

Date: _____ February 26, 2008

Committee Meeting Date: _____ March 13, 2008

Board Meeting Date: _____ N/A

BOARD MEMORANDUM

INFORMATION ITEM

TO: Technical Advisory Committee
Santa Clara Valley Transportation Authority
Board of Directors

THROUGH: Michael T. Burns
General Manager

FROM: Kurt Evans
Government Affairs Manager

SUBJECT: 2008 Federal and State Legislative Programs

FOR INFORMATION ONLY

BACKGROUND:

During the latter part of 2007, TAC Member Jack Witthaus requested a presentation on VTA's 2008 Federal and State Legislative Programs.

As separate actions, VTA annually adopts a Federal Legislative Program and a State Legislative Program to provide direction for its legislative and policy activities in Washington, D.C., and Sacramento, respectively, for the year.

The purpose of these Legislative Programs is to establish financial, statutory, regulatory, and administrative policies and principles to guide VTA's advocacy efforts at the federal and state levels. These programs are designed to be flexible in order to give VTA the ability to pursue unanticipated legislative and administrative opportunities that may present themselves during the course of the year, and to respond expeditiously to the dynamic political and policy processes in both Washington, D.C., and Sacramento.

DISCUSSION:

The VTA Board of Directors approved the 2008 Federal Legislative Program at its December 13, 2007, meeting and the 2008 State Legislative Program at its January 3, 2008, meeting.

Both the Federal and State Legislative Programs for 2008 are divided into 10 sections:

2008 <u>Federal</u> Legislative Program		2008 <u>State</u> Legislative Program	
1.	Federal Transportation Appropriations	1.	Infrastructure Bonds
2.	Highway Trust Fund	2.	Existing Transportation Funding Sources
3.	SAFETEA-LU Reauthorization	3.	Future Transportation Investments
4.	Public Transit Security	4.	Project Delivery
5.	New Starts Program	5.	California Public Utilities Commission
6.	Small Starts Program	6.	State Transportation Improvement Program
7.	Public-Private Partnerships	7.	High-Speed Rail
8.	Energy and Climate Change	8.	Transit-Oriented Development
9.	Amtrak	9.	Transportation and the Environment
10.	High-Speed Rail	10.	Sponsored Bills

DISCUSSION:

The highlights of VTA’s 2008 Federal Legislative Program (Attachment A) are summarized as follows:

- Support a minimum FY 2009 appropriations level for federal surface transportation programs equal to the guaranteed spending levels authorized in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU).
- Seek federal appropriations in FY 2009 for the following projects: (a) Highway 152; (b) Advanced Zero-Emission Bus Demonstration Program; (c) I-880/I-280/Stevens Creek Interchange Project; and (d) High-Occupancy Toll (HOT) Lane Project.
- Work with the American Public Transportation Association (APTA), American Association of State Highway and Transportation Officials (AASHTO), and other relevant stakeholder groups to communicate the need for sustained federal investment in public transit and additional highway capacity, and to address the projected shortfall in the Highway Trust Fund.
- Work with APTA and other relevant transportation stakeholder groups to develop policy principles and strategies in preparation for when the debate on SAFETEA-LU reauthorization begins in earnest in calendar 2009.
- Advocate for adequate funding to enhance the security and safety of the nation’s public transit systems through the FY 2009 Department of Homeland Security appropriations bill.
- Partner with the New Starts Working Group on advocacy efforts to ensure that the Federal Transit Administration (FTA) is implementing the New Starts and Small Starts Programs consistent with the provisions of SAFETEA-LU and the intent of Congress.
- Support federal policies that encourage the use of innovative contracting methods and public-private partnerships for transportation infrastructure projects.

- Support federal policies that ensure that public transit is an essential partner in the establishment of a national strategy for achieving energy independence and addressing the problem of global warming.
- Support federal investment in Amtrak, so long as it does not come at the expense of funding for existing public transit programs under the federal transit title. At the same time, ensure the full consideration of the impact that any Amtrak reauthorization legislation may have on other public transit services.
- Support the enactment of legislation to create innovative financing tools for developing high-speed rail corridors in California and other parts of the country.

The highlights of VTA's 2008 State Legislative Program (Attachment B) are summarized as follows:

- Monitor the development of bills related to the implementation of Proposition 1B by the Legislature, advocate for the highest Proposition 1B appropriations level possible during the FY 2009 state budget process, and monitor discussions within the Schwarzenegger Administration and the Legislature concerning the distribution of Proposition 1B bond revenues among the various program categories in FY 2009.
- During the deliberations on the FY 2009 state budget, support the full transfer of gasoline sales tax revenues from the General Fund to the Transportation Investment Fund (TIF) pursuant to Proposition 42, and oppose the loaning or diversion of transportation dollars to the General Fund.
- Support the efforts of the California Transit Association to develop a consensus on a constitutional amendment to permanently protect gasoline sales tax "spillover" revenues for public transportation purposes.
- Ensure that any previous loans from the various state transportation accounts to help with prior-year General Fund deficits are repaid in full as expeditiously as possible, and as originally specified in state law.
- Support legislative proposals and policies that ensure that adequate levels of funding are available for operating, maintaining, rehabilitating, and improving California's transportation infrastructure, including state highways, public transit, local streets and roads, bicycle and pedestrian facilities, transportation corridor management strategies, and intelligent transportation systems.
- Support legislative proposals and policies that enhance the ability of local project sponsors and Caltrans to effectively manage and expedite the delivery of transportation projects.
- Work with the California Transit Association and other rail transit operators in the state to streamline the public rail transit safety oversight programs of the California Public Utilities Commission (CPUC), in particular the commission's process for approving rail crossing applications.

- Oppose legislative proposals and policies that would take away any amount of State Transportation Improvement Program (STIP) programming responsibility from the regions, or that are inconsistent with the principles and intent of SB 45 (Kopp).
- Continue to participate in the Silicon Valley High-Speed Rail Coalition to support not only high-speed rail in general, but also a Pacheco Pass alignment into the Bay Area.
- Support legislative proposals and policies that encourage transit-oriented development and other smart growth initiatives that enhance the effectiveness of public transit and other alternative modes of transportation.
- Ensure that any legislation to implement AB 32 (Nunez), the Global Warming Solutions Act of 2006, is structured in a way that assists the Bay Area in achieving its own greenhouse gas emissions and mobility goals.
- Monitor the implementation of the California Air Resources Board's Urban Transit Bus Fleet Rule to ensure that these efforts are consistent with VTA's environmental policies and clean-fuels strategies, and do not impose any unnecessary financial and administrative burdens on public transit operators.

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SANTA CLARA
Valley Transportation Authority

**2008 FEDERAL LEGISLATIVE
PROGRAM**



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EXECUTIVE SUMMARY

The Santa Clara Valley Transportation Authority (VTA) annually adopts a Federal Legislative Program to provide direction for its legislative and policy activities in Washington, D.C., for the year.

The purpose of the Federal Legislative Program is to establish financial, statutory, regulatory, and administrative policies and principles to guide VTA's advocacy efforts at the federal level. The program is meant to be flexible in order to give VTA the ability to pursue unanticipated legislative and administrative opportunities that may present themselves during the course of the year, and to respond expeditiously to the dynamic political and policy processes in Washington, D.C.

The 2008 Federal Legislative Program is divided into the following sections:

1. Federal Transportation Appropriations.
2. Highway Trust Fund.
3. SAFETEA-LU Reauthorization.
4. Public Transit Security.
5. New Starts Program.
6. Small Starts Program.
7. Public-Private Partnerships.
8. Energy and Climate Change.
9. Amtrak.
10. High-Speed Rail.

Each section of the program consists of a summary of the relevant issues and a series of advocacy principles.

FEDERAL TRANSPORTATION APPROPRIATIONS

Every year, Congress adopts 12 separate appropriations bills, including one for transportation. These measures provide the legal authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer. In developing these appropriations bills, Congress may allocate funding for programs within a particular policy area up to the maximum amount included in the related authorizing legislation, but no more.

In the case of surface transportation, the annual appropriations process is guided by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), which was enacted in August 2005. This legislation reauthorizes federal surface transportation programs for six years, covering FY 2004 through FY 2009. Under SAFETEA-LU, the overall funding level for highways, public transit, highway safety, motor carrier safety, and transportation research during the six-year reauthorization period is \$286.4 billion.

Of particular importance to the annual appropriations process is the fact that SAFETEA-LU preserves the concept of “guaranteed” spending for federal surface transportation programs that was the hallmark of its predecessor legislation, the Transportation Equity Act for the 21st Century (TEA-21). The major changes in federal budget rules first enacted by TEA-21 in 1998 were retained in SAFETEA-LU, whereby a minimum level of spending for highways and public transit is guaranteed in each fiscal year during the reauthorization period.

SAFETEA-LU also respects the basic program structure that existed under TEA-21, as follows: (a) a core highway program that is primarily formula-based; (b) a core public transit program that is comprised of both formula and discretionary elements; and (c) flexible funding programs that allow states and metropolitan planning organizations to move funds around in a manner that best meets local and regional mobility needs. Annual appropriations for these programs must respect the guaranteed spending levels authorized in SAFETEA-LU.

Finally, given that a few federal surface transportation programs are discretionary in nature, there may be opportunities for VTA to secure earmarks for high-priority projects in Santa Clara County during the development of the FY 2009 transportation appropriations bill. Examples of discretionary public transit programs are New Starts, Small Starts and Bus/Bus Facilities. Funding for federal-aid highway programs is generally allocated to states by formula, though there may be a few limited opportunities to secure earmarks for high-priority highway projects.

Advocacy Principles: In general, VTA’s advocacy efforts with regard to the FY 2009 federal transportation appropriations bill will emphasize the following:

- *Support a minimum appropriations level for federal surface transportation programs equal to the guaranteed spending levels authorized in SAFETEA-LU.*
- *Advocate for the highest possible levels of funding for individual programs within the highway and public transit titles of SAFETEA-LU. The key federal surface transportation programs for VTA are: (a) the Urbanized Area (UZA) Formula Program; (b) the New Starts, Small Starts, Fixed Guideway Modernization, and Bus/Bus Facilities Programs; (c) the Job Access/Reverse Commute and New Freedom Programs; (d) the Surface Transportation Program (STP); and (e) the Congestion Mitigation and Air Quality Improvement Program (CMAQ).*
- *Ensure that appropriations are allocated according to the program structure contained in SAFETEA-LU.*
- *Seek federal appropriations in FY 2009 for the following projects: (a) Highway 152; (b) Advanced Zero-Emission Bus Demonstration Program; (c) I-880/I-280/Stevens Creek Interchange Project; and (d) High-Occupancy Toll (HOT) Lane Project.*

HIGHWAY TRUST FUND

The Highway Revenue Act of 1956 established the Highway Trust Fund to provide a dedicated source of revenues for roadway construction. The Highway Trust Fund is intended to be a “pay-as-you-go” system that uses receipts from highway user excise taxes to fund federal surface transportation programs. In 1983, the Highway Trust Fund was divided into the Highway Account and the Mass Transit Account. Over the years, Congress has enacted multi-year legislation, such as SAFETEA-LU, authorizing federal spending for surface transportation programs, including highways and public transit, from the Trust Fund.

Receipts from highway user fees, including federal excise taxes on motor vehicle fuels (gasoline, diesel and special fuels) and truck-related taxes (truck and trailer sales, truck tires and heavy vehicle use), are transferred from the General Fund and deposited in the Highway Trust Fund. The current federal gas tax rate is 18.4 cents per gallon. Of this amount, 0.1 cent is deposited in the Leaking Underground Storage Tank Trust Fund. Of the remaining 18.3 cents, 15.44 cents is deposited in the Highway Account and 2.86 cents in the Mass Transit Account.

Highway Trust Fund balances over the years have been robust, resulting in significant increases in surface transportation funding based on Trust Fund revenues. However, the Highway Account of the Trust Fund is projected to have a negative balance at the end of the SAFETEA-LU reauthorization period in FY 2009. Although the Mass Transit Account is expected to have a positive balance, it is projected to drop to zero six years later. A major driver of Highway Trust Fund receipts is the economy. Both receipts and outlays are affected by changes in economic conditions.

Congress and stakeholder groups, as well as various commissions established by SAFETEA-LU to examine federal surface transportation funding issues, all have begun considering options for addressing the Trust Fund shortfall. Such options include:

- ✓ Indexing the federal motor vehicle fuel tax to inflation.
- ✓ Increasing the gas tax rate.
- ✓ Selling tax credit bonds or other financial instruments.
- ✓ Increasing General Fund support for surface transportation.
- ✓ Encouraging more innovative financing, including toll roads and high-occupancy toll (HOT) lanes.
- ✓ Encouraging private investment in surface transportation.
- ✓ Imposing new user fees.

As we move closer to the reauthorization of SAFETEA-LU, this issue will grow in importance. Congress must address the Highway Trust Fund shortfall so as to ensure adequate funding for federal surface transportation programs in the future.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will:

- *Work with the American Public Transportation Association (APTA), American Association of State Highway and Transportation Officials (AASHTO), and other relevant stakeholder groups to communicate the need for sustained investment in public transit and additional highway capacity.*
- *Work with APTA and other relevant stakeholder groups to oppose any efforts to divert funding from the Mass Transit Account to address the projected shortfall in the Highway Account.*

SAFETEA-LU REAUTHORIZATION

SAFETEA-LU reauthorized federal surface transportation programs for a six-year period—from FY 2004 through FY 2009—and allowed federal dollars to be spent on these programs during that period. SAFETEA-LU is scheduled to expire on September 30, 2009. During 2008, it is expected that various congressional committees and the U.S. Department of Transportation will hold policy hearings and listening sessions in order to begin preparing for the next federal surface transportation reauthorization bill. However, it is not likely that actual legislation will get introduced until 2009, after the new presidential administration has had a chance to take office and submit its recommendations to Congress.

Under SAFETEA-LU, the overall funding level for highways, public transit, highway safety, motor carrier safety, and transportation research during the six-year reauthorization period is \$286.4 billion. While this amount is greater than the \$217 billion authorized in TEA-21, it falls short of the level of federal investment needed to keep up with the steadily growing demand for transportation and for improved maintenance of the nation's existing transportation infrastructure.

For example, a report compiled by the U.S. Department of Transportation indicates that the average annual cost just to maintain current conditions on highways and bridges across the country in the near term is at least \$70 billion per year. However, under SAFETEA-LU, the current annual investment level of the federal government is only \$40 billion. An assessment prepared by APTA estimates public transit capital needs from FY 2004 through FY 2009 at \$253 billion, an average of \$42 billion per year. Yet, annual appropriations for the federal transit title during the SAFETEA-LU reauthorization period have lingered in the range of \$8 billion to \$10 billion. Therefore, providing sustained federal investment in the nation's transportation infrastructure that is adequate to meet the significant needs of highways, public transit and all other transportation modes must be front-and-center in the SAFETEA-LU reauthorization debate.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will work with APTA, AASHTO and other relevant stakeholder groups to develop policy principles and strategies in preparation for when SAFETEA-LU reauthorization swings into high gear in 2009.

PUBLIC TRANSIT SECURITY

Public transit is a critical element of the nation's infrastructure, contributing greatly to the economic vitality of the United States. Public transit systems are, by design and necessity, an open environment. More than 9.7 billion trips are taken annually on all modes of public transit. People use public transit vehicles more than 32 million times each weekday—16 times the number of daily travelers aboard the nation's airlines and 450 times the number of travelers on Amtrak.

Security is a top priority for public transit agencies across the United States. Since the terrorist attacks of September 11, 2001, public transit agencies have spent more than \$2 billion on security and emergency preparedness programs from their own budgets, receiving minimal federal assistance. Public transit agencies have upgraded and strengthened their emergency response and security plans, taken steps to protect their infrastructure, and increased the presence of security personnel on their vehicles and at their facilities to protect their patrons and employees.

These efforts are paying off. Many public transit systems are more secure now than they were prior to 9/11. However, more needs to be done. In a recent APTA survey, public transit agencies across the United States identified in excess of \$6 billion in security investment needs. Although state and local governments, as well as public transit agencies, are doing what they can to improve security, it is important that the federal government become a full partner in the efforts to ensure the security of the nation's public transit users.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will advocate for funding to enhance the security and safety of the nation's public transit systems through the FY 2009 U.S. Department of Homeland Security appropriations bill, according to the following principles:

- *The federal government should increase its financial support for public transit security and safety improvements. However, such funding should not be provided at the expense of existing federal transit programs.*
- *Federal public transit security and safety funding should recognize the varying needs and nature of systems across the nation, and should be flexible in terms of use. Therefore, money should be made available for all types of public transit systems—bus, as well as rail; rural, as well as urban. Money also should be made available for both operating and all of types of capital needs in order to fit different public transit agency security and safety plans.*
- *While federal public transit security and safety funding should be allocated primarily based on risk, threat and vulnerability, a portion should be allocated by formula in order to provide a minimum level of money to all agencies for their operating and capital costs related to meeting federal security and safety requirements.*
- *Federal public transit security and safety funding should be provided at a 100 percent federal share with no match requirement.*

- *Federal public transit security and safety funding should be allocated directly to operators, rather than through State Administering Agencies (SAAs) to ensure that funding is made available in an efficient and timely manner.*
- *New public transit security and safety directives should not be proposed unless federal funds are provided to allow agencies to be able to comply.*

NEW STARTS PROGRAM

SAFETEA-LU authorizes a total of \$52.6 billion in guaranteed funding over a six-year period for a variety of programs that provide financial assistance to states and localities to develop, operate and maintain public transit systems. Under one of these programs, the New Starts Program, the Federal Transit Administration (FTA) is responsible for identifying and recommending fixed guideway transit projects for federal funding.

New Starts projects presented to FTA for federal funding go through a lengthy and complicated process from planning to preliminary engineering and final design. This process culminates in the execution of a Full Funding Grant Agreement (FFGA) between the project sponsor and FTA, and the commencement of the actual construction phase of the project. By statute, the federal funding share for a New Starts project cannot exceed 80 percent of the project's net cost. FTA conducts management oversight for the project from the preliminary engineering stage through construction. All projects that do not have an existing or pending FFGA, and are in preliminary engineering or final design are considered to be in the New Starts pipeline.

To determine whether a New Starts project should be recommended for federal funding, FTA uses a complex evaluation process that assigns ratings based on a variety of financial and project justification criteria. These criteria are identified in SAFETEA-LU and reflect a broad range of benefits of a proposed New Starts project, such as capital and operating financial plans, mobility improvements, environmental benefits, operating efficiencies, cost-effectiveness, economic development effects, and transit-supportive land-use patterns. Based on these criteria, projects receive an overall rating as follows: *High, Medium-High, Medium, Medium-Low, or Low*. The ratings of New Starts projects that are in the pipeline are included in an annual New Starts Report, which FTA is required to submit to Congress. This report typically is presented to Congress in February, in conjunction with the President's budget proposal for the upcoming fiscal year.

Aside from being rated, a New Starts project must pass certain FTA milestones in order to be eligible for federal funding. These are: (a) approval for the project to enter into preliminary engineering; (b) issuance of a record of decision (ROD) upon completion of federal environmental work; and (c) approval for the project to enter into final design. If a project does not pass these milestones, it is not eligible to receive federal New Starts appropriations for those phases of work.

Once a New Starts project has been issued its ROD and has been approved to enter into final design by FTA based on its overall project rating, the project sponsor and FTA begin negotiating

an FFGA for the project. The FFGA establishes the terms and conditions for federal participation in the project, and spells out the roles and responsibilities of the project sponsor and FTA during the construction phase of the project. It also represents the commitment of the federal government to provide its share of construction funding for the project. A funding schedule is included in the FFGA, which spells out the amount of New Starts dollars that should be appropriated by Congress in each fiscal year for the project. A project cannot receive a New Starts appropriation for construction without an FFGA.

FTA has initiated a formal rulemaking process, as required by SAFETEA-LU, for the New Starts Program. This rulemaking is intended to implement statutory changes made to the New Starts Program by Congress in SAFETEA-LU, as well as other modifications to the program suggested by FTA. It is expected that FTA will complete this rulemaking sometime in 2008.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will partner with the New Starts Working Group, a coalition that represents New Starts project sponsors in Washington, D.C., on advocacy efforts to ensure that FTA is implementing the program consistent with the provisions of SAFETEA-LU and the intent of Congress. Among the relevant issues are the following:

- *Providing consistency to what historically has been an ever-changing evaluation/rating process so that New Starts project sponsors have a clear understanding of what it would take to successfully navigate that process.*
- *Ensuring that FTA is utilizing a multi-measure approach with regard to evaluating New Starts projects consistent with congressional intent, and not an approach under which a single criterion can determine a project's overall rating or whether it is recommended for funding.*
- *Enhancing FTA's evaluation process for New Starts projects in a way that rewards those communities that step forward with significant local and non-federal resources for their projects.*
- *Streamlining the process to: (a) expedite FTA's turn-around time for reviewing project sponsors' New Starts submittals and federal environmental documents; and (b) ensure that project-related issues are being brought to closure in an expeditious manner.*
- *Opposing any efforts to link the New Starts evaluation and National Environmental Protection Act (NEPA) processes, such as conditioning the issuance of a ROD under NEPA based on a project's rating under the New Starts evaluation process or financial plan.*
- *Ensuring that transit-supportive land use and economic benefits are treated as separate and distinct criteria on par with financial and project justification criteria.*
- *Supporting modifications to the cost-effectiveness measure to: (a) reflect the benefits of the New Starts project for all users in the relevant transportation corridors, not just for public transit users; (b) account for differences in mode so as not to prejudice or bias the local*

alternatives analysis process; and (c) provide a true indication of what the federal investment in a particular New Starts project actually would buy by basing cost-effectiveness on the federal contribution to the project rather than on the total project cost.

SMALL STARTS PROGRAM

SAFETEA-LU created a new capital investment program called “Small Starts” to accommodate New Starts-eligible projects seeking less than \$75 million in federal funding. Projects that may receive money under the Small Starts Program include streetcars, trolleys, commuter rail, and bus rapid transit. In the case of bus rapid transit, a substantial portion of the project must operate in a separate right-of-way in a defined corridor dedicated for public transit use during peak hours, or the project must have other characteristics of a fixed guideway system. In order to be eligible for Small Starts funding, a project’s total cost must be less than \$250 million. The program is funded through a \$200 million takedown from the annual New Starts apportionment.

FTA has initiated a formal rulemaking process, as required by SAFETEA-LU, to develop guidance, evaluation criteria, a rating methodology, and reporting instructions for project sponsors seeking Small Starts dollars. FTA is scheduled to complete this rulemaking in 2008. As an initial step, FTA issued interim guidance and reporting instructions in 2006 to: (a) allow eligible Small Starts projects to move into project development; (b) enable FTA to evaluate and rate projects as part of the Annual New Starts Report; and (c) enable FTA to make funding recommendations until the final rulemaking is completed and put into effect.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will partner with the New Starts Working Group to ensure that FTA is implementing the Small Starts Program consistent with the provisions of SAFETEA-LU and the intent of Congress. Among the relevant issues are the following:

- *Encouraging FTA to create a simplified and streamlined planning, project development and evaluation/rating process for Small Starts projects. This process should be simpler, less costly and less time-consuming than New Starts for both project sponsors and FTA.*
- *Opposing a segregation of the program into “Very Small Starts” and “Small Starts” to ensure that all Small Starts projects are subjected to a simplified and streamlined process.*
- *Supporting a reinstatement of the exemption from the evaluation/rating process for projects seeking \$25 million or less in New Starts or Small Starts money.*
- *Preventing Small Starts from evolving into a “bus-only” program by ensuring that funding is distributed across different public transit modes, levels of investment and project goals.*
- *Ensuring that the evaluation/rating process places an emphasis on transit-supportive land use and impact on local economic development, as well as cost-effectiveness.*

PUBLIC-PRIVATE PARTNERSHIPS

Interest in public-private partnerships as a way to supplement traditional transportation funding has grown dramatically in the United States over the past several years, principally because: (a) traditional transportation revenue sources are in short supply; and (b) the emergence of “intelligent technology” solutions for traffic management and toll collection has made them far more practical. Public-private partnerships are being embraced by communities as ways to solve traffic congestion problems and meet corridor travel needs.

Structured in multiple forms, public-private partnerships generally contemplate a single private entity, typically a consortium of private companies, being responsible and financially liable for performing all or a significant number of functions in connection with a transportation project. In transferring responsibility and risk for multiple project elements to the private partner, the transportation entity provides the private partner with the opportunity to earn a financial return commensurate with the risks it has assumed.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will support federal policies that:

- *Encourage the use of innovative contracting methods.*
- *Enable transportation agencies to undertake congestion pricing programs.*
- *Allow transportation agencies to build and operate HOT lanes.*
- *Provide opportunities for public transit agencies to implement transit-oriented joint development.*
- *Encourage private investment in transportation infrastructure.*

ENERGY AND CLIMATE CHANGE

Americans use more energy for transportation than any other activity. Nearly 43 percent of America’s energy resources are used in transportation compared to industrial use (39 percent), residential use (11 percent) and commercial use (7 percent). Public transit offers one of the most effective strategies to reduce energy consumption. New research suggests the following:

- ✓ Current levels of public transit service reduce petroleum consumption by 1.4 billion gallons of gasoline each year. This figure is the equivalent of 34 supertankers leaving the Middle East, one every 11 days.
- ✓ For every passenger mile traveled, public transit is twice as fuel efficient as private automobiles.
- ✓ If Americans used public transit at the same rate as Europeans—for roughly 10 percent of their daily travel needs—the United States would reduce its dependence on imported oil by more than 40 percent, nearly the amount of oil the nation imports from Saudi Arabia each year.

Similarly, research indicates that significantly increasing passenger loads on public transit vehicles would result in air quality improvements, including reductions in greenhouse gas emissions. When compared to private vehicles, public transit produces 95 percent less carbon monoxide, 92 percent fewer volatile organic compounds, and nearly half as much carbon dioxide and nitrogen oxides for every passenger mile traveled.

Therefore, public transit must be an essential partner in the establishment of a national strategy for achieving energy independence and addressing the problem of global warming by providing mobility choices and leadership in the use of green technologies.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will generally support the following:

- *Creating a separate and distinct Clean-Fuels Bus Program, so long as it does not come at the expense of funding for existing public transit programs under the federal transit title of SAFETEA-LU.*
- *Allowing clean-fuel public transit projects to be eligible for funding through programs administered by the U.S. Department of Energy.*
- *Providing increased federal investment in research and development of clean-fuel technologies for public transit.*

AMTRAK

In 2003, the Bush Administration submitted an Amtrak reauthorization plan to Congress. In general, this plan called for ending Amtrak's national route network and, instead, creating a system under which states and local communities would be given the responsibility for determining the rail services that would be operated within their areas using state funds. Amtrak's federal subsidy payments would be replaced with direct federal matches for capital investments to be paid directly to states and multi-state compacts. In the meantime, Amtrak would transition over time into three entities:

1. A private passenger rail company, which would operate trains under contract to states and multi-state compacts, similar to how Amtrak now operates trains under contract to commuter rail agencies.
2. A private rail infrastructure company, which would maintain and operate the infrastructure on the Northeast Corridor under contract to a multi-state compact.
3. The National Passenger Rail Corporation, which would continue as a government corporation. The National Passenger Rail Corporation would retain Amtrak's current right to use the tracks of the freight railroads, as well as the Amtrak corporate name. Both the track-access rights and the Amtrak brand would be provided under contract to states and multi-state compacts for qualifying passenger rail services they sponsor.

In addition to the Administration's plan, various other bills to reauthorize Amtrak have surfaced in Congress during the past several years, all of which have embodied some reforms. In a number of cases, these reforms have dramatically differed from those offered by the Administration. So far, no consensus has been reached. In the meantime, Amtrak continues to be heavily subsidized by federal resources and is still operating without the support of authorizing legislation.

Regardless of what shape an eventual Amtrak reauthorization bill might take, the federal government must, in the near term, provide sufficient funding for Amtrak. Moreover, the current Amtrak system is an essential network that supports the development and operation of intercity rail, high-speed rail, commuter rail, and other passenger rail services. Many passenger rail operators, including the Caltrain Joint Powers Board and the Capitol Corridor Joint Powers Authority in the San Jose-Oakland-San Francisco Bay Area, rely on Amtrak facilities and contract services. Such arrangements must continue without disruption. Any changes to Amtrak's institutional structure must protect the integrity of this network, as well as honor existing contracts, commitments and financial arrangements, including existing service contracts executed with passenger rail operators.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will support federal investment in Amtrak, so long as it does not come at the expense of funding for existing public transit programs under the federal transit title of SAFETEA-LU. At the same time, Congress must give full consideration to the impact that any Amtrak reauthorization legislation would have on other public transportation services.

HIGH-SPEED RAIL

In 1996, the California High-Speed Rail Authority was created to plan, design, construct, and operate a high-speed train system connecting California's major metropolitan areas. According to the authority's adopted business plan, the intent is to run the first leg of this system between Los Angeles and San Francisco through San Jose. Ultimately, the line would be extended to Oakland, Sacramento and San Diego. Funding to build the system is anticipated to be provided through a bond measure that has been placed on the November 2008 ballot for voter approval, federal funding, and private sector investment.

With initial planning work having been completed, the High-Speed Rail Authority is now: (a) preparing a more detailed project financial plan; (b) outlining project management activities; (c) identifying critical right-of-way acquisitions; and (d) initiating detailed project design and related environmental studies. In addition, the authority is in the process of completing a program-level environmental document to help identify a preferred corridor, general alignment and station locations to connect the Bay Area to the Central Valley segment of the high-speed rail line.

Given severe constraints on airport and airspace capacity, as well as the need to develop highway alternatives, federal public policy must steer passenger trips in the 200- to 500-mile range to high-speed rail, with adequate connections to other public transit services. There needs to be a federal capital program to support high-speed rail efforts in California and other states across the

country, so long as it does not compete with traditional federal funding for public transit. Federal tax credit instruments should be explored as a potential tool for financing high-speed rail projects. Other funding and financing mechanisms also should be considered to encourage public-private partnerships, including tax-exempt bonding, federal loan guarantees, carbon credits, and other innovative instruments.

Advocacy Principles: As part of its 2008 Federal Legislative Program, VTA will support the enactment of legislation that would create innovative financing tools for developing high-speed rail corridors in California and other parts of the country.

SANTA CLARA
Valley Transportation Authority

**2008 STATE LEGISLATIVE
PROGRAM**



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EXECUTIVE SUMMARY

The Santa Clara Valley Transportation Authority (VTA) annually adopts a State Legislative Program to provide direction for its legislative and policy activities in Sacramento for the year.

The purpose of the State Legislative Program is to establish statutory, regulatory and administrative policies and principles to guide VTA's advocacy efforts at the state level. The program is meant to be flexible in order to give VTA the ability to pursue unanticipated legislative and administrative opportunities that may present themselves during the course of the year, and to respond expeditiously to the dynamic political and policy processes in Sacramento.

The 2008 State Legislative Program is divided into the following sections:

1. Infrastructure Bonds.
2. Existing Transportation Funding Sources.
3. Future Transportation Investments.
4. Project Delivery.
5. California Public Utilities Commission.
6. State Transportation Improvement Program.
7. High-Speed Rail.
8. Transit-Oriented Development.
9. Transportation and the Environment.
10. Sponsored Bills.

Each section of the program consists of a summary of the relevant issues and a series of advocacy principles.

INFRASTRUCTURE BONDS

Proposition 1B, which was approved by the voters of California on November 7, 2006, authorizes the state to sell \$19.925 billion in general obligation bonds over the next 10 years to fund the following transportation purposes:

- *Congestion Reduction, Highway Improvements, Local Roads*: Capital improvements to reduce congestion and increase capacity on state highways and local roadways.
- *Public Transportation*: Capital improvements to local/regional public transit services and to the state's intercity rail system.
- *Goods Movement*: Projects to improve the movement of goods through California's ports, along the state highway and rail systems, and between California and Mexico.
- *Air Quality*: Projects to improve air quality by reducing emissions related to goods movement, and by replacing or retrofitting school buses.

- *Safety, Security and Disaster Response*: Projects to increase protection against a security threat or improve disaster response capabilities on public transit systems; grants to improve the safety of railroad/highway grade crossings; seismic retrofit work on local bridges, ramps and overpasses; and projects to improve security and disaster planning at publicly owned ports, harbors and ferry terminals.

In total, 13 different program categories would receive funding under Proposition 1B. These categories represent a combination of existing programs that are severely underfunded, such as the State Transportation Improvement Program (STIP) and the State Highway Operation and Protection Program (SHOPP), and several new programs to address some of California's key emerging transportation needs—for example, goods movement; corridor mobility; public transit security, safety and disaster response; and emissions reductions from the transportation sector.

Under Proposition 1B, the method for distributing bond revenues to individual program categories varies. In some cases, such as the STIP, the funding would be allocated to projects in accordance with the process in existing law. In other cases, such as a re-invigorated State-Local Partnership Program, the Legislature is required to pass implementation bills to define the process for allocating the funds. Finally, some programs—for example, Corridor Mobility Improvements—will be competitive in nature. In these cases, projects will be nominated and submitted to the California Transportation Commission (CTC) or some other implementing agency, which will then be responsible for selecting the actual projects to receive funding based on guidelines and a set of performance criteria.

In 2008, the implementation of Proposition 1B will play out in three different arenas:

1. Legislature: It is expected that lawmakers will consider bills to further define the allocation methodology for the State-Local Partnership, Transit Capital and Trade Corridor Improvement Programs.
2. CTC: The commission will develop a specific program of projects for Trade Corridor Improvements and funding priorities for other program categories.
3. FY 2009 State Budget Process: The Schwarzenegger Administration and the Legislature will determine the amount of Proposition 1B bond revenues that will be appropriated in the new fiscal year and how these revenues will be distributed among the various program categories.

Advocacy Principles: As part of its 2008 State Legislative Program, VTA will:

- *Monitor the development of implementation bills by the Legislature for the State-Local Partnership, Transit Capital and Trade Corridor Improvement Programs to ensure that there will be opportunities for VTA to seek and secure funding under these programs for high-priority projects within Santa Clara County. In this regard, support legislation that is consistent with the CTC's adopted guidelines for the Trade Corridor Improvement Fund. Furthermore, support legislation that administers State-Local Partnership Program funding according to a formula based on the amount of local revenue generated.*

- *As part of the FY 2009 state budget process, advocate for the highest Proposition 1B appropriations level possible, as well as monitor discussions within the Administration and Legislature concerning the distribution of bond revenues among the various program categories.*

EXISTING TRANSPORTATION FUNDING SOURCES

In recent years, transportation funding in California has been plagued by uncertainty and instability. Between FY 2003 and FY 2005, more than \$5 billion in transportation money was loaned or transferred to the General Fund to help address state budget deficits. This loss of revenue negatively impacted the ability of Caltrans and local agencies to delivery Traffic Congestion Relief Program (TCRP), STIP and SHOPP projects. It also stemmed the flow of dollars for transit operations and capital projects through the Public Transportation Account, and for local roadway projects through Proposition 42.

The situation improved in FY 2006 and FY 2007, when Gov. Schwarzenegger and the Legislature agreed not to suspend Proposition 42 and to repay a significant portion of outstanding loans owed to the various state transportation accounts earlier than specified in state statutes. In addition, California voters approved Proposition 1A, a constitutional amendment that limits the ability of the Governor and Legislature to suspend Proposition 42 in the future.

However, in FY 2008, another large General Fund deficit materialized and, as a result, the budget turned out to be a mixed bag for transportation. On the positive side, transportation benefited from full funding of Proposition 42, an augmentation to the 2006 STIP, additional funding for SHOPP, and authorizations and appropriations for most Proposition 1B bond categories. On the negative side, the FY 2008 budget posed serious concerns for public transit, with nearly \$1.3 billion in Public Transportation Account revenues being redirected to assist in balancing the General Fund. This diversion not only impacted public transit funding through the State Transit Assistance Program (STA), but it also reverberated throughout the STIP, constraining FY 2008 allocations for both public transit and highways projects, and squeezing the Fund Estimate for the next round of STIP programming.

Unfortunately, the state's fiscal condition has worsened significantly since the enactment of the FY 2008 budget last August. The housing slump, lower tax revenues, a legal settlement to repay retired school teachers, a pay increase for prison guards, the unexpectedly high cost of fighting wildfires in Southern California, and other factors impacting revenues and expenditures have eroded the budget's \$4 billion reserve. Projections indicate that California will end the current fiscal year at least \$1.8 billion in the hole. Furthermore, absent any changes, the gap between revenues and expenses in FY 2009 is expected to be \$8 billion or more, bringing the total deficit facing the Governor and lawmakers to roughly \$10 billion.

Given these grim fiscal circumstances, protecting transportation dollars for their intended purpose will once again be a top priority for VTA and the transportation community in 2008. Although the passage of Proposition 1A is an important step, it does not completely close the door on the possibility of Proposition 42 gasoline sales tax revenues being loaned for non-

transportation uses. Moreover, Public Transportation Account “spillover” revenues have no constitutional protections whatsoever and, therefore, remain vulnerable to diversion to the General Fund. Finally, roughly \$2 billion in transportation revenues that were loaned to the General Fund in prior fiscal years still must be repaid.

Advocacy Principles: As part of its 2008 State Legislative Program, VTA will advocate for the following:

- *During the deliberations on the FY 2009 state budget, support the full transfer of gasoline sales tax revenues from the General Fund to the Transportation Investment Fund (TIF) pursuant to Proposition 42. Furthermore, oppose the loaning or diversion of Proposition 42, Public Transportation Account and other transportation dollars to the General Fund.*
- *Oppose attempts to divert gasoline sales tax “spillover” revenues to non-public-transit purposes. In addition, support the efforts of the California Transit Association to develop a consensus on a constitutional amendment to permanently protect the “spillover.”*
- *Ensure that all previous loans from the various state transportation accounts to help with prior-year General Fund deficits are repaid in full and as expeditiously as possible, using General Fund and tribal gaming revenues as originally specified in state law. Oppose attempts to repay these loans with Public Transportation Account or other transportation dollars.*
- *Support appropriating the highest possible level of funding for STA as part of the FY 2009 state budget.*
- *Support the historic practice of funding debt service on transportation-related bonds from the General Fund. Oppose efforts to fund this obligation using revenue sources dedicated to transportation.*
- *Work with the CTC to develop a strategy for allocating the remaining balance of TCRP funding for Santa Clara County projects.*

FUTURE TRANSPORTATION INVESTMENTS

California is suffering from an overall under-investment in transportation infrastructure. The gas tax, the historic foundation of transportation funding, has substantially eroded in value.

California last approved a gas tax increase in June 1990 under Proposition 111, which raised the rate up to the current level of 18 cents a gallon. However, statistics indicate that the state’s gas tax rate has not kept pace with the growth in population, licensed drivers, registered vehicles, and vehicle miles traveled. At the same time, automobile fuel economy has more than doubled, resulting in drivers using less gas and paying less gas taxes for each mile they drive.

Furthermore, while the cost of constructing transportation projects increases each year, the gas tax stays constant. The result is an erosion of purchasing power. In fact, since the last increase in the early 1990s, California’s gas tax has lost nearly 25 percent of its value.

In May 1999, the CTC published a report suggesting that the magnitude of California's unfunded transportation needs over 10 years was close to \$120 billion. Although the CTC has not done a comprehensive update of this 1999 assessment, the commission recently reported that the number has actually grown to roughly \$200 billion since that time.

Advocacy Principles: VTA supports legislative proposals and policies that ensure that adequate levels of funding are available for operating, maintaining, rehabilitating, and improving California's transportation infrastructure, including state highways, public transit, local streets and roads, bicycle and pedestrian facilities, transportation corridor management strategies, and intelligent transportation systems. In 2008, VTA's advocacy efforts in this regard will emphasize the following:

- *Support legislation that would require the state gas and diesel fuel tax rates to be adjusted annually for inflation.*
- *Support legislation that would provide local transportation entities, such as VTA, with the statutory authority to impose a vehicle registration surcharge to fund traffic congestion management programs and other identified local transportation needs.*
- *Support efforts to place a constitutional amendment before the voters of California to allow them to decide whether the two-thirds voting requirement for local transportation sales tax measures should be lowered.*
- *Support legislation that would provide general authorization in state law for local transportation entities to develop and implement high-occupancy toll (HOT) lanes.*
- *Support additional funding for paratransit operations, and for public transportation services for seniors and others with special transportation needs.*
- *Support increasing the state's financial commitment to bicycle and pedestrian safety and improvement projects.*

PROJECT DELIVERY

Project delivery continues to be a major concern. Oftentimes, transportation projects can take a considerable amount of time to complete. Project sponsors must maneuver through a multi-stage development and review process that includes design and engineering, right-of-way acquisition, environmental impact review and mitigation, financing, construction, and other related requirements at various levels of government. As a result, delays are common. Therefore, it is important to explore different and innovative ways to expedite the delivery of transportation projects.

Advocacy Principles: In general, VTA supports legislative proposals and policies that enhance the ability of local project sponsors and Caltrans to effectively manage and expedite project delivery. In 2008, VTA's efforts in this regard will emphasize the following:

- Support legislation that would allow project sponsors to utilize design-build contracting, construction management at risk and other innovative contracting methods for delivering state highway and other types of transportation projects.
- Support legislation that would allow local transportation entities to engage in public-private partnerships to deliver transportation projects.
- Support providing more flexibility in terms of allowing local transportation organizations to be designated as the lead agency for the preparation of environmental impact reports for state highway projects.
- Support the continued use of Grant Anticipation Revenue Vehicle (GARVEE) bonds and AB 3090 arrangements by the CTC for STIP projects that are programmed in the out years, but are ready to go now. In addition, push the CTC to encourage the use of pre-award authority for projects programmed in the current year of the STIP.
- Monitor legislative proposals regarding eminent domain to ensure that: (a) the authority for local transportation entities to use eminent domain for transportation projects is not jeopardized; and (b) any changes to eminent domain law do not adversely impact the delivery schedules and costs of transportation projects.

CALIFORNIA PUBLIC UTILITIES COMMISSION

The federal government has designated the responsibility for public rail transit safety to state governments. In California, these functions, including those related to at-grade light rail lines and rail crossing applications, rest with the California Public Utilities Commission (CPUC), a quasi-judicial regulatory agency, whereas in many other states around the country, these responsibilities are performed by the state Department of Transportation.

California public transit operators have long recognized the need for a rail safety oversight program. Such a program works best if it: (a) consists of a partnership between public transit operators and the rail safety oversight agency based on trust, a positive working relationship and an acknowledged resolve to bring issues to a mutually agreeable resolution; (b) relies on best practices and industry standards; and (c) results in decisions based on technical merit.

As VTA's experience with the Vasona Light Rail Extension Project illustrates, the CPUC's approval process for rail crossing applications needs to be streamlined. Furthermore, the CPUC should not become involved in planning, environmental, alignment, project development, and construction issues related to at-grade light rail systems. Not only is this inconsistent with the CPUC's expressed jurisdiction in law, which is limited to post-construction and operational

safety oversight, but it also causes increased costs and significant schedule delays for light rail projects.

Advocacy Principles: VTA will work with the California Transit Association and other rail transit operators in the state to streamline the CPUC's public rail transit safety oversight programs, in particular its process for approving rail crossing applications. Furthermore, VTA will oppose actions on the part of the CPUC that are inconsistent with its expressed jurisdiction in law and the court ruling involving the Vasona Project.

STATE TRANSPORTATION IMPROVEMENT PROGRAM

SB 45 (Kopp), which was enacted into law in 1997, brought about various changes to the process for programming transportation dollars through the STIP. In general, this legislation simplified the programming process by consolidating numerous transportation funding pots into two broad categories: (a) the Regional Transportation Improvement Program (RTIP); and (b) the Interregional Transportation Improvement Program (ITIP).

SB 45 also devolved a significant amount of programming responsibility away from the state to the regional transportation planning agencies (RTPAs), such as the Metropolitan Transportation Commission (MTC) in the Bay Area. Under the provisions of the bill, the RTPAs have programming responsibility for 75 percent of available STIP dollars through their RTIPs.

Meanwhile, the ITIP, which consists of the remaining 25 percent of available STIP dollars, funds: (a) projects that facilitate the interregional movement of people and goods; (b) projects that are considered to be of statewide significance; (c) projects on the interregional roadway system that are outside the boundaries of urban areas; and (d) intercity rail capital improvements. These projects are nominated by Caltrans and programmed by the CTC.

There are some who contend that the amount of STIP funds available for programming by the state is insufficient. They argue that some of the programming responsibility that was granted to the RTPAs under SB 45 should be given back to the state. Also, various transportation interests have sought the passage of legislation that would take funds "off the top" of the STIP for certain categories of projects, rather than have these projects compete for funding through the RTIP process. Such proposals are inconsistent with SB 45, which emphasizes that local and regional officials are in a better position than the state to determine the transportation projects that best meet their unique mobility needs.

Advocacy Principles: In general, VTA opposes legislative proposals and policies that would take away any amount of STIP programming responsibility from the regions or that are inconsistent with the principles and intent of SB 45. In addition, VTA will work with other transportation stakeholders on the following reforms to the STIP process:

- *Participate in the efforts of the California Transit Association to develop a consensus on legislation to restructure the allocation of Public Transportation Account STIP dollars.*

- *Explore possible legislation to eliminate the four-year county share period, thereby allowing county shares and programming capacity to be calculated based on the five-year STIP Fund Estimate.*

HIGH-SPEED RAIL

In 1996, the California High-Speed Rail Authority was created to plan, design, construct, and operate a high-speed train system connecting California's major metropolitan areas. According to the authority's adopted business plan, the intent is to run the first leg of this system between Anaheim/Los Angeles and San Francisco through San Jose. Ultimately, the line would be extended to Oakland, Sacramento and San Diego.

With initial planning work having been completed, the High-Speed Rail Authority is moving forward with: (a) preparing a project financial plan; (b) outlining project management activities; (c) identifying critical right-of-way acquisitions; and (d) initiating detailed project design and related environmental studies.

VTA has historically supported the concept of building and operating a high-speed rail line to provide a competitive, long-distance travel option between Northern and Southern California as a way to relieve air traffic and highway congestion. In fact, several years ago, VTA partnered with four other organizations to establish the Silicon Valley High-Speed Rail Coalition to advocate not only for high-speed rail in general, but also for a Pacheco Pass alignment into the Bay Area.

Advocacy Principles: As part of its 2008 State Legislative Program, VTA will continue to participate in the Silicon Valley High-Speed Rail Coalition to:

- *Support full funding for the activities of the California High-Speed Rail Authority in the FY 2009 state budget.*
- *Support moving forward with the high-speed rail bond ballot measure in November 2008.*
- *Support a Pacheco Pass alignment into the Bay Area for high-speed rail that does not negatively impact Henry Coe State Park and that provides for appropriate measures to mitigate any impacts to Central Valley wetlands in Merced County.*

TRANSIT-ORIENTED DEVELOPMENT

Transportation and land use are inextricably connected. Land use determines commute patterns by influencing mode choices, travel routes and trip distances. At the same time, the transportation system shapes land-use patterns, as development tends to occur along major transportation corridors.

To maximize mobility, land-use planning should encourage alternatives to the automobile. Policies that promote the clustering of high-density housing and mixed-use developments at existing or planned transit hubs result in more effective utilization of the transportation system. Specifically, they help reduce sprawl and encourage more efficient use of public transit services.

Advocacy Principles: VTA supports legislative proposals and policies that encourage transit-oriented development and other smart growth initiatives that enhance the effectiveness of public transit and other alternative modes of transportation.

TRANSPORTATION AND THE ENVIRONMENT

Transportation is an environmental issue. How the transportation system is planned and developed can have either positive or negative environmental consequences. Improving air and water quality, protecting wildlife habitats, preserving open and green spaces, sensibly managing energy and resource consumption, and preventing sprawl are among the environmental objectives that directly impact the quality of life of California's communities. Creating a more balanced transportation system is central to preserving the environment as a whole.

In 2006, Gov. Schwarzenegger signed into law AB 32 (Nunez), the Global Warming Solutions Act, which made California the first state in the nation to attempt to cap its greenhouse gas emissions. This legislation sets the ambitious goal of cutting greenhouse gas emissions throughout the state to 1990 levels by 2020. This translates into an estimated 25 percent reduction, or 174 million metric tons per year. To achieve this goal, AB 32 empowers the California Air Resources Board (CARB) to adopt rules and regulations to "achieve the maximum technologically feasible and cost-effective greenhouse gas emissions from sources or categories of sources" according to a series of benchmarks and timetables specified in the legislation. In addition to CARB's activities, it is expected that the Legislature will consider bills in 2008 that would further define how AB 32 gets implemented.

Advocacy Principles: In general, VTA supports legislative proposals and policies that seek to preserve the environment through better transportation planning. In 2008, VTA's efforts in this regard will emphasize the following:

- *Ensure that any legislation to implement AB 32 be structured in a way that assists the Bay Area Region in achieving its own greenhouse gas emissions goals, as well as its mobility goals. Along these lines, support a multi-pronged approach that includes carbon credits, a cap-and-trade mechanism, and vehicle fuel efficiency standard improvements.*

- *Monitor the implementation of CARB's Urban Transit Bus Fleet Rule to ensure that these efforts are consistent with VTA's environmental policies and clean-fuels strategies, and do not impose any unnecessary financial and administrative burdens on public transit operators.*

SPONSORED BILLS

Advocacy Principles: As part of its 2008 State Legislative Program, VTA will seek to sponsor or co-sponsor the following measures:

- *Making a technical correction to VTA's enabling statutes to ensure that VTA has the appropriate statutory authority to work with local jurisdictions on developing funding strategies to address their local street and road maintenance and rehabilitation needs.*
- *Amending VTA's enabling statutes to raise the dollar threshold for when VTA must use the formal competitive bidding process to procure materials, supplies and equipment from \$25,000 to \$100,000 consistent with federal regulations.*
- *Partnering with other interested parties on legislation to allow public agencies to generate excess renewable energy at one location and receive a credit on their electric bills at other locations in order to enable VTA to implement key elements of its Sustainability Program.*
- *Partnering with the California Transit Association on either a regulatory change or legislation to exempt public transit operators from having to fill out manual duty logs.*