<u>South Bay Cities Council of Governments</u>

September 11, 2017

TO: SBCCOG Transportation Committee

FROM: Steve Lantz, SBCCOG Transportation Director

RE: SBCCOG Transportation Update – September 2017

<u>Adherence to Strategic Plan:</u>
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.

<u>FEDERAL</u>

Trump Administration Issues Transportation Regulatory Changes; Faces Budget Deadline
The Administration in August announced two regulatory changes that will affect local procurement options. The U.S. Department of Transportation announced in mid-August it will withdraw a rule proposed by the Obama administration to allow local hiring preferences in additional federally funded transportation projects.

Recognizing that the federal government was paying a declining share of federal funds in major infrastructure projects, the Obama Administration created a pilot program through 2022 and proposed allowing local hiring preferences in federally-funded projects. With increased flexibility, L. A. Metro created procurement policies to steer more of the jobs created by local taxpayer-funded projects to local residents by requiring contractors to hire at least 40% of their workers from low-income areas within five miles of the project, and an additional 10% from the ranks of "disadvantaged" workers, including men and women on public assistance, Iraq or Afghanistan war veterans, felons, and young people leaving the foster care system.

Like California, Texas, Illinois, Minnesota and other states all have pilot procurement programs underway testing the effects of geographic, economic and social hiring preferences. Critics of local hire policies argue that the regulations are burdensome, hinder competition for jobs, and raise taxpayers' costs.

In a separate Executive Order issued on August 15th, the President consolidated federal agency reviews of environmental documents into "One Federal Decision", and reduced the NEPA permitting process timeline for projects to a maximum of two years by consolidating the process oversight under the Council of Environmental Quality (CEQ). The guidelines establish an inter-agency working group and describe the manner in which the CEQ will consult with the Office of Management and Budget (OMB) and comply with Federal Permit Improvement Steering Committee (FPISC) directives. CEQ and OMB also must develop guidance for applying "One Federal Decision" whenever the lead agency is a State, tribal, or local agency exercising a federal assignment or delegation of a federal agency's NEPA responsibilities.

The day after the Executive Order was issued, Democrats countered the President's argument that process delays are the primary barrier to accelerating federally-funded projects. They cited CEQ and Congressional Research Service reports noting that most construction projects are exempt from in-depth environmental reviews and that evidence is lacking to support the assertion that most projects are delayed by six years. Democrats insist that the primary barrier to rebuilding the nation's decaying infrastructure is a lack of funding. A top aide to President Trump told reporters Aug 15 that the administration plans to first pursue a tax reform plan in Congress this autumn, then turn to their infrastructure investment plan.

Congress has yet to finalize the USDOT budget for the coming year, along with funding for most government agencies, and once lawmakers return from their summer recess they will have only a few weeks to pass a budget before the next fiscal year starts on Oct. 1. Failing to pass a budget will trigger the need for a continuing resolution to extend FY16-17 funding levels.

STATE

CTC Commits $690 Million In SB-1 To Accelerate 32 State Projects; 2 In South Bay
The California Transportation Commission (CTC) on August 18th approved 32 major "fix-it-first" transportation projects to be accelerated a year earlier than planned thanks to anticipated funding from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017.

The 32 projects will fix pavement on highways across the state, fix and replace deficient bridges and install traffic management systems that help manage traffic and reduce congestion. In the South Bay, there are two accelerated projects: a $7.2 million project to resurface nearly 22 miles of State Route 1 (Pacific Coast Highway) between the cities of Long Beach and Hermosa Beach and a $1.3 million project to resurface 2.3 miles of State Route 47 between MacArthur Avenue and Seaside Avenue in San Pedro and Wilmington.

Electric Car Purchase Subsidies
The state expects electric vehicles to reach cost parity with a similar gasoline-fueled compact vehicle by the mid-2020's as the cost of batteries compete better with engine costs. Over the past seven years that the state of California has spent $449 million on consumer rebates to boost sales of zero-emission vehicles only 315,000 of 26 million cars and light trucks registered in California are electric or plug-in hybrids.

According to the ninth annual *California Green Innovation Index,* released by the nonpartisan nonprofit group Next 10 and prepared by Beacon Economics, as of the end of 2016, about half of all zero-emission vehicles (ZEVs) ever sold in the US were bought in California. In the first quarter of 2017, ZEVs accounted for nearly 5% of the state's auto sales. But the state's 13,282 charging stations are nowhere near enough to support the widespread use of ZEVs. California has only 0.05 public charging outlets per ZEV, placing it ahead of only New Jersey and Alaska for availability of public charging infrastructure.

Since transportation accounts for 38.5% of the state's total greenhouse gas emissions and transportation-related GHG actually increased 2.7% in 2015, likely due to lower gas prices and the state's economic boom, the state is focusing on accelerating conversion to a zero-emission fleet. Without a dramatic boost in subsidies and an expanded public charging infrastructure, the rebate supporters are concerned that the state risks falling short of Governor Brown's goal of 1.5 million zero-emission vehicles on California highways by 2025, and the California Air Resources Board (CARB) goal of 4 million such cars by 2030.

AB 1184 (Ting) would have added $3 billion to the rebate program (from unidentified sources) but it was amended on September 1 to make it a study by the Air Resources Board due in September 2019.

California Auctions $935 Million In Cap and Trade Pollution Permits

California businesses spent another $935 million on August 21st on California Air Resources Board greenhouse gas pollution permits. Every carbon-emission permit that the agency put up for sale at the August auction was sold. The lion's share of the permits sold at a median price of $14.75 per ton of carbon. A smaller auction for permits that can't be used until 2020 sold at $14.55.

The auction was the first complete sellout since the state legislature in January 2017 agreed to keep cap-and-trade going through 2030. Demand for carbon permits had faltered over the past year amid uncertainty whether the Legislature would extend the program past its 2020 expiration date. The state auctions are run every three months, and companies have spent around $6 billion on permits since the program began in 2012.

California's greenhouse gas reduction fund will receive about $640 million to finance the high-speed rail and other projects intended to curtail the state's carbon footprint. With a large balance already sitting in the account, a legislative analysis estimates that there will be more than $1.4 billion available to spend in the 2017-18 budget year.

Because fuel wholesalers are among those that have to get permits, the cost of cap-and-trade has raised the price of gasoline an estimated 11 cents a gallon at the pump.

Bill Would Replace Local Uber/Lyft Driver Business Licenses With A Statewide License

Uber and Lyft are backing a bill (SB 182) authored by Senator Steven Bradford that would allow ride-hailing drivers to get a single license to work statewide rather than having to purchase one in every city they pick up, drop off or drive through. Bradford's bill would require drivers to get just one business license, issued in the city where they live. It also would restrict some public access to drivers' addresses.

For years, regulatory and courtroom battles have centered on whether drivers are employees of the companies or independent contractors, a distinction that has substantial implications for drivers' pay, benefits, work rules and the companies' bottom lines. Generally, these decisions have defined drivers as independent contractors, giving them the same classification as freelance writers, private investigators and those who run errands for pay. Workers falling under this status often have to get licenses in every city where they do business.

According to San Francisco's data, more than 70% of Uber and Lyft drivers operating in the city don't live there. The bill would mean the city couldn't collect money from them. Based on the number of existing licenses, the city makes about $1.7 million a year from driver business license fees and would lose all but about $500,000 of that amount. In contrast, the City of Los Angeles does not issue business licenses, and instead requires companies and independent contractors to pay a tax. Lyft and Uber drivers, including those who pass through the city without stopping, are required to pay the minimum $55 a year. As it stands, Los Angeles could charge its tax even if Bradford's bill passes.

Opponents of the legislation don't believe lawmakers should be giving Uber and Lyft special rules that no other independent contractors receive, especially in ways detrimental to cities with the most drivers. The legislation, is pending in the Assembly and needs full votes by both houses to pass by the end of the legislative year in mid-September.

REGION

LA City Modifies Play del Rey Traffic Calming Initiative
Construction was completed on August 25th to restore Vista del Mar to two lanes in each direction through Playa del Rey. The restored northbound lane was added between Imperial Highway and Napoleon Street. The restored southbound lane runs from Imperial Highway to Waterview Street. Parking spots along Vista del Mar will be removed.

The road diet, which was put into effect in June 2017, eliminated traffic lanes and added a bike lane, reducing segments of Pershing Drive, Jefferson Boulevard, Vista del Mar and Culver Street to one lane in each direction in order to slow cars and make streets safer for bike riders. The city last month added a lane back to eastbound Culver Boulevard.

L. A. Councilman Mike Bonin also announced creation of a a new Road Safety Task Force — consisting of residents, business operators and safety advocates — that will evaluate and make recommendations on road safety projects in the area and make a report with recommendations on whether to keep, reverse or modify such projects.

A group called KeepLAMoving is challenging the "road diets" by raising money online for a legal challenge and has so far raised just over $22,000. The lawsuit, which names the city as a defendant, alleges that the city did not follow proper California Environmental Quality Act procedures, did not produce a required environmental impact report, and did not hold public hearings on some of the changes. Bonin declined to comment on the lawsuit.

TRENDS

A New Simulator Helps Cities Test Future Of On-Demand Transit
TransLoc is offering a new computer simulation tool to help cities visualize how agency-owned “microtransit” would work in their locations. The application builds on the firm’s existing paratransit software applications.

The simulator uses local data that a city already has –such as population density, economics of neighborhoods, and traffic patterns – to simulate demand. Then it uses an algorithm similar to the Uber-like algorithm used in real-life operation to assign rides to vehicles to let cities see how its microtransit routes might look. The contract allows agencies to use the simulator in combination with a one-year pilot project to validate how the simulation compares with real world data.

The program goal is to seamlessly connect microtransit and autonomous cars to traditional fixed route bus stops and rail stations. TransLoc envisions cities using the new simulator to see how microtransit might be used to increase access to work for poorer neighborhoods, or access to grocery stores for food deserts, or to solve the “first mile/last mile” problem for public transportation, where people end up driving to work because they can’t easily reach a train station or other transit hub.

Dayton RTA, like some other agencies, is already partnering with Lyft to connect people living in more rural parts of the county with areas where buses are more frequent. But Dayton’s work with TransLoc will demonstrate a transition from existing contracts to ride-hailing services that use the agency's own vehicles. L. A. Metro is also in the early stages of developing a microtransit project that will use Metro-owned equipment, Metro drivers and Metro maintenance staff. The vendor will have to conform to all of Metro's collective bargaining agreements.

POLA Launches Its Global Cargo Tracking System as Amazon Seeks Global Integration
The Port of Los Angeles is launching a first-of-its-kind software program to digitize cargo data at all its terminals, a move shippers hope will ease bottlenecks at the nation's busiest seaport by placing cargo data for the seven terminals and 15 shipping lines under one software platform. The new program speeds up the transport of goods and provides retailers and shippers two-weeks foresight, allowing them ample time to track cargo so they can plan and prepare for transport.

The new software application from GE Transportation will allow the port to do what most Americans already can do — track packages from the minute they leave a distribution center until they get to the front door through a single platform. The port anticipates efficiency gains of between eight and 12 percent as the enhanced solution is rolled out to track nearly nine million annual TEUs (20-foot shipping containers) through the seven terminals and 15 shipping lines to more than 15,000 truck providers and thousands of cargo importers.

Shippers currently rely on a network of 40 websites to track goods at the port complex that give them two to four days notice of the arrival date for their containers. The sheer number of data sources can get confusing and slow down movement for everyone who touches the cargo until it is transported through the port between ocean ships and railroad or truck.

Amazon is taking global logistics into its own hands. Last year it initiated development of the 'Global Supply Chain by Amazon', a blueprint for its proprietary global shipping and logistics operation, which leverages the power of vertical integration to take ownership the total value chain. Amazon's logic is that such ownership is necessary to deliver the speed, convenience and the lowest possible prices that are the core strengths of its business model. In Amazon's own words, it will be a "revolutionary system that will automate the entire international supply chain and eliminate much of the legacy waste associated with document handling and freight booking."

If this comes about, the world's largest e-retailer will have its own logistics and distribution hub, challenging not only land-based shippers such as FedEx, UPS and DHL, but also the middlemen handling paperwork and cargo associated with shipping worldwide. Amazon is already partnering with third-party shipping carriers to advance its global operations. Once it has mastered the shipping model and achieved the necessary scale, it expects to jettison its existing partners and run its system on its own.

It will be interesting to see how the contemporaneous Port of LA and Amazon development project are integrated in the coming few years.

Los Angeles 'Smart' Parking Boots Expedite Violation Transactions
The Los Angeles Department of Transportation (LADOT) is in the midst of a one-year "smart" parking boot pilot to increase enforcement efficiency — after years of towing cars instead of booting them. Parking violators may recognize a familiar yellow device attached to one of their car's wheels, but the SmartBoot also has a keypad on the face of the device. The parking ticket left on the car includes a number that the violator can call to pay the ticket over the phone, after which they are given a code to input into the keypad on the boot, allowing it to come off on the spot. Before the code is released, drivers have to answer if

they can lift 16 pounds, the weight of the boot. If they can't, PayLock gets a cop to get the boot off for them.

The boot will only be put on cars that have five or more unpaid parking tickets, all of which will have to be paid at once to unlock the device. Violators are told to return the boot within 24 hours to one of four locations throughout the city. If it is not returned, they can be fined $25 fine per day up to the cost of the boot, or $500.

The SmartBoot, built by PayLock, had its first program in Hoboken in 2003. Since then, the boot has been used in 20 municipalities, counties and colleges and used over 400,000 times in the past 10 years. PayLock receives part of the $150 boot fee that Los Angeles charges violators.

Google Adds a Parking App On Its "Maps for Android" Site
Google is making it easier to find a place to park with a new feature in Google Maps for Android. When plugging in a destination, you'll be able to tap a new "find parking" option that will pull up a list of nearby parking lots and garages. Once plugged in, Maps will direct you toward your chosen lot, as well as give you walking directions from the garage or lot to your intended destination.

For now, the new feature is only available in 25 cities: Atlanta, Boston, Charlotte, Chicago, Cleveland, Dallas/Fort Worth, DC, Denver, Detroit, Houston, **Los Angeles,** Miami, Minneapolis/St. Paul, New York City, Orlando, Philadelphia, Phoenix, Pittsburgh, Portland, San Diego, Sacramento, San Francisco, Seattle, St. Louis, and Tampa.