

## FINANCE

**Fully Funding America’s Transportation Network** – Given that the Highway Trust Fund is heading towards insolvency because the federal gas tax has not been increased or indexed since 1993 and the previous authorization level was unsustainable, Mobility 21 supports a comprehensive review of federal transportation funding, including the possibility of a reasonable increase in the federal gas tax tied to assurances funds would be better targeted and effectively used to improve mobility, especially in the nation’s most congested areas. Numerous proposals have been advanced by Members of Congress and the National Surface Transportation Policy and Revenue Study Commission to increase federal resources dedicated to transportation. Mobility 21 will bring major business and transportation stakeholders together to support solutions that ensure the solvency of the Highway Trust Fund, which is a source of hundreds of millions of dollars annually for our region. Further, Mobility 21 recognizes the limitations of a gas tax increase due to political viability as well as changing motorist and consumer trends and improved vehicle fuel efficiency. Therefore Mobility 21 supports exploration of expanded funding mechanisms for transportation that could include public-private partnerships, congestion pricing, oil royalties, and/or fees based on vehicle miles traveled. Mobility 21 recognizes that for any new or increased funding options to be successful, they must be accepted by those who will be asked to pay them. Acceptance will be based on the effectiveness of the projects to be funded, adequacy of the revenues to meet needs, efficiency of the collection and use of funds, and equity to ensure all system users pay a reasonable and proportionate share. Mobility 21 supports greater accountability and transparency in transportation funding. States and local authorities who demonstrate effective use of public funds should be rewarded through the competitive federal funding formula process.

## GOODS MOVEMENT

**Creation Of A National Goods Movement Trust Fund** - Combined, the San Pedro Bay Ports and Southern California’s trade corridor and logistics system have become the nation’s “loading dock” and serve as an important dynamic economic engine for the country, enhancing our nation’s global competitiveness. To date, the lack of adequate federal policy to address goods movement funding has created an “*unfunded federal trade mandate*” imposing severe congestion, air quality and safety impacts on Southern California. As part of the next federal surface transportation legislation, Mobility 21 supports the creation of a dedicated federal freight program funded based on a combination of sources that could include gas tax revenues as well as user and customs fees. We believe the federal government should fund projects based on national need, performance, and merit... not earmarks. Specifically, funds should be apportioned based on the annual containerized cargo managed by a given region, among other goods movement metrics. The proposed Goods Movement Trust Fund should include a strict return to source requirement to ensure that funds raised in Southern California are not apportioned to other areas. Congressional action should reward states and regions that have taken significant responsibility for improving the efficiencies in the flow of goods through international gateways and along trade corridors and the nation’s logistics system.

## ENVIRONMENT

**Efficient Transportation Systems, Healthier Environment**– Mobility 21 clearly understands that the performance of our transportation system has a significant impact on our nation’s economic competitiveness, and our quality of life. Mobility 21 believes that investment in our transportation future should be accompanied by development of technologies designed to reduce our dependence on foreign oil. Capital programs that are designed to enhance capacity while reducing congestion have a positive impact on greenhouse gas emissions as well as the economic viability of the nation. Efficient and comprehensive public transit systems that complement expanded, improved, and less congested roadways enable citizens to choose when it is right for them to drive or take an alternative mode of transportation. Therefore, Mobility 21 supports greater funding for capital projects of national significance in major metropolitan areas that will measurably reduce congestion because this will both improve air quality as well as reduce time lost to idling in traffic. In addition to the needed improvements in vehicle efficiency and cleaner, lower carbon intensive fuels, the next surface transportation authorization measure must place a major emphasis on ensuring that federal transportation policies incorporate the general principles of financial, economic, environmental and social sustainability. Specifically, Mobility 21 supports the enactment of key local and federal funding policies that focus on travel demand management and performance based infrastructure expansion to accommodate and better manage the growth of motorized vehicle miles traveled, pollution and greenhouse gas emissions.

## REFORM OF FIXED GUIDEWAY RAIL MODERNIZATION FORMULA

**Equitable Funding for Newer Systems** – The formula for allocating nearly \$2 billion annually in rail modernization funds disproportionately benefits 11 older rail systems primarily in the Northeast and Midwest (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. Mobility 21 believes a complete restructuring of the rail modernization program is needed in order to properly allocate funds in a more evenhanded manner. The current formula fails to reflect the fact that newer rail systems in the west have emerged in recent years and that the maintenance needs of these systems are becoming more pronounced. Specifically, any restructuring of the rail modernization program should eliminate any mention of specific Tier 1 cities and also incorporate factors such as population and congestion in developing a purely formula-driven program. Metrolink, as our regional commuter rail provider, should benefit from any reform of the rail modernization program.

## HIGH DENSITY STATES FORMULA

**Fixing SAFETEA-LU Provision That Zeroed Out Funding For California** - The 2005 transportation reauthorization bill created a new program that excludes Southern California in particular and California in general. The new high growth/high density formula program apportioned \$1.7 billion to states. Half of these funds were distributed on the basis of projected population growth and half were provided based on population density. Because SAFETEA-LU’s high density language qualifies only states with population densities of above 370 persons per square mile for funds (California has 270

persons per square mile), our region received \$0 dollars from this new program. Southern California has among the highest population of any census-designated area in the United States, with a density of over 2,300 persons per square mile. The persons per square mile language in the high density program needs to be revised in order for California to become eligible for this program.

#### PUBLIC PRIVATE PARTNERSHIP

**Mobility 21 Supports Public-Private Partnerships that Work.** SAFETEA-LU included provisions that permit public funds to be leveraged with private investment to enhance transportation systems. The next authorization should enhance SAFETEA-LU provisions which increased state and local agencies flexibility to engage in design-build contracting, expanded authority to deploy tolling for new highway capacity that is accepted by and beneficial to users, streamlined environmental processes and incorporates the use of private activity bonds. Public-partnerships should be carefully crafted to ensure that taxpayer funds are leveraged wisely, and attract private sector investors through measurable project outcomes and reduced bureaucratic interference.

#### NEW STARTS/SMALL STARTS REFORM

**Mobility 21 is a strong supporter of the New and Small Starts Programs** – These programs have helped expand our region’s rail and bus rapid transit network. However, the New Starts program needs to be substantially overhauled to address inefficiencies. Specifically, the following New Starts reforms should be enacted: 1) change the current risk assessment methodology, 2) streamline the evaluation of projects, 3) establish a bilateral commitment to timeframes and 4) reduce the amount of time from record of decision to construction. Additionally, funding the New Starts program at \$1.7 billion annually is clearly insufficient and should be doubled to meet the traveling public’s growing demand for transportation options.

#### SECTION 1909 COMMISSION

**Adopt various reforms put forward by the National Surface Transportation Policy and Revenue Commission** –Mobility 21 agrees with the commission that greater federal investment is needed to upgrade and expand our nation’s transportation network. Given the dire condition of the Highway Trust Fund, we are encouraged by the breadth of options advanced by the commission to increase transportation revenues. We also applaud the commission’s goal of reducing congestion in major metropolitan areas by 20% on a per vehicle basis by 2025. Mobility 21 supports the commission’s recommendation to establish a consolidated Metropolitan Mobility Program. Furthermore, Mobility 21 endorses the commission’s declaration that freight movement should be elevated as an issue of national significance. We support various public policy reforms recommended by the commission. Specifically: INPUT FROM MOBILITY 21 PARTNERS NEEDED. Lastly, Mobility 21 believes the commission’s recommendation to completely overhaul the Federal surface transportation program merits serious consideration. In concept, we support consolidating existing federal transportation programs from 108 separate programs to five new multimodal programs. However, a

close examination of how these new programs would be structured and funded is needed before endorsing a dramatic reform of Federal surface transportation programs.

**LIST OF HIGHWAY AND TRANSIT PROJECTS**

**Consistent with the Multi-County Goods Movement Action Plan (MCGMAP) –**  
Mobility 21 seeks to have Congress fully fund MCGMAP projects in the transportation authorization bill that will replace SAFETEA-LU in 2009.

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