

From: **Steve Raney** [REDACTED]
Date: Wed, Nov 18, 2020 at 11:54 AM
Subject: comment on MTC Nov 20 meeting, item #7, 40% SOV
To: <info@bayareametro.gov>

Dear MTC,

Kudos to PBA 2050 for EN-7, 40% SOV for large employers by 2035. This is surely the most ambitious GHG reduction proposed by any U.S. MPO. There are one or more phased, practical, equitable, and politically-viable implementation approaches. One approach is "40% SOV Cap," that builds on:

- MTC's SHIFT project
- Bay Area Commuter Benefits law (SB 1339/1128)
- Stanford's commute program.

DESCRIPTION: At **no cost** to employers, SOV commuting can be capped at 40% SOV. This applies to existing and future buildings. A simple majority state bill has progressed through State Legislative Counsel (the state's bill-writing legal staff). The bill enables a regional supermajority vote for an ordinance to cap in-commuting at 40% SOV. Gradual phasing allows the mobility ecosystem to adjust to lower levels of SOV. By utilizing both carrots and sticks, the approach is more politically-viable than sticks-only policies such as gas tax increase, road user charge, cordon charge, or workplace parking charges.

Policy implementation details are provided in an attached two-page policy brief PDF for a similar "50% SOV Cap." This specific approach caps employer effort at a designated stick maximum, even when the SOV target is not achieved.

Regards, - Steve

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pronouns: he/him/his

Bay Area Policy Brief: 50% SOV Cap

Actionable, politically-viable large-scale traffic reduction

by Steve Raney, First version of this brief: Oct 2016. Short URL: <http://bit.ly/50pcntSOVcap>

In 2009, the Moving Cooler report concluded that increased driving prices were necessary to achieve long-range GHG reduction targets. A \$5.00 per gallon gas tax increase was identified, projected to reduce US VMT and associated GHG by 28%. Other high-impact pricing measures include: \$0.20/mile road user charge, widespread \$5/day cordon charge (see AB3059 and “100 Hours LA”), \$5/day workplace parking charge, \$5/day workplace “parking cashout” incentive, and \$500/ton carbon price applied to petroleum.

Proposed is a state law (simple majority vote by the legislature) that enables local governments to bring forward supermajority ballot measures to cap in-commuting to cities at 50% SOV (single occupant vehicle).

1. Introduction

“50% SOV Cap” (SOVC) builds on the legal, institutional, and political base provided by SB375. SOVC strengthens employer commute reduction programs. Stanford University’s commute program provides a starting point. Stanford charges SOV commuters for parking permits (“A Lot” parking is equivalent to about \$3.60/day SOV fee) and rebates that revenue to non-SOV modes including rail/bus transit, bike, and carpool. Stanford fills commute option gaps with private circulator bus, private line-haul bus, electric bikes/scooters, and on-demand rideshare. Stanford’s program reduced SOV commuting from 75% to 50%, eliminating the need for \$107M in new parking structures.¹

Whereas shared mobility is thriving in downtown San Francisco (\$20/day parking charge and 9% SOV commute mode share), the majority of the Bay Area is car-loving, with free parking and 75%+ SOV commute mode share. In Silicon Valley, VTA transit farebox recovery is 13%, Lyft/Uber serve only 1 out of 1,000 trips, and Scoop and Waze Carpool do not move the needle. Mobility on Demand isn’t impactful in car-loving locations.

Building on Stanford’s template, SOVC provides a next-generation employer commute program while increasing demand for mobility services.

2. Background: Regulation XV - mandatory 1988 SoCal employer commute reduction

In 1988, the South Coast Air District implemented Regulation XV, an employer commute reduction program mandate. Employers with 100+ employees developed trip reduction plans and filed annual reports. Regulation XV was successful in reducing SOV, but, by 1995, a backlash grew as employers felt implementation was burdensome. This led to repeal via SB437. In contrast, SOVC provides a no-cost, low-burden solution for employers.

3. Background: SB1339 Bay Area Commuter Benefits Law

The SOVC state bill² has successfully passed through California State Legislative Counsel. The bill builds upon SB1339/1128, the Bay Area Commuter Benefits law. SB1339 requires firms with 50 or more employees to choose: 1) pre-tax commuter benefits, 2) employee subsidy, 3) employer-provided transit, or 4) alternative commuter benefit. Option 1 has a trivial cost and 82% of employers chose it. SB1339 has produced a 0.3% VMT reduction.³ San Francisco pioneered a city-wide commuter benefits mandate and SB1339 subsequently enabled the Air District to adopt a region-wide ordinance.

4. SOVC State bill: enable city ordinances to reduce SOV commuting

The bill permits cities to pass ordinances (by a supermajority vote of citizens) to require employers of a certain size to reduce SOV commuting by their full-time employees. Enactment sets employer SOV performance targets that commence at 80% and gradually shrink to 50% SOV. Employer non-compliance triggers a no-cost implementation of a specific commute program including a revenue-neutral workplace SOV feebate. Non-compliance produces a gradually increasing SOV fee, generating revenue that is rebated to non-SOV

¹ \$107M savings per “TDM at Stanford University,” Slide #24, August 2013. <http://bit.ly/1RCmSS2>. As of 2016, Stanford has gone away from calculating parking savings. Stanford has fewer parking spaces in 2016 than it had in 2001.

² Reduce Bay Area Commuting 25%, Appendix K, “State Bill,” www.cities21.org/wp.pdf.

³ Reduce Bay Area Commuting 25%, Chapter 4B, “Regional Mode Shift and VMT Reduction Policy.”

commutes. By utilizing both carrots and sticks, SOVC is more politically-viable than sticks-only policies such as gas tax increase, road user charge, cordon charge, or workplace parking charges.

5. Maturing SOVC Technology

Widespread SOVC adoption requires mature and scalable technology. Key technologies: ⁴

- Enterprise Commute Trip Reduction (ECTR) software: a) automates employer commute programs, b) expands upon SB1339 payroll commute benefits, c) provides an enterprise-wide commute dashboard of daily commute mode, VMT, GHG. Vendors include Luum of Seattle and RideAmigos of LA.
- Automated, accurate, zero-cost commute mode detection and reporting, primarily via mobile phone.
- Mobility Aggregation apps are traveler-centered mobile multimodal trip planning apps with a seamless combination of public/private transit, bikeshare, rideshare, carshare, etc, with e-payment.

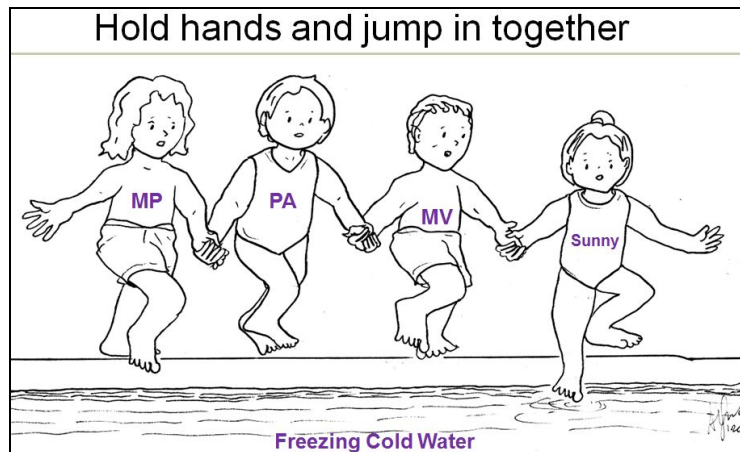
As of Summer 2019, SOVC is well along the path towards scalable maturity.

SOVC enactment designates an Implementation Team to guide implementation, vet vendors and technologies, and ensure data protection/privacy.

6. Enactment strategy

SOVC already has 31 support letters from 7 agencies, 7 cities, 8 employers/vendors, and 9 NGOs.⁵ As more employers adopt ECTR, there is a need to coordinate the stakeholder ecosystem towards political ends.

There is a Prisoners Dilemma that prevents cities from unilaterally enacting SOVC. This is overcome by having four or more cities enact SOVC simultaneously.”



Without much difficulty, collaborating cities will be able to persuade a legislator to introduce the state bill.

7. Social Equity

A disproportionate percentage of the low-income household budget goes to transport, therefore increases in transport costs have a disproportionate impact and are economically regressive. Compared to other driving reduction pricing policies, SOVC scores high on social equity. First, high-income commuters have a high value of time so are more likely to pay the SOV fee, whereas low-income commuters are more likely to receive the non-SOV rebate. Second, high-income commuters have higher *current* SOV mode share than low-income commuters. One US-wide analysis found 73% SOV for average-income commuters and 63% SOV for low-income commuters. Third, SOVC envisions compassionate exceptions for low-income workers. Fourth, SOVC won't apply to baristas and commuters who do not work "9 to 5" jobs. Fifth, even for low-income commuters living in "transit deserts," Don Shoup's studies have shown that driving pricing induces carpooling, a mode that is available in transit deserts. In short, SOVC is a progressive net wealth transfer from high-income to low-income commuters. However, within this progressive structure, there are winners and losers: some low-income commuters are made worse off. Companion policies such as regional means-based transit fares (such as Seattle's ORCA-LIFT) can further enhance social equity.

⁴ Reduce Bay Area Commuting 25%, Chapter 6, "ECTR & MobAg", Chapter 7 "Gap-Filling," www.cities21.org/wp.pdf.

⁵ Reduce Bay Area Commuting 25%, Appendix J, provides 31 support letters.