South Bay Cities Council of Governments

June 27, 2019

TO: SBCCOG Board of Directors

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update Covering May 2019

Adherence to Strategic Plan:
Goal A: Environment, Transportation and Economic Development. Facilitate, implement and/or educate members and others about environmental, transportation and economic development programs that benefit the South Bay.

FEDERAL

$2 Trillion Infrastructure Bill Negotiations Blow Up; Approval Unlikely Before 2020 Elections

Federal fuel taxes haven't been increased since 1993 and the revenue is insufficient to fully fund the Highway Trust Fund which expires in September 2020. The President was expected to meet with Congressional Democrats on May 22nd to continue bipartisan talks on the $2 trillion infrastructure plan. However, President Trump blew up the bi-partisan negotiations on May 22nd when he told a press conference that he won't work with Democrats on an infrastructure plan unless they stop their investigations into him and his administration.

Individual Democrats and Republicans have expressed concern with potential political ramifications of increasing federal gas and diesel taxes prior to the November 2020 election. Administration officials are concerned that raising fuel taxes would hurt rural and working class voters — a key Republican constituency. Some Democrats have warned that a gas-tax increase could harm low-income people and have said they would only consider increasing the levy if it's paired with a rollback of 2017 tax cuts that benefited the wealthy — something that Republicans flatly reject.

Democratic congressional leaders vowed to continue working, with or without Republicans, to move individual pieces of public-works legislation and address reauthorization of the surface transportation bill and the Highway Trust Fund that helps finance road, bridge and transit projects that expires in September 2020.

On the same day the negotiations fell apart, Democrats introduced "The Rebuild America Act" in the House Ways and Means Committee. The bill would raise per-gallon fuel taxes on gasoline and diesel by five cents each year for five years — and then tie the fuel tax rate to inflation.

Under the Democrat's new proposal, the per-gallon tax on gasoline would be increased from its current 18.4 cents a gallon to 43.3 cents a gallon in 2024. Federal diesel fuel taxes would rise from 24.3 cents per gallon to 49.3 cents per gallon by 2024. The additional revenue would keep the Highway Trust Fund solvent by raising an additional $370 billion over the next decade – enough to cover the Highway Trust Fund shortfall and produce a $200 billion surplus, which could be used for further infrastructure spending and/or deficit reduction.

The bill also would require Congress to replace the fuel tax with a "more equitable, stable source of funding", such as a vehicle-miles-travelled tax, by 2029.

Fiscal Year 2020 Federal Transportation Funding Bill Introduced
On the same day long-term discussions fell apart, the fiscal 2020 transportation funding bill that would increase funding for infrastructure grants and fund federal transportation agencies was quietly approved and sent to the House Appropriations Committee by the Transportation, Housing and Urban Development, and Related Agencies Appropriations Subcommittee in the U.S. House of Representatives.

The FY 2020 bill includes $1 billion for the Better Utilizing Investments to Leverage Development, or BUILD, grants, a $100 million increase above the 2019 enacted level. The measure also provides more funding than President Trump has requested for the U. S. Department of Transportation, the Federal Highway Administration, the Federal Transit Administration, the Federal Railroad Administration and the National Highway Traffic Administration. Key programs are also funded in the bill including Amtrak, the Port Infrastructure Development Program, and the Highly Automated Systems Safety Center of Excellence.

The bill is expected to be considered by the full Appropriations Committee in the coming weeks and then the full House by the end of June. The Senate has yet to introduce its version of this bill.

Clean Corridors Act Introduced To Support Environmentally Friendly Vehicles / Technology
The Clean Corridors Act (H.R. 2616) introduced on May 16th would direct $3 billion in federal dollars over the coming decade to construct and install a robust electric drive infrastructure network to support vehicle charging technologies for hydrogen fuel cell and electric battery-powered vehicles. The bill would ensure competitive federal grants funded through this program are not exclusive to vehicles from any one individual manufacturer.

The legislation is supported by ChargePoint, the American Wind Energy Association, the Association of Global Automakers, the National Resources Defense Council, and the Electric Drive Transportation Association.

Federal Freight Bill Would Provide Dedicated Source For Goods Movement Infrastructure
The National Multimodal and Sustainable Freight Act (H. R. 2723) was introduced on May 14th to create a dedicated revenue source to direct more than $100 billion over 10 years to rebuilding the nation's freight infrastructure.

In 2015, Congress for the first time outlined a national freight policy in the bipartisan Fixing America's Surface Transportation (FAST) Act. To implement the freight policy, HR 2723 would establish the Freight Transportation Infrastructure Trust Fund, funded through a national 1% waybill fee on the transportation cost of goods. The trust fund revenues would be allocated into two programs: a formula program to distribute funds to each state based on the amount of existing infrastructure within the state, and a competitive grant program that would be open to all local, regional, and state governments. Within the competitive grant program, 5% of funds would be set-aside for zero-emissions projects.

STATE

AB 516 Would Reduce Local Authority To Remove Vehicles

Cities place "boots" on vehicles and remove the vehicles from public streets when motorists accumulate a minimum of five unpaid parking tickets or the vehicle registration has been expired for six or more months. Before removing the vehicle, a 72-hour notice is posted on the vehicle and a boot is sometimes placed on a tire. AB 516 would eliminate the ability for cities to "Immobilize," or place a "boot" on a vehicle, for these actions.

State Plans Deeper Look At California's Inordinately High Gas Prices

According to AAA, at $4.10 per gallon of regular gasoline, California has the highest gasoline prices in the nation. In contrast, the national average is $2.88. The California Energy Commission concluded at the end of April that "market manipulation" and refinery outages may be the key factors in the state's inordinately high gas prices and proposed a five-month study to pin down the "mystery surcharge" motorists pay in California.

The oil industry responded to the CEC study by saying that causes for the state's gas prices include the dynamics of supply and demand of crude oil, the state's environmental rules, such as a requirement for special blends of gas, as well as the state's decision in 2017 to raise the gas tax by 12 cents per gallon to pay for road repairs. Don't expect any significant relief soon. Thanks to the state's cap-and-trade legislation, gas prices could increase by 73 cents per gallon by 2031.

REGION

Metro Blue Line Closure Shifts To Northern Segment; Expo Line Service Also Affected

The southern portion of the Blue Line between Compton and Long Beach re-opened on June 1st after a 4-month closure for major repairs and upgrades. The northern segment was closed at the same time to allow completion of the second half of the $350 million mid-life rebuild project.

Although riders have returned to the rail line between the Willowbrook / Rosa Parks Station and Long Beach, Blue Line between the 7th Street/Metro Center Station and the Willowbrook / Rosa Parks Station will be suspended until the rail rehabilitation project is completed in Fall 2019.

Later in June, Expo Line riders will also be affected by service outages at the 7th Street/Metro Center and Pico stations. Expo line trains will stop running at those stations for 60 days, starting June 22. During the closure, Expo Line riders will have to board or disembark from the train at the LATTC/Ortho Institute Station, south of Downtown LA.

Metro will supplement its current bus service in the northern segment with new temporary bus shuttle service during the closure. To accommodate all the new buses, Metro also installed a temporary Downtown LA bus-only lane on Flower Street.

Line 864 free shuttle bus will travel from the Compton Station to the 7th Street/Metro Center Station, stopping at (or at least near) every closed Blue Line station along the way. The daily local service will run every six minutes during rush-hour (5:30 a.m. to 9 a.m. and 3 p.m. to 7 p.m.) and every 12 minutes during non-peak hours. Late at night, buses will arrive at 20-minute intervals.

Line 863 Select weekday-only, peak-hour bus service will start at the Compton Station, head west to the 110 freeway, and mirror the Silver Line route into Downtown LA. After exiting the freeway, it will head up Flower Street, stopping at Adams Boulevard, LATTC, and Pico Boulevard en route to 7th Street/Metro Center Station. The 863 Select will arrive every 12 minutes during peak hours (between 5:30 a.m. and 10 a.m., as well as between 3 p.m. and 7:30 p.m.). The 863 Select Line fare will be $1.75, with free transfers (Metro's standard fare for all trains and buses).

For Expo Line riders, Line 856 Local will replace the train at its first two stops while work is happening at the 7th Street/Metro Center and Pico stations. The shuttles will travel north on Figueroa Street and south on Flower.

Additional information and any schedule changes during the northern closure will be posted on the Blue Line project website: https://www.metro.net/projects/new-blue-line-improvements/ .

Metro Launches Six All-Electric Vanpools

Metro has added six electric vans to its ridesharing program through a contract with Green Commuter. The new vanpools serve commuters from origin points including Redondo Beach, Palmdale, Rancho Cucamonga and Corona del Mar.

Green Commuter expect to deploy 76 additional zero emission vans within the program by the end of 2019. Metro's vanpool program began in 2007 and has grown to approximately 1,300 vehicles.

Edison Will Encourage Switch From Diesel To Electric Heavy-Duty Trucks, Buses, Even Forklifts

Southern California Edison launched an electric charger incentive program on May 20th aimed at enticing operators of heavy-duty trucks, buses and forklifts to switch from polluting diesel and gasoline power to electric power. The utility is targeting delivery companies, truck leasing companies, school districts with diesel buses, transit agencies, warehouses using forklifts, the Port of Long Beach and airport authorities that use shuttles carrying passengers from parking lots to terminals.

The company plans to spend $356 million with the goal of installing truck and bus chargers at 870 sites in the next five years, enough to power 8,490 medium- and heavy-duty battery-powered vehicles, through the utility's charger network. Charging customers will pay to use the charging ports at rates set by the utility. Rebates will be available for transit agencies, school districts and for areas located within disadvantaged communities.

In a related initiative, Penske will receive 10 large, electric box trucks and 10 semi-tractor trailers from Daimler Trucks by summer for leasing, Cullen said. The company will require the customers to report back specific data on how the vehicles move up grades, on flat terrain and with heavy payloads.

TRENDS

NextGen Study Ridership Loss Question: Are Low Income Metro Riders Leaving LA?

As L. A. transit ridership has declined over the past five years, transit officials have provided a number of hypotheses for the ridership dip, from safety concerns, to unreliable trip times, to the rise of ride-hailing services like Uber and Lyft.

But another explanation, brought up by staff during a Metro committee discussion of Metro's

NextGen Transit Study in mid-May, pondered whether low-income passengers that traditionally have been Metro's core riders, can no longer afford to live in areas well-served by trains and buses.

Although there is little research on which to project how much rider migration is impacting service, the agency is now working on a major overhaul of its bus network, which is in part designed to ensure buses are actually going places riders are trying to get to—and passing through the neighborhoods where they live.

But some studies suggest that Metro's missing riders have left L. A. altogether - forced out by rising rents. Population data suggest there has been a demographic shift in LA County since 2014, when Metro ridership began to decline. According to estimates from the Census Bureau, the county lost nearly 80,000 households earning under $50,000 per year between 2014 and 2017.

The California Housing Partnership found that L. A. County has a shortage of nearly 517,000 affordable housing units. The County is home to approximately 750,000 renter households whose incomes meet the very low- and extremely low- thresholds - meaning at or below 50 and 30 percent of the area median income, respectively. However, this population is served by less than 250,000 units catering to those income levels. The median rent for the county now stands at $2,471 per month - a level that is affordable to household earning a minimum of $47.53 per hour (or more than $95,000 per year).

Most Metro riders likely share the housing challenge. In a recent Metro survey of bus riders, just 12 percent of passengers reported having a household income of more than $50,000 per year. Meanwhile, nearly 60 percent had an income under $20,000.

On Metro's train lines, it's a slightly different picture. Just over one-third of riders reported household incomes above $50,000 on the same survey. Those earning under $20,000 represented 35 percent of riders.

Some of those households may have become more prosperous; others likely moved away. But there is no definitive causal link behind the demographic change and transit ridership; it may be an unavoidable effect of the county's affordable housing shortage.

Uber Seeks Approval For Drone Deliveries
Uber Technologies affiliate Uber Elevate has filed an application with the Federal Aviation Administration to deliver food in the San Diego market. An answer is expected by June 10th. The request comes after the recent approval of Google's Wing Aviation drone delivery in southwestern Virginia. **T**he North Carolina Department of Transportation recently teamed up with Causey Aviation and Tel Aviv startup Flytrex to test meal delivery by drone.

Right now, however, a number of challenges exist — including safety, security, logistics and public education. Uber Elevate, for context, is seeking exemptions from 16 federal regulations typically required of traditional aircraft. Among the pieces that need to be figured out during the tests for food delivery are weight, distance and altitude. For restaurant operators, there's also a cost factor. Cost savings is a major challenge, particularly for restaurant operators disgruntled with high third-party delivery fees.

Transit and Transportation Agencies Announce National Automated Bus Consortium
An association of 10 transit and transportation agencies has formed the Automated Bus Consortium, a collaboration designed to investigate the feasibility of implementing pilot automated bus projects across the United States. The Consortium's founding members in Southern California include Foothill Transit, Long Beach Transit, and L. A. Metro.

The national consortium is a first-of-its-kind approach to accelerate the deployment of automated transit technologies and will combine the purchasing power and collaborative decision-making of these founding transit agencies nationwide. The pilot projects will use full-sized, full-speed buses and enable Consortium members to collectively demonstrate and deploy automated technologies in live service environments.

Consortium members will define candidate deployment routes and locations, operating plans, automated bus specifications, financial plans and deployment strategies. AECOM will manage the planning, assessment, implementation and evaluation of the program's rollout in all locations. The Consortium will make an expected initial purchase of 75 to 100 full-sized, automated buses.

The Consortium's plan calls for a 12-month feasibility phase, followed by implementation within a two-year time frame, currently estimated to begin between 2021 and 2022. Each agency will make their own decisions regarding future additional automated bus purchases and deployment following the completion of the feasibility phase.