



Bay Area Transportation Working Group (BATWG)



Silicon Valley
Taxpayers Association
"A Voice for the Taxpayer"

TRANSDEF

CoCoTax
Contra Costa Taxpayers Association

C\$T
The Coalition of Sensible Taxpayers

**Solano
County
Taxpayers
Association**

Alameda County Taxpayers' Association
Incorporated June 17, 1938

December 17, 2024

VIA E-MAIL ONLY

Bay Area Toll Authority
c/o Chair Alfredo Pedroza
San Francisco, California
info@bayareametro.gov

Re: Coalition of Transportation and Taxpayer Advocacy Organizations Against the Bay Area Toll Authority's December 2024 Proposed Toll Increase. Public Comment for Administrative Record of BATA Resolution No. 184. December 18, 2024 BATA Board Meeting, Agenda Item No. 4a.

To Chair Pedroza and BATA/MTC Commissioners:

We are a coalition of taxpayer and transportation advocacy organizations that oppose the proposed \$2.50 Bay Area bridge toll increase on the seven bridges controlled by BATA. We believe that BATA Resolution No. 184 should be tabled until after MTC/BATA makes significant accounting and financial practices reforms concerning toll bridge revenues and expenditures, as discussed below.

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Dan Borenstein's December 8, 2024 column in the *Mercury News/East Bay Times* titled "Problematic Accounting: MTC commingles voter-approved bridge toll funds" exposed MTC/BATA's deceptive financial practices and concluded:

Right now, because of the commingling, the commission lacks the data to intelligently evaluate the toll hike. The plan should be shelved until the agency's finances are transparently accounted for.

... The proposed hike is not slated to begin until 2026, so there's no need to rush the plan through. Until the tracking data is available, the bridge toll hike should be tabled.

Another column by Dan Borenstein in the *Mercury News/East Bay Times*, "Proposed \$2.50 Increase: MTC slush fund undermines toll hike claims," published on December 17, 2024, concluded:

[W]ithout transparent bookkeeping, agency commissioners and the public cannot intelligently evaluate whether the additional \$2.50 toll is needed. ...

The commissioners should not prematurely ram through the toll increase, which would not begin for more than a year anyhow. They should instead demand an end to the comingling of funds and insist on proper accounting, including long-range projections of the available money and liabilities for each of the toll components. Only then could commissioners determine if the hike is justified.

We agree. We have attached copies of those columns to this letter so that your Board may consider them as part of the Administrative Record for this toll increase decision.

We call for creation of an independent MTC Office of Inspector General (OIG) to oversee internal audits and investigations into the billions of dollars that MTC, BATA, and related entities spend annually. In 2017, as conditions of the SB 1 tax and Regional Measure 3 toll increases, the Legislature established inspectors general at Caltrans and BART to root out waste, fraud, and abuse in transportation projects and programs. An OIG has overseen the New York Metropolitan Transportation Authority since 1983. The time has come for an OIG to regulate MTC, too. If MTC does not voluntarily form an OIG, then the Legislature should impose one.

MTC's deceptive accounting practices concerning toll bridge revenues and expenditures are akin to the "three-card monte" scam. Like the card trick, MTC engages in sleights-of-hand designed to justify ever higher tolls while obscuring the funds it quietly siphons off.

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BATA/MTC claims the \$2.50 increase is necessary for “bridge operations, maintenance, and rehabilitation.” But MTC’s 2024 Annual Comprehensive Financial Report (Schedule 11) demonstrates that existing tolls cover 392 percent of operating expenses. Before the proposed toll increase is approved, BATA needs to explain further some categories on Schedule 11, such as the composition of the “Services and charges” line item of “Operating expenses.” (A copy of Schedule 11 is attached.)

Bay Area bridge tolls have increased much more rapidly than general inflation over the past 20 years. In 2004, the bridge toll was \$3. Beginning January 1, 2025, the toll will be \$8. Had tolls increased with the Bay Area’s inflation rate, the toll today would be just \$5.30.

Of the current \$7 bridge toll, \$3 is earmarked for “toll bridge seismic retrofit work.” (See FAQs No. 4.) BATA added two of those “seismic retrofit” dollars in 2007 and 2010 to cover cost overruns for the new Bay Bridge Eastern Span, which infamously spiraled billions of dollars above budget. BATA deemed the seismic retrofit program complete in 2019, but BATA will collect the \$3 “seismic retrofit” surcharge in perpetuity, long after the debt is paid off. The public needs a full accounting of how these “seismic retrofit” dollars have been used, are now being used, and will be used over the next 40 years. BATA should disclose the long-term plan for the “seismic retrofit” revenue stream. As the debt is paid off, we suspect that the existing \$3 could be used for bridge operations, maintenance, and rehabilitation instead of the proposed toll increase.

At the same time it is pleading for higher tolls, BATA has declared that \$550 million of existing bridge tolls are “excess” to its needs (“AB 1171” funds) and therefore are available for diversion to projects that have nothing to do with toll bridges. With this supposed “excess,” MTC recently funded the Valley Link project outside the Bay Area into San Joaquin County, a SMART train extension in Santa Rosa, and a Vacaville intermodal station. Effectively the \$2.50 toll increase will be imposed to protect this slush fund for MTC Commissioners’ parochial “pork barrel” projects that are nominally connected to Regional Measure 2. (See MTC Resolution No. 3914, Revised.)

In 2018, BATA placed the last toll increase before voters in Regional Measure 3 (RM3). Myriad working class communities voted “No,” including the East Oakland flatlands, Richmond, Antioch, Pittsburg, Vallejo, American Canyon, Rohnert Park, San Leandro, Newark, and Hayward. Most residents of those communities probably aren’t aware of the existence of MTC or BATA, let alone know about the proposed toll increase and how to communicate their opinions about it. Many likely are struggling with the Bay Area’s already high cost-of-living, coping with ever-rising housing, food, utilities, and transportation expenses. MTC must recognize their opposition to RM3 and hear their strained voices. MTC commissioners who represent these areas (Alfredo Pedroza, Jim Sperring, Federal Glover, Sue Noack, Nate Miley, Rebecca Kaplan, Marilyn Ezzy Ashcraft, David Rabbitt, Victoria Fleming) would betray their constituents by unconditionally supporting the \$2.50 toll increase at the December 18, 2024 BATA meeting. They preach “equity,” but in practice sell out their own people, with no political accountability.

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Opposition to Charging the Full Toll to HOV-2 Vehicles During Commute Hours on the San Mateo and Dumbarton Bridges.

We also oppose BATA's related action to begin charging the full toll for HOV-2 vehicles during commute hours on the San Mateo and Dumbarton bridges. We are concerned that BATA's selfish motivation to generate revenue might be overpowering the traffic engineering, demand control, and equitable considerations that had determined HOV lane operations and policy before the advent of "high-occupancy toll (HOT)" and "express" lanes. BATA should first study HOV-2 vehicle usage on the San Mateo and Dumbarton bridges. Many of those HOV-2 vehicles could be East Bay low-income workers who commute together to jobsites on the Peninsula. They might not be able to find a third person for their vehicle due to worksite locations and work hours. If HOV-2 vehicles were charged full tolls (instead of the current 50% toll), they no longer would have a direct financial incentive to continue their HOV-2 carpools. They might break up their carpools and join the solo drivers who congest the bridges.

Slide no. 35 at the November 13, 2024 webinar suggests that BATA/MTC is planning in the long run to charge HOV-2 vehicles "50% Toll" to use all "Bay Area Express Lanes," including "Express Lanes" that now charge HOV-2 vehicles no tolls. Many "Express Lanes" originally were planned, approved, and constructed as HOV-2 carpool lanes. HOV lanes were built to facilitate travel by HOV-2 vehicles. Most of the HOV-2 "express lanes" are in parts of the Bay Area where traffic conditions do not warrant HOV-3+ restrictions. We are deeply concerned that the "HOV-3+" restrictions could be extended throughout the nine-county Bay Area, discouraging HOV-2 vehicles by forcing them to pay tolls to access "managed lanes" everywhere in the region.

We would appreciate a thoughtful response to the concerns that we have raised in this joint letter.

Respectfully submitted,

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Attachments:

Daniel Borenstein, "Problematic Accounting: MTC commingles voter-approved bridge toll funds," *Mercury News/East Bay Times*, December 8, 2024, p. A8.

Daniel Borenstein, "Proposed \$2.50 Increase: MTC slush fund undermines toll hike claims," *Mercury News/East Bay Times*, December 17, 2024, p. A6.

MTC's 2024 Annual Comprehensive Financial Report (Schedule 11)

Opinion

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000 A8

Cartoonist's take

SHENEMAN THE STAR-LEDGER



"ACTUALLY, I PAY THE TARIFF, NOT THE EXPORTING COUNTRY. I'M NOT GONNA EAT THAT COST, SO I PASS IT ON TO YOU, THE CONSUMER. LONG STORY SHORT, YOU OWE ME \$300."

DREW SHENEMAN — THE STAR-LEDGER OF NEWARK

ENSURING SAFETY

Danville needs to keep bicycle commission to protect riders

By Bruce Bilodeau

Bicycling is a growing sport and an increasingly common mode of transportation as more people leave their cars at home and jump on a bicycle to commute to work, run errands, get exercise and visit local shops and restaurants.

Increased bicycle traffic has resulted in more collisions between cars and bicycles. The severity of cyclists' injuries is compounded by the increased weight and speed of e-bikes and e-scooters.

The town of Danville addressed the threats to the safety of the San Ramon Valley cycling community by creating a Bicycle Advisory Commission in 2022. But now, as e-bikes explode in popularity, the town council wants to demote the commission to a board under the Parks, Recreation & Arts Commission. In my opinion, this will dilute the effectiveness of this bike safety group and result in increased risk for cyclists of all ages that ride through Danville.

Danville is a key Bay Area cycling location. Cyclists come from all over the Bay Area to ride the roads and trails in the San Ramon Valley. They are attracted by the relatively quiet residential streets, the Iron Horse Trail and nearby destinations such as Mount Diablo. In 2019, nearly 270,000 cyclists rode past the East Bay Regional Park District's bike counter on the Iron Horse Trail in Danville, an average of 21,900 per month.

But Danville is not as safe for cyclists as one might imagine.

Since 2009 there have been 201 bike vs. vehicle collisions in Danville, averaging 16 per year since 2018, for a crash rate of 36 per 100,000, almost three times the U.S. average. Comparing Danville with other Bay Area suburban towns, Danville ranks at or near the top in crash rate.

And it's likely to get worse. According to a paper published by UCSF, injuries in the United States of e-bike and e-scooter riders increased from 751 in 2017 to 23,493 in 2022.

Recognizing the increasing safety risks, Danville's town council approved a Bicycle Master Plan in July 2021. A year later they established the Bicycle Advisory Commission, consisting of six experienced cyclists to help implement the Bicycle Master Plan.

These six volunteer commissioners advise the town council, collaborate with the town's transportation staff and review key capital improvement projects to help improve bike facilities and safety for all road users, including pedestrians.

During the past two years, the commission has been working with the town transportation department to improve facilities for cyclists. And the data shows that bicycle crash rate has declined since 2021.

But despite this progress and the increasing threats to safety, the Danville town council in May considered reducing the commission to a board under the Parks, Recreation & Arts Commission.

A bike commission is unique among town commissions because it prioritizes the safety of residents and visitors. Working with the transportation department,

which is primarily concerned with automobile traffic, the bike commission adds a critical focus on bicycle and scooter safety.

In contrast, the Parks, Recreation & Arts Commission focuses on acquiring, developing and maintaining park and recreation facilities and providing leisure and human service programs for town residents. While it provides valuable services for Danville residents, it's not focused on the critical transportation and safety planning and implementation issues that the bike commission addresses. Moving this critical safety focus and advocacy to the Parks, Recreation & Arts Commission dilutes its effectiveness.

After some heated discussion, the council delayed until this fall the decision to either keep the commission as is, eliminate it altogether or minimize its role by melding it with the parks commission.

Maintaining Danville's Bicycle Advisory Commission in its current form best ensures continued focus on critical safety issues, close coordination with transportation department staff, and well-informed implementation of improvements for all road, sidewalk, trail and path users.

Bruce Bilodeau, a retired geologist, is an experienced cyclist, former coach and team director of the San Ramon Valley Mountain Bike Club and the current chair of the Danville Bicycle Advisory Commission. The opinions here are his own and are not expressed on behalf of the commission.

Letters to the editor

Does story herald a new Gilded Age?

Re: "I don't know how we got so lucky" (Page A1, Dec. 2).

The Gilded Age in the United States was a period from about the late 1870s to the late 1890s, which involved materialism and excess wealth for some. Newspaper "society pages" began to feature stories of the rich and famous.

Also, apparently, in the 1920s, newspaper society pages regularly covered the lavish parties, weddings, fashion choices and social events of the rich and famous.

But in 2024, why would the East Bay Times want to do a story about a couple who are able to buy a \$3.7 million home, one that must be in a "good" school district and have a good-sized backyard for their dog and growing teenager?

Are we back to admiring the story of such a couple, when most in the Bay Area cannot afford to buy even a starter

home?

Why would we want to go there in our daily newspaper?

— *George Fulmore Emeryville*

Raw milk producers endanger consumers

Re: "Dairy standing by its products" (Page A1, Dec. 4).

There is probably no faster way to destroy a beneficial industry than by allowing the sale of raw, unpasteurized milk.

Exposing children to salmonella, blood infections and other horrors is unconscionable and unnecessary. Safe, pasteurized milk contains no added sugars plus five times as much protein as oat milk and 10 times the protein of almond milk.

Nevertheless, a terrified public — believing that all milk is unsafe — will flee to these products unless the producers of raw milk begin protecting their customers with practices that have been in place

since 1895.

Milk drinkers and cheese lovers need to contact regulatory agencies now, before dairy after dairy collapses due to the irresponsible actions of one or two producers.

— *Robbie See Pleasanton*

Take op-ed's positive message to heart

Re: "A better state government is best defense" (Page A6, Nov. 27).

How refreshing! Bob Stonebrook's op-ed was refreshingly positive.

Instead of the vitriol that usually get published lamenting the outcome of our recent election, he actually provided some positive, helpful ideas for us to use to move forward.

Implementing his ideas will surely result in better outcomes for all of us than the carping we've resorted to so far.

— *John Griggs Danville*

PROBLEMATIC ACCOUNTING

MTC commingles voter-approved bridge toll funds

About \$73 million of Bay Area bridge toll money that voters approved in 2018 for public transit and freeway improvement projects has instead been diverted to pay for maintaining the bridges.

That's just one small example of how officials of the Metropolitan Transportation Commission have for years been commingling different portions of the tolls for the region's seven state-owned bridges.

The troubling financial practices came to light as the agency sought our editorial page support for its plan to once again raise Bay Area bridge tolls.

The automobile toll is slated to increase from \$7 to \$8 at the start of 2025. A commission committee overseeing bridge tolls is scheduled to vote this coming week and the full commission board the following week on a proposal to add another \$2.50.

Right now, because of the commingling, the commission lacks the data to intelligently evaluate the toll hike. The plan should be shelved until the agency's finances are transparently accounted for.

Latest toll hike plan

The proposal calls for 50-cent annual increases starting in 2026 that would boost the cost of an automobile trip to \$10.50 by 2030. To understand whether the increase is needed, I asked to see the financial tracking of the different portions of the toll the agency now collects.

District officials responded that they pool the money rather than budget it separately. That's stunning and problematic because the different toll components are designated for very different purposes.

The first dollar, approved by voters in 1988, was designated for operating, maintaining and replacing the bridges, as well as improvements to BART, Caltrain and San Francisco Muni.

Another \$3 — approved in \$1 increments by the Legislature, in 1997 and 2007, and MTC, in 2010 — was supposed to help cover the cost of seismic retrofitting, including the replacement of the Bay Bridge's eastern span.

And voters in 2004 and 2018 approved toll increases totaling \$4 to help fund transit service operations and freeway, transit, bicycle and pedestrian projects, including BART's seismic retrofit, new rail cars, and extension to Warm Springs Station and San Jose; the Caldecott Tunnel fourth bore; and the eBART rail extension in eastern Contra Costa County.

The voter material for the 2018 ballot proposal, Regional Measure 3, listed the projects but didn't mention that the money would go toward maintaining or rehabilitating the bridges. Indeed, backers emphasized at the time that the measure would fund projects off the bridge to reduce congestion on it.

But apparently voters should have read the fine print in state law. Rebecca Long, the agency's director of legislation and public affairs, and Derek Hansel, the chief financial officer, insist the law allows them to use any of the toll money for any bridge maintenance, construction and improvement projects.

Worse, none of the components of the tolls has an expiration date, but the list of projects they are supposed to fund is finite. So Long and Hansel argue that there will eventually be more money than projects, leaving them free to use excess for any bridge purpose.

Indeed, they say, they are free to use money from the individual programs even before the promised projects are completed. The commission's only obligation, they say, is to provide the funding for the projects at some point.

\$10 billion of debt

They also argue that the toll revenues must be pooled because they are used as security for selling bonds. That's a bogus rationale for the lack of transparency.

Aggregating the numbers for the bond market is understandable. And it's no different from what most government agencies do. But that's not an excuse for failing to track how the borrowed money is spent for the separate programs.

The commission has nearly \$10 billion of bond debt. Not only does the agency fail to track the use of the money by program, but it also fails to apportion the liability.

The result is that there's no way to know what part of the financial obligations for each of the programs has been fulfilled, nor when it will be.

As the commission considers hiking tolls further — again permanently — for bridge operations, maintenance and rehabilitation, it should be asking itself how much of the current toll money could now or in the future be used to offset the need for such a large increase.

But, to determine that, commissioners would need an accounting and projections that separate the funding and spending by each of the components of the bridge tolls.

To his credit, Hansel, who took over as CFO in 2022, says it would be "good practice" to track the revenues and expenditures by each program. He says he has the information to do that for Regional Measure 3. And he has told others he will need a couple of months to figure it out for the other programs, which began long before he arrived.

Commissioners should insist that he finish that as quickly as possible to provide transparency to the public and ensure commissioners make a well-informed decision about further increasing tolls.

The proposed hike is not slated to begin until 2026, so there's no need to rush the plan through. Until the tracking data is available, the bridge toll hike should be tabled.

Reach Editorial Page Editor Daniel Borenstein at dborenstein@bayareanewsgroup.com.



An MTC proposal calls for 50-cent annual bridge toll increases starting in 2026 that would boost the cost of an automobile trip to \$10.50 by 2030.

ARIC CRABB STAFF PHOTOGRAPHER

Letters to the editor: Letters of up to 150 words should be submitted online at www.eastbaytimes.com/letters-to-the-editor.

Commentaries: Submissions should be 600 words and include a tagline and daytime contact information. Email submissions to ebcommentary@bayareanewsgroup.com.

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Metropolitan Transportation Commission
Schedule of Operating Revenues and Expenses (\$ in thousands) - BATA Proprietary Fund - By Bridge
For the Year Ended June 30, 2024

Schedule 11

	Carquinez Bridge	Benicia- Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	San Francisco- Oakland Bay Bridge	San Mateo- Hayward Bridge	Dumbarton Bridge	Total
Operating revenues								
Toll revenues collected	\$ 132,505	\$ 130,745	\$ 22,185	\$ 88,844	\$ 258,846	\$ 105,799	\$ 62,646	\$ 801,570
Other operating revenues	6,331	6,735	1,266	3,787	10,365	4,496	2,593	35,573
Total operating revenues	138,836	137,480	23,451	92,631	269,211	110,295	65,239	837,143
Operating expenses								
Operating expenditures-by Caltrans & Transbay JPA	510	492	230	346	6,634	367	231	8,810
Services and charges	24,731	24,490	4,177	16,501	47,955	19,647	11,621	149,122
Allocations to other agencies	8,891	8,805	1,502	5,932	17,241	7,064	4,178	53,613
Depreciation	286	284	48	191	555	227	135	1,726
Total operating expenses	34,418	34,071	5,957	22,970	72,385	27,305	16,165	213,271
Operating income	\$ 104,418	\$ 103,409	\$ 17,494	\$ 69,661	\$ 196,826	\$ 82,990	\$ 49,074	\$ 623,872