

## MEMORANDUM

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Kurt Evans, Government Affairs Manager  
Santa Clara Valley Transportation Authority

**DATE:** September 21, 2009

**SUBJECT:** Weekly Legislative Update: Week of September 14, 2009

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### **FEDERAL**

***Fuel Economy Standards:*** With global talks on climate change looming, the White House sought to gain momentum by unveiling its plan to require better gas mileage for cars and trucks, and the first-ever rules on vehicle greenhouse gas emissions. Transportation Secretary Ray LaHood and EPA Administrator Lisa Jackson released the proposed regulations as a follow-up to President Barack Obama's announcement in May that the rules would link emissions and fuel economy standards.

The regulations call for an automaker's fleet of new vehicles to average 35.5 miles per gallon (mpg) by 2016. The proposal covers vehicle model years 2012 through 2016, allowing companies to comply at once with all federal regulations, as well as standards pushed by California and about a dozen other states. The Obama Administration estimates that the requirements would cost up to \$1,300 per new vehicle by 2016, but save more than \$3,000 over the life of the vehicle through better gas mileage. According to EPA, the proposal is expected to increase vehicle fuel efficiency by about 5 percent annually, reduce greenhouse gas emissions by nearly 950 million metric tons, and conserve 1.8 billion barrels of oil. The new standards are four years ahead of a 2007 law that would have required the auto industry to meet a 35 mpg average in 2020.

The release of the regulations could provide the President momentum on climate change in advance of a series of high-level talks on a new international agreement to curb greenhouse gas emissions. The White House acknowledged that global negotiations have so far failed to bridge the divide between developed and developing nations, and noted that action on the part of the United States to limit greenhouse gas emissions was urgently needed. But with climate change legislation currently being delayed in the Senate, the chances that Congress will act before more than 180 nations gather in Copenhagen, Denmark, in early December to work on a new treaty are growing dimmer. In the meantime, the new fuel economy regulations could serve as a concrete step that the Obama Administration is taking to reduce greenhouse gas emissions.

## STATE

**Regular Legislative Session:** Hoping to salvage a legislative year that was dominated by historic budget woes, the Assembly and Senate were nevertheless unable to craft bipartisan deals on prisons, water and renewable energy as the regular session for 2009 came to a close during the early morning hours of September 12. Instead, lawmakers had to settle for a scaled-down version of an inmate reduction plan that fails to achieve the full savings anticipated as part of July's budget deal. They abandoned efforts to approve a water plan to allow the state to build new dams and a canal around the Sacramento-San Joaquin Delta, while satisfying environmentalists and water districts. And although two bills designed to articulate how the state intends to achieve its renewable energy targets were approved, they are expected to be vetoed by Gov. Arnold Schwarzenegger.

**Prisons:** Lawmakers in July resolved California's budget deficit in part by cutting \$1.2 billion from state prisons, but at that time, they did not specify how this reduction would be implemented. Gov. Schwarzenegger and Senate Democrats wanted to enact a program that would release up to 6,300 low-risk infirmed and elderly inmates, and those in the final year of their sentences as a way to save money and relieve overcrowding. However, the Assembly rejected that idea and, instead, sent the Senate a pared-down version of prison cuts that shifts parole agents to the most serious offenders and increases the dollar thresholds for property crimes. Senate President Pro Tempore Darrell Steinberg (D-Sacramento) had vowed to block that proposal until the Assembly agreed to further reductions. But in the end, Senate Democrats sent the Assembly plan to the Governor. It saves just under \$1 billion, rather than the \$1.2 billion assumed in the enacted FY 2010 budget.

**Water:** Environmental groups and water suppliers worked up until the last minute of the 2009 regular session with lawmakers and the Governor's Office to try to craft a plan that would include a \$12 billion water bond, but the deal did not come together. Gov. Schwarzenegger had made it clear that he would veto any water package that did not contain funding for new storage facilities. However, Democrats raised objections to committing future debt to water projects because it would threaten funding for schools, health care and human services. Meanwhile, GOP legislators were concerned that a Democratic proposal to postpone a statewide vote on a water bond measure until 2014 would result in less money for dam construction.

**Renewable Energy:** Gov. Schwarzenegger decided to take charge of this issue by signing an executive order directing the California Air Resources Board (CARB) to develop regulations that would specify how utilities should meet the state's goal that one-third of their power be generated by renewable energy sources. These regulations are not expected to include union-supported restrictions on purchasing energy credits from outside California. Two bills approved by the Legislature, which the Governor is prepared to veto, do contain such restrictions. Supporters argue that the bills would help create jobs and attract investment in renewable energy businesses in California by requiring utilities to purchase no more than 25-30 percent of renewable energy credits from sources outside the state. However, the Governor believes the measures are "too protectionist" and would interfere with the delivery of energy from other Western states.

## **REGIONAL**

**Capitol Corridor Joint Powers Authority (CCJPA):** At its September 16, 2009, meeting, the CCJPA approved the FY 2010 budget for the Capitol Corridor intercity rail service. Similar to last year's budget, it includes an increase in funds to support the operating budget to offset increased labor expenses incurred by Amtrak and reduced revenues from declining ridership. The FY 2010 budget will support the current 32 weekday train schedule that began in 2006. As is the case with transit throughout the state, Capitol Corridor ridership continues to decline. For the months of July and August, it was down 16 percent.

**Joint Policy Committee (JPC):** At its September 18, 2009, meeting, the JPC approved policies for implementing the requirements of SB 375 in the Bay Area. SB 375 mandates an integrated regional land-use and transportation planning approach to reducing greenhouse gas emissions from the transportation sector. Included in the policies are the roles and responsibilities for local governments, congestion management agencies, public transit operators, and regional agencies. The policies will now go to the Bay Area's four regional agencies—the Metropolitan Transportation Commission (MTC), the Bay Area Air Quality Management District (BAAMD), the Association of Bay Area Governments (ABAG), and the Bay Conservation and Development Commission (BCDC)—for their consideration.

**NOTE:** Also contributing to this report were Susan Lent with Akin Gump Strauss Hauer & Feld; Mark Watts with Smith, Watts & Company; and Scott Haywood, VTA's Policy and Community Relations Manager.

From: Board.Secretary  
Sent: Tuesday, September 22, 2009 5:43 PM  
To: Board.Secretary  
Subject: Response Letter to Mayor Abe-Koga

Dear VTA Board of Directors:

Attached is a response letter to Mayor Margaret Abe-Koga regarding Line 34 in Mountain View.

Deborah Harrington  
Board Secretary  
Santa Clara Valley Transportation Authority  
408.321.5773

September 22, 2009

Mayor Margaret Abe-Koga  
City of Mountain View  
500 Castro Street  
Mountain View, CA 94039

Dear Mayor Abe-Koga:

Thank you for your letter of August 12<sup>th</sup> concerning the proposed elimination of Line 34 in Mountain View. I apologize that this response has been so long in getting to you. As you know, we have been working with the public and various stakeholders on the impacts of the proposed service reductions at the Santa Clara Valley Transportation Authority (VTA). In these challenging financial times, we are all struggling to make the most of the resources we have and attempting to keep cutbacks to a minimum. Unfortunately, the ridership numbers on Line 34 are not encouraging. On the other hand the ridership demographic suggests that this ridership group may be more significantly impacted than others.

Based on input from yourself and other community members, staff is recommending that the Board not eliminate Line 34 at this time. They are recommending the elimination of the 3:15 PM Eastbound trip and the 3:43 PM Westbound trip. Our staff will continue to work with you and the stakeholders in Mountain View to see if there are ways in which we can bring the ridership numbers up to a sustainable level.

The Board is scheduled to make a decision on the Service Reductions at the October 1<sup>st</sup> Board of Directors Meeting. Staff will recommend retaining Line 34 service as described above and working with the Mountain View stakeholders to examine ways to improve the performance of this route.

Thanks for your valuable input on this issue. I appreciate your support and assistance as we all go through these challenging times.

Best regards,

Dolly Sandoval  
Chair