



Honorable Alan Lowenthal, Chair
Senate Committee on Transportation & Housing
State Capitol, Rm 2209
Sacramento, CA 95814

June 29, 2009

AB 744 (Torricono) Toll Lanes: Express Lane Network – Oppose Unless Amended

Dear Senator Lowenthal.

Sierra Club California must respectfully oppose AB 744 (Torricono) which was recently amended on June 23, 2009. AB 744, sponsored by the Metropolitan Transportation Commission (MTC), authorizes the Bay Area Toll Authority (BATA) to develop a Bay Area Express Lane Network which would allow BATA to charge a toll in lanes otherwise set aside as High Occupancy Vehicle (HOV) lanes. These types of lanes are called “HOT” lanes (High Occupancy Toll lanes).

As currently proposed by MTC, AB 744 will significantly increase highway capacity, and will likely increase vehicle miles traveled (VMT) and associated greenhouse gas emissions. AB 744 does not adequately provide for a concurrent stream of transit operations funding for anticipated corridor transit improvements, but instead prioritizes funds for lane expansion prior to delivering transit service along the travel corridors. AB 744 also needs a clearer process for meaningful and regular community input as specific segments are designed and options are considered that could minimize the generation of more highway capacity and VMT.

Unnecessary Highway Expansion (Almost 50% increase in Capacity)

The Bay Area currently has 400 to 500 miles of existing HOV lanes, which permit only vehicles with at least two occupants during peak hours. As described by MTC, BATA would construct between 300 to 400 miles of new lanes to widen freeways in the Bay Area, running counter to state goals to reduce greenhouse gases. By expanding the highway by one lane on half of the proposed network, it is likely that the network will have the effect of inducing additional travel demand due to the increased highway capacity. Research on freeway construction projects shows that while increasing freeway capacity may yield a short-term decrease in emissions, we can expect a much larger emissions increase in the long-run as reduced congestion induces more demand. In addition, some of the planned expansion segments are labeled as “gap closures.” Unless the “gap closures” are done by converting existing lanes to HOT lanes, rather than building miles of lanes, the end result will be increased VMT as roadway capacity becomes less constrained. Sierra Club California believes that MTC’s emissions analysis is flawed because it only considers the short-term change in congestion, but not the long-term implications of significant regional highway expansion. The San Francisco Planning and Urban Research League (SPUR) estimates an increase of 67,000 tons of CO₂ emissions annually.¹ Therefore it is important that before new HOT lanes

¹ http://www.spur.org/publications/library/report/critical_cooling/option24

are established, AB 744 should not only prioritize conversion of existing lanes, but have a specific role for improvement of mass transit.

Transit Funding Lacking

Another important way to move people in a congested area and reduce CO₂ emissions, is to provide for reliable, available and efficient mass transportation. Indeed, a properly supported mass transit system could obviate the need for construction of new lanes as long as it does not take a back seat to “laying pavement.” We appreciate the fact that AB 744 does authorize the use of some of the HOT lane revenue for mass transit. However, as currently written, AB 744 prioritizes the expansion of the HOT lane network rather than directing revenue to run express transit service in the existing HOV lanes and other non-vehicular modes of transportation projects that can reduce VMT.

We are very cognizant -- even in a time of high gas prices and with greater public awareness of the pressing need to reduce VMTs because of their major contribution to climate change and air quality -- that public transit is chronically underfunded, in both capital and operational needs. And the budget problems in California have deprived our public transit agencies of even more dollars.

Existing Bay Area Transit Needs:²

- **\$ 17 billion** shortfall to maintain the Bay Area’s existing transit system.
- **\$ 8.5 billion** transit operating shortfall over 25 years.
- **\$ 400 million** annual transit operating shortfall next fiscal year.

In its presentations, MTC asserts that there will be \$13.7 billion in gross revenue over the next 25 years, \$3.7 billion in capital cost, \$1.9 billion in financing cost, and \$2 billion in operations and maintenance costs, leaving \$6.1 billion in net revenue. However, a study by a UC Berkeley engineering professor, Pravin Varaiya raises significant doubt that gross revenue will be this high.³ By leaving transit funding until “after the fact” of the expansion, there is no guarantee that sufficient toll revenue will be dedicated to operating express transit. AB 744 needs to be clearer that transit funding should be the top priority as it is the best way to reduce total VMT. Clear direction for concurrent dedication of net revenue from the HOT lane network should be for operational and capital needs of the mass transit component.

In addition, research by the RAND Corporation found equity issues, such as higher-income groups using HOT lanes at double the rate of lower income groups.⁴ To ensure quality transit service on “day one,” there must be sufficient funding reserved for transit operations to ensure that revenue from the HOT lane network is prioritized for environmental benefit and equity, and not simply for additional highway expansion.

AB 744 Needs Greater Specificity and Guidance to Assure Goals Are Actually Achieved in an Equitable Fashion

AB 744 sets up a decisionmaking structure to implement the Express Lane Network which include new entities: an Oversight Committee (OC), and Corridor Working Groups (CWGs). Congestion Management Agencies are given voting spots on both of these bodies and are additionally given specific drafting and revision authority over the Corridor Investment Plans (CIPs). Public transit agencies are not specifically included in any of them, and have no decisionmaking role. They are relegated to a consultation role. Public transit agencies need to be officially included on the OC and the CWGs as these

² Source: MTC, 2009.

³ “Bay Area Toll Lanes Could Lose Money,” Robert Gammon, East Bay Express, May 6, 2009.

⁴ Ecola, Liisa and Thomas Light. “Equity and Congestion Pricing: A Review of the Evidence.” RAND Corp., 2009.

groups are responsible for fashioning the development plans, the Project Study Reports as well as the CIPs. The Project Study Reports The OC and the CWGs will decide how funds in each corridor are spent and the adequacy of the analysis for how we balance the different approaches –conversion, mass and alternative transit and new pavement. In addition, there should be clearer public participation roles for the community and stakeholder interests in the development of the CIPs.

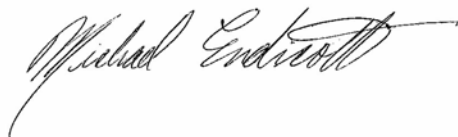
This can be achieved by:

Ensuring Quality Transit Service on Day One:

- Creating a set-aside at least 75% of HOT Lane revenue off the top for transit operations.
- Requiring that BATA first prioritize funds for conversion of 400 existing lane miles, then conversion of 100 miles already funded for construction, **prior to construction of 300 new miles**.
- Ensuring that \$1.35 billion in funds reimbursed to counties for past HOV lane construction are spent on transit.
- Requiring reports to the legislature by CalTrans or another third party on greenhouse gas emissions impacts, and by BATA on the annual financial expenditures..
- Including public transit agencies, and representatives of environmental and community organizations as members of the corridor working groups that will recommend how to allocate HOT lane revenue, and comment on designs for the HOT lane on and off ramps to minimize impacts on local communities.

Therefore, we respectfully **must oppose AB 744** as currently drafted, and are prepared to work with the Committee and the author to craft a balanced “transportation program” that meets the needs of the entire Network Areas population.

Sincerely,



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cc. Committee Members
Assemblymember Torrico