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April 24, 2013

Ms. Mary Nichols, Chairwoman
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Chairwoman Nichols,

On behalf of the Southern California Regional Rail Authority (Metrolink) I would like to express my encouragement for the most recent draft Cap-and-Trade Auction Proceeds Investment Plan published by the California Air Resources Board on April 16th. I appreciate the public hearings held state-wide last month to gather input and the hard work that ensued to incorporate those suggestions.

In my March 8th letter to you regarding the Draft Concept Paper, I suggested some considerations regarding eligible investments for cap-and-trade proceeds. In particular, I emphasized the important nexus between greenhouse gas (GHG) reduction and public transportation and recommended that a comparable investment level reflect that point. I am pleased to see that the role of public transportation in GHG reduction is thoroughly recognized in the draft Investment Plan. I am very supportive of the Board's recommendation to prioritize sustainable communities and clean transportation and provide that category with the largest allocation of funding. I also support the plan's recommendation to invest in Rail Modernization and numerous other references to investments in passenger rail and attracting ridership to transit. As the commuter rail agency for the Southern California region, Metrolink plays a critical role in providing service options to riders that would otherwise be driving on our congested freeways. Investing to enhance our system and its connections to public transit and high speed rail will help the state meet its GHG reduction goals.

I would, however, appreciate greater clarity and transparency regarding the distribution of funds. Appendix B provides details of project descriptions and proposed benefit percentages for use in disadvantaged communities, but does not provide explicit amounts for the general project areas. I would like to see proposed percentages for Sustainable Communities and Clean Transportation, Energy Efficiency and Clean Energy, and Natural Resources and Waste Diversion.

Additionally, with regards to how project decisions are made and funding distributed, Metrolink would prefer that decisions be made at the local level by county transportation commissions, to the greatest extent possible. This has been a model used for other funding programs and it should also be applicable to these funding programs. Allowing local agencies to administer these funds and



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make project selections will ensure that projects are meeting the needs of the region and are locally supported.

Thank you again for allowing Metrolink to provide additional comments on the cap-and-trade investment plan. I look forward to our partnership to improve air quality and to make critical investments in public transportation.

Sincerely,

A handwritten signature in black ink, reading 'Michael P. DePallo'.

Michael P. DePallo
Chief Executive Officer