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*Chirag Rabari, LA Metro
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Ms. Mary Nichols
Chair, Air Resources Board
P.O. Box 2815
Sacramento, CA 95812

**COMMENTS ON PROPOSED CAP AND TRADE AUCTION PROCEEDS
THIRD INVESTMENT PLAN: FISCAL YEARS 2019-20 THROUGH 2021-22**

Dear Chair Nichols:

Thank you for the opportunity to comment on the California Air Resources Board's (CARB) proposed Cap and Trade Auction Proceeds Third Investment Plan for Fiscal Year (FY) 2019-20 through FY 2021-22 (the "Plan").

The Los Angeles County Metropolitan Transportation Authority (Metro) is the transportation planning, programming, construction, and transit operation authority for Los Angeles County. Los Angeles County comprises about 26 percent of the state's total population and 47 percent of the state's Disadvantaged Communities population. Metro is the third largest transit agency in the country by ridership, servicing a customer base where nearly three out of four riders do not have access to car. Los Angeles County is located in the South Coast Air Basin, which is in non-attainment for particulate matter and ozone. Residents and commuters to our region experience the worst air quality and traffic congestion in the Country. Los Angeles has topped the list of the world's most gridlocked cities for sixth straight years.

Metro is currently engaged in one of the largest transit expansions in the history of the United States. Over the next 40 years, Metro is planning to invest \$435 billion in funding to support a diverse array of transportation improvements including 16 new or expanded heavy rail lines, light rail lines, and Bus Rapid Transit lines, among others. In addition, Los Angeles is a joint host to the 2026 FIFA World Cup and home to the 2028 Summer Olympics and Paralympic Games. Recognizing the urgent need for a significantly expanded regional transportation network in time for the 2028 Games, as well as the longer term need to accommodate 2.3 million additional residents in Los Angeles County over the next 40 years, Metro's Board of Directors approved the Twenty-Eight by 2028 initiative to accelerate key transit and highway projects. Last year the Metro Board of Directors also unanimously adopted a motion endorsing a comprehensive plan to transition the agency to a 100 percent zero emission bus fleet by 2030. The plan is contingent upon two primary factors: continuous advancements in electric bus technology (e.g., increase in range, reduction of bus weight and charging times, and extension of battery life cycles), as well as a drop in price as the technology develops. Metro is the largest transportation agency in the United States to endorse such a goal.

Given the scale and costs of Metro's overall existing and planned investments and operations, and the need to comply with unfunded mandates, we applaud the effort of CARB's staff and support the proposed Plan and the priority investments it identifies. Metro can play an important role in helping the State achieve its greenhouse gas reduction goals, invest in disadvantaged and low-income communities, and provide other economic, public health, and environmental benefits.

We hope CARB can remain mindful of Los Angeles County's unique needs as it identifies priorities for California Climate Investments in the Plan. Metro, in its role as the County Transportation Commission for Los Angeles County and through its unprecedented expansion of the transit system and implementation of innovative programs, can effectively support meeting state climate objectives and strategies by shifting travel demand from the use of private automobiles. Taking these factors into consideration, Metro's comments on the Plan are the following:

1. Expand the recommendation to continue investing in existing programs and prioritize programs that emphasize meaningful community input and fund community-led projects to cover projects and programs led by local governments including transit agencies. Metro engages communities in the development and implementation of projects and programs in the region (both community-wide and small-scale) that are consistent with local and regional plans and consistent with the state- and federally-mandated planning process. Local and regional agencies have deep experience and long-standing relationships with communities proposing to implement projects and programs in order to achieve measurable and coordinated outcomes while also ensuring the best use of funds.
2. Expand the recommendation to continue investing in existing programs and prioritize programs that achieve near-term climate and health benefits, and contribute to long-term transformation to low-carbon communities and ecosystems, to cover projects and programs led by local governments (including transit agencies) that can also achieve mobility, accessibility, and economic benefits in both the near and long-term, and create ladders of opportunity, particularly for disadvantaged communities.
3. Expand the recommendation for funding small-scale projects to cover a suite of innovative clean transit options.
4. Coordinate the award of small grants for any project sponsor with local and regional planning agencies to ensure consistency with plans approved through the state and federal planning process. More generally, Metro would urge a reconsideration of the proposal to use a percentage of funds to support small grants for only specific types of project sponsors or scopes. Innovative projects, particularly those that have engaged in robust public participation and community engagement processes, should be eligible for consideration regardless of the project sponsor size. Metro, through its Office of Extraordinary Innovation and other departments within the agency, is currently engaged in several small-scale pilot projects to demonstrate innovative technologies and solutions, including micro-transit and mobility on demand using the service provided by Transportation Network Companies. These, among other clean mobility options being considered, could be scaled up to the program level.

5. Support providing multi-year funding commitments for transformative projects, therefore providing project sponsors with the funding certainty they need over multiple years to adopt a multi-year program of projects (including funding received after the Plan's term through 2021-22). This would allow a project with construction over multiple years to have a commitment of funds programmed over multiple years in order to enter into necessary contracts for construction.
6. Support scaling-up proven low and zero-emission technologies, as well as promoting innovative pilot and demonstration projects. In addition to micro-transit and mobility on demand, Metro proposes additional investments targeted for electric vehicle charging infrastructure, equipment, and facilities for transit buses that currently are either not adequately funded or covered by the eligibility criteria in many of the California Climate Investments programs. Charging infrastructure has been a particular implementation challenge for several pilot projects. In addition, relevant funding opportunities for transit providers are limited.

Metro believes that the Plan's recommendation to continue funding existing California Climate Investments programs presents the opportunity for more holistic coordination and collaboration between CARB, Metro, and other stakeholders moving forward. We would like to initiate discussions at the staff level to focus on broad funding challenges across programs for major projects and initiatives. These discussions would not be limited to transit (e.g., transition to a zero emission fleet and clean mobility options), but also extend to other areas (e.g., freight and goods movement) and funding opportunities.

Currently there is no clear path via the Plan to adequately support certain types of large, cross-sectoral transportation projects that have a significant nexus with the state's overarching climate, emissions reductions, air quality, mobility, freight and goods movement, and equity goals. We are interested in working more closely with CARB to determine how best to support large, multi-year (or even multi-generational) projects and the needs of public agencies both large and small.

We greatly appreciate your careful consideration of our comments as well as your commitment to working with all stakeholders during this process. We look forward to continued and expanded partnership and collaboration with CARB as our respective work becomes more and more inter-twined.

Should you have any questions, please feel free to contact Ashad Hamideh, Senior Director for Federal and State Policy and Programming at (213) 922-4299.

Sincerely,



Wil Ridder
Executive Officer
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Cc: Richard Corey, Executive Officer, California Air Resources Board
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