

**SANTA CLARA**  
**Valley Transportation Authority**

**2009 LEGISLATIVE**  
**PROGRAM**



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# EXECUTIVE SUMMARY

The Santa Clara Valley Transportation Authority (VTA) annually adopts a Legislative Program to provide direction for its legislative and policy activities for the year. The purpose of the Legislative Program is to establish financial, statutory, regulatory, and administrative policies and principles to guide VTA's advocacy efforts. 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., Sacramento and the Bay Area.

The 2009 Legislative Program is divided into the following sections:

1. Federal.
2. State.
3. Regional & Local.

Each section of the program consists of a summary of the key policy issues and a series of related advocacy principles.

## FEDERAL

The Federal Section of VTA's 2009 Legislative Program is divided into the following policy areas:

1. SAFETEA-LU Reauthorization.
2. FY 2010 Federal Transportation Appropriations.
3. Climate Change.
4. Public Transit Security.
5. Miscellaneous Issues.

### SAFETEA-LU REAUTHORIZATION

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (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 timeframe. Given that SAFETEA-LU is scheduled to expire on September 30, 2009, the congressional debate on the form, content and funding provisions of its successor will occur in earnest in 2009.

*General Principles:* VTA endorses the California Consensus Principles on SAFETEA-LU reauthorization that were developed through a collaborative process involving Gov. Arnold Schwarzenegger; the Business, Transportation & Housing Agency; Caltrans; and transportation stakeholders from across California. These principles, which are intended to provide a unified California position to Congress and the President on the future of the nation's surface transportation policies, are as follows:

1. Ensure the financial integrity of the Highway Trust Fund: The financial integrity of the Highway Trust Fund is at a crossroads. Current user fees are not keeping pace with needs or even the authorized funding levels in current law. In the long-term, the per-gallon taxes now charged on motor vehicle fuels will not provide the revenues or stability needed, especially as new fuels enter the marketplace. This authorization must stabilize the existing revenue system and prepare the way for a transition to new methods for funding our nation's transportation infrastructure.
2. Rebuild and maintain transportation infrastructure in a good state of repair: Conditions on California's surface transportation systems are deteriorating while demand is increasing. This situation adversely impacts the operational efficiency of the state's key transportation assets, hindering mobility, commerce, quality of life, and the environment. The successor bill to SAFETEA-LU must give top priority to the preservation and maintenance of the nation's existing system of roads, highways, bridges, and public transit.
3. Establish goods movement as a national economic priority: Interstate commerce is the historic cornerstone defining the federal role in transportation. The efficient movement of goods across state and international boundaries enhances the nation's ability to remain globally competitive and to generate jobs. A new federal program and funding sources dedicated to relieving growing congestion at America's global gateways needs to be created.
4. Enhance mobility through congestion relief within and between metropolitan areas: California is home to six of the 25 most congested metropolitan areas in the nation. These mega-regions represent a large majority of the population affected by travel delays and by exposure to air pollutants. Funding should be increased to enhance the capacity of all modes aimed at reducing congestion and promoting mobility in the nation's most congested areas. In addition, increased state flexibility to implement performance-based infrastructure projects, public-private partnerships and innovative finance programs should be provided.
5. Strengthen the federal commitment to safety and security: Traffic safety involves saving lives, reducing injuries and optimizing the uninterrupted flow of traffic on the nation's transportation network. Increased funding should be provided for safety projects aimed at reducing fatalities and for a national program to enhance the security of the nation's transportation systems, including public transit.
6. Strengthen comprehensive environmental stewardship: Environmental mitigation is part of every transportation project and program. The federal role is to provide the tools that will help mitigate future impacts and to cope with changes to the environment. The successor legislation to SAFETEA-LU should strive to integrate the consideration of climate change and land-use/transportation linkages into the planning process. In addition, funding should be provided for the planning and implementation of measures that have the potential to reduce emissions and improve public health, such as new vehicle technologies, alternative fuels, clean public transit vehicles, transit-oriented development, ride-sharing, and bicycle and pedestrian travel.
7. Streamline project delivery: Extended processing time for environmental clearances, permits and reviews add to the cost of projects. Given constrained resources, it is critical that these clearances and reviews be kept to a minimum, consistent with good stewardship of our natural resources. SAFETEA-LU reauthorization should: (a) increase the opportunities for state stewardship through delegation programs for National Environmental Policy Act

(NEPA) and air quality conformity; (b) increase state flexibility for using innovative contracting methods, such as construction management at risk and design-build; (c) ensure that federal project oversight is commensurate with the amount of federal funding; and (d) require federal permitting agencies to engage actively and collaboratively in project development and approval.

*Finance Principles:* Under SAFETEA-LU, the overall funding level for highways, public transit, highway safety, motor carrier safety, and transportation research during the legislation's six-year life was \$286.4 billion. While this amount was greater than previous authorizations, it fell far short of the level of federal investment needed to maintain the nation's existing transportation infrastructure, as well as to expand its capacity in order to keep up with the steadily growing demand for transportation. Therefore, providing sustained federal investment in the nation's transportation infrastructure that is adequate to meet the significant needs of highways, public transit and other transportation modes must be front-and-center in the SAFETEA-LU reauthorization debate.

According to a report issued by the National Surface Transportation Policy and Revenue Study Commission in January 2008, "Any effort to address the future transportation needs of the United States must come to grips with the sobering financial reality of such an undertaking. Estimates indicate that the U.S. needs to invest at least \$225 billion annually for the next 50 years to upgrade our existing transportation network to a good state of repair and to build the more advanced facilities we will require to remain competitive. We are spending less than 40 percent of this amount, and the current fuel-tax-based revenue mechanisms probably cannot be relied upon alone to raise the needed sums."

As part of its 2009 Legislative Program, VTA endorses the following finance principles for SAFETEA-LU reauthorization:

- Authorize a significant increase in federal surface transportation funding sufficient to meet the need. In the case of public transit, the American Public Transportation Association (APTA) is advocating for a total investment of no less than \$123 billion over the six-year reauthorization period, with a goal of meeting at least 50 percent of the estimated \$60 billion in annual critical public transit capital needs by the end of the reauthorization period and to support a projected doubling of ridership over the next 20 years.
- Authorize individual programs within the highway and transit titles at increasing funding levels that are sufficient to address current and future surface transportation infrastructure needs.
- Maintain and strengthen the current budgetary protections and funding guarantees for surface transportation programs to ensure that authorized spending levels are actually appropriated each fiscal year, and preserve the General Fund contributions to the Mass Transit Account to support the federal transit program.
- Restore and increase the purchasing power of the federal gas tax in order to support a significant increase in the level of federal investment in surface transportation programs.

- To diversify and augment Highway Trust Fund resources, authorize the implementation of innovative financing mechanisms, such as public-private partnerships, tolling, congestion pricing, tax-exempt/tax-credit bonds, express lanes, and freight user fees.
- Provide an appropriate balance between highway and public transit investments by continuing to credit the Mass Transit Account with, at a minimum, 20 percent of each future increase in the gas tax or any successor tax.
- Ensure that the Highway Trust Fund is appropriately credited for ethanol fuels, as well as other new and currently exempt alternative fuels.
- Restore the earning of interest income to the Highway Trust Fund.
- Support longer-term efforts to transition the Highway Trust Fund from motor fuel taxes and fees to a vehicle mileage tax or a vehicle weight/mile tax.

*Program Structure Principles:* For the most part, SAFETEA-LU respected the basic program structure that existed previously. This program structure consisted of a core highway program that is primarily formula-based, a core public transit program comprised of both formula and discretionary elements, and flexible funding programs that allow the states and metropolitan planning organizations (MPOs), such as MTC in the Bay Area, to move funds around in a manner that best meets local and regional mobility needs. While this basic, overall program structure should remain in place, VTA supports the following modifications:

- Explore opportunities to consolidate similar program categories under the highway title.
- Support APTA's proposal to modify the Bus/Bus Facilities Program from a discretionary to a formula-based program.
- Create a separate and distinct Clean-Fuels Bus Program for the purchase of alternative-fuel buses, and the construction of fueling facilities and other related infrastructure.
- Continue allowing Urbanized Area (UZA) Formula Program funds to be used for preventive maintenance costs.
- Support APTA's proposal to restructure the Fixed Guideway Modernization Program by replacing the current, complicated seven-tier structure with a simpler two-tier formula distribution that, at a minimum, holds all current recipients harmless.
- Support the following reforms to the New Starts Program: (a) strengthening the language in existing law to ensure that a multi-measure approach is used to evaluate a New Starts project and to determine whether it should be recommended for funding; (b) clarifying that transit-supportive land use and economic benefits are to be treated as separate and distinct criteria on par with the financial commitment and project justification criteria; (c) restructuring cost effectiveness to evaluate the federal investment in a New Starts project, to differentiate between transit modes so as not to prejudice or bias the local alternatives analysis process, and to reflect the benefits of the project to all travelers in the transportation corridor, not just transit users; and (d) ensuring that the New Starts evaluation/rating process is kept separate and distinct from the issuance of a Record of Decision (ROD) under NEPA.

- Support the following reforms to the Small Starts Program: (a) creating a simplified and streamlined planning, project development and evaluation/rating process for Small Starts projects; (b) opposing the segregation of the program into “Very Small Starts” and “Small Starts” to ensure that all Small Starts projects are subjected to the same simplified and streamlined process; (c) reinstating the exemption from the evaluation/rating process for projects seeking \$25 million or less in New Starts or Small Starts funding; and (d) ensuring that the evaluation/rating process places an emphasis on transit-supportive land use and impact on local economic development, not just on cost-effectiveness.
- Support APTA’s proposal to combine the Job Access and Reverse Commute, New Freedom, and Elderly and Disabled Formula Programs into one program that provides funding for transportation services for seniors, the disabled and other populations with specialized mobility needs.
- Clarify current law to allow public transit operators to specifically design routes to accommodate the needs of schools so long as those routes are open to the public and are part of an operator’s regularly scheduled service.
- Provide funding to promote workforce development and career opportunities in the public transit industry.

*Project Requests:* VTA will seek to reauthorize the BART Extension to Silicon Valley under the New Starts Program, as well as explore the possibility of obtaining a Small Starts authorization for the El Camino Real Bus Rapid Transit Project. In addition, VTA will seek to include the following project requests in the successor legislation to SAFETEA-LU:

- ✓ I-880/I-280/Stevens Creek Interchange.
- ✓ U.S. 101/State Route 25 Interchange.
- ✓ State Route 237/State Route 85/El Camino Real improvements.
- ✓ I-280/State Route 85/Foothill Expressway Interchange.
- ✓ Renewable energy conversation at VTA Bus Operation Divisions.
- ✓ Expansion bus procurement for express and bus rapid transit services.
- ✓ High-volume bus stop upgrades.

## **FY 2010 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 SAFETEA-LU until successor legislation is enacted.

In general, VTA’s advocacy efforts with regard to the FY 2010 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 or its successor.
- Advocate for the highest possible levels of funding for individual programs within the highway and public transit titles of SAFETEA-LU or its successor. The key federal surface transportation programs for VTA are: (a) the 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 or its successor.
- Seek federal appropriations in FY 2010 for the following projects: (a) renewable energy conversion at VTA's Bus Operating Divisions; and (b) Joint Workforce Investment Program.

### **CLIMATE CHANGE**

The United Nation's Intergovernmental Panel on Climate Change has found that a concerted and coordinated effort must be made to limit the effects of global warming. The United States is responsible for 22 percent of the world's total greenhouse gas emissions. The transportation sector produces approximately one-third of the greenhouse gas emissions in this country, primarily in the form of carbon dioxide (CO<sub>2</sub>) emissions. Therefore, as Congress considers climate change legislation, it must address the challenge of reducing transportation-related emissions.

Public transit will play a key role in reducing greenhouse gas emissions from the transportation sector. Studies show that public transit cuts CO<sub>2</sub> emissions by 37 million metric tons annually by reducing the number of automobile trips, easing traffic congestion and supporting more efficient land-use patterns. These contributions are important because driving rates, as measured in vehicle miles traveled, are expected to double by 2030, which would negate the greenhouse gas emissions reductions resulting from recent changes in Corporate Average Fuel Economy (CAFE) standards and from new low-carbon fuel requirements.

In partnership with APTA, VTA will advocate on issues related to federal climate change legislation according the following four principles:

1. Use revenues from federal climate change legislation to expand public transit services: To achieve the increases in public transit ridership that will significantly reduce greenhouse gas emissions from the transportation sector, climate change legislation must begin to address the large annual capital funding shortfall for public transit. Revenues from the auction or sale of emissions allowances under a "cap-and-trade" program or from an emissions reduction program should be used to supplement—not supplant—public transit funding provided through SAFETEA-LU reauthorization.
2. Increase the availability of fixed guideway transit: Fixed guideway transit investments help create energy efficient land-use patterns, which produce greenhouse gas emissions reductions beyond the immediate benefit of increased public transit use. These investments have the

potential to significantly improve the way people live and travel, reducing individual carbon footprints while preserving and enhancing mobility.

3. Promote energy efficient technology: Climate change legislation should encourage new investment in energy efficient technologies that can increase the annual CO2 savings from current public transit services. Federal support for such investment would speed up the deployment of advanced technologies, thereby freeing up resources to support expanded service.
4. Support local, regional and state efforts to increase mobility while reducing emissions from the transportation sector: As part of a comprehensive strategy to reduce greenhouse gas emissions, a new source of funding should be created for local, regional and state governments to advance mobility in ways that reduce vehicle miles traveled. New funding could be linked to efforts that will capture emissions reductions through energy efficient land-use patterns, expanded public transit service and transit-oriented development.

### **PUBLIC TRANSIT SECURITY**

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. They 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.

As part of its 2009 Legislative Program, VTA will advocate for funding to enhance the security and safety of the nation's public transit systems through the FY 2010 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.
- Consideration should be given to transferring the responsibility for administering federal transit security and safety grants from the Homeland Security Department to the U.S. Department of Transportation. In addition, the process should be streamlined to decrease the length of time between when grant applications are submitted to the federal government and when a public transit agency actually receives its grant funding.
- 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.

### MISCELLANEOUS ISSUES

*Health Care:* It is expected that the new administration and Congress will push legislation to address issues related to health care. While not typically thought of as a transportation issue, federal health care legislation, if enacted, could dramatically impact private- and public-sector employers alike, including VTA. Therefore, as part of its 2009 Legislative Program, VTA will carefully monitor any health care bills that surface in Congress and evaluate them based on the following principles:

1. Health care should be provided through the employer, so that VTA can maintain a productive and reliable workforce, and ensure that our vital services remain consistently available to our customers. This can best be achieved under a health care system that: (a) provides economic incentives to employers to provide health care insurance to employees; (b) facilitates employee access to health care resources; (c) provides coverage at the best possible rates; (d) imposes no restrictions or limitations due to pre-existing conditions; and (e) provides coverage that is affordable for both the employer and employee's share of expenses. Legislation to provide a tax credit would not be beneficial to our employees as the cost of health care in California exceeds the allowance under the proposed tax credit.
2. Health care should be offered through a competitive system to ensure that it is provided in the most efficient and effective manner possible, and to ensure that patients have a choice of health care plans.
3. The federal government should ensure that there is standardization of processes, including enrollment forms, claims forms, data submission, and reporting to reduce costs.
4. Patients should have access to meaningful data regarding costs, the quality of providers and outcomes, so that they can make informed decisions. Such data are not presently available, and would reduce costs by allowing patients to choose the highest quality and/or lowest cost providers and facilities.
5. All health care plans/providers should implement electronic personal health records and e-prescribing to improve the quality of care.
6. Health care plans should incentivize healthy behaviors by means such as reducing or eliminating copays for prescription drugs for patients with chronic health conditions who participate in disease management programs.

*Economic Stimulus Legislation:* VTA will advocate for the inclusion of substantial funding for transportation infrastructure in any national economic stimulus package. Public transit and other types of transportation infrastructure projects yield considerable benefits to the economy in terms of job creation and revenue generation. In addition, VTA will work to ensure that the legislative parameters defining how any federal economic stimulus funding would be provided for transportation infrastructure projects allow VTA to take advantage of such funding for high-priority projects in Santa Clara County.

## **STATE**

The State Section of VTA's 2009 Legislative Program is divided into the following policy areas:

1. FY 2010 State Budget.
2. Transportation Finance.
3. Transportation Program Structure.
4. Transportation and the Environment.
5. Transit-Oriented Development.
6. Project Delivery.
7. High-Speed Rail.
8. Sponsored Bills.

### **FY 2010 STATE BUDGET**

Transportation funding in California has been plagued by uncertainty, unpredictability and instability. Throughout this decade, significant amounts of transportation dollars have been loaned or transferred to the General Fund to help address state budget deficits. This loss of revenue has negatively impacted the ability of Caltrans and local agencies to delivery capital improvement projects funded through all of the state's transportation programs, including the Traffic Congestion Relief Program (TCRP), the State Transportation Improvement Program (STIP), and the State Highway Operation and Protection Program (SHOPP). It also has interrupted the flow of dollars for transit operations and capital projects through the Public Transportation Account (PTA), and for local roadway projects through Proposition 42.

Given the state's worsening fiscal condition, protecting transportation dollars for their intended purpose will once again be a top priority for VTA and the transportation community in 2009. Although the passage of Proposition 1A was 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, PTA revenues continue to remain vulnerable to diversion to the General Fund. Finally, transportation revenues that were loaned to the General Fund in prior fiscal years still must be repaid. Therefore, as part of its 2009 Legislative Program, VTA will advocate for the following:

- 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, PTA and other state transportation dollars to the General Fund or to pay for General Fund obligations.

- Support the efforts of the California Transit Association and other transportation stakeholders to develop a consensus on a constitutional amendment to permanently protect PTA revenues for public transit purposes. In addition, support the California Transit Association's lawsuit challenging most of the \$1.259 billion PTA diversion that occurred under the FY 2008 state budget.
- 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 PTA or other transportation dollars.
- Support appropriating the highest possible level of funding for the State Transit Assistance Program (STA) as part of the FY 2010 state budget. Oppose efforts to use PTA dollars for home-to-school transportation, transportation for clients of the state's regional occupational centers, transportation bond debt service, and other General Fund obligations.
- Partner with the California Transportation Commission (CTC) and the TCRP Working Group to implement the commission's adopted TCRP Allocation Plan, which includes a payment schedule for the remaining \$239 million for the BART Extension to Silicon Valley.
- Support appropriating the highest possible level of Proposition 1B bond revenues as part of the FY 2010 budget. Monitor discussions within the Schwarzenegger Administration and the Legislature concerning the distribution of these revenues among the various program categories. Oppose efforts to use Proposition 1B bond funds to supplant existing revenues for other state transportation programs.
- Work with the CTC to ensure the approval of any allocation requests submitted in FY 2010 for Santa Clara County Proposition 1B and STIP projects.

### **TRANSPORTATION FINANCE**

California is suffering from an overall underinvestment 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 that 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 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.

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 2009, 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. In addition, explore the possibility of changing how the gas tax is collected at the pump from a per-gallon rate to a percentage of the purchase price.
- 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 the necessary authorization in state law to implement the proposed Bay Area regional express lane network, consistent with the principles developed by the Bay Area congestion management agencies (CMAs).

### **TRANSPORTATION PROGRAM STRUCTURE**

*STIP:* 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 nine separate state transportation funding pots into two broad categories: (1) the Regional Transportation Improvement Program (RTIP); and (2) the Interregional Transportation Improvement Program (ITIP). SB 45 also devolved a significant amount of programming responsibility from the CTC to the regional transportation planning agencies (RTPAs), such as the Metropolitan Transportation Commission (MTC) in the Bay Area.

In general, VTA opposes legislative proposals and policies that are inconsistent with the principles and intent of SB 45. In addition, VTA will work with other transportation stakeholders on exploring possible reforms to the STIP process, including: (a) eliminating the four-year county share period, thereby allowing county shares and programming capacity to be calculated based on the STIP Fund Estimate; (b) strengthening the language in current law that states that the CTC can only accept or reject RTIPs in their entirety; (c) establishing clear criteria as to when the CTC may reject an RTIP; and (d) allowing local agencies to bond against their STIP county shares.

*PTA:* Revenues in the PTA are derived primarily from the following four sources: (1) sales tax on diesel fuel; (2) sales tax on 9 cents of the state excise tax on gasoline; (3) Proposition 42; and (4) spillover. On the expenditure side, how PTA revenues are allocated varies by funding source, causing a certain amount of confusion.

The PTA is in dire need of restructuring. In 2009, VTA will work with the California Transit Association and other transportation stakeholders on the following: (a) providing adequate constitutional protections for all PTA revenue sources to ensure that they cannot be used to shore up the General Fund; (b) determining whether to allocate spillover through Proposition 42; (c) clarifying the definition of public transit to ensure that PTA dollars cannot be used for transportation bond debt service, home-to-school transportation, transportation for clients of the

state's regional occupational centers, and other specialized transportation services funded through the General Fund; (d) determining whether to distribute PTA revenues that are currently allocated through the STIP process by some other method; and (e) establishing the same method of distribution for PTA revenues, regardless of funding source.

*PTMISEA*: Established as a new formula program under Proposition 1B, the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) provides \$3.6 billion to public transit operators for the following: (a) rehabilitation, safety or modernization improvements; (b) capital service enhancements or expansions; (c) new capital projects; (d) bus rapid transit improvements; and (e) bus and rail car procurement, rehabilitation or replacement. In 2009, VTA will work with the California Transit Association and other transportation stakeholders on the following changes to this program: (a) fixing the formula factors for the remaining amount of funding to be allocated under PTMISEA; (b) having public transit operators submit to the state an expenditure plan for their remaining formula shares, so that a statewide program of projects can be established; and (c) creating a process similar to TCRP that would allow for the use of Letters of No Prejudice (LONPs) for PTMISEA projects.

## **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.

*Climate Change*: 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.

As part of its 2009 Legislative Program, VTA will advocate on issues related to the implementation of AB 32 according the following four principles:

1. Recognize the role of public transit: Given that the AB 32 scoping plan includes multiple policies directed at reducing vehicle miles traveled and increasing the use of alternative modes of transportation, reliable funding for public transit is needed to build capacity to accommodate the resulting growth in ridership. Public transit operators across the state already are experiencing financial pressures due to record ridership and significant state budget cuts to the PTA. The significant role that public transit will play in meeting the goals of AB 32 must be recognized, and new revenues must be dedicated for transit capital and operating needs.
2. Ensure that AB 32 actions do not erode the existing transportation funding base: While significant transportation funds are generated by local sales tax measures in some regions, the

majority of transportation funding is still derived from the state and federal gas tax. Incentives to reduce consumption of taxable fuels will reduce greenhouse gas emissions, but run the risk of reducing the very funding source that California relies on to develop and maintain its transportation infrastructure. CARB should evaluate the impact of AB 32 actions on transportation funding levels and develop a plan to supplement any lost revenues.

3. Dedicate revenues from market mechanisms implemented under AB 32 for transportation: Future policies directed at reducing greenhouse gas emissions present challenges and opportunities for the transportation sector. Therefore, CARB should develop a framework for the use and allocation of new revenues created under AB 32 for multimodal transportation projects and programs that provide greenhouse gas emissions reductions.
4. Incorporate greenhouse gas adaptation in the California Environmental Quality Act (CEQA): CARB should work with the Office of Planning and Research and other key stakeholders to address how greenhouse gas emissions would be analyzed in CEQA and allow transportation projects to be evaluated for greenhouse gas emissions at the programmatic level.

*Urban Transit Bus Fleet Rule:* As part of its 2009 Legislative Program, VTA will continue to 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, as well as the with the regional Zero-Emission Bus Demonstration Program, and do not impose any unnecessary financial and administrative burdens on public transit operators. In addition, VTA will work with the California Transit Association to ensure the certification of diesel hybrid engines to meet the diverse needs of the state's public transit operators.

### **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 public 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.

As part of its 2009 Legislative Program, VTA will 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.

### **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.

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 2009, 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. In addition, ensure that adequate flexibility is provided in state procurement law to allow projects sponsors to do advanced purchases of materials and supplies for construction projects when it would result in expediting project delivery.
- Support legislation that would allow local transportation entities to engage in public-private partnerships to deliver transportation projects. In addition, support legislation to create an Office of Local Public-Private Partnerships to: (a) serve as an information clearinghouse; and (b) link local agencies with technical and legal resources to assist them in developing and evaluating requests for proposals for public-private partnership projects, and in structuring agreements to protect their interests.
- Support providing more flexibility in terms of allowing local transportation organizations to be designated as the lead agency for the preparation of environmental documents and the management of construction work 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 cost of transportation projects.

### **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.

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. As part of its 2009 Legislative Program, VTA will continue to participate in the Silicon Valley High-Speed Rail Coalition to:

- Support full funding for the activities of the High-Speed Rail Authority in the FY 2010 state budget.
- Support the implementation of 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.

### **SPONSORED BILLS**

As part of its 2009 Legislative Program, VTA will seek to sponsor or co-sponsor the following measures:

- Reintroduce legislation 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. VTA sponsored this bill in 2008, and it was approved by the Legislature. However, it was vetoed by Gov. Schwarzenegger not based on policy grounds, but rather as a way to demonstrate his dissatisfaction with lawmakers for how they handled the FY 2009 budget.
- Reintroduce legislation 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. VTA partnered with AC Transit, Golden Gate Transit, and the San Mateo County Transit District (SamTrans) on this legislation last year. While it enjoyed the support of the Legislature, it was vetoed by the Governor for reasons related to the FY 2009 budget process, not the substance of the bill.

In addition, we will explore the feasibility of legislation to provide VTA with the necessary statutory authority for entering into a public-private partnership for transportation projects in Santa Clara County.

## **REGIONAL & LOCAL**

The Regional & Local Section of VTA's 2009 Legislative Program is divided into the following sections:

1. Regional Transportation Plan.
2. MTC Discretionary Allocations.
3. Transit for Livable Communities Program.
4. Freeway Performance Initiative.
5. Regional Bicycle Program.
6. Climate Change Program.
7. Express Lanes.
8. Caltrain Commuter Rail Service.
9. Capitol Corridor Intercity Rail Service.
10. Dumbarton Rail Project.
11. Other Regional Transit Services.

## **REGIONAL TRANSPORTATION PLAN**

The RTP is the 25-year transportation vision for the nine-county Bay Area Region. MTC, which serves as the transportation planning, coordinating and financing agency for the Bay Area, drafts and approves the RTP. Santa Clara County has two voting members on the 19-member commission. The RTP contains policies that guide the implementation of regional programs, as well as decisions related to the allocation of transportation funding in the Bay Area. The plan also contains a financially constrained and unconstrained list of projects. Projects seeking federal and state funding must be including on the financially constrained list.

As part of its 2009 Legislative Program, VTA will advocate according to the following principles with regard to the Bay Area's RTP:

- The RTP should meet the mobility needs of Santa Clara County residents, as well as the region as a whole.
- The RTP should include all projects contained in Santa Clara County's 2000 Measure A Expenditure Plan in the financially constrained element of the plan.
- As part of the RTP, MTC should adopt an approach for a regional express lane network that is corridor-based and that reinvests the revenue in the corridor where it is generated.
- The RTP should adhere to a "fix-it-first" policy by putting a strong emphasis on maintaining the region's existing public transit and roadway infrastructure.
- The RTP should serve as a regional advocacy platform for pursuing increased transportation funding for the Bay Area.

## **MTC DISCRETIONARY ALLOCATIONS**

MTC allocates more than \$1 billion per year in federal, state and toll revenues to operate, maintain and expand the Bay Area's transportation network. While many of these allocations are based on formulas, MTC does distribute discretionary money. Historically, Santa Clara County has not fared well with regard to MTC's allocation of discretionary funding. Based on population, Santa Clara County should receive approximately 25 percent of all regional discretionary funding.

As part of its 2009 Legislative Program, VTA will:

- Support efforts to distribute MTC discretionary funding by population at every opportunity.
- Seek to direct any unanticipated regional highway funding to high priority projects in Santa Clara County, such as the I-280/I-880/Stevens Creek Interchange Project and the U.S. 101/State Route 25 Interchange Project.
- Support efforts to have decision-making authority regarding project selection and program implementation occur at the county level.

- Promote VTA projects in competition for regional discretionary funding.

### **TRANSPORTATION FOR LIVABLE COMMUNITIES PROGRAM**

The Transportation for Livable Communities Program (TLC) provides planning and capital assistance to promote transit-oriented development throughout the Bay Area. MTC is in the process of re-evaluating this program in order to make it more effective and to encourage more transit-oriented development projects. The commission is anticipating allocating \$2.2 billion for the TLC Program over the next 25 years. Currently, 75 percent of TLC revenues are distributed at the regional level and 25 percent at the county level. VTA plans to distribute its share of TLC funding through its Community Design and Transportation Program, which contains the same goals as the TLC Program.

As part of its 2009 Legislative Program, VTA will advocate according to the following principles with regard to the TLC Program:

- TLC funding should be distributed to the counties in the Bay Area by population.
- MTC should set the vision for the program in collaboration with the county congestion management agencies (CMAs) to ensure consistent goals throughout the Bay Area.
- The TLC Program should be administered and implemented entirely at the county level.
- The TLC Program should recognize that the nine counties in the Bay Area are at different stages in terms of pursuing transit-oriented development. Therefore, the program needs to be flexible in order to provide the biggest benefit for the investment.
- The TLC Program should be simple and should not duplicate the efforts of other agencies.

### **FREEWAY PERFORMANCE INITIATIVE**

The Freeway Performance Initiative is a new MTC program that is intended to fund highway technology projects such as ramp metering to increase the efficiency of the region's existing freeway system. MTC has concluded that the Freeway Performance Initiative is the most cost-effective way to deal with traffic congestion in the Bay Area. VTA has already made significant investments in technology improvements to Santa Clara County's freeway network using local sales tax dollars. In fact, nearly 50 percent of all ramp meters in the Bay Area are located in Santa Clara County.

As part of its 2009 Legislative Program, VTA will advocate according to the following principles with regard to the Freeway Performance Initiative:

- Counties that already have invested in Freeway Performance Initiative elements need to be reimbursed for using local money to lay the foundation for this program.
- While Santa Clara County has invested heavily in Freeway Performance Initiative elements, gaps remain in the system that should be funded through this program.

- Freeway Performance Initiative investments need to support and overlay the investments that are being made for express lane projects.
- Freeway Performance Initiative reimbursements will be used to complete the following programs in Santa Clara County: (a) fiber optics; (b) ramp meters; (c) closed circuit TV; and (d) changeable message signs.

### **REGIONAL BICYCLE PROGRAM**

MTC is planning to spend \$1.3 billion over the next 25 years to complete the Regional Bikeway Network, which is comprised of a list of bicycle projects that are regionally significant. This list of projects was compiled with the intent to create a regional bicycle network that would allow for long-distance bike travel throughout the Bay Area.

Since the drafting of the Regional Bikeway Network, most Bay Area counties have developed countywide bicycle plans that include both local and regional projects. These plans were put together by the CMAs using an extensive public process to identify the most important needs of bicyclists in their counties.

With regard to the Regional Bicycle Program, VTA, as part of its 2009 Legislative Program, will advocate according to the following principles:

- Rather than having a separate regional bicycle plan and numerous countywide plans, MTC should combine the existing county plans into a new regional bicycle plan. The county plans should identify both local projects and projects of regional significance.
- MTC should allocate bicycle funding by population to each county. This funding should support both local and regional projects as determined through the Regional Bikeway Network.
- For the near term, MTC should continue funding the bike program under the current rules.

### **CLIMATE CHANGE PROGRAM**

The Climate Change Program is a new MTC effort to identify cost-effective methods for using transportation funding to reduce greenhouse gas emissions in the region. The Climate Change Program will likely be comprised of a number of smaller programs, such as: (a) Safe Routes to Schools/Transit, which would provide funding to promote walking or bicycling to schools and public transit centers; (b) Outreach Campaign to educate the public about how it can reduce its greenhouse gas emissions on an everyday basis; and (c) Transit Priority Program, which would support the implementation of transit priority measures to maintain and improve the speed and on-time reliability of bus transit.

As part of its 2009 Legislative Program, VTA will advocate according to the following principles with regard to MTC's Climate Change Program:

- Non-Regional Measure 2 funding for Safe Routes to Schools/Transit should be distributed to the counties by population.

- Funding for the Transit Priority Program should be distributed to the counties by population.
- MTC should work closely with the CMAs in developing the Climate Change Program. The CMAs should be included early in the process.

### **EXPRESS LANES**

Express lanes allow solo motorists to drive in the carpool lanes for a fee. Revenues generated from express lanes would be used to pay for the operation and maintenance of the express lanes. Any additional revenues would pay for transportation improvements in the express lane corridor. In 2005, the VTA Board of Directors authorized staff to proceed with preliminary engineering work for the development of express lanes for State Route 85 and U.S. 101. VTA currently has the statutory authority to build express lanes in two transportation corridors within Santa Clara County.

MTC is planning to implement a regional express lane network throughout the Bay Area, but it does not have the necessary statutory authority. However, MTC and the CMAs have pledged to work collaboratively to implement a regional express lane network.

As part of its 2009 Legislative Program, VTA will advocate for a regional express lane network that:

- Utilizes a corridor-based structure that recognizes commute-sheds and geographic communities of interest as the most effective and user-responsive model for express lane implementation.
- Recognizes that popular, political and legislative support will rest on demonstrating that the revenues collected in a corridor are used to benefit travelers in that corridor.

### **CALTRAIN COMMUTER RAIL SERVICE**

Caltrain is a 76.8-mile daily commuter rail service that runs between San Francisco and Gilroy. It operates on railroad track owned by the Peninsula Corridor Joint Powers Board (JPB) between San Francisco and the Tamien Station in San Jose, and on Union Pacific Railroad track between the Tamien Station and Gilroy. Currently, Caltrain runs a total of 98 weekday trains.

Caltrain is administered through a Joint Powers Agreement (JPA) that was executed by the City and County of San Francisco, SamTrans, and VTA. Three JPB members are appointed from each of the three counties. SamTrans serves as the managing agency.

Funding for Caltrain operations and capital projects comes from the three partner agencies. Caltrain is currently contemplating numerous system upgrades, including electrifying the service, in order to determine how to best meet future ridership demand with the resources available from federal and state sources, and from the three partners.

As part of its 2009 Legislative Program, VTA will:

- Work collaboratively with San Francisco Muni and SamTrans to fund Caltrain system improvements that provide cost-effective benefits for current and future passengers.

- Advocate on behalf of Santa Clara County Caltrain passengers to ensure that they receive high quality service.

### **CAPITOL CORRIDOR INTERCITY RAIL SERVICE**

The Capitol Corridor is a 170-mile intercity rail service that runs between Auburn/Sacramento and San Jose. Service consists of 32 weekday trains between Sacramento and Oakland, and 14 daily trains between Oakland and San Jose. The Capitol Corridor Joint Powers Authority consists of two representatives from each of the eight counties that the Capitol Corridor serves. Funding is provided by the state, and BART serves as the managing agency.

As part of its 2009 Legislative Program, VTA will advocate for improvements to the Capitol Corridor service as identified by Joint Powers Authority staff.

### **DUMBARTON RAIL PROJECT**

The Dumbarton Rail Project calls for providing commuter train service from the East Bay to the Peninsula over the existing Dumbarton Railroad Bridge. The current schedule contemplates three trains during the morning peak hours and three trains during the evening, with a transfer at the Redwood City Caltrain Station. VTA is one of four project partners, along with Alameda County, San Mateo County and MTC. VTA has programmed \$44 million in its 2000 Measure A Expenditure Plan for the project. However, the project faces several obstacles, the most significant of which is a \$300 million capital funding shortfall. Recently, MTC shifted \$91 million in Regional Measure 2 funds for the Dumbarton Rail Project to the BART Extension to Warm Springs in exchange for \$91 million in future-year Alameda County RTIP funds. As part of this agreement, MTC also agreed to allocate Regional Measure 2 capital and operating funds to enhance express bus service in the Dumbarton Bridge Corridor.

As part of its 2009 Legislative Program, VTA will:

- Work with MTC and the Dumbarton Rail Policy Advisory Committee to develop a service plan for providing enhanced express bus service in the Dumbarton Bridge Corridor. The plan should include direct service to the Stanford Research Park in Palo Alto and the Shoreline Area of Mountain View.
- Work collaboratively with MTC and the project's other partners to identify revenue sources to close the capital funding shortfall.

### **OTHER REGIONAL TRANSIT SERVICES**

VTA's transportation network includes other regional public transit services that provide travel options for passengers requiring longer trips through multiple counties. VTA participates in these partnerships through JPAs, not through direct representation on a board of directors. Through these partnerships, VTA is able to provide Santa Clara County residents and workers with a wealth of transportation alternatives. These services include: (a) Dumbarton Express, which provides bus service from the East Bay over the Dumbarton Bridge to northern Santa Clara County; (b) Highway 17 Express, which provides bus service between Santa Cruz County and downtown San Jose; (c) Monterey-San Jose Express, which provides bus service between

Monterey County, Gilroy, Morgan Hill, and downtown San Jose; and (d) Altamont Commuter Express (ACE), which provides commuter rail service between San Joaquin, Alameda and Santa Clara Counties. VTA's long-term commitment to these services is reflected in its 2000 Measure A Expenditure Plan, which includes capital funding for ACE and the Highway 17 Express.

As part of its 2009 Legislative Program, VTA will work collaboratively with its partners in these regional public transit services to identify any cost-effective capital and operational improvements that would provide benefits to their passengers.