

South Bay Cities Council of Governments

September 12, 2016

TO: SBCCOG Steering Committee

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update –August 2016

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

Congress faces transportation funding deadline and pressure to reduce highway funding

When Congress returns to work on Sept. 6 it will only have three weeks to pass a transportation budget measure by October 1 when the new federal fiscal year begins. If history is any predictor, Congress will once again pass short-term continuing resolutions to prevent closure of the federal government. One proposal is to pass a continuing resolution that would include rescission of \$2.2 billion in old contract authority for dormant projects in certain highway program categories but could limit the ability of states to implement projects they were promised last December in the Fixing America's Surface Transportation Act. The FAST Act included a rescission of \$7.6 billion but deferred it taking effect until 2020, giving states time to spend the funds and opponents time to convince Congress to drop the provision.

Vehicle miles travelled in U. S. grows to a record 1.58 trillion miles during first half of 2016

New data released on August 23rd by the U.S. Department of Transportation's (USDOT) Federal Highway Administration (FHWA) show that U.S. driving reached 1.58 trillion miles in the first six months of 2016, beating the previous record of 1.54 trillion miles set last year. The estimates include passenger, bus and truck vehicle miles travelled (VMT). For a sense of scale, 1.58 trillion miles over the past six months across the nation is about 250 roundtrips from Earth to Pluto.

The new data, published in FHWA's latest "Traffic Volume Trends" report – a monthly estimate of U.S. road travel – show that more than 282.3 billion miles were driven in the U. S. during June 2016 alone which is a slight increase over the previous June. At 4.1 percent growth in traffic, the West – a 13-state region stretching from California to Montana, and including Hawaii and Alaska – led the nation with largest percentage increase in unadjusted VMT, and continued a streak of consecutive monthly increases that began in October 2013. The northeast had the slowest growth rate.

The monthly growth in VMT provides another incentive for converting federal and state fuel taxes to a vehicle-miles-travelled-based fuel tax from the current per-gallon state fuel tax. California is one of several states piloting the change in the way transportation taxes and fees are calculated.

USDOT creates bureau to make it easier to find funding for innovative transportation projects

To make it easier to navigate the complex maze of federal transportation grant and loan programs, the U.S. Department of Transportation (USDOT) has launched the Build America Bureau, a one-stop shop for information about how to apply for federal transportation grants and loans. The bureau was set up to streamline credit opportunities and grant processes, provide technical assistance to connect to arcane funding and financing opportunities, and encourage innovative best practices in project planning, financing, delivery, and monitoring.

STATE

Gov. Brown, state lawmakers approve deal on spending cap-and-trade revenue

Under an August 31st agreement between Governor Brown and the state legislature, the state will earmark more than \$900 million of Cap and Trade auction revenues for a range of discretionary programs to reduce greenhouse gas emissions. Amounting to nearly two-thirds of \$1.4 billion that has been collected, the classic pork barrel compromise, includes some “key” commitments:

- \$400 million to be held by the state in a “reserve” fund (presumably to backfill state spending in the event of an economic downturn or to offset lower-than-planned cap and trade auction proceeds);
- \$150 million to decrease emissions from heavy-duty vehicles and off-road equipment;
- \$140 million grant program for disadvantaged communities to develop their own local climate change programs;
- \$135 million for local rail project grants in Sacramento and Los Angeles;
- \$133 million funding for state rebates on the purchase of a hybrid and zero-emission vehicle;
- \$80 million to help low-income Californians living in poorer parts of Los Angeles and the San Joaquin Valley retire heavily-polluting cars and trucks;
- \$50 million to reduce methane gas emissions from cows; and
- \$25 million to reduce fire danger by clearing dead and dying trees.

The deal also requires utilities to generate 125 megawatts of power using some of those trees as biomass fuel.

State Legislature fails to solve transportation funding crisis

The two-year California legislative session ended on August 31st with no solution to the transportation funding crisis in the state. In June 2015, Governor Jerry Brown called a special legislative session on transportation, which ran concurrently with the regular work at the Capitol. The governor declared a \$6-billion-a-year need for basic maintenance and repairs to state highways alone and challenged the Legislature to deliver a funding plan to meet that need. While the special session on transportation technically runs until Nov. 30, lawmakers will not likely return to Sacramento after the Nov. 8 election for a brief lame-duck legislative session focused on the issue.

Last summer, Assembly Republicans offered a nine-point plan that would pay for transportation needs through regulatory changes, existing revenue and money saved through eliminating vacant state government positions, including 3,500 Caltrans jobs deemed redundant. By doing so, GOP lawmakers said \$6.6 billion a year could be devoted to transportation.

The latest funding Democratic proposal included a 17 cent per-gallon gas tax increase; a 30 cent per-gallon hike in the diesel excise tax and a 3.5 percent increase in the diesel sales tax; a \$38 annual

increase in vehicle registration fees and a \$165 annual fee on zero-emission vehicles. The package also would have used \$300 million in cap-and-trade money.

But, tax increases require a supermajority vote in each house, and Republicans were unwilling to raise the gas tax, diesel tax, or to add new fees to register electric vehicles, so no bill was passed.

State bill to restructure L.A. County MTA Board is shelved for year

Sen. Tony Mendoza announced on August 25th that he has dropped Senate Bill 1379, a bill that would have reorganized the Los Angeles County Metropolitan Transportation Authority Board to give more representation to the smaller cities in the county.

The most recent iteration of the bill would have reconfigured the board by reducing from five to two the number of members appointed by the county Board of Supervisors and reducing from two to one the number of public members appointed by the mayor of Los Angeles in order to add the mayor of Long Beach to the board as well as one mayor or city council member appointed by the Assembly speaker and two additional city officials selected by a committee representing smaller cities.

State legislature centralizes taxi regulation; limits powers of local jurisdictions

In potentially a major change to California's taxi business, state lawmakers passed AB 650 on August 31st which would centralize taxi regulation and would prohibit local governments from setting taxi rates or limit the number of taxis on the road as well as allowing cabs to pick up and drop off passengers outside specific local jurisdictions. an effort supporters said would allow cabs to better compete with ride hailing services.

Under the bill, the taxi industry would still be subject to local permits and licenses. However, the local jurisdictions would be regulated by state departments that handle transportation to ensure statewide regulatory consistency. The measure exempts San Francisco and would take effect as soon as next year, once Gov. Jerry Brown finishes a reorganization of transportation departments. Cities will still be allowed to force taxis to pick up in every neighborhood to prevent discrimination and require taxis to accommodate people with disabilities.

Federal funds awarded for Caltrans VMT pilot program

In July 2016, Caltrans launched a pilot program for a road-usage tax to replace the gas tax. The nine-month program, which started this summer, involves 5,000 volunteers statewide to test out a tax based on vehicle miles driven. The idea is to come up with a fair way of charging drivers for how much they use roads that includes non-gas powered vehicles and keeps pace with inflation.

Caltrans and the Western Road Usage Charge Consortium (RUC West) have been awarded \$750,000 and \$1.5 million, respectively, through the federal Surface Transportation System Funding Alternatives grant program within the Fixing America's Surface Transportation (FAST) Act. California's award will enhance the existing Road Charge Pilot Program by investigating methods to streamline administration, mileage reporting and monitoring and increasing education and outreach. The RUC West funding will support the development of a multi-state road usage charge system regional plan. While a miles-driven tax is seen by supporters as a fairer, more sustainable way to pay for transportation needs, there remain concerns about violating drivers' privacy by tracking how far and where they travel.

The enactment of the FAST Act created a five-year, \$95 million grant program which is eligible for a state or group of states to test the design, acceptance, and implementation of a future road charge alternative revenue mechanism. Formed in 2013, the Western Road Usage Charge Consortium (RUC West) is a voluntary coalition of 14 western state departments of transportation that are committed to collaborative research and development of a new method for funding transportation infrastructure based on drivers' actual road usage. Member states include: Arizona, California, Colorado, Idaho, Hawaii, Montana, New Mexico, Nevada, North Dakota, Oklahoma, Oregon, Texas, Utah and Washington.

TOMORROWLAND TODAY – *With the increase in the pace of technical innovations in transportation, we have added this new section to the Transportation Update*

L. A. Metro to install real time arrival signs at 300 of its busiest bus stops

Metro on August 22nd approved plans to install 300 signs at a cost of \$4 million over the next two years. The electronic signs will be installed at stops in 25 cities throughout L.A. County. About a third of them will be powered by solar panels, which will also be installed at the stops.

While most of Metro's train platforms already display real-time arrival information, only a few bus stops have similar signs. More than 60 percent of Metro riders do not have smart phones, according to customer surveys, so they don't have access to apps that provide bus arrival times.

LyncNYC brings real-time services and security to Manhattan sidewalks

The *New York Times* reported on July 1st that midtown sidewalks are so crowded that people have taken to walking in the street – not a surprise with four million daytime people in Manhattan. How can public agencies better serve and protect them on the congested streets and sidewalks?

To bring the real-time public and private services and security to the sidewalk, New York City is developing LinkNYC, a network of 10-foot tall kiosks that will soon provide one-gigabit-per-second Internet hot spots across New York City. The LinkNYC kiosks will offer free Wi-Fi but also device charging, interactive maps, free phone calls, a red-button 911 hotline, and other public services yet to be imagined. Recognizing the velocity of change, the kiosks are designed to allow obsolete features to be swapped out for emerging technologies.

The sidewalk kiosk concept is being developed by a consortium that includes Qualcomm and Intersection, a new company formed by a corporate sibling of Google known as Sidewalk Labs. Sidewalk Labs is also building a software platform called Flow that will integrate smartphone and sensor data with data from Google Maps to help city officials deal with traffic nightmares. Working with the U.S. Department of Transportation, the designers of Flow envision their software will feed real-time traffic information to officials, enable them to reroute vehicles and adjust parking options on the fly, and let them run “What if?” simulations that could provide a solution to chronic bottlenecks.

The Link kiosks will be paid for by onscreen ads on each kiosk that will be “hyper-targeted” to people within range, based on data their smartphones provide. In their newly published book, “The City of Tomorrow,” Carlo Ratti and Matthew Claudel of M.I.T.'s Senseable City Lab, envision a

“smart city” that is a hybrid of the digital and the physical that yields a sort of augmented urban reality. Think Pokémon Go meets NYPD.

As should be expected, this new real-time targeting has immediately raised privacy concerns. Ratti and Claudel, citing the urbanist and author Adam Greenfield, write of “everyware,” an invisible network of sensors and cameras that achieves urban efficiency and security at the cost of privacy.

It will be interesting to see how public officials will manage the opportunities and threats of the new real-time public space technologies. Will they consider this as a simple digitization of city services? Are we paralyzed by the rate of change predicted in 1970 by Alvin Toffler in *Future Shock*? Or, is this an evolutionary step in the dystopian world described by Aldous Huxley in *1984*?

Cities are offering free Lyft rides to rail stations

Dial-a-ride services have long been used by cities as a “first-and-last-mile” solution for rail station access in low-density areas underserved by buses and trains. But these rides aren’t particularly efficient since riders must schedule pick-ups several days in advance. Agencies find the services expensive to run, and there are only so many bodies you can get onto a 10-seat bus over the course of a day.

A handful of cities are testing out fare subsidy partnerships with car share companies as a way to complement or replace solutions. Kansas City has gone all in on “micro-transit” buses in a partnership with Bridg. In Florida, Pinellas County has been piloting a Uber-based program that serves low-income transit riders traveling at late-night and early-morning hours, while Altamonte Springs has been picking up 25 percent of the tab for Uber rides to and from commuter rail stations.

Centennial, Colorado began a six-month pilot project August 17th in which citizens within a pilot service area can summon free Lyft rides to and from the Dry Creek light-rail station that serves the city southeast of Denver. Riders have the option of placing their request on the Lyft app or on Go Denver, a mobile platform that integrates scheduling and payment information for transit and ride-hailing services around the Denver metro area. The Centennial pilot project includes teaching potential riders how to use the ride scheduling software. Over the past few months, representatives from the city’s senior commission and the Innovation Team have run app-training workshops in libraries and recreation centers around the city.

Centennial’s dial-a-ride program, provided by Denver RTD, currently costs about \$21 per one-way trip, requires advance sign-ups, and averages just a little over four boardings per hour. Program managers anticipate that the new program will be able to reach at least three times the dial-a-ride’s current ridership, for the same cost.

Lyft, GM partner to offer car leases for drivers; Lyft cancels carpool initiative

In the first eight months of 2016, almost 18,000 Los Angeles residents applied to drive for Lyft but weren’t accepted, either because they didn’t have a car or didn’t have a car that met the company’s requirements. Starting August 1st, those prospective Lyft drivers have another option.

Through Lyft’s new Express Drive program, Lyft applicants can lease a used GM vehicle for \$150 to \$180 per week, including insurance—or for free, if they give at least 75 rides in a week. The weekly

leases are \$150 or \$180 per week and include insurance, maintenance and mileage while driving for Lyft. Drivers have to pay for gas and 25 cents per mile for mileage accrued when they aren't driving the car for Lyft.

Express Drive is the first service resulting from GM's \$500 million investment in Lyft earlier this year. More people have expressed interest in Express Drive than there are cars available at present.

Drivers apply for Express Drive through the Lyft app. If they do not own an eligible vehicle, applicants are asked if they would like to rent a car through GM, which is currently offering two mid-size sedan options: the Malibu and Impala. The sedans were selected for their combination of interior room, trunk space (for airport pickups) and fuel economy. Within a few months, GM will also offer its compact Cruze sedan, the plug-in hybrid electric Volt and all-electric Bolt subcompact.

In March, Lyft introduced Lyft Carpool, which allowed Bay Area workers to give rides to other commuters along their normal route, and make up to \$10 per ride in mileage reimbursements for doing so. But it turned out that not many people wanted to pick up complete strangers on their way to work. Five months after launching the carpool feature, Lyft shut it down.

While everyone is developing self-driving trucks, taxis, or cars, what about street designs?

Lyft is teaming with GM to develop self-driving taxis. Uber recently bought Otto, a Silicon Valley startup, that has developed the systems that could enable a fleet of the self-driving trucks on the nation's highways in as little as two years. In a few weeks, Uber passengers in Pittsburgh will be able to hail self-driving Volvos. Last month, Tesla announced its hopes to build an autonomous ride-hailing fleet. Ford plans to mass-produce autonomous vehicles by 2021. And U. S. DOT is forming a federal advisory committee on autonomous vehicles and artificial intelligence, which will consider the relationship between humans and driverless cars.

Once the vehicle technology is mature, the focus of attention will turn to the engineering of public streets which could be fundamentally altered to add safety and capacity. David Levinson and Kevin J. Krizek the authors of *The End of Traffic and the Future of Transport* wrote recently that political and legal systems in cities will be forced to play catch up with technological systems. The authors believe that cities that dynamically reconfigure and repurpose their streets to accommodate the new transport systems will win the 21st century.

New strategies could reduce standard traffic lanes to 6 1/2 feet (just wider than the width of a full-size car or SUV) rather than the current 12-foot standard width. This alone could nearly double capacity and provide room for complete streets and other active transportation modes. Access to automated lanes could be dynamically resized during peak travel periods rather than permanently fixed in paint. Automated cars could be allowed to trail one another more closely in the narrower lanes as well. Instead of following at two seconds intervals, they might follow at one second or less, increasing throughput.

Automated vehicle fleets could also include vehicles sized to carry only one or two people, which will save energy, and curb lane parking space, and reduce off-street real estate dedicated to parking. There also could be more frequent on-demand transit services due to lower vehicle acquisition and labor costs. Policy and technical questions also need to be addressed including whether autonomous

vehicles should be apportioned separated lanes and whether human-controlled vehicles would need to be prohibited in the new lanes.

The authors also envision that travelers will likely subscribe to a transportation service in addition to (or instead of) owning a vehicle. Property owners could provide the services within their tenant leases. Cities could decide to provide the services as a “free” or subsidized public utility to provide differentiated economic development incentives for prospective business.