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Southern California Policy Priorities for the next Federal Transportation Authorization Bill

Our Mission Statement: A performance-based bill that promotes multi-modal mobility and concurrently improves the environment and the economy.

The transportation stakeholders of Southern California, representing 21 million Americans, present to Congress and the Administration a unified voice on our policy priorities for the next surface transportation authorization bill.

In addition to supporting a number of reforms recommended by the Section 1909 National Surface Transportation Policy & Revenue Study Commission (“Section 1909 Commission”), Southern California has participated in the development of the statewide *California Consensus Principles* for the next authorization.

Guaranteed, Reliable, Long-Term Funding

Infrastructure is a long-term investment in America’s economy, environment, and standard of living. A national vision is necessary to promote a strong federal transportation infrastructure program. Congress must pass authorizing legislation that:

- Increases investment to close our national transportation infrastructure deficit;
- Ensures funding sources that are stable and predictable over the long-term; and
- Keeps our existing infrastructure in good repair while expanding the system.

Goods Movement as a National Economic Priority

Congress must create a national goods movement program that works for all states and regions. Currently there is no federal goods movement policy. As a result, there is an enormous policy vacuum in dealing with: congestion, air quality and safety impacts on Southern California and other metropolitan regions. The national goods movement program must achieve the following:

- Growing our regional and national economy by strengthening the nearly 1 million California jobs related to Southern California goods movement;
- Dramatically reduce the more than 6,200 annual premature deaths in Southern California due to the effects of particulate matter and ozone pollution, much of which is generated by the goods movement industry.¹
- Treat the nation’s multi-modal national goods movement network as a system rather than individual projects;
- Concentrate investments in corridors serving major ports of entry (borders, seaports, airports); and
- Reduce congestion.

¹ South Coast Air Quality Management District

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The national goods movement program should be funded by a “Freight Trust Fund.” The Coalition for America’s Gateways and Trade Corridors (CAGTC) has developed a model for a Freight Trust Fund that Congress should examine while creating this new program. The Freight Trust Fund must include:

- **Firewall** – Goods movement funds must be used on the national goods movement network;
- **Defined Freight Corridors** – National corridors must be defined, recognizing that goods move beyond a port of entry or intermodal facility and to market;
- **Return-to-source** – All revenues raised in a corridor should remain in that defined corridor; investments must be made where the impacts are most severe and the investment can achieve the greatest national benefit; and
- **Performance-based** – Consistent with the recommendations of the Section 1909 Commission, performance standards related to efficient management of increasing freight volumes must be established.

Congress has received a plethora of input from credible sources on how revenue can be raised for a freight trust fund, including legislation introduced in the 110th Congress. These proposals include many viable options for Congress to choose from.

Simultaneous improvement of congestion and the environment

Consistent with the Section 1909 Commission, any effort to improve multi-modal mobility must contain the policy objective of reducing the transportation sector’s impacts on the natural environment. Specifically, the next authorization must include policies and funding to dramatically reduce nonattainment pollutants, toxic diesel exhaust, and greenhouse gases and that pose a threat to the quality of life for our 21 million residents.

- The Congestion Mitigation Air Quality (CMAQ) program must be concentrated on the areas with the greatest challenges to attain air quality standards.
- Federal transportation funds should be prioritized for expenditures that provide substantial support in meeting regional air quality needs and achieving federal air quality attainment deadlines.
- Federal policy should reward states and regions who take proactive measures to:
 - Curb nonattainment pollutants, toxic diesel exhaust, and greenhouse gases;
 - Link land use to transportation planning; and
 - Protect critical species through multi-species habitat conservation plans.

Environmental and congestion benefits of transportation projects cannot be realized while projects are tangled in bureaucratic inefficiencies that currently exist at the federal level. The next authorization must simplify the process of vetting projects so that congestion

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and environmental relief can be delivered expeditiously. Consistent with the Section 1909 Commission, specifically, the next authorization bill must:

- Set time limits for agency review; failure to respond results in de facto approval;
- Bolster funding for agency staff resources to comply with review time limits;
- Allow for a programmatic EIS to address overarching environmental issues within a given area; rather than the current sequential project-by-project approach; and
- Allow for a single EIS rather than having a draft and final EIS, while preserving adequate opportunities for public comment and review.

Getting the most out of the federal dollar: performance-based funding

Formula and discretionary funds should be distributed based on performance measures. Projects that decrease congestion, reduce greenhouse gases, nonattainment pollutants and toxic diesel exhaust, and leverage non-federal dollars should be prioritized. Federal dollars should fund projects of national and regional significance and go as far as possible to assist state and regional governments to achieve federal mandates and goals. Specific changes can provide greater accountability and return on the federal dollar:

- Congressionally directed projects should be grounded in objective criteria such as regional transportation plans, long range transit plans, and proof of existing matching funds.
- Reward and incentivize “self-help” behavior to raise additional public and private revenue to leverage federal dollars.
- Revise the High Density States Formula to include California or eliminate the program altogether.

A truly performance-based system is also mode-neutral. Dollars should be spent where they move the most people and provide the greatest air quality, economic, and congestion reduction benefits regardless of whether it is on a highway, bus, train, bike, or sidewalk. Every region is different. Federal policy should provide flexibility and encourage mobility solutions that fit the dynamics of each region.

Transit Investment and Reform

Rail Safety

The federal commitment to building and maintaining a safe and secure passenger and freight rail network must be strengthened. In Southern California, passenger and freight trains operate on the same tracks on a rail network that is already stretched to capacity

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and facing growing demands. The new authorization bill must provide sustained federal investment in rail safety measures such as:

- Signal and technology systems upgrades (including Positive Train Control and other technologies);
- Grade separation and grade crossing improvements;
- Construction of local, regional and national rail network capacity;
- Innovations in rolling stock design and manufacturing; and
- Expand rail safety education outreach programs (i.e. Safe Route to Schools).

New/Small Starts Reform

New Starts and Small Starts have helped expand Southern California's rail and bus rapid transit network. However, the New Starts program needs to be substantially overhauled to address inefficiencies. Consistent with the projections of the Section 1909 Commission, annual New Starts funding should be drastically increased to meet the growing demand for mass transit in Southern California and throughout the nation.

Specifically, the following New Starts reforms should be enacted:

- Change the current risk assessment methodology;
- Streamline the internal US DOT process in the evaluation of projects;
- Establish a bilateral commitment to timeframes; and
- Reduce the amount of time from record of decision to construction.

Rail Modernization

The current rail modernization formula fails to reflect the fact that newer rail systems in have emerged in recent years and the maintenance needs of these systems are becoming more pronounced. The formula allocates nearly \$2 billion annually in rail modernization funds that disproportionately benefits 11 older rail systems (otherwise known as "Tier 1" cities). Taken together, these transit entities have enjoyed preferential treatment for over two decades and receive 70% of the entire rail modernization allocation. Southern California transit agencies believe a complete restructuring of the rail modernization program is needed in order to properly allocate funds in a more evenhanded manner.

Specifically, any restructuring of the rail modernization program must eliminate any mention of specific Tier 1 cities and distinctions between Old Area and New Area recipients in formula funding.

This consensus document represents the transportation priorities of business and government in the 6-county region of: Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura, including the South Coast Air Quality Management District.