



November 2, 2022

Re: Nov. 3 Joint Meeting of the California Air Resources Board, the California Transportation Commission, and the California Department of Housing and Community Development, *Item 2: Draft Annual Progress Report on Implementation of the Climate Action Plan for Transportation Infrastructure (CAPTI)*

To the Committee Members of the Joint CARB-CTC-HCD Meeting:

We are strongly supportive of the state's Climate Action Plan for Transportation Infrastructure (CAPTI), and welcome this progress report.

At the same time, the state's ambitious goals for reducing transportation emissions **are severely threatened by a lack of operations funding for public transit**, which could force transit agencies to make major service cuts within 2-3 years. Service cuts would seriously undermine CAPTI's strategies and effectiveness in reducing vehicle miles traveled and transportation emissions.

To support CAPTI's implementation and effectiveness, we urge this committee and members of each of the three participating agencies to advocate to the legislature to support state funding for transit operations over the next several years to avert deep transit service cuts.

Advocating for additional operations funding for transit is consistent with CAPTI Strategy #2 "Support a Robust Economic Recovery by Revitalizing Transit, Supporting ZEV Deployment, and Expanding Active Transportation Investments" and Strategy #7 "Strengthen Transportation and Land Use Connections."

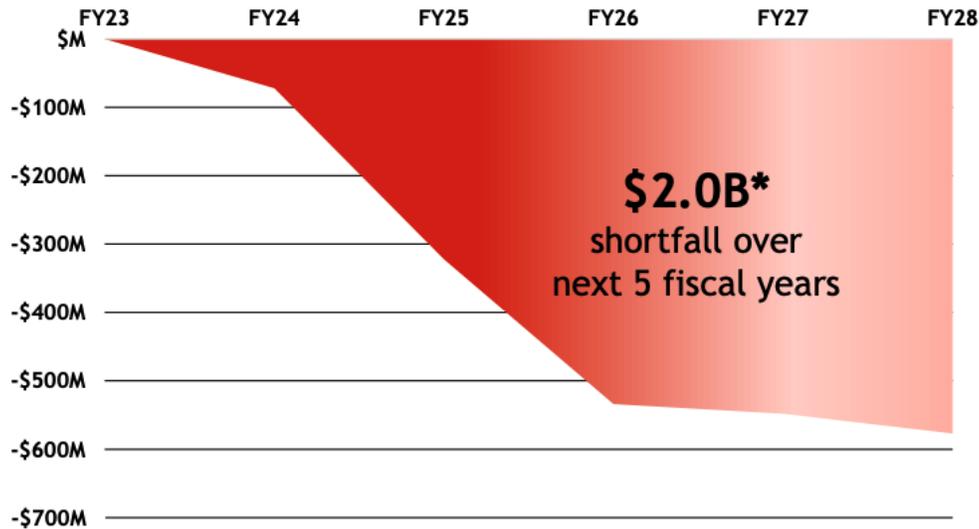
Transit ridership and agency revenues were severely impacted by the COVID pandemic, but thanks to federal relief funds, service levels have been able to be maintained and ridership is finally steadily increasing. Transit agencies need operating support to continue providing sufficient service to keep riders coming back - and to adapt service to attract new riders. Statewide, transit systems on average 57% of their pre-pandemic ridership, but ridership has continued to increase each quarter since this spring.

Without additional operating support, many transit agencies may be forced to dramatically reduce service or eliminate it altogether - seriously imperiling the state's long term goals for increasing transit ridership, and undermining all the strategies within CAPTI.

For example BART, which carried more than 25% of statewide transit passenger miles in 2019, is projecting running out of federal relief funding as early as January 2025, and forecasts shortfalls in revenue of between \$125 and \$233m annually thereafter. [BART found that, in the absence of additional funding for operations, to balance its budget and achieve savings of 21-42%, it would have to cut service hours by 65-85%.](#) BART would have to reduce train frequencies from every 15 minutes to every 30-60 minutes; and closing by 9pm - such reductions would lead to even more ridership loss and a downward spiral of reduced ridership and reduced service. Meanwhile, the Metropolitan Transportation Commission projects that the 7 largest Bay Area transit agencies have a shortfall of operating revenue of approximately \$2 billion over five years (see chart).

Service cuts in the midst of a steadily increasing ridership would be devastating for the long-term recovery of transit, and would seriously undermine the state's ability to meet its ambitious climate goals, which include increasing transit mode share significantly and substantially increasing service levels.

Projected Operating Deficits FY 24 -FY 28 - Large 7 Operators



Source: Transit operator data provided to MTC, October 2022.

*Note: Accuracy of shortfall estimate may diminish in later years due to operating environment uncertainty. 5-Year operating shortfall forecasts will be assessed in greater detail over the coming months.

Slide from MTC Programming and Allocations Committee on October 12, 2022.

The AB 32 Draft Scoping plan calls for a doubling of transit service levels by 2030 in order to realize the mode shift and VMT reduction targets in the 2050 California Transportation Plan, requiring significantly more funding for transit. Making the case for funding to support the doubling of service by 2030 would become far less likely if transit service levels were to be cut significantly in the next few years.

Finally, ensuring adequate transit service level is also critical to California's housing goals. California's forward progress in promoting housing production recently has been predicated on being near high quality transit with adequate service levels, in order to reduce vehicle miles traveled - cuts in service to transit would undermine greater infill housing production and the role it can play in reducing carbon emissions.

We urge you to ensure CAPTI's success and ongoing relevance by urging the legislature to support transit operations funding - and avert devastating service cuts that would be difficult to recover from.

Sincerely,

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