



February 27, 2013

Mary Nichols, Chairperson
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Ana Matosantos, Director
California Department of Finance
915 L Street
Sacramento, CA 95814

Dear Chairperson Nichols and Director Matosantos:

On behalf of the Board of Directors of the Santa Clara Valley Transportation Authority (VTA), I am writing to inform you of our support for the proposal submitted by the Transportation Coalition for Livable Communities to invest cap-and-trade auction proceeds to address both the greenhouse gas emission reduction goals of AB 32 and critical transportation system needs identified in the California Transportation Commission's 2011 Statewide Needs Assessment. VTA requests that this proposal be considered for inclusion in the three-year Investment Plan for cap-and-trade auction proceeds currently being prepared by the Air Resources Board and the Department of Finance pursuant to the provisions of AB 1532.

The Coalition's proposal is based on the principle that auction proceeds derived from vehicle fuels should be used to fund transportation system needs in a way that achieves AB 32 objectives, and builds on the framework of SB 375 and other greenhouse gas emission reduction strategies. VTA believes that by integrating investments in new mobility, new infrastructure and new land-use strategies, we can measurably reduce greenhouse gas emissions consistent with AB 32, comply with legal requirements regarding the spending of cap-and-trade auction proceeds, improve public transit and other elements of our multi-modal transportation system, create livable and healthy communities, and improve our overall quality of life.

The Coalition is recommending that cap-and-trade auction proceeds for transportation purposes be allocated equitably to regional entities for the purpose of administering competitive grants to local agencies consistent with statewide criteria. The Coalition's proposal contemplates a combination of transportation-related investments, including public transit capital and operating costs, roadway and bridge maintenance, retrofits for complete streets and urban greening, and clean technology—all of which would be integrated with land-use changes. It also provides important flexibility to local agencies to develop the most cost-effective projects to meet their most critical sustainable transportation infrastructure and maintenance needs consistent with their regional Sustainable Communities Strategy and greenhouse gas emission reduction goals.


As you know, the transportation sector is the single largest contributor to greenhouse gas emissions in California. Therefore, as Gov. Jerry Brown acknowledges in his FY 2014 budget, reducing these emissions should be a top priority for the state. Because the Coalition's proposal embodies the key concepts of dedicating cap-and-trade auction proceeds from vehicle fuels to transportation; favoring integrated transportation and land-use strategies; selecting projects at the regional level utilizing statewide criteria; allowing flexibility at the local level to develop the

CARB Chairperson Mary Nichols
Finance Director Ana Matosantos
February 27, 2013
Page Two

most cost-effective projects; and assisting local agencies in implementing regional Sustainability Communities Strategies, we believe it will equitably and effectively maximize greenhouse gas emission reductions from the transportation sector; meet the transportation and air quality goals of the state, regions and local communities; and support a range of community benefits. Again, VTA hopes that you will give serious consideration to incorporating the Coalition's proposal into your three-year Investment Plan.

Thank you for your consideration of our comments.

Sincerely,


Joe Pirzynski, Chairperson
Board of Directors
Santa Clara Valley Transportation Authority