



November 10, 2015

Mary D. Nichols
Chair, California Air Resources Board
Chairman's Office
P.O. Box 2815
Sacramento, CA 95812

RE: Draft Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19

Dear Chair Nichols:

On behalf of the California Transit Association (Association), I would like to thank you for the opportunity to comment on the draft "Cap-and-Trade Auction Proceeds Second Investment Plan: Fiscal Years 2016-17 through 2018-19" (Investment Plan). The Association has long been an enthusiastic partner in the state's efforts to achieve the greenhouse gas (GHG) emission reductions goals of AB 32 (Nunez and Pavley) [Chapter 488, Statutes of 2006], SB 375 (Steinberg) [Chapter 728, Statutes of 2008] and various State Implementation Plans; our more than 200 members stand ready, with your continued support, to expand efficient and affordable public transportation, which reduces petroleum use, and furthers the state's progress toward its ambitious environmental goals for 2030 and beyond. We are encouraged that the draft Investment Plan reaffirms the Air Resources Board's (ARB) commitment to investing in public transportation, and hope you will consider expanding on these investments in Fiscal Years 2016-17 through 2018-19 to broaden and sustain the benefits of California's robust public transportation network.

Last year, the Legislature, guided by the "Cap-and-Trade Auction Proceeds Investment Plan: Fiscal Years 2013-14 through 2015-16" continuously appropriated, through Senate Bill 862 (Committee on Budget and Fiscal Review) [Chapter 36, Statutes of 2014], 15 percent of Cap-and-Trade auction proceeds to public transportation capital and operations. With these investments, transit agencies statewide have begun to advance key public transportation projects and expanded operations that will significantly reduce greenhouse gas emissions and improve air quality, while creating good paying jobs, increasing mobility, and reducing traffic congestion. In fact, the first round of capital investments, comprised of 14 projects recommended for funding through the Transit and Intercity Rail Capital Program, will reduce 865,000 tons of CO₂ and leverage funding on a 3:1 ratio. The Association continues to strongly support these investments, as well as the continuous appropriations for affordable housing and sustainable communities, and high-speed rail, which we believe facilitate smarter land-use decisions and create more transportation-efficient communities.

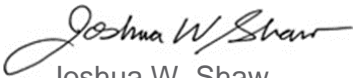
The Association also appreciates that the draft Investment Plan recognizes that, though significant investments are being made to support public transportation, funding to decarbonize the transportation

sector remains inadequate. For this reason, we support dedicating additional Cap-and-Trade auction proceeds from the 40 percent that is currently unallocated to public transit through the existing channels of the Transit and Intercity Rail Capital, Low Carbon Transit and Low Carbon Transportation programs. We also support the ARB's recommendations to fund system efficiency measures in our passenger rail systems that increase capacity and improve competitiveness. Augmenting the existing funding levels for public transit is essential to achieving, and ultimately sustaining, the state's environmental goals for 2050; and, providing affordable mobility options to disadvantaged communities. Moreover, such investments are appropriate, as the transportation sector generates approximately 38 percent of all GHG emissions in California, yet local and regional public transit currently receives only 15 percent of Cap-and-Trade auction proceeds on an ongoing basis. Finally, investing more in these programs will put funding for existing local and regional transit systems at greater parity with funding dedicated to California's visionary high-speed rail system, and will support the integration of these systems.

In addition, the Association supports the ARB's recommendation to use Cap-and-Trade auction proceeds to incentivize the adoption of zero and near-zero emission transit buses; and facilitate the development of electric vehicle and equipment charging, and hydrogen & renewable fueling infrastructure. We believe that such investments are crucial for encouraging the large-scale deployment of these cleaner technologies, and should be viewed as a precondition for advancing any regulation, such as the proposed Advanced Clean Transit regulation, which would seek to decarbonize transit fleets.

Once again, we thank you for the opportunity to comment on the draft Investment Plan, and greatly appreciate your thoughtful consideration of our recommendations. Please feel free to contact me at 916-446-4656, if you have any questions.

Sincerely,



Joshua W. Shaw
Executive Director

cc: The Honorable Members, California Air Resources Board
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