California Statewide Federal Surface Transportation Reauthorization Consensus Principles

Long-Term Reauthorization Bill

The State of California receives over $3.5 billion annually in Federal transportation funding, which creates or sustains 81,000 jobs and leverages additional State, local and private investment. In recent years, California has also made significant investments in transportation and infrastructure, and is eager to partner with the Federal government to advance important transportation projects, many of which are significant both for California and the entire nation.

However, according to the Congressional Budget Office, Federal Highway Trust Fund outlays will exceed revenues by an average of almost $15 billion per year, or roughly $85 to $90 billion over a six-year period. Revenues must be increased to better align with the demand for a safe, reliable transportation system that moves both goods and people efficiently.

- California supports a multi-year Surface Transportation Reauthorization (four to six years) that will provide stability and certainty, and allow for more deliberate investment.

- Congress must consider user-based, pay-as-you-go funding options like increasing and indexing to inflation the excise taxes on motor fuels.

- The Federal government should also explore innovative transportation revenue mechanisms, such as a road user charge or other user-based revenues, and provide financial support to states willing to research or pilot innovative revenue programs.

Fix-It-First and Safety

More than 40 percent of California's highway lanes are either in distressed condition or in need of preventative maintenance; more than one in four culverts necessary to manage storm water runoff are in need of repair; and more than 30 percent of the technical equipment (e.g., ramp meters, vehicle detectors, and video cameras) used to operate the highway system are not in working condition.

At the same time, most California counties experience average local road conditions in an "at risk" classification, with up to 25 percent of roads projected to be in "failed" condition by 2022. This is adversely affecting the operational efficiency of our key transportation assets, hindering mobility, commerce, quality of life and the environment.

Further, poor roadway conditions affect the safety of all road users, including bicyclists and pedestrians. Rehabilitation projects can also be a good opportunity to improve safety and convenience for bicyclists and pedestrians more cost effectively than standalone or retrofit active transportation projects. Californians recognize that the preservation and maintenance of the State's existing system of roadways and bridges is a priority.

California also recognizes that traffic safety involves saving lives and reducing injuries. Congress must provide robust funding that can be applied to safety projects aimed at reducing fatalities, including rural areas where fatality rates are the highest.

- Congress should increase funding for all of MAP-21's core highway formula programs, and in particular the Federal Highway Administration's National Highway Performance Program, Surface Transportation Program, and Highway Safety Improvement Program. These programs support California's State

Highway Operations Protection Program, the preservation of local roads and bridges, and needed safety improvements for all road users throughout the State.

Freight/Goods Movement

California is the nation's international trade leader, in terms of value and quantity of goods handled by its seaports, airports, railroads and roadways; and California's commitment to improving its freight system is unmatched in the U.S. California strongly urges Congress to invest more in the national freight transportation system, which is of critical importance to the national economy. Additionally, impacts to local and regional economies, the environment, and communities must be mitigated simultaneously when making freight system improvements.

- Congress should authorize dedicated, sustainable funding for a multi-modal freight program. These funds should be derived from revenue sources across all modes of freight transportation.

- Congress should restore the National Cooperative Freight Research program. The program should retain its multi-modal focus on efficiency, reliability, safety and security of the nation's freight transportation system, and it should span all modes to ensure multi-modal technological and innovative improvement. In addition, sustainability and network performance should be included in the program's focus.

- Congress should provide funding for technology innovation, development and deployment; and for support of Intelligent Transportation Systems research to generate and accelerate improvement in freight efficiencies.

- Congress should permanently authorize the Transportation Investment Generating Economic Recovery grant program and the application process should be streamlined. Congress should also authorize a major projects contract authority program that funds large-scale projects (including multi-modal freight projects) with significant national and regional economic impacts.

- The U.S. Department of Transportation (U.S. DOT) must complete the National Freight Strategic Plan required by MAP-21 and it should be consistent with state freight plans. Implementation of a National Freight Strategic Plan should be supported by a minimum $2 billion per year contract authority grant program, possibly allocated through both competitive and formula-based criteria.

- The National Primary Freight Network should be extended beyond the existing 27,000 mile limit, consistent with the recommendations of the California Freight Advisory Committee, to include additional miles as needed to create a fully integrated network; it should provide connectivity between large and small metropolitan areas and markets and be expanded to include additional corridors that are increasingly impacted by truck and rail traffic.

- A freight grant program must focus on the freight system as a whole, and it must include support for major urban trade gateways and corridors; highways and local roads that make up the 'first-and-last mile' connections to seaports, rail, airports, cargo facilities, intermodal yards, and commercial ports of entry; and also the rural and local freight networks that enable the transport of agricultural and natural resources. In addition, projects to reduce freight impacts to communities and the environment must be eligible for funding.

Sustainability and Climate Preparedness

California supports policies that take into consideration the effect of current and future climate impacts and conditions when planning for and making transportation infrastructure investment decisions. Additionally, California is committed to improving the quality of life for all Californians by supporting multi-modal investment and increasing accessibility to all modes of transportation. The 2012 California Household Travel Survey revealed that nearly 23 percent of household trips were taken by walking, biking, or using public transportation, compared with 11 percent in 2000. Further, the California Department of Transportation (Caltrans) recently set strategic targets to dramatically increase walking, biking, and public transportation trips by 2020.

Additionally, California's landmark "California Sustainable Communities and Climate Protection Act of 2008" (SB 375) requires that California Metropolitan Planning Organizations (MPOs) develop and implement Sustainable Communities Strategies that generally promote compact, mixed-use commercial and residential development that will be walkable, bikeable, close to public transportation, jobs, schools, and recreation.

California is also a leader of technological innovation, including environmentally-friendly "green" technologies. As such, California has adopted a policy of encouraging the use of zero-emission vehicles, and promoting private sector investment in zero-emission vehicle infrastructure (Executive Order B-16-2012). California also allows High-Occupancy Vehicle (HOV) lane access to low emission and energy-efficient vehicles to incentivize their use and promote the State's sustainability and climate preparedness objectives.

- California supports an overall increase in Federal transportation spending, including a proportional increase in funding for the Congestion Mitigation and Air Quality Improvement Program to reduce congestion, improve air quality and meet the requirements of the Clean Air Act.

- There is a strong Federal interest in promoting sustainability and multi-modal investment, so Federal policy should reward states like California that have made significant multi-modal investments to advance sustainability strategies.

- Congress should authorize an incentive grant program that rewards states, tribal governments, and MPOs that have already adopted "Best Practices" to reduce greenhouse gas emissions and integrate transportation planning and investment decisions with other land-use and economic development decisions, and also provide financial incentives for rural sustainability initiatives.

- Congress should provide assistance for data collection, and determining and quantifying greenhouse gas emissions, and other important data for addressing climate change through the analysis of various transportation plan alternatives in long-range transportation plans done in coordination with local land use plans.

- California encourages Federal policies that incentivize or provide support for the inclusion of environmental issues and deficiencies in transportation plans and project design. For system safety, resilience and sustainability, transportation facilities should be designed, constructed, and retrofitted to address environmental issues and deficiencies, such as adaptation and resilience to changing climate conditions, fish passage, and habitat connectivity.

- California urges Congress to amend current Federal regulatory restrictions to encourage private investment and provide Federal start-funding for zero-emission vehicle infrastructure and facilitate its successful deployment along Interstate and Federal-aid highways.

- California urges Congress to revise the current HOV degradation standard (45 mph 90 percent of the time), and provide more flexibility for state and local agencies to comply and continue allowing HOV lane access to low emission and energy efficient vehicles.

Funding and Finance

Public-private partnership (P3) procurement methods are not a substitute for robust direct Federal transportation investment nor a solution for Federal infrastructure funding challenges. Rather, the financing element of P3 projects, in some instances, may leverage private sector resources in addition to mitigating design, construction, maintenance, and operations risks for the public sector. These arrangements often involve a project-related revenue stream, such as vehicle tolling and/or federal credit assistance programs.

- Congress must provide an overall increase in Federal funding for transportation programs.

- Congress should allow tolling for Interstate System reconstruction, and also the conversion of any existing toll-free highway lanes (including on the Interstate System) to toll facilities that manage demand through variable tolling. Further, Congress should allow toll revenues to be used for public transportation services that contribute to the improved operation of the toll facility or highway, or to mitigate toll facility related adverse impacts identified under the National Environmental Policy Act process.

- Congress should maximize the use and flexibility of Federal funds by eliminating requirements for non-Federal matches.

- Congress should provide robust funding for Transportation Infrastructure Finance and Innovation Act (TIFIA) program, which provides Federal credit assistance to states, local governments, toll authorities and P3s. Additionally, Congress should consider creating a limited pilot program that would make TIFIA requirements more accessible to bike and pedestrian project sponsors.

- Congress should create a US. DOT clearinghouse to provide technical assistance and share P3 best practices with State, local, and tribal governments.

- Congress should review tax-exempt Private Activity Bond eligibility and consider raising the cap on qualified surface transportation projects. Additionally, Congress should consider creating a new "America Fast Forward" qualified tax credit bond.

Public Transportation

In recent years, California has also made significant investments in public transportation to address sustainability, economic (e.g., access to employment) and social (e.g., providing a safety net for those that cannot drive) policy objectives, and Caltrans is seeking to double transit ridership by 2020 as a strategic sustainability target. At the same time, the California Transportation Commission's *Statewide Transportation System Needs Assessment* and *California Unmet Transit Funding FY 2011–FY 2020 Needs* report identified a

10-year unmet operating and maintenance gap $22.2 billion and a capital gap of $42.1 billion for California transit.

- The U.S. DOT's GROW AMERICA Act includes a 70 percent increase in Federal funding for transit programs. California urges Congress to significantly increase Federal investment in transit programs, including operations and capital funding, to maintain the current system in a state of good repair and help the State meet its sustainability, economic and social objectives.

- Traditionally, about 80 percent of the funding for the Federal public transportation program has come from the mass transit account of the Highway Trust Fund, and Congress must continue funding public transportation from the Highway Trust Fund.

- Congress should restore funding for Bus and Bus Facilities (49 U.S.C. § 5339) program to pre-MAP-21 levels and include a transparent and efficient discretionary element as recommended by American Public Transportation Association (APTA). To alleviate unnecessary workload for regional and state agencies, Congress should amend the Bus and Bus Facilities program to clarify that small and large urban transit operators may be the direct recipients of Bus and Bus Facility funds, just as they are for other Federal Transit Administration (FTA) programs.

- California urges Congress to increase funding of the Federal transit program for Non-Emergency Medical Transportation for the Elderly and Disabled (49 U.S. § 5310) to address the growing transportation needs for the target populations.

- California urges Congress to increase funding to Rural Transportation (49 U.S.C. § 5311). If funding for the Bus and Bus Facilities program were increased, Congress should ensure an equitable portion is distributed to states for rural transit; any new rural Bus and Bus Facility program funds should be rolled into the § 5311 program to ensure administrative efficiency and program effectiveness.

- Congress should also continue and increase funding for New Starts and Small Starts (49 U.S.C § 5309) and also the Small Transit Intensive City set-aside.

- Congress should amend current law to remove disincentives to states that build new high-occupancy toll (HOT) lanes or convert their existing HOV lanes to HOT lanes. Express bus service operating on HOT lanes should be treated no differently than express bus service operating on HOV lanes for the purpose of calculating an area's FTA State of Good Repair (49 U.S.C § 5337) funding allocation.

- Congress should amend current law to allow states to relinquish Park and Ride lots located on Federal-aid highways to local agencies who seek to invest, improve, and integrate them into regional transit systems.

Rail Reauthorization

California has also invested in expanding high-capacity and high-performance intercity and commuter passenger rail services for many years, which is a critical component of a long-term, sustainable, multi-modal transportation strategy.

- Congress should reauthorize both the Rail Safety Improvement Act of 2008 (RSIA, P.L. 110-432) and the Passenger Rail Investment and Improvement Act (PRIIA, P.L. 110-432).

- California supports Congressional efforts to increase funding intercity rail capital investment grants (chapter 244 of Title 49); all funding for this program must be made available for eligible projects in every state.

- California supports APTA's call for a dedicated and indexed revenue source, other than the motor fuel taxes that support the Highway Trust Fund, for planning, design and construction of High-Speed and Intercity Passenger Rail; and also the GROW AMERICA Act proposal to create trust funded programs for current passenger rail services (e.g., Amtrak) and rail service improvements (e.g., construction of new high-performance passenger rail networks).

- California also supports Congressional efforts to reform the Railroad Rehabilitation and Improvement Financing program to make it more accessible to borrowers.

- California also supports Congressional efforts to provide Federal grant funding for implementation and operation of PTC by both Amtrak and commuter railroads. Congress must also increase the Federal commitment for highway-rail grade crossing safety.

- California supports Congressional efforts to require Amtrak to provide timely information and greater transparency into revenues and costs related to state supported rail corridors so that states can effectively manage services and verify proper implementation of PRIIA Section 209 requirements.

- Congress must also provide adequate funding of Amtrak's long distance train service, which provides an important transportation alternative in and between rural communities often not served by other intercity transportation options.

Transportation Alternatives Program

The Federal Transportation Alternatives Program (TAP) provides funding for important programs and projects, including, but not limited to, on-road and off-road pedestrian and bicycle facilities, recreational trail program projects, and safe routes to school projects. Caltrans recently set a strategic sustainability target of doubling pedestrian and tripling bicycle trips by 2020. TAP funding supports California's consolidated Active Transportation Program, which furthers the State's sustainability and climate preparedness objectives and improves the quality of life and public health of Californians.

- California supports an overall increase in Federal transportation spending, including a proportional increase in funding for TAP. Additionally, TAP should continue to be funded from the Highway Trust Fund.

Performance Management

MAP-21 directs the U.S. DOT to establish performance measures related to statutory goals for safety, infrastructure condition, freight movement, environmental sustainability and other areas. States and other Federal-aid highway grantees (e.g., MPOs) are expected to set and maintain targets based on the U.S. DOT performance measures, collect data, and report their progress in meeting these targets. While performance-based decision making may guide more efficient and cost-effective investment in the long-term, a recent U.S. Government Accountability Office report revealed nationwide concerns regarding the costs and challenges associated with Federal performance management data collection and implementation; Federal funding must increase to match new Federal requirements and responsibilities.

- California urges Congress to provide additional funding for training, tools, and data collection related to performance management implementation.

- Congress should allow performance management rulemakings to run their course, and avoid enacting new policies that will delay the implementation of these rules or undermine the work that has been already done.

Regional Planning

California recognizes that regional planning and programing is an essential feature of an innovative, successful national transportation system. Therefore, California urges Congress to retain the current designation of MPOs at 50,000 and to recognize and fund a Regional Transportation Planning Organization designation for rural counties with populations under 50,000. California created a similar designation in 1971 for Regional Transportation Planning Agencies, which have been successfully operating as the regional transportation planning entity for rural communities since their inception.

Streamlining Planning, Programs and Project Delivery

California supports continued efforts to streamline surface transportation project delivery. This can be achieved by further opportunities for state stewardship through delegation programs, increasing states' flexibility for using alternative project delivery methods, and integrating planning, project development, review, permitting, and environmental processes to reduce delay.

Moreover, environmental mitigation is a component of many transportation projects. "Advance mitigation" is a compensatory environmental investment that takes place prior to the environmental review and permitting of one or more transportation projects. Advance mitigation allows for more efficient project approvals than project-by-project mitigation, where mitigation options are often sought near the end of the environmental review process.

- California supports streamlining of Federal regulations to facilitate more expeditious project delivery.

- California supports efforts to increase transparency and accountability in the Federal environmental review and permitting process such as establishing an Internet-based reporting process to provide the status of Federal reviews, approvals and permits.

- To expedite project delivery, Congress should give local agencies the ability to incur project expenses at their own risk in advance of receiving a formal authorization to proceed through the Federal funding obligation process. This would enable project sponsors to accelerate various phases of the project, including preliminary engineering, right-of-way, advertising, and construction, thereby providing an opportunity to provide benefits to the public sooner and at lower cost. To ensure no actions are taken that pre-judge the outcome of the environmental process, advertising, right-of-way, and construction phases would not be allowed to commence until the National Environmental Policy Act process is complete.

- California supports increasing the Transportation Improvement Program and the Statewide Transportation Improvement Program coverage periods from the current four years to five or six years, updated a minimum of once every four years, which will allow the State to manage these programming documents more efficiently and expedite project selection for implementation.

- Federal policy should encourage and incentivize advance mitigation opportunities for transportation infrastructure projects because they accelerate project delivery and increase the quality of mitigation efforts.

- California supports an overall increase in Federal transportation spending, including funding for planning and implementation of programmatic mitigation plans and advanced mitigation for transportation projects. Further, Congress should authorize a Federal interagency effort to provide technical assistance and identify funding opportunities, or innovative financing techniques, for large-scale advance mitigation programs.

Tribal Transportation

California supports the underlying principles represented in the Tribal Transportation Unity Act, which include easing the transfer of Federal aid funds for tribal transportation projects, improving Bureau of Indian Affairs Right of Way management, and improving the speed and efficiency in getting emergency relief funding to tribes.

- California supports an overall increase in Federal transportation spending, including an increase in funding for the Tribal Transportation Program.

- California supports restoring Highway Trust Fund support for the Tribal High Priority Projects program as proposed by the GROW AMERICA Act.

- California supports establishing a Tribal Self-Governance program at U.S. DOT that will streamline grant funding and administration between the Federal and tribal governments.