



METROPOLITAN
TRANSPORTATION
COMMISSION

Tab B

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Economic Recovery Program – Transportation Investment Principles
December 2008

1. The Metropolitan Transportation Commission (MTC) supports a sustained effort to renew the nation's transportation infrastructure to benefit the United States long after the current recession ends with investments that will endure for generations.
2. Residents of the San Francisco Bay Area continue to rely every day on major infrastructure projects built during the Great Depression, such as the Golden Gate and San Francisco-Oakland Bay Bridges, Caldecott Tunnel, Berkeley Marina, Alameda County Courthouse, and San Jose Civic Auditorium. These 1930's investments helped make possible the unprecedented economic expansion that followed for decades to come.
3. The Economic Recovery Program under consideration by President-Elect Obama and the next Congress should have a dual focus: (a) short-term "quick hitter" projects that can be put out to bid promptly and create jobs in the beleaguered construction industry; and (b) longer-term "game changing" investment strategies that can jump start a new direction for federal transportation policy in the 21st Century.
4. The short-term stimulus funding likely will focus on system preservation activities that can be commenced and completed quickly, such as road resurfacing, bridge repair, and bus replacements. These funds should be subject to "use it or lose it" requirements to ensure that money does not languish unspent. There should also be maintenance of effort requirements to prevent state or local project sponsors from substituting the stimulus funds for existing revenue sources.
5. The short-term funding should be allocated to state and local government by existing statutory formulas. Highway funds should be distributed according to the Surface Transportation Program (STP) formula, which provides funds in an equitable manner both to states and metropolitan areas. Public transit funds should be allocated to existing designated recipients under the Section 5307 and Section 5311 formula programs. There should be no project earmarking of any funds in Washington DC.

6. A significant portion of the economic recovery package should be devoted to longer-term infrastructure investments that can lay the groundwork not only for greater mobility of people and goods, but also the achievement of urgent national priorities like climate protection and energy security. Examples of such investments might include:
 - Smart Highways – Outfitting freeways in congested metropolitan areas with intelligent transportation system (ITS) and vehicle-infrastructure integration (VII) technologies to squeeze maximum efficiency out of the existing national highway system.
 - Electrification – Converting rail, bus and other local government vehicles to hybrid or electric power to reduce the emissions profile of the nation’s municipally-owned fleets.
 - Train to Plane – Completing missing intermodal links to connect existing urban rail systems to the nation’s major commercial airports.

7. In order to get the biggest and soonest “bang for the buck” from the economic recovery program investment, Congress should consider steps to expedite process and permit reviews for the affected transportation projects without diminishing environmental standards and safeguards.

8. Following completion of the economic recovery package, Congress should turn its immediate attention to the multi-year authorization of a new federal surface transportation program that – as recommended by the National Surface Transportation Policy and Revenue Study Commission – is “performance-driven, outcome-based, generally mode-neutral, and refocused to pursue objectives of genuine national interest.” The national commission also recommended significantly higher federal investment levels funded by increased user fees.



January 14, 2009

Mr. John Chalker
Chair,
California Transportation Commission
1120 N. Street
Room 2233
Sacramento, CA 95814



Dear Chairman Chalker:



We are writing you and your fellow Commissioners regarding our thoughts to prepare for successfully implementing 'shovel ready' transportation construction projects that could be funded by the economic recovery funds currently under debate in Washington DC. We appreciate your leadership efforts to seek these critical funds for California's economic recovery as well as maximize the State's opportunity to improve transportation infrastructure with a stronger federal partnership.



We seek your support in addressing the following principles as they are discussed with leadership in Washington DC:

1) Ensure Expedient Distribution of Highway Funds to Metropolitan Areas



Congressional leaders have indicated that highway transportation funding in the economic recovery package will be distributed utilizing existing formulas contained in the Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU). Previous versions of the stimulus package used the Surface Transportation Program (STP) as the mechanism for distribution to the states, but did not require the further allocation provided for in 23 USC §133(d)(3) to metropolitan areas within each state. This provision would provide 37.5 percent of the funds to the state and 62.5 percent of the funds to metropolitan planning organizations.



Existing California statute provides for the expedient distribution of STP funds to regional agencies throughout the state. Without the provision for suballocations in the federal economic recovery legislation, the California Legislature would be required to enact urgency legislation for the distribution of these funds to the local level where ready-to-go projects are available. This could significantly impede the State's ability to meet timing requirements to obligate funds. Therefore, our agencies respectfully request the Commission to support distribution of the economic recovery funds through the existing STP structure with the suballocations provided for in SAFETEA-LU.



2. Delegate Authority to Local Entities and Reduce Red Tape

To stimulate our nation's economy more quickly, the federal recovery program should implement an emergency suspension of cumbersome non-wage-related regulations to allow for immediate implementation of funded projects, thereby creating critical jobs as soon as possible. Our agencies support provisions in the federal legislation that will allow contracts to be awarded while maintaining adequate oversight. These provisions should include expedited processing of applications for project inclusion in the Federal Transportation Improvement Program (FTIP), use of a "self certification resolution" that verifies the agencies are existing federal grantees compliant with all federal regulations and reporting requirements, and expedited issuance of authorizations to proceed.

3. At County Discretion, Allow Transit Funds to be Used for Operations

Under the STP, capital costs for transit projects are an eligible expenditure. Additionally, a portion of the economic recovery funds will be available directly to transit operators for transit capital improvements. Meanwhile, our California Legislature has balanced the State's budget by using most of the available Public Transportation Account funds which also support the State Transit Assistance program. Today, transit operators in California are reducing service in order to balance their local budgets in response to the State's raid on operating funds. It would be counterproductive to expend federal funds on transit capital projects to produce jobs at the same time we are reducing transit service and jobs. Our agencies request the Commission's support of using a portion of the transit economic recovery funds for operating expenses in order to preserve service and protect existing jobs.

Conclusion

As the economic recovery package moves forward, the agencies below look forward to working closely with the Commission and Caltrans to ensure that the transportation component of the bill creates the greatest possible impact on job creation and economic growth for California. We thank you in advance for your consideration of these important issues.

Sincerely,

Please refer to attached signature page

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Executive Director
Riverside County Transportation Commission

Deborah Robinson Barmack
Executive Director
San Bernardino Associated Governments

Arthur T. Leahy
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Orange County Transportation Authority

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Will Kempton, Caltrans Director
Dale Bonner, Secretary Business, Transportation & Housing
Senator Allen Lowenthal, Chair, Senate Transportation Committee
Assemblymember Mike Eng, Chair, Assembly Transportation Committee
Hon. James Oberstar, Chairman of the House Transportation &
Infrastructure Committee
Hon. Barbara Boxer, Chairwoman of the Senate Environment & Public
Works Committee
Hon. Christopher Dodd, Chairman of the Senate Banking, Housing &
Urban Affairs Committee
Southern California Congressional Delegation

**Economic Stimulus Plan
Federal Process/Regulatory Relief Issues**

- Environmental Risk Assessments: Develop a process to assess environmental risk of a project that would establish a “low risk” category whereby project design and construction could move forward and the formal environmental analysis and studies could follow after the fact. This would not necessarily equate to the Categorical Exemption/Exclusion process. A project with some likely impacts could be “low risk” due to a lack of viable alternatives and the likelihood of containing the impacts to the existing right of way (such as median widening). This could also include a requirement to have an advanced mitigation process in place in order to qualify. Could utilize the existing emergency NEPA procedures whereby environmental analysis is done after the fact (could declare an “economic emergency”).
- Air Quality Conformity: Allow MPOs, FHWA/EPA to ‘grandfather’ economic stimulus projects into current conformity findings. Most of these projects will be HOV projects, aux lanes, or projects currently under study in attainment areas.
- Design at Risk and Early RW Acquisition: In relation to the “Environmental Risk Assessment” concept, need additional flexibility to perform at-risk design and necessary right of way functions early in the process.
- More Paid Positions at Federal Resource Agencies: Need to have more personnel to expedite permit review/issuance and to monitor construction projects that are allowed to move ahead of environmental analysis.
- Programming Process Relief: Several processes involved in securing and potentially shifting federal funding are overly complex. Allow more State/Regional self-certification.
- Informal Bidding Process: Use informal bidding process typically applied in emergency situations to avoid lengthy plan review, prep and advertisement. This would include design plans to far less detail than traditionally used.
- Projects that could be expedited:
 - Mid-Coast Transit (Balboa Segment could be advanced)
 - I-805 Inside Widening
 - I-5 Inside Widening
 - SR-11/New East Otay Mesa Port of Entry