

**TRANSIT RECOVERY
TASK FORCE**

TO: Blue Ribbon Transit Recovery Task Force & Board Members
of Large Transit Operators

DATE: June 7, 2021

FR: Jim Spering, Chair & Therese W. McMillan, MTC/ABAG Executive
Director

RE: Update on Blue Ribbon Transit Recovery Task Force

We are looking forward to updating you on the work of the Blue Ribbon Transit Recovery Task Force, which is wrapping up its work next month with the adoption of a Transformation Action Plan. We greatly appreciate the energy that your general managers and staff have invested in this effort to date. The Task Force has made significant progress over the last four months in identifying the topic areas that should be evaluated for consideration as topics that would be handled on a “network management” basis, as well as prioritizing near-term actions for implementation that could provide tangible benefits to riders. The Task Force will not be recommending a specific governance model for “network management,” but a consultant has been hired to develop evaluation criteria and use those to evaluate network management options that have been informed by input of the transit operators, MTC and others.

Polling Shows Strong Support for Creating a More Integrated Bay Area Transit System As part of the Return to Transit marketing campaign that MTC is developing in partnership with transit operator marketing staff, MTC commissioned a randomized poll to understand Bay Area residents’ perceptions of transit, including current riders, pre-pandemic riders and nonriders. The poll found that everyone – both riders and nonriders – values a reliable, frequent and safe transit system in the Bay Area. At the same time, they were not satisfied with public transit prior to the pandemic and they believe now is a good time for change. Reliability, frequency, ease of use, and personal safety on board were all viewed as inadequate. When asked about their support for reforms to coordinate all of the public transit systems in the Bay Area to operate as one seamless, multimodal transit system, support was overwhelmingly positive by riders and non-riders at 89 percent overall. Findings were presented to the Blue Ribbon Transit Recovery Task on May 24 (see [Agenda Item 6](#)) and a special meeting to explore the polling in detail was held on May 27 and can be viewed [here](#).

Assemblymember Chiu’s Legislation Not Advancing in 2021 As you are likely aware, AB 629 (Chiu), the Seamless and Resilient Bay Area Transit Act, is now a two-year bill that will be on hold until next January. This deferral will enable the bill to be better informed by the Transformation Action Plan, the Fare Coordination and Integration Study which will be adopted this fall, and the business case analysis, which will be conducted over the fall and into 2022. The purpose of the business case is to explore costs, risks and variants in more detail based on any recommended alternatives or next steps emerging from the Task Force in July.

Strong Federal Support for Transit While the pandemic decimated transit ridership, resulting in a massive loss of fare revenue especially for agencies with a high fare-box ratio, Congress recognized the critical role that public transit plays in our communities and invested almost \$4 billion in extra federal funding in the Bay Area alone. These funds have helped sustain the Bay Area's transit workforce and the service that so many residents continue to rely upon. We are hopeful that public transit will continue to receive significant new investment, either in the form of a federal Infrastructure Plan and/or the renewal of the surface transportation program (FAST Act), which Congress is beginning to debate, and which expires September 30, 2021. As we did for the COVID-relief proposals, MTC continues to be actively engaged in these efforts, advocating for increases in the transit programs that provide the maximum level of funding to the Bay Area.

State Budget Also Likely to Increase Transit Funding We are fortunate that despite the state's economic challenges during the pandemic, the State of California's budget coffers are flush with a \$38 billion surplus and Governor Newsom and legislative leaders are poised to invest an additional \$1 billion in the Transit and Intercity Rail Capital Program as well as \$500 million in railroad grade separations and potentially \$100 million or more for zero emission buses and charging infrastructure. In addition, we estimate that State Transit Assistance (STA) will provide an additional \$32 million in revenue-based funds and \$11.7 million in population-based funds to the Bay Area above the February 2021 estimates and FY 2020-21 levels due to higher diesel prices (the sole funding source for STA) than originally forecast.

Restoration and Growth in Transit Ridership Remains Key to Long-Term Success While the funds described above will enable the Bay Area's transit system to avoid a fiscal, workforce, and service crisis in the near term, to be financially sustainable over the long-run—and to provide the societal benefits that help maintain strong public and political support for transit—we must not just **restore, but also grow transit ridership**. This will require delivering enhancements to the customer experience that provide riders a more convenient, frequent, and reliable system. MTC recognizes that to provide a fully integrated transit system that can attract a far greater share of daily trips—consistent with the goals of Plan Bay Area 2050—additional investment in both capital and operating funding will be needed. Moreover, the most likely source of a substantial infusion of new, ongoing dedicated transit funding will be at the ballot box. As you know, winning a two-thirds ballot measure is not easy. To succeed, we will be in a much stronger position if we can point to recent, meaningful successes and a clear commitment to deliver a more rider-focused, coordinated, and integrated transit system across the Bay Area for decades to come.

We are hopeful that the final Transformation Action Plan adopted by the Task Force next month will include clear, actionable recommendations on next steps. The ongoing Fare Coordination and Integration Study, the Mapping and Wayfinding Study, and Bus Transit Priority are current initiatives that have been identified as offering the greatest opportunity in the near-term (1-5 years) and we anticipate that the Task Force will include recommendations related to their implementation. We also believe that moving to a “network management” approach where key decisions affecting Bay Area riders are made in an integrated manner will be critical to achieving our ambitious transit ridership goals. We look forward to your agencies' continued engagement in the business case starting this summer to provide greater clarity and direction on this key topic. In closing, we would like to thank you for your continued partnership, and we look forward to your active participation during the meeting.