Commissioner Kinsey, Commissioner Pierce, and Commissioner Spering

**Absent:** 1 - Vice Chair Liccardo

Non-Voting Member Present: Commissioner Giacomini

Non-Voting Member Absent: Commissioner Azumbrado

Ex Officio Voting Member Present: Commission Chair Cortese

Ad Hoc Non-Voting Members Present: Commissioner Bates, Commissioner Campos, Commissioner Luce and Commissioner Tissier

#### 2. Consent

Approval of the Consent Calendar

**Upon the motion by Commissioner Spering and second by Commissioner Halsted, the Consent Calendar was approved unanimously by the following vote:**

**Aye:** 6 - Chairperson Aguirre, Commissioner Haggerty, Commissioner Halsted,  
Commissioner Kinsey, Commissioner Pierce and Commissioner Spering

**Absent:** 1 - Vice Chair Liccardo

**2a.** [15-0799](#) Minutes of July 10, 2015 meeting

**Action:** Committee Approval

**2b.** [15-0802](#) Legislative History

**Action:** Information

**Presenter:** Rebecca Long

3. [15-0804](#) MTC Policy Advisory Council.

MTC Resolution No. 3931, Revised - Appointments to Policy Advisory Council.

**Action:** Commission Approval

**Presenter:** Pam Grove

**Upon the motion by Commissioner Pierce and second by Commissioner Halsted, MTC Resolution No. 3931, Revised - Appointments to Policy Advisory Council was approved unanimously and moved to the Commission for approval. The motion carried by the following vote:**

**Aye:** 6 - Chairperson Aguirre, Commissioner Haggerty, Commissioner Halsted, Commissioner Kinsey, Commissioner Pierce and Commissioner Spering

**Absent:** 1 - Vice Chair Liccardo

#### 4. State Legislation

4a. [15-0805](#) Update on Transportation Special Session

Update on the Transportation Funding Special Session

**Action:** Information

**Presenter:** Randy Rentschler

**The Update on Transportation Special Session was deferred to the October 9, 2015 Legislation Committee Meeting.**

#### 5. Federal Legislation

5a. [15-0806](#) Overview of the Senate-passed DRIVE Act

Summary of the U.S. Senate's multi-year surface transportation proposal.

**Action:** Information

**Presenter:** Rebecca Long

**The Overview of the Senate-passed DRIVE ACT was deferred to the October 9, 2015 Legislation Committee Meeting.**

5b. [15-0848](#) S. 1994 (Carper).

Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC).

**Action:** Support / Commission Approval

**Presenter:** Randy Rentschler

**S. 1994 (Carper) was deferred to the October 9, 2015 Legislation Committee Meeting.**

**5c.**     [15-0809](#)     Tom Bulger's Report

Report from MTC's advocate in Washington D.C.

**Action:** Information

**Presenter:** Randy Rentschler

Tom Bulger's Report was deferred to the October 9, 2015 Legislation Committee Meeting.

**6. Public Comment / Other Business**

**7. Adjournment / Next Meeting**

The next meeting of the Legislation Committee will be October 9, 2015, 9:40 a.m. in the Lawrence D. Dahms Auditorium, First Floor, 101 Eighth Street, Oakland, CA.



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

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**File #:** 15-0860      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Consent  
**File created:** 9/11/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Legislative History  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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**Subject:**  
Legislative History

**Presenter:**  
Rebecca Long

**Recommended Action:**  
Information

**Attachments**





# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

**File #:** 15-0878      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Consent  
**File created:** 9/14/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Update on Transportation Special Session  
Update on the Transportation Funding Special Session

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Update on Transportation Special Session.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Update on Transportation Special Session

Update on the Transportation Funding Special Session

**Presenter:**

Randy Rentschler

**Recommended Action:**

Information

**Attachments**



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 2c

Joseph P. Bort MetroCenter  
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***Memorandum***

TO: Legislation Committee

DATE: October 2, 2015

FR: Deputy Executive Director, Policy

W. I. 1131

RE: Update on Transportation Special Session

**Background**

While the regular session of the Legislature adjourned on September 11 without a transportation funding package on the Governor's desk, the transportation funding special session has no fixed deadline so discussions are continuing, albeit at a slower pace than in the final two weeks of session. Appointments to the Joint Transportation Infrastructure Conference Committee were announced on September 23, 2015 and include the following members of the Legislature:

**Assembly**

Assemblymember Jimmy Gomez (D-Northeast Los Angeles), Co-Chair  
Assemblymember Autumn R. Burke (D-Inglewood)  
Assemblymember Melissa Melendez (R-Lake Elsinore)  
Assemblymember Kevin Mullin (D-South San Francisco)  
Assemblymember Jay Obernolte (R-Big Bear Lake)

**Senate**

Senator Jim Beall (D-San Jose) (Co-chair)  
Senator Benjamin Allen (D- Santa Monica)  
Senator Connie Leyva (D-Chino)  
Senator Anthony Cannella (R-Ceres)  
Senator Ted Gaines (R-Roseville)

Two bills have been referred to the committee —SB x1-4 (Beall) and AB x1-3 (Frazier) as placeholders — commonly referred to as “spot bills”— with real language to be added later. A side-by-side summary of the various proposals under consideration produced by California Association of Councils of Government (CALCOG) is included as Attachment 1.

**Brown Administration's Proposal**

In the final week of the regular legislative session, the Brown Administration released its own transportation funding proposal, consisting of approximately \$3.5 billion in ongoing funding backed by new revenue and \$1.4 billion in one-time funding. Of the \$3.5 billion, approximately \$2.6 billion would be deposited in a new Road Maintenance and Rehabilitation Account and is proposed as follows:

- \$200 million for a Trade Corridor Enhancement Account
- \$250 million for a Local Partnership Program (strictly for cities and counties that approve new taxes or adopt fees dedicated to transportation improvements)

- \$2.1 billion split 40% to cities and counties for local streets and roads and 60% to the State Highway Account for maintenance of the state highway system or for allocation to projects in the SHOPP – State Highway Operation and Protection Program.

### **New Annual Revenue**

Revenue sources comprising the \$3.5 billion in new annual funding are as follows:

- A \$65 Road Improvement Charge assessed on every registered vehicle (~\$2 billion)
- A 6-cent increase in the gasoline excise tax to restore the 18-cent rate prior to the Board of Equalization cut last March. (~\$900 million)
- Revenues attributable to the 11-cent increase in the diesel excise tax (~\$300 million)
- Revenues attributable to indexing the base gasoline and diesel excise taxes (~\$200 million)
- Caltrans efficiencies (~\$100 million)

As noted above, \$2.6 billion would be deposited in the new Road Maintenance and Rehabilitation Account mentioned above, while the remaining \$900 million (from the 6-cent gas tax increase) would be distributed according to the formula established as part of the Gas Tax Swap of 2011 which distributes 44% of funds to the State Transportation Improvement Program, 44% to cities and counties for local streets and roads and 12% to the SHOPP in order to restore FY 2014-15 funding levels. As such, relative to FY 2014-15 funding levels, the Brown Administration's proposal represents a \$2.6 billion increase.

### **One-Time Funding**

The measure also proposes immediate repayment of \$879 million in outstanding loans made from various transportation accounts to the General Fund, to be repaid as follows. One-time funds payable by loan proceeds are proposed to be invested as follows:

- \$334 million for Trade Corridors
- \$265 million Transit & Intercity Rail Capital Program (TIRCP) (with 50% for disadvantaged communities)
- \$148 million for projects programmed in the Traffic Congestion Relief Program that have not yet received a full allocation
- \$132 million for state highway repairs in the SHOPP

In addition, the Administration's proposal includes an appropriation of \$500 million in one-time funds payable by Cap and Trade funds as follows:

- \$100 million for a new competitive Low Carbon Road Program with projects to be selected by Caltrans aimed at reducing GHG emissions and improving mobility, with a priority on serving disadvantaged communities.
- \$400 million for the TIRCP — bringing the total TIRCP augmentation to \$665 million for FY 2015-16 (above the \$200 million already approved in the FY 2015-16 budget).

### **New Policy Provisions**

The Administration's bill language also contains a number of policy provisions that have been included in proposals by Republican leadership including:

- Adding six new slots for projects to the construction manager/general contractor procurement method;
- Establishing an Advance Mitigation program to fund environmental mitigation on a more strategic, ongoing basis rather than a project-by-project basis; and
- Requiring Caltrans reach a contracting out staff equivalent to 20 percent of its Capital Outlay Support program by 2020.

### **Legislative Proposals**

The major proposal introduced in the Senate is Senate Bill x1-1 (Beall), a \$4.5 billion plan that began as a simple reintroduction of SB 16, which MTC supported earlier this year. SB x1-1 has a focus on roadway repairs with a 50/50 split between funding for the state highway system and local streets and roads. The gasoline and diesel fuel tax increases are retained in the bill, but weight fee restoration was removed, along with a vehicle license fee increase that was inserted specifically to backfill the General Fund for the loss of weight fee revenue. In addition to the substantial difference in the magnitude of funding raised and the funding sources (SB x1-1 includes a 12-cent gas tax increase and a 22-cent diesel tax increase), it is noteworthy that while the Brown Administration's proposal includes \$664 million in one-time new funding for public transit, SB x1-1 is strictly a roadway proposal, including bicycle and pedestrian enhancements.

Amendments to SB x1-1 in September added new requirements related to bicycle and pedestrian access and performance measures. Specifically, the amended version would:

- Require all State Transportation Improvement Program (STIP) and SHOPP projects to incorporate improvements for bicycles and pedestrians, subject to certain exceptions
- Require all STIP and SHOPP projects to reduce GHG emissions "to the maximum extent feasible" and benefit "vulnerable or disadvantaged communities" — not defined in the bill
- Require the CTC to adopt performance criteria for state or local road repair projects funded by the bill related to highway performance, greenhouse gas emissions, social equity impacts and public health impacts. Project sponsors would be required to submit documentation to the CTC every year regarding how a project funded with the new revenue from the bill contributes to meeting these criteria
- Empower the California Transportation Commission (CTC) to withhold future STIP or SHOPP funds from an applicant who did not meet the performance criteria for a prior project

On the Assembly side, Assembly Speaker Toni Atkins and Assembly Transportation & Infrastructure Committee Chair Jim Frazier held a number of hearings in August, but no comprehensive proposals have been introduced to date. A number of transit funding proposals were introduced in the Assembly, however, as noted below.

### **Transit Funding Included in Senate and Assembly Proposals**

In response to advocacy by MTC, Bay Area transit operators and the California Transit Association, among others, several bills were introduced and approved that include transit funding as part of the overall funding package in the special session. AB x1-8 (Chiu) and SBx1-7 (Allen) would double the State Transit Assistance Program by doubling the sales tax rate on diesel fuel while ABx1-7 (Nazarian) and SB x1-8 (Hill) would double the share of Cap and Trade funding deposited in the transit-related programs. The Senate versions of these bills were approved by the Senate T&I Committee.

### **Republican Proposals Include Funding and Non-Funding Related Bills**

Given the two-thirds vote required, much attention is focused on finding the three Republican votes necessary to pass a bill — two in the Assembly and one in the Senate. Republican funding proposals in the special session have focused on transferring existing funding to streets and roads, including Cap and Trade funding (SBx1-2, Huff), High-Speed Rail funding (SB x1-3, Vidak and SBx1-6, Runner), and General Fund surpluses (Assembly Republican Caucus Proposal, included as Attachment 2).

In terms of policy changes, Republicans have introduced a number of long-sought changes they hope to emerge from the special session, including exempting from the California Environmental Quality Act (CEQA) certain roadway repair and safety projects within the existing right-of-way (SB x1-11, Berryhill), converting the Regional Transportation Improvement Program into a block grant program, (SB x1-10, Bates), increasing the amount of contracting out at Caltrans (SB x1-9, Moorlach) and making the California Transportation Commission independent (SB x1-12, Runner), among other ideas.

### **Next Steps**

In partnership with Bay Area local agencies and statewide transportation advocacy organizations, staff will continue to keep the pressure on the Bay Area's legislative delegation and members of the Legislative Joint Transportation Infrastructure Conference Committee to enact a new funding package this year. If we miss the opportunity presented by the Governor's State of the State address and his convening of a transportation funding special session this summer, there is a very real risk that securing new revenue for California's deteriorating transportation infrastructure will be placed on the back burner in 2016.



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Alix Bockelman

AB: rl



# FIRST EXTRAORDINARY SESSION TRANSPORTATION FUNDING & REFORM PROPOSALS

California Association of Councils of Governments

September 21, 2015

	FUNDING SOURCES	EXPENDITURES	POLICIES & REFORMS
<b>Governor's Proposal</b>	<p><b>Raises \$3.6 Billion in New Revenue</b></p> <ul style="list-style-type: none"> <li>• <u>\$500 Million</u> from CPI adjustments</li> <li>• <u>\$300 Million</u> from 11 cent diesel tax increase</li> <li>• <u>\$ 2 Billion</u> from \$65 per year vehicle fee</li> <li>• <u>\$100 Million</u> in Caltrans efficiencies</li> <li>• <u>\$500 Million</u> in Cap &amp; Trade Funding (<i>1 time?</i>)</li> </ul> <p><b>Plus \$879 Million in One Time Loan Repayments</b></p> <ul style="list-style-type: none"> <li>– <u>\$265 Million</u> for transit and intercity rail</li> <li>– <u>\$334 Million</u> for trade corridors,</li> <li>– <u>\$148 Million</u> to local traffic congestion relief</li> <li>– <u>\$132 Million</u> in state highway repairs.</li> </ul>	<p><b>New Road Maintenance &amp; Rehab Account (RMRA)</b></p> <p><b>- \$1.8 Billion for State Programs</b></p> <ul style="list-style-type: none"> <li>• <u>\$1.6 Billion</u> to SHOPP</li> <li>• <u>\$200 Million</u> for Goods Movement (TCIF)</li> </ul> <p><b>- \$1.8 Billion for Local Programs</b></p> <ul style="list-style-type: none"> <li>• <u>\$1.050 Billion</u> to local streets and roads</li> <li>• <u>\$250 Million</u> to State-Local Partnership for any county with a dedicated transportation fee</li> <li>• <u>\$400 Million</u> commuter rail &amp; low carbon transit</li> <li>• <u>\$100 Million</u> – Local complete street program</li> </ul>	<ul style="list-style-type: none"> <li>• Ballot <b>initiative</b> to protect revenues</li> <li>• Indexes gas and diesel tax rates to CPI</li> <li>• Eliminates fuel tax swap; restores pre-swap 18 cent excise rate</li> <li>• CEQA exemption for repairs in ROW</li> <li>• P3 extension for 10 years</li> <li>• CM/GC extended to 12 projects</li> <li>• Unspecified Caltrans efficiencies (\$100 M)</li> <li>• Advanced mitigation (\$30 M)</li> </ul>
<b>Legislative Proposals from Democrats</b>	<p><b>\$3.9 Billion in New Road Funding: Beall (SBX1-1)</b></p> <ul style="list-style-type: none"> <li>• <u>\$1.8 Billion</u> - 12 cents/gal increase on motor fuels</li> <li>• <u>\$572 Million</u> - 22 cents/gal on diesel fuels</li> <li>• <u>\$1.5 Billion</u> – New \$35 vehicle registration fee and another \$35 fee for road access (\$100 for Zero Emission Vehicles)</li> </ul> <p><b>\$1 Billion in Restored Weight Fees (ABX1-1);</b></p> <ul style="list-style-type: none"> <li>• <u>\$1 Billion</u> in weight fees remain in State Highway Account</li> </ul> <p><b>\$700 Million Transit Funding: (SBX1-7 &amp; 8) (ABX1-7 &amp; 8)</b></p> <ul style="list-style-type: none"> <li>• <u>\$400 Million</u> by doubling allocations from Cap &amp; Trade for Intercity Rail and Low Carbon Transit programs</li> <li>• <u>\$300 Million</u> (estimated) from 3.5% increase on diesel fuel sales tax for State Transit Account</li> </ul> <p><b>Active Transportation Program (SBX1-23)</b></p> <ul style="list-style-type: none"> <li>• <u>\$125 Million</u> <i>redirected</i> to ATP from State Hwy. Account</li> </ul>	<p><b>Road Maintenance &amp; Rehab. Account (SBX1-1)</b></p> <ul style="list-style-type: none"> <li>• <u>\$300 Million</u> to Goods Movement via TCIF program (from extra 10 cents/gal on diesel fuel)</li> <li>• <u>5% (est. \$180 Million)</u> incents new local sales taxes</li> <li>• <u>Remaining \$3.4 Billion</u> split equally for SHOPP and to cities and counties for local streets and roads</li> <li>• CTC oversight of fund expenditures</li> </ul> <p><b>Weight Fee &amp; Transit Funding:</b> Per existing State Highway Account and Cap and Trade programs</p> <p><b>Active Transportation Program (SBX1-23)</b></p> <ul style="list-style-type: none"> <li>• Funds redirected to current ATP;</li> <li>• Also includes policy reform proposal in SBX1-1 related to STIP and SHOPP performance criteria.</li> </ul>	<p><b>SBX1-1 (and SB 16 from regular session)</b></p> <ul style="list-style-type: none"> <li>• Indexes gas and diesel tax rates to CPI</li> <li>• Eliminates fuel tax swap; restores base rate</li> <li>• Increase Caltrans efficiencies by 30% with savings dedicated to SHOPP maintenance</li> </ul> <p><i>Late Active Transportation Amends (SBX1-1)</i></p> <ul style="list-style-type: none"> <li>• STIP &amp; SHOPP capital projects must address bike and pedestrian access unless excluded</li> <li>• CTC develops criteria for STIP &amp; SHOPP to address GHG, social equity, public health, and effects on disadvantaged communities.</li> <li>• CTC develops LSR criteria to measure PCI, bridge health, maintenance LOS, GHG, ATP benefits, and public health co-benefits.</li> </ul>
<b>Legislative Proposals from Republicans</b>	<p><b>Senate Bills Redirect \$1.3 Billion in Existing Revenues</b></p> <ul style="list-style-type: none"> <li>• <u>\$1.3 Billion</u> (est.)* in Cap and Trade (proposals overlap) <ul style="list-style-type: none"> <li>– Redirect all cap and trade funds derived from motor vehicle fuels to transportation (SBX1-2)</li> <li>– Redirect 65% of cap and trade proceeds (approximate motor fuel contribution) to CTC (SBX1-6)</li> </ul> </li> </ul> <p><b>Assembly Bills Redirect \$4.4 Billion in Existing Revenues</b></p> <ul style="list-style-type: none"> <li>• <u>\$500 Million</u> - 25% of Cap &amp; Trade to SHOPP (ABX1-17)*</li> <li>• <u>\$1 Billion</u> from rededicating Weight Fees (ABX1-18)</li> <li>• <u>\$200 Million</u> from AHSC (ABX1-13)</li> <li>• <u>\$1 Billion</u> annually from General Fund (ABX1-14)</li> <li>• <u>\$685 Million</u> by eliminating vacant positions (ABX1-20)</li> <li>• <u>\$500 Million</u> by redirecting capital outlay (ABX1-15)</li> </ul>	<p><b>Senate Bill Methodologies</b></p> <ul style="list-style-type: none"> <li>• <u>\$1.3 Billion*</u> in cap in trade (proposals overlap) <ul style="list-style-type: none"> <li>– Appropriated for transportation infrastructure annually, including streets and highways, but excludes high speed rail (SBX1- 2)</li> <li>– For priority projects; 40%state highways, 40% local streets and roads, &amp; 20% transit (SBX1-6)</li> </ul> </li> </ul> <p><b>Assembly Bill Methodologies</b></p> <ul style="list-style-type: none"> <li>• <u>\$1 Billion</u> weight fees stay in State Hwy Account</li> <li>• <u>\$500 Million*</u> - 25% Cap &amp; Trade funds to SHOPP</li> <li>• <i>Remaining bills would evenly split funds:</i> <ul style="list-style-type: none"> <li>– <u>\$1.2 Billion</u> for the SHOPP</li> <li>– <u>\$1.2 Billion</u> for Local Streets and Roads</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Ballot <b>initiative</b> to protect revenues (SCAX1-1)</li> <li>• Eliminate sunset on P3 authority (SB1X-14)</li> <li>• CEQA: exempt ROW repairs (SBX1-11) and prohibit enjoining construction (ABX1-21)</li> <li>• Increases Caltrans contracting and limit use of temp funding for permanent positions (SB X1-9)</li> <li>• Create Inspector General (SBX1-13)</li> <li>• Convert STIP to regional grants (ABX1-10)</li> <li>• Allow Design-Build (AB 1X-22)</li> <li>• Remove CTC from CalSTA (SBX1-12; ABX1-19)</li> <li>• Two county pilot for county operation of state highways (AB1X-16)</li> </ul>

\* Cap and Trade: All calculations based on \$2 billion in annual revenues

\*\* General Disclaimer: This chart is only a summary. Some funding totals and outcomes are inferred. See referenced legislation for specific details.

# FIXING OUR ROADS

## #MAKEGOVWORK

### **A ROADMAP OF PRIORITIES: A NINE-POINT, \$6.6 BILLION PLAN TO FUND TRANSPORTATION INFRASTRUCTURE & FIX OUR ROADS WITH EXISTING RESOURCES**

#### **6 EXISTING FUNDS**

##### **40% of funds in California's Cap & Trade program: \$1 Billion+ Annually (ABx1 17, Achadjian)**

The goal of Cap & Trade is to offset the impacts of greenhouse gas emissions on our environment. Californians currently pay higher prices at the pump because fuels are now included in the Cap & Trade Program, making Cap & Trade funds directly linked to transportation infrastructure. Additionally, better roads means better fuel efficiency which leads to a clear reduction in greenhouse gas emissions.

##### **Existing funds from Vehicle Weight Fees: \$1 Billion Annually (ABx1 18, Linder)**

The Vehicle Weight Fee (VWF) is a non-controversial payment made to offset the costs of damage done to our roads by heavy trucks. During the recession, VLF revenue was diverted to purposes other than road maintenance. This budget gimmick is no longer needed. It is time to put this money back toward its intended use.

##### **Invest half of the Governor's strategic growth fund into shovel-ready roads projects: \$200 Million Annually (ABx1 13, Grove)**

The state budget provides the governor with \$400 million a year for projects of his choosing. The Assembly Republican plan prioritizes safe roads and reduces this discretionary pot of money by half, freeing up \$200 million for road projects that can quickly make a difference for Californians who use cars to get around our state.

##### **Eliminate redundancies at Cal Trans: \$500 Million annually (ABx1 15, Patterson)**

We support the non-partisan Legislative Analyst Office's (LAO) recommendation to eliminate the 3,500 redundant positions at Cal Trans. The LAO reports this will not negatively impact any construction projects.

##### **Eliminate and capture savings from vacant state positions: \$685 Million annually (ABx1 20, Gaines)**

There are thousands of vacant positions in state government that remain unfilled for more than six months. Until recently, the law required that any such position be eliminated. While some positions are essential and difficult to fill, the majority are not and, in fact, are intentionally kept vacant so that state agencies can capture the money and spend it elsewhere. This money is better used fixing roads than padding state bureaucracy. Our proposal is for 25 percent of these vacant positions to be eliminated, using the savings to fund transportation projects.

##### **Make a formal commitment in the State Budget General Fund to fund transportation: \$1 Billion annually (ABx1 14, Waldron)**

The last two state budgets grew spending by \$8.1 billion and \$7.5 billion respectively. Early indications are that we will have \$4 billion more revenue next year. Despite this revenue surge, these budgets completely ignored the state's transportation needs. According to the LAO, the three-year revenue forecast is such that we can fully fund Prop. 98 and the Rainy Day Fund, and still dedicate \$1 billion annually to transportation. We propose doing this. Transportation is a top priority and must be funded as such.

+ \$2.3 billion in approved spending for 2015-16 fiscal year

**= \$6.6 Billion to fund transportation projects and 90,000 jobs added to the workforce without raising taxes**





# FIXING OUR ROADS

## #MAKEGOVWORK

### 3 POLICY CHANGES TO GET OUR ROADS FIXED

#### **CEQA Relief for Highway Projects (ABx1 21, Obernolte)**

Relief from abuses of the California Environmental Quality Act could reduce costs and delays associated with highway projects and move our transportation projects out of lawsuits and red tape. Under our plan, highway projects would be insulated from injunctions, like the model enacted for the Kings basketball arena. Highway projects could be expedited by prohibiting a court from staying or enjoining a project unless certain specific factors are present (threat to health and safety, Native American artifacts, etc.). If we can do it for billionaire professional sports team owners, we should be able to do it for Californians who want out of traffic gridlock and those who will be put to work on the projects. The present and future of our state economy relies on a strong transportation network that can reliably move goods and services. Building and maintaining such a network of roads, highways, and bridges should not get hung up in endless years of CEQA litigation and bureaucracy.

#### **Foster Public-Private Partnerships (P3s) for transportation projects (ABx1 2, Olsen)**

Removing the sunset on provisions authorizing the use of development lease agreements (aka “public-private partnerships” or P3s) for transportation projects will get roads fixed faster. Due to limited available funding for highway construction and maintenance, P3s are an attractive option for the state to most efficiently use limited resources to repair its deteriorating infrastructure. SB 2X 4 (Cogdill) (Chapter 2, Statutes of 2009) authorized Caltrans and regional transportation agencies to enter into an unlimited number of P3 agreements for a broad range of highway, road, and transit projects, through December 31, 2016. Deleting this sunset will maintain the flexibility for Caltrans and regional agencies to leverage private investment in project design, construction, and operation.

#### **Get the politics out of transportation projects: Restore CTC Independence (ABx1 19, Linder)**

Removing the California Transportation Commission (CTC) from the Executive Branch restores its status as an independent body. The CTC was created by the Legislature in 1978 as an independent body responsible for the programming and allocating of funds for the implementation of highway, passenger rail and transit improvements throughout California. The Governor’s Reorganization Plan No. 2 (GRP2) of 2012 changed the CTC from an independent agency to an entity within the newly created Transportation Agency. Keeping CTC under the control of the Secretary of Transportation frustrates meaningful oversight of the administration, and creates the potential for politicization of transportation funding decisions.

\*<http://lao.ca.gov/reports/2014/budget/capital-outlay/capital-outlay-support-program-051414.pdf>





# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

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Summary of the U.S. Senate's multi-year surface transportation proposal.

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**Subject:**

Overview of the Senate-passed DRIVE Act

Summary of the U.S. Senate's multi-year surface transportation proposal.

**Presenter:**

Rebecca Long

**Recommended Action:**

Information

**Attachments**



METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 2d

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*Memorandum*

TO: Legislation Committee

DATE: October 2, 2015

FR: Deputy Executive Director, Policy

W. I. 1131

RE: Overview of the Senate-passed DRIVE Act

**DRIVE Act Summary**

Senators involved in federal transportation policy had a very busy month in July. Senate Bill 1647 (Inhofe), the DRIVE Act — Developing a Reliable and Innovative Vision for the Economy — was approved by the Senate Environment and Public Works (EPW) Committee on July 15, then amended and passed by the full Senate just two weeks later by a vote of 65-34 (as H.R. 22). The 1,034 page bill authorizes funding for six years, but identifies sufficient funds to support only the first three years. As such, our analysis in this memo is limited to those first three years — FY 2016-2018.

While there was a fleeting hope that the House might take up the Senate bill and enact a multi-year transportation act before the summer adjournment, this proved too heavy a lift so, yet again, we are operating under another stop-gap extension, this time authorizing the federal surface transportation program through October 29, 2015.

**Summary**

Overall, the key structure and policy provision in the EPW Committee version of the DRIVE Act we reported on in July are continued in the Senate-enacted bill. The structure of the well-established highway and transit programs, many of which have been on the books for decades now, are maintained while some of the policy changes made by the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP 21), enacted in 2012, are expanded upon. For instance, the Surface Transportation Program and Congestion Mitigation and Air Quality Program (STP/CMAQ) — which form the mainstay of the One Bay Area Grant program — are maintained, but a few changes related to formulas and funding eligibility are proposed, as noted in detail in Attachment 1. Unfortunately, the bottom line result of these changes could trigger a decrease in STP funding for the Bay Area of about 6 percent in FY 2016 compared to FY 2014 but this is somewhat offset by an increase in CMAQ funding.

Also offsetting the reduction in STP funding is a change made to the Transportation Alternatives Program (TAP). Funding for TAP is increased by 4 percent in FY 2016 over current levels and the share distributed by population is raised from 50 percent to 100 percent, doubling the region's guaranteed share. After the increase to \$850 million in FY 2016, however, TAP funding is held flat thereafter.

The most significant changes made by the DRIVE Act are arguably the establishment of funding for a National Freight Program, an array of project delivery/environmental streamlining provisions, and the incorporation of rail policy and funding into the surface transportation act for the first time.

### **Funding for Bay Area**

When the increase in the suballocated portion of TAP funding is taken into account, the Bay Area's share of suballocated highway formula funding would grow from approximately \$160 million in FY 2015 to \$164 million in FY 2016, reaching \$170 million in FY 2018<sup>1</sup>. With respect to transit funding, the region would receive an increase of 6 percent in funding, from \$399 million in FY 2015 to \$424 million in FY 2016 with the largest increase in the State of Good Repair Program. Attachment 2 provides detailed funding levels for the Bay Area and California.

### **National Funding**

The bill provides modest increases in funding for highways and transit. Surprisingly, while highway funding would be 10 percent higher by FY 2018 than FY 2015, transit funding grows by 13 percent. According to *Eno Transportation Weekly*, one need only look at this fact to see why there was little chance the House would adopt the Senate's bill without modifying it.

  
Alix Bockelman

AB: rl

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<sup>1</sup> Estimating the impact of the DRIVE Act on the Bay Area is challenging due to uncertainty about certain discretionary decisions that could be made by Caltrans to augment regional funding statewide. To hold regional funding steady in the wake of changes to the Surface Transportation Program formula made by MAP 21, Caltrans steered \$22 million more than required to regions in FY 2013 and FY 2014. This was an entirely discretionary decision on the part of Caltrans. Given this, our estimate for the region's share of federal funds does not presume this policy continues, though staff will certainly continue to advocate for the maximum share of STP funds to be suballocated regionally.

## Summary of DRIVE Act, H.R. 22

### Funding

To support the proposed funding levels in the DRIVE Act, the bill transfers \$45.6 billion from the General Fund to the Highway Trust Fund (HTF) to fill the gap between proposed expenditures and forecast HTF receipts. These General Fund costs are offset by a number of different mechanisms, referred to as "pay fors" in Washington speak. They include the sale of 101 million barrels of oil from the Strategic Petroleum Reserve, provisions related to estate tax reporting, and changes to the interest rate banks earn from deposits in the Federal Reserve. Some of the original proposals included in the Senate EPW Committee's version of the bill were dropped prior to the bill's passage in the Senate. As time goes on, opposition is also growing against those that remain.

There is also significant disagreement between the House and the Senate on the best way to pay for a bill. Whereas Senate Finance Committee Chairman Orin Hatch supported the shotgun approach used in the Senate bill, House Ways and Means Committee Chairman Paul Ryan favors funding the bill through broad corporate tax reform that includes voluntary repatriation of offshore profits. This fundamental dispute over the "pay fors" makes resolving differences by October 29 challenging even before more substantive policy disagreements are taken into consideration.

### FEDERAL HIGHWAY PROGRAM

#### Bill Delivers on a National Freight Program

The DRIVE Act responds to the growing call by the business community and state, regional and local transportation agencies for a *funded* National Freight Program. While MAP 21 established a framework for national freight policy by establishing a national freight network and recommending states adopt freight plans, there was no money behind it. The DRIVE Act includes formula and competitive funding for freight projects and, in a positive step, significantly broadens the federal freight focus from highways to a multimodal freight system. While this is a victory of sorts, it is a (not surprising) disappointment that the bill includes no dedicated freight-specific funding source, but instead changes the existing FHWA formula programs to accommodate freight.

The bill includes these other notable freight policy elements:

- Establishes a National *Multimodal* Freight Network comprised of connectors, corridors, facilities of all freight modes.
- Adds a new category "critical urban freight corridors" to the elements of the National Highway Freight System. For urbanized areas over 500,000 such corridors shall be identified by the metropolitan planning organization (MPO), in consultation with the state. For urbanized areas below 500,000, the state shall designate such corridors, in consultation with the MPO.
- Requires states to establish a State Freight Advisory Committee within two years of enactment as a condition of receiving funding for the program and develop a freight plan. Under MAP 21, this was optional.
- Revises definitions related to the existing "National Freight Network" to clarify that they refer to a National *Highway* Freight Network (NHFN). Expands the NHFN from 27,000 miles to 30,000 and allows for re-designation every five years, instead of 10. Each re-designation may add an additional 5 percent of miles.

## **Two New Freight Funding Programs**

- **National Highway Freight Program**
  - This program receives almost \$1 billion in FY 2016, growing to almost \$2 billion by FY 2018. Each state's share is equivalent to its share of all highway formula apportionments.
  - For states whose primary highway freight system comprises 3 percent or more of the national total mileage on the Primary Highway Freight System funds must be spent on projects on 1) the primary highway freight system; 2) critical rural freight corridors or 3) critical urban freight corridors. For states below the 3 percent threshold, funds may be spent on any component of the National Highway Freight Network.
  - The bill caps at 10 percent the share of funds that may be spent within the boundaries of public and private freight rail, water facilities (including ports) and intermodal facilities for projects that provide surface transportation infrastructure necessary to facilitate intermodal transfer and access to the facility.
- **Assistance for Freight Projects**
  - This multimodal, competitive \$200 million/year freight program is for projects consistent with the DRIVE Act's Multimodal Freight Policy Goals, including enhancing economic competitiveness by improving reliability and reducing congestion in the freight transportation system and improving productivity for domestic businesses.
  - Projects are selected by the Secretary of Transportation. Congressional notification of project selection is required 72 hours prior to public notification with information justifying the project selection decision.
  - The bill sets a minimum grant threshold of \$10 million and a maximum of \$100 million, with exceptions for rural areas.
  - The bill caps the federal share at 80 percent and gives priority for projects that require federal funds to complete the funding plan.

## **Surface Transportation Program**

- The bill reduces STP's share of FHWA formula funds (what remains after the National Freight Program, CMAQ, Metropolitan Planning and TAP takedowns) from 29.3 percent to 29 percent.
- Provides that 15 percent of each state's STP funding be spent on non-National Highway System bridges, with 50 percent to be spent on non-federal aid highways. Whereas in MAP 21, this set-aside was applied specifically to the *state's* half of STP funding, now the takedown is made "off the top." This results in a significant cut to the portion of STP funding that is suballocated on the basis of population. The bill makes a noteworthy change to terminology used to identify a roadway or bridge as in need of repairs. Specifically, the bill replaces the term "structurally deficient" with "being in poor condition."
- Somewhat offsetting the impact of this change, the bill increases the share of the remaining STP funds that are apportioned on the basis of population from 50 percent to 55 percent. Nevertheless, the 15 percent off-system bridge set-aside represents an overall reduction of suballocated STP funding from 50 percent of STP to 46.8 percent, a drop of 6.5 percent.

- Nationally, STP funding takes a minor 1 percent cut in FY 2016, followed by a 2 percent growth rate thereafter. But because of the 15 percent set-aside taken off the to, the Bay Area's STP funding would decline from approximately \$81 million in FY 2014 to \$77 million in FY 2016, a drop of 5.5 percent. STP funding would not recover to pre-DRIVE Act levels within the three-year time-frame of the bill. These reductions could be partially offset by discretionary action taken within California to shift additional STP funds to regions, as was done after the enactment of MAP 21. They could also be offset by growth in the CMAQ and TAP programs, as noted below.
- The bill retains flexible project eligibility, adding the installation of vehicle-to-infrastructure communication equipment as a new category.

### **Congestion Mitigation & Air Quality**

- The bill makes some potentially significant policy changes related to CMAQ. Specifically, for areas out of attainment for fine particulate matter (PM 2.5), including the Bay Area, the bill requires that states and MPOs give priority to projects that reduce "directly emitted PM 2.5 emissions, including diesel retrofits." The bill further states that *"to the maximum extent practicable, PM2.5 priority funding shall be used on the most cost-effective projects and programs that are proven to reduce directly emitted fine particulate matter."* This could undermine the region's flexibility with respect to CMAQ programming as the intent is to focus CMAQ funds on direct, tailpipe, engine-related projects as opposed to transportation improvements which also may conflict with state GHG emission reduction targets and CMAQ funding to *indirectly* reduce PM2.5 by reducing vehicle trips.
- The bill also clarifies that CMAQ funds may be used not only for attainment of ambient air quality standards but also to maintain standards in an attainment area.
- The bill provides that port-related freight operations may be eligible for CMAQ funds.

### **Transportation Alternatives Program**

- The DRIVE Act take redirects the state share of funding under the Transportation Alternatives Program to local governments so that 100 percent of TAP funding would be directed by localities versus 50 percent under current law. The bill authorizes \$850 million for TAP annually.

### **Assistance for Major Projects Program (AMP)**

- The bill authorizes a new highway-focused mega project competitive program with projects selected by the Federal Highway Administrator. This replaces the current TIGER Program which has been operated by the Office of the Secretary. While the Senate EPW Committee version of the bill required Congressional approval of a final list (giving Congress the role of winnowing down a much larger submittal), the version approved by the full Senate removed this provision.
- The AMP is authorized at \$250 million in year 1, reaching \$350 million by year 3. Requests must be a minimum of \$50 million for a project with a cost of at least \$350 million.
- To qualify for AMP funding, the FHWA Administrator must find the project is: 1) consistent with national goals; 2) will improve the performance of the national surface transportation network regionally or nationally; and 3) will either generate economic benefits, reduce long-term congestion, increase the speed, reliability and accessibility of the movement of people or freight or improve safety.

- No state may receive more than 20 percent of funds in a single year.
- No more than 20 percent of AMP funds may be spent on non-highway projects.

### **Highway Safety Improvement Program**

Funding for the HSIP took a significant hit in the DRIVE Act relative to other programs. In addition, the program eligibility was broadened to include installation of vehicle to infrastructure safety projects and projects that provide separation between pedestrians and motor vehicles.

### **Tolling**

The bill amends federal tolling statutes to more broadly allow tolling on Interstates as long as the number of toll-free, *non-high occupancy vehicle (HOV) lanes*, excluding auxiliary lanes, remains the same after the construction. The bill also removes a distinction between interstate and non-interstate lanes with respect to allowing HOV lanes to be converted to express lanes. Under current law, only HOV lanes on the interstate system are expressly authorized to impose tolls. The bill also requires that private buses serving the public be given equal access to toll facilities on the same terms as public buses.

### **Transportation Infrastructure Finance and Innovation Act (TIFIA)**

The TIFIA program takes a substantial cut in the bill from \$1 billion in FY 2015 to \$300 million thereafter. From a practical standpoint, this may have little impact since the program has been significantly undersubscribed. The bill incorporates some positive changes to TIFIA, broadening project eligibility to allow project sponsors to seek financing for a suite of projects, not just a single project, reducing bond rating requirements, and authorizing Transit Oriented Development projects and the purchase of land for habitat conservation as eligible projects. On a related note, the bill authorizes \$12 million for a Regional Infrastructure Accelerator Program from the General Fund for a program to assist public agencies in accelerating TIFIA-eligible projects.

### **Vehicle to Infrastructure Equipment and Intelligent Transportation Systems**

In an interesting development that could portend major changes to our transportation system, the bill allows the installation of vehicle-to-infrastructure communication equipment to be eligible for NHPP and STP funding. The bill also authorizes DOT to establish a \$30 million competitive national grant program to accelerate ITS projects from existing ITS funding.

### **PLANNING PROVISIONS**

The bill clarifies that for the purpose of meeting the requirement in Section 134 of Title 23 (added by MAP 21) that a metropolitan planning organization must include a representative of a transit operator on its board, a person may serve in a dual capacity as both a transit representative as well as a representative of a local municipality. This change is consistent with MTC's opinion that we already comply with this provision.

The bill requires MPOs make intermodal facilities dealing with intercity buses and vanpools part of our long-range plans. In an acknowledgment of the increasing vulnerability of the nation's transportation system to the changing climate, the bill broadens the scope of the metropolitan planning process to require consideration of projects and strategies that will "improve resilience and reliability of the transportation system" as a goal of long-range plans.

## **Performance Measures**

Related to performance measures, the bill requires the FHWA Administrator to develop datasets and analysis tools to help MPOs, states and FHWA carry out performance management requirements and allocates \$10 million for this purpose. The bill also establishes a grant program “for achievement in transportation for performance and innovation. The program is designed to provide grants to reward achievement in “transportation performance management” and the implementation of strategies that achieve “innovation and efficiency. States, local government, MPOs and other entities are eligible and the program is authorized at \$150 million annually from the General Fund.

## **Complete Streets: Design Standards Broadened to Allow for Local Flexibility**

The DRIVE Act contains an important change sought by the National Association of City Transportation Officials to provide more flexibility in design standards for federally-funded projects. Specifically, it includes a provision enabling local jurisdictions to use different roadway design guides than its state DOT uses, if the locals are the project sponsor. Additional language is included to require the federal standards to address the needs of all roadway users, including non-motorized.

## **Electric Vehicle Charging**

The bill requires US DOT to designate national electric vehicle charging and natural gas fueling corridors from a list of nominees suggested by state and local officials.

## **TRANSIT PROVISIONS**

Overall, transit funding fares well in the DRIVE Act, with the Federal Transit Administration’s overall authorized levels growing from \$10.7 billion in FY 2015 to \$12.7 billion in FY 2018. For the Bay Area, our overall transit formula funding would grow from \$399 million in FY 2015 to \$424 million in FY 2016, reaching \$446 million in FY 2018. In terms of our Transit Capital Priority program, the bill would provide \$76 million more than our current estimates for the FY 2016-18 timeframe.

### **State of Good Repair**

This program — which the Bay Area receives the largest share of compared to other transit formula programs — receives the biggest increase of all the transit formula programs. Funding grows from \$2.2 billion in FY 2015 to \$2.5 billion by FY 2018, an increase of 17 percent. For the Bay Area, funding increases 12 percent from FY 2015 to FY 2016, from \$171 million to \$193 million. Out year growth is not as dramatic, with funding reaching \$201 million by FY 2018.

### **Urbanized Area Formula & Growing & High Density States**

This program remained intact with few changes, one being a requirement that the grant recipient maintain their equipment and facilities in a state of good repair. The bill also gives the Secretary the discretion to grant temporary and targeted operating assistance to large urbanized areas that have a three-month unemployment rate greater than seven percent. Further, it allows section 5307 funds to be used to finance the operating cost of equipment and facilities for two consecutive fiscal years. Overall, the Bay Area’s share of this funding would grow from approximately \$208 million to \$212 million.



### **Capital Investment Grants (aka “New Starts”)**

This program also receives a major boost in the DRIVE Act, growing from \$1.9 billion in FY 2015 to \$2.4 billion, an increase of 26 percent.

- The Small Starts definition was revised upwards so that a project requesting \$100 million or less qualifies (up from \$75 million) with a total cost of \$300 million (up from \$250 million).
- The definition of a core capacity project was expanded to include more state of good repair types of projects.
- Removes references to “land-use patterns” from the criteria for grants.
- Establishes a pilot project to expedite project delivery for projects seeking a federal funding level of 25 percent or less.
- Defines a “core capacity improvement” as a project that increases capacity of a corridor by at least 10 percent, which may include projects designed to make substantial progress on state of good repair.
- Authorizes grants for projects that provide both intercity passenger rail and public transportation improvements.
- Projects requesting 25 percent or less in federal funds receive a streamlined review process.

### **Bus & Bus Facilities**

The bill keeps the current Bus and Bus Facilities formula program intact, while adding a new competitive program at \$180 million in FY 2016, growing to \$190 million by FY 2018. Funding for the Bus and Bus Facilities formula program grows from \$429 million in FY 2015 to \$495 million in FY 2018, a 15 percent jump. Much bigger increases are proposed in the out years, with the FY 2021 funding level set at \$626 million. For the Bay Area, funding would stay roughly flat at \$13 million in FY 2016, reaching \$15 million by FY 2018.

### **Buy America**

The bill raises the percentage of domestic rolling stock required from 60 percent to 70 percent by 2020 and makes changes relative to iron and steel content requirements. It also requires the Federal Transit Administration Secretary to provide public documentation for every rejection of a Buy America waiver request. The American Public Transportation Association along with transit vehicle manufacturers and major component suppliers have expressed concerns about both the domestic content changes and provisions on iron and steel.

### **Leasing Rules**

The bill relaxes the rules with respect to leasing transit vehicles to allow for “innovative leasing opportunities.”

### **Rail**

The DRIVE Act is notable for including a rail title, covering Amtrak and rail safety requirements. Typically, Amtrak funding and safety requirements are dealt with in stand-alone legislation, as was done by the House earlier this year. The bill includes increased funding for passenger rail, including authorizations of funding for state grants, and significant improvements to the Railroad Rehabilitation and Improvement Financing (RRIF) program. The bill also authorizes additional funding for positive train control (PTC) implementation grants and RRIF loans, and extends the deadline for PTC systems to the end of 2018.

Other key rail-related provisions include:

- Requires Amtrak to submit to Congress a five-year asset plan and five-year business plan every year.
- A requirement that Amtrak report to Congress within one year on options to enhance economic development and accessibility around its stations.
- Authorization of operating assistance grants to restore routes to regions underserved by public transportation and to foster economic development.
- Authorizes DOT to issue competitive grants to fund projects that ease backlog of repairs for intercity rail projects where the federal share does not exceed 50 percent.

### **Project Delivery**

The bill contains a number of different provisions related to project delivery streamlining, including:

- Indexing to the Consumer Price Index the minimum funding levels for projects to be categorically excluded from the National Environmental Policy Act
- Requiring DOT to provide a written response with respect to the environmental review process.
- Requiring establishment of an online database for reporting on progress of reviews, approvals and permits related to NEPA. adjusting for inflation the dollar thresholds for projects that qualify for Categorical Exclusions
- Allowing for greater reliance on documents prepared during the planning process
- Improving collaboration between the lead agency and the participating agencies
- Allowing U.S. DOT agencies to adopt environmental documents produced by another U.S. DOT agency if the projects are substantially the same
- The bill includes a proposal by MTC staff to extend to FHWA a policy similar to the "letter of no prejudice" policy applicable to grant programs administered by the Federal Transit Administration whereby a project sponsor is allowed to incur costs for preliminary engineering/environmental review activities prior to the project receiving federal approval *at their own risk*. This option could cut the timeframe for federally funded projects by at least two to three months.

## Estimated Funding to California & the S.F. Bay Area from Senate-Enacted DRIVE Act, H.R. 22

Statewide Funding	FY 2014 Actuals	FY 2015 Est.	FY 2016	FY 2017	FY 2018	FY 2018 vs. FY 2014	Average 3-Year Annual Growth
Surface Transportation Program (STP)	\$ 887,888,994	\$ 887,888,994	\$ 878,114,221	895,361,000	914,095,695	26,206,701	0.99%
Congestion Mitigation & Air Quality (CMAQ)	\$ 437,076,772	\$ 463,637,790	\$ 463,277,051	\$ 472,376,000	\$ 482,260,220	\$ 45,183,448	1.33%
<i>STP/CMAQ Subtotal</i>	\$ 1,324,965,766	\$ 1,351,526,784	\$ 1,341,391,272	\$ 1,367,737,000	\$ 1,396,355,915	\$ 71,390,149	1.10%
Transportation Alternatives Program (TAP)	\$ 73,307,997	\$ 73,307,997	\$ 75,999,000	\$ 75,999,000	\$ 75,999,265	\$ 2,691,268	1.22%
<i>Subtotal Suballocated Programs</i>	\$ 1,398,273,763	\$ 1,424,834,781	\$ 1,417,390,272	\$ 1,443,736,000	\$ 1,472,355,180	\$ 74,081,417	1.11%
National Highway Performance Program	1,930,325,220	1,930,325,220	1,968,187,047	2,006,843,537	2,048,835,179	\$ 118,509,959	2.01%
National Freight Program	--	--	92,438,109	134,035,259	184,876,219	NA	
Highway Safety Improvement Program	196,843,319	196,843,319	166,398,473	169,966,765	173,842,916	\$ (23,000,403)	-3.68%
Rail-Highway Crossings Program	15,280,331	15,280,331	15,280,331	15,280,331	15,280,331	\$ -	0.00%
Metropolitan Planning	48,492,758	48,492,758	49,737,973	51,266,986	53,006,403	\$ 4,513,645	3.01%
<b>Grand Total Formula Programs</b>	<b>\$ 3,542,468,412</b>	<b>\$ 3,542,468,412</b>	<b>\$ 3,709,432,470</b>	<b>\$ 3,821,129,223</b>	<b>\$ 3,948,196,228</b>	<b>\$ 405,727,816</b>	<b>3.68%</b>
Bay Area Funding	FY 2014 Actuals	FY 2015 Est.	FY 2016	FY 2017	FY 2018	FY 2018 vs. FY 2014	Average 3-Year Annual Growth
<b>Federal Highway Administration</b>							
Surface Transportation Program (STP)	\$ 81,737,955	\$ 78,080,916	\$ 77,221,323	\$ 78,738,004	\$ 80,385,532	\$ (1,352,423)	0.99%
Congestion Mitigation & Air Quality (CMAQ)	\$ 67,773,591	\$ 71,892,171	\$ 71,836,234	\$ 73,247,127	\$ 74,779,785	\$ 7,006,194	1.33%
<i>STP/CMAQ Subtotal</i>	\$ 149,511,546	\$ 149,973,087	\$ 149,057,557	\$ 151,985,131	\$ 155,165,317	\$ 5,653,771	1.15%
Transportation Alternatives Program (TAP)	\$ 9,851,500	\$ 9,851,500	\$ 14,587,686	\$ 14,587,686	\$ 14,587,686	\$ 9,336,186	16.03%
<b>Grand Total</b>	<b>\$ 159,363,046</b>	<b>\$ 159,824,587</b>	<b>\$ 163,645,244</b>	<b>\$ 166,572,817</b>	<b>\$ 169,753,003</b>	<b>\$ 10,389,957</b>	<b>2.03%</b>
<b>Federal Transit Administration</b>							
Urbanized Area Formula (5307/5340)	\$ 208,984,999	\$ 208,447,779	\$ 212,000,000	\$ 216,680,000	\$ 223,740,000	\$ 14,755,001	2.39%
State of Good Repair (5337)	\$ 170,320,038	\$ 171,411,774	\$ 192,580,000	\$ 196,660,000	\$ 200,950,000	\$ 30,629,962	5.55%
Bus & Bus Facilities (5339)	\$ 13,072,341	\$ 13,020,000	\$ 13,110,000	\$ 13,400,000	\$ 15,070,000	\$ 1,997,659	5.12%
Senior & Disabled (5310)	\$ 4,544,537	\$ 4,317,000	\$ 4,403,000	\$ 4,501,000	\$ 4,603,000	\$ 58,463	2.16%
Rural Transit (5311)	\$ 1,907,560	\$ 1,598,000	\$ 1,629,000	\$ 1,665,000	\$ 1,703,000	\$ (204,560)	2.14%
<b>Grand Total</b>	<b>\$ 398,829,475</b>	<b>\$ 398,794,553</b>	<b>\$ 423,722,000</b>	<b>\$ 432,906,000</b>	<b>\$ 446,066,000</b>	<b>\$ 47,236,525</b>	<b>3.82%</b>

Source: FHWA Tables Estimating DRIVE Funding provided by Caltrans

1) FY 2014 and FY 2015 TAP Estimates are based on average of 3-year funding received.



# Metropolitan Transportation Commission

101 Eighth Street,  
Joseph P. Bort MetroCenter  
Oakland, CA

## Legislation Details (With Text)

**File #:** 15-0862      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Consent  
**File created:** 9/11/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Tom Bulger's Report

July 2015 report from MTC's advocate in Washington D.C.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** [Tom Bulger's DC Report July 2015.pdf](#)

Date	Ver.	Action By	Action	Result
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### Subject:

Tom Bulger's Report

July 2015 report from MTC's advocate in Washington D.C.

### Presenter:

Randy Rentschler

### Recommended Action:

Information

### Attachments

**GOVERNMENT RELATIONS, INC.**

**1050 17<sup>TH</sup> STREET**

**SUITE 510**

**WASHINGTON, DC 20036**

**(202) 775-0079**

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**July 2015 Monthly Report for MTC**

**To: Steve Heminger, Executive Director**  
**From: Tom Bulger, President, GRI**  
**Re: Monthly Report for July 2015**  
**Date: August 30, 2015**

- **Challenging Fall Awaits Congress**
- **Senate Passes Six-Years Surface Transportation Authorization Bill**
- **House Refuses to Accept the Senate Six-Year Bill**
- **Transit Benefit Included in Senate Tax Extender Bill**
- **Bay Area Council Washington, DC Meetings**
- **Senator Carper Introduces 16 cent/gallon Gas Tax Increase**
- **Meetings**
- **Coming and Going**

### **Challenging Fall Awaits Congress**

When Congress returns in September, after a nearly six-week recess, it will face a number of fiscal deadlines. They include finding a way to fund the federal surface transportation programs, keeping the government open and lifting the debt ceiling. Getting all of these finished before the end of the calendar year will be a challenge, and at the same time deciding the nuclear deal with Iran, the Pope's visit and a shorter schedule in September due to the religious holidays.

In August, the Republican leaders are staying calm. The next deadlines hit between Labor Day and Halloween. However, there is a good chance that most, and possibly all, of them will be pushed to the end of the year. Look out for another busy December.

Already, the Republican leaders have said that they cannot finish the annual appropriations bills before the end of the Federal Fiscal year or September 30. That means another stop gap funding bill, or a continuing resolution (CR). Senate Majority Leader Mitch McConnell (R-Ky.) has vowed that there will be no government shutdown and no government debt default. However, there is a contingent of conservatives ready to fight him.

Deadlines:

September 30: Fiscal year ends

The Democrats have successfully blocked the annual appropriations bills to force the Republicans to negotiate. They want a deal that raises the spending limits for defense and domestic programs. Negotiations have yet to begin. So next month a CR will be needed to keep the government running.

End of October: Debt Limit reached

Treasury Secretary Jack Lew told Congress in July that they would have to act before the end of October. Many of the hard line conservatives who opposed raising the debt limit two years ago are running for President.

October 29: Funding for the Federal Surface Transportation Programs expires

In July, Congress approved another Highway Trust Fund and Surface Transportation program patch to October 29. In September, Congress will revisit surface transportation funding. Time is short and another extension is possible.

### **Senate Passes Six-Year Surface Transportation Authorization Bill**

In late July, the Senate, on a 65 to 34 vote, passed the DRIVE Act H.R.22. The DRIVE Act authorizes six years of surface transportation authorizations but only includes three years of funding.

Under the Senate's bill, mass transit spending from the Highway Trust Fund for the three years of secure funding (FY 2018) is 12.7 percent higher than this fiscal year.

### **House Refuses to Accept the Senate Six-Year Bill**

They balked at taking the Senate's six-year surface transportation bill H.R 22. Instead, they passed another three-month extension to the current surface transportation program. Then they left DC and forced the Senate to accept this extension.

### **Transit Benefit Included in Senate Tax Extender Bill**

The Senate Finance Committee approved S.1946, a two-year package of tax extenders. Included is the transit benefit at \$250/month and at parity with the parking benefit. In the House, it is unclear how these expiring tax provisions will be treated.

### **Bay Area Council Washington, DC Meetings**

On July 28 to July 30, I participated in the Bay Area Council's Washington, D.C. Advocacy activities. The Council had two groups Transportation/Water and Cybersecurity. Meetings were held with Senator Dianne Feinstein (D-Calif.), Victor Mendez- Deputy Secretary United States Department of Transportation, Therese McMillan - Federal Transit Administration Acting Administrator, Rep. Nancy Pelosi (D-Calif.), Rep. Jared Huffman (D-Calif.), Rep. Mike Honda (D-Calif.), Rep. Barbara Lee (D-Calif.) and Senator Tom Carper (D-Del.).

### **Senator Carper Introduces 16 cents/gallon Gas Tax Increase**

Before the Congressional August recess, Senator Tom Carper (D-Del) introduced S.1994. The bill would increase the federal gas and diesel fuel excise taxes by 16 cents/gallon for deposit in the Highway Trust Fund. The bill's 16 cents/gallon would be phased in over four equal four-cent steps from calendar 2016 to 2019.

### **Meetings**

- Numerous meetings with the Senate Committee on Environment and Public Works staff associated with the Senate's DRIVE Act.

### **Coming and Going**

- Janet Kavinoky is leaving the US Chamber of Commerce to join Vulcan Industries in Birmingham, Alabama.
- Gregory G. Nadeau was sworn in as the Administrator of the Federal Highway Administration on August 11. No news on Therese McMillan's confirmation as FTA Administrator.



# Metropolitan Transportation Commission

101 Eighth Street,  
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Oakland, CA

## Legislation Details (With Text)

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**File #:** 15-0880      **Version:** 1      **Name:**  
**Type:** Report      **Status:** Commission Approval  
**File created:** 9/14/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** S. 1994 (Carper)  
Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [3a S. 1994 Carper.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

S. 1994 (Carper)

Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC)

**Presenter:**

Randy Rentschler

**Recommended Action:**

Support / Commission Approval

**Attachments**





METROPOLITAN  
TRANSPORTATION  
COMMISSION

Agenda Item 3a

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**Memorandum**

TO: Legislation Committee

DATE: October 2, 2015

FR: Deputy Executive Director, Policy

W. I. 1131

RE: S. 1994 (Carper): Tax Relief And #FixTheTrustFund For Infrastructure Certainty Act of 2015 (TRAFFIC)

**Background**

Senator Carper recently introduced S. 1994 to restore solvency to the Highway Trust Fund and create a mechanism to pay for a long-term authorization bill by raising the federal excise tax on gasoline and diesel fuels by 16-cents per gallon over four years. The bill doubles the federal Earned Income Tax Credit in order to reduce the potentially regressive nature of the gas tax.<sup>i</sup>

**Recommendation: Support**

**Discussion**

This bill is very similar to H.R. 680 (Blumenauer), which MTC supported last March. Whereas H.R. 680 proposed a 15-cent increase in the federal gasoline excise tax over three years, S. 1994 would raise the tax by 16-cents, in 4-cent increments over four years. Both bills would index the tax to inflation thereafter. S. 1994 would also raise the diesel excise tax by 16 cents, whereas H.R. 680 proposed a slightly higher 18.4-cent tax increase on diesel fuel.

Raising and indexing the federal gas tax to restore its purchasing power and provide for reliable, long term federal transportation funding is a long-standing component of MTC's federal advocacy program. With gasoline prices at historic lows this year, legislators from both parties have championed a gas tax increase. The federal fuel excise taxes have not been adjusted since 1993 and have lost almost 40% of their purchasing power since then.

Lastly, we note that a number of national publications have urged Congress to embrace the simple solution of the gas tax as the proper user fee to solve the transportation trust fund shortfall.

**Known Positions**

**Support**

American Public Transportation Association  
American Automobile Association  
Sand & Gravel Association

**Oppose**

Americans for Prosperity  
Americans for Tax Reform

  
Alix Bockelman

AB: rl

J:\COMMITTEE\Legislation\Meeting Packets\Legis2015\10\_Legis\_Oct 2015\3a\_S. 1994 Carper.docx

<sup>i</sup> Institute on Taxation and Economic Policy, "[The Federal Gas Tax: Long Overdue for Reform](#)," 5/20/2014



# Metropolitan Transportation Commission

101 Eighth Street,  
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Oakland, CA

## Legislation Details (With Text)

**File #:** 15-0885      **Version:** 1      **Name:**  
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**File created:** 9/15/2015      **In control:** Legislation Committee  
**On agenda:** 10/9/2015      **Final action:**  
**Title:** Tom Bulger's Report

September 2015 report from MTC's advocate in Washington D.C.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Tom Bulger's DC Report Sept 2015.pdf](#)

Date	Ver.	Action By	Action	Result
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**Subject:**

Tom Bulger's Report

September 2015 report from MTC's advocate in Washington D.C.

**Presenter:**

Randy Rentschler

**Recommended Action:**

Information

**Attachments**

**GOVERNMENT RELATIONS, INC.**

**1050 17<sup>TH</sup> STREET**

**SUITE 510**

**WASHINGTON, DC 20036**

**(202) 775-0079**

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**September 2015 Monthly Report for MTC**

**To: Steve Heminger, Executive Director**  
**From: Tom Bulger, President, GRI**  
**Re: Monthly Report for September 2015**  
**Date: September 29, 2015**

- **Congress Back in Session**
- **Papal Visit**
- **House Speaker John Boehner Resigns**
- **No Government Shutdown**
- **House Transportation Authorization Bill Update**
- **California Public Employees' Pension Reform Act (PEPRA) Meeting with the Secretary of Labor**
- **Meetings**

### **Congress Back in Session**

The Congress returned to Washington, DC on September 8, after a six-week vacation.

### **Papal Visit**

Pope Francis visited Washington, DC the week of September 20. My personal highlight of the Pope's time in Washington, DC was the first papal address to the Congress. He implored America to accept those born in other countries, urging lawmakers to set aside political differences and embrace people who search for a better life. He saved his most specific prescription for combating climate change, a cause he said the United States has a special obligation to lead. In New York City on September 24, Mayors and Regional leaders from around the world welcomed Pope Francis by signing a pledge to drastically cut carbon pollution. California Governor Jerry Brown (D) helped launch the movement.

### **House Speaker John Boehner Resigns**

Shortly after the Pope's visit, Speaker John Boehner abruptly announced his retirement effective the end of October 2015. Speaker Boehner had worked for over twenty years to have the last three Pope's address Congress; his wish came true last week. The latest contender for House Speaker is Rep. Kevin McCarthy (R-Calif.) who announced his bid for Speaker on September 28.

### **No Government Shutdown**

The likelihood of a Government shutdown has past. Congress appears to be on a path to passing legislation to avert a government shutdown later this week. Conservatives eager for a funding fight have set December as the best time to confront President Obama on spending and abortion.

The Senate is poised to enact funding at current levels through December 11. If the House agrees on September 30, that will avert a shutdown on October 1.

### **House Transportation Authorization Bill Update**

House Transportation and Infrastructure Chairman Bill Shuster (R-Pa.) insisted last week that he would produce a surface transportation bill. No bill has been produced as of this report. The Senate Environment and Public Committee senior staff told me that the House has dropped their repatriation of offshore corporate profits. Instead, the House is looking at the Senate's passed authorization bill that has three years of funding and six years of program authorizations.

### **California Public Employees' Pension Reform Act (PEPRA)** **Meeting with the Secretary of Labor**

In September, we organized a meeting with the Secretary of Labor through Rep. Mark DeSaulnier (D-Calif.). I would characterize the outcome of this meeting as both sides can claim

victory. The Department of Labor (DOL) insists that they have approved over 87% of California's Federal Transit Administration grants notwithstanding DOL's objections that the terms and conditions PEPPRA effect collective bargaining rights under 13(c) of 49 US Code.

### **Meetings**

- Meeting with the National Association of Regional Council's concerning the sub allocation of Surface Transportation Program (STP) Federal Highway funding to Metropolitan Areas.
- Meetings with the US Conference of Mayors on STP sub allocation.
- Meetings with Washington Metropolitan Area Transit Authority staff concerning their fare payment pilot program regarding Clipper®.