

Draft Orange County Transportation Authority 2019-20 State Legislative Platform

With over three million residents, Orange County is the third most populous county in California and the sixth most populous county in the nation. Orange County is one of the most densely populated areas in the country and is served by one of the nation's busiest transit systems. In addition, Orange County provides highway and rail corridors that facilitate the increasing level of international trade entering the Southern California ports.

The 2019-20 State Legislative Platform serves as a framework document to guide the Orange County Transportation Authority's (OCTA) legislative, regulatory, and administrative activities in the coming legislative session. The Key Policy Issues section offers guidance on the policy issues that will likely be the focus of the upcoming legislative session. The later sections present guiding policy statements for other major issue areas that may arise during the session. Positions on individual items not directly in this document will be brought to the OCTA Board of Directors (Board) for formal action.

Key Policy Issues in 2019-20

A number of significant transportation issues are expected to be discussed in the 2019-20 legislative session. A few of these key issues are highlighted in this section, including: Transportation Funding and the Implementation of Environmental Regulations and Cap-and-Trade.

Transportation Funding

Securing stable transportation funding that provides long-term operational certainty continues to be one of OCTA's top priorities. It is anticipated that transportation funding will be affected by legislative and regulatory efforts requiring OCTA's close attention in the upcoming session. As such, OCTA will:

- a) Support efforts to maximize OCTA's share of transportation and transit funding, especially through distribution formulas;
- b) Advocate for a continued strong state role in providing funding for transit operations rather than shifting responsibility to local transportation entities. No additional requirements should be created for operation levels beyond existing capacity, unless agreed to by that entity or otherwise appropriately funded;
- c) Oppose efforts to divert or reclassify transportation revenue sources for other purposes, such as General Fund transfers or for debt service;
- d) Oppose efforts to link or reprioritize local and state transportation funding to programs not primarily intended to help the State meet its transportation needs;

- e) Support legislation to implement the provisions of the federal reauthorization, Fixing America's Surface Transportation Act, in an equitable manner that promotes traditional funding levels, programming roles, and local discretion in allocation decisions;
- f) Support the development of greater efficiencies within *the Transportation Development Act's performance metrics while maintaining the existing eligibility parameters standards of the Transportation Development Act, and realigning administrative rules and farebox recovery requirements to eliminate any unnecessary or overly burdensome and/or duplicative mandates in order to streamline the administration of transit funding*;
- g) Support legislation protecting or expanding local decision-making in programming expenditures of transportation funds;
- h) Support the retention of existing and future local revenue sources;
- i) Support efforts to develop alternative definitions of "disadvantaged" and "low-income" communities to ensure that transportation funding flows to each region's most impacted areas;
- j) Support maintaining the current State Transportation Improvement Program (STIP) formula, which provides 75 percent of the STIP funding to the locally nominated Regional Transportation Improvement Program (RTIP) and 25 percent to the Interregional Transportation Improvement Program (ITIP) Program;
- k) Support efforts to provide secure transit funding for capital and operating expenses;
- l) Flexibility should be included in any state transit funding source, allowing transit operators to use the funding for both operations and capital expenditures;
- m) Monitor the study and development of alternative transportation funding proposals, including the state's road charge pilot program and ensure that efforts are made to address concerns related to equitability, privacy, and public support of such proposals.

Implementation of Environmental Regulations and Cap-and-Trade

In 2016, the state expanded upon its greenhouse reduction initiatives with the passage of SB 32 (Chapter 249, Statutes of 2016) and AB 197 (Chapter 250, Statutes of 2016), which set a new statewide emissions target of 40 percent below 1990 levels by the year 2030. In 2017, the state continued its commitment to these strategies with the passage of AB 398 (Chapter 135, Statutes of 2017), extending the market-based cap-and-trade system until January 1, 2031. The passage of AB 398 ensures the long-term stability of the cap-and-trade system. However, approximately 40 percent of annual cap-and-trade

revenues are still subject to annual appropriations. As such, OCTA will advocate for as much transportation funding as possible from these revenues.

In order to ensure that the state's environmental regulations and cap-and-trade program are implemented in an equitable manner which will both help to reduce emissions and encourage the development of necessary infrastructure to serve California's growing population, in 2019-20 OCTA will:

- a) Support efforts to ensure local flexibility in meeting the goals of the state's greenhouse gas reduction initiatives, including the creation of incentive-based measures and grant programs to assist with compliance;
- b) Support the eligibility of the transportation sector and inclusion of county transportation commissions as eligible recipients of any funding mechanism created for implementation of the state's greenhouse gas reduction initiatives, including the cap-and-trade program;
- c) Support efforts to ensure the availability of proven technology and adequate funding prior to the implementation of any mandated purchase requirements for zero-emission bus technology;
- d) Support the prioritization of transportation projects and programs that achieve greenhouse gas emissions reductions for cap-and-trade funding while maintaining ongoing appropriations for transit;
- e) Oppose policies that significantly increase costs, threatening OCTA's ability to deliver projects and provide transit service;
- f) Support legislation to streamline the environmental review and permitting processes for transportation projects and programs to avoid potentially duplicative and unnecessary analysis, while still maintaining traditional environmental protections;
- g) Support the creation of formula-based funding programs under the cap-and-trade program to assist with compliance of any adopted regulations;
- h) Support efforts to ~~establish an alternative electricity rate structure for transit agencies to~~ mitigate costs associated with the operation of zero-emission transit buses, *including an alternative electricity rate structure, tax incentives, or other forms of financial assistance.*

Sponsored Legislation

Each year, OCTA may consider sponsoring legislation to clarify or address various transportation policy areas that require additional attention. This session, the following major initiative will be emphasized as sponsor legislation:

- a) Co-sponsor legislation to clarify roles and responsibilities related to toll enforcement policies to allow for interoperability between toll facilities while affirming user privacy protections;
- b) Sponsor legislation to streamline the administration of the Active Transportation Program and increase regional oversight.

I. STATE BUDGET

As the Legislature continues to move forward in developing solutions to close the state's structural deficit, OCTA continues to monitor the status of transportation funding in California, promoting the continued stability of existing programs and efforts to address future funding deficiencies to meet transportation infrastructure needs. As a proven method to help rebuild the economy through investments in vital transportation infrastructure projects and critical transit services, OCTA will also work to promote methods of expediting such projects to allow for such stimulus.

Key actions by OCTA will include:

- a) Oppose unfunded mandates for transportation agencies, transit providers, and local governments in providing transportation improvements and services;
- b) Oppose cost shifts or changes in responsibility for projects funded by the state to the local transportation entities;
- c) Support legislation to treat the property tax of single-county transit districts the same as multi-county districts and correct other Educational Revenue Augmentation Fund inequities between like agencies;
- d) Support the constitutional protection of all transportation funding resources;
- e) Seek additional funding for paratransit operations and transit accessibility capital improvements that support persons with disabilities and senior citizens;
- f) Support removing the barriers for funding transportation projects, including allowing local agencies to advance projects with local funds when state funds are unavailable due to budgetary reasons, and allowing regions to pool federal, state, and local funds in order to limit lengthy amendment processes and streamline project delivery time.

II. FISCAL REFORMS AND ISSUES

In recent years, the Legislature and Governor have worked collaboratively during the budget process to pass funding bills in a timely manner, providing some degree of certainty to the state-funded programs that OCTA relies upon. Unfortunately,

uncertainties over future changes remain due to a continued structural deficit and the potential for an economic downturn.

Therefore, OCTA will:

- a) Oppose efforts to reduce local prerogative over regional program funds;
- b) Oppose levying new and/or increase in gasoline taxes or user fees, including revenue increases on fuel consumption categorized as charges, fees, revenue enhancements, or similar classifications. Consideration of such efforts shall occur when a direct nexus is determined to exist between revenues and transportation projects, and additional revenues are to be controlled by the county transportation commission;
- c) Oppose efforts to decrease the voter threshold requirement for local tax measures for transportation purposes and/or mandating specific uses of future local sales tax revenues;
- d) Oppose efforts to increase administrative fees charged by the California Department of Tax and Fee Administration on the collection of local sales tax measures;
- e) Support efforts to ease or simplify local matching requirements for state and federal grants and programs;
- f) Support legislation to protect the flexibility of the federal-aid highway funds by requiring state compliance with federal highway safety requirements;
- g) Support flexibility for obligating regional federal transportation funds through interim exchange instead of loss of the funds by the local agency;
- h) Support efforts that ensure that all users of the state's transportation system pay their "fair share" to maintain and improve the system;
- i) Support efforts to restore equity with regards to the generation and disbursement of sales tax revenues that support the Local Transportation Fund;
- ~~j) Seek methods to ensure the equitable collection and distribution of sales tax revenue from out of state, online retailers (South Dakota v. Wayfair, Inc.).~~

III. STATE TRANSPORTATION IMPROVEMENT PROGRAM STREAMLINING

The STIP, substantially amended by SB 45 (Chapter 622, Statutes of 1997), is a programming document that establishes the funding priorities and project commitments for transportation capital improvements in California. SB 45 placed decision-making authority closest to the problem by providing project selection for 75 percent of the funding

in the RTIP. This funding is distributed to counties based on an allocation formula. The remaining 25 percent of the funds is programmed by the California Department of Transportation (Caltrans) in the ITIP. SB 1 is expected to promote increased stability for future STIP fund estimates. OCTA will seek to ensure that the regional focus of the program is preserved.

Key provisions to be sought by OCTA include:

- a) Support legislation that maintains equitable allocations of transportation funding, such as the north/south formula distribution of county shares and ITIP allocations;
- b) Support legislation to clarify that programming of current period county shares has priority over advancement of future county shares;
- c) Support a formula-based guaranteed disbursement of the ITIP;
- d) Support legislation to involve county transportation commissions in the development and prioritization of State Highway Operation and Protection Program projects;
- e) Support efforts to allow a mode-neutral STIP;
- f) Support increased flexibility for the use of STIP funds to support alternative projects, including, but not limited to, transit and goods movement improvement projects.

IV. TRANSIT PROGRAMS

In 2019-20, OCTA will continue with its focus on providing safe, reliable, and efficient transit services in Orange County. While state transit funding has recently become more stable, future demand increases due to environmental regulations and increased fuel prices may put further strain on existing resources. Thus, OCTA will make every effort to minimize additional state obligations to transit operations which lack a sufficient and secure revenue source.

To that end, OCTA will focus on the following:

- a) Support legislation to encourage and incentivize the interoperability of transit and rail systems within California;
- b) Support legislation to limit the liability of transit districts for the location of bus stops (Bonanno v. Central Contra Costa Transit Authority);
- c) Support the citing of transit-oriented development projects (i.e. authorize extra credit towards housing element requirements for these developments), including incentives for development;

- d) ~~Support reforms to the Transportation Development Act and the State Transit Assistance Program that realign administrative rules, farebox recovery requirements, and various exclusions to ensure equitable distribution of transit funding;~~
- de) Support legislation and or/regulations which aim to enhance transit services, and the overall safety and security of transit riders, coach operators, and on-road vehicles.

V. ROADS AND HIGHWAYS

OCTA's commitment to continuously improve mobility in Orange County is reflected through a dynamic involvement in such innovative highway endeavors as the ownership of the 91 Express Lanes and the use of design-build authority on the State Route 22 project and Interstate 405 Improvement Project. OCTA will continue to seek new and innovative ways to deliver road and highway projects to the residents of Orange County and, to that end, in 2019-20, OCTA will focus on the following:

- a) Oppose efforts to create a conservancy that would inhibit the delivery of transportation projects under study or being implemented in the region;
- b) Support efforts to expand, extend, and preserve new and existing alternative project delivery methods such as design-build, public-private partnership authority, and construction manager/general contractor authority, including expanding mode and funding eligibility, while allowing the appropriate balance of partnership between the state and local agencies;
- c) Support legislation that would authorize local agencies to advertise, award, and administer contracts for state highway projects;
- d) Oppose duplicative reporting mandates and efforts to impose additional requirements, beyond what is required in statute, on lead agencies awarding contracts using alternative project delivery mechanisms;
- e) Support streamlining of the Caltrans review process for projects, simplification of processes, and reduction of red tape, without compromising environmental safeguards;
- f) Support administrative policy changes to lower the oversight fee charged by Caltrans to ensure that project support costs are equivalent whether the project is administered by Caltrans or a local agency;
- g) Support studying the policies, funding options, and need for rail/highway grade separations, including any impact on existing state highway and transit funding sources;

- h) Support policies that improve signal synchronization programs in order to facilitate street signal coordination, prioritization, and preemption, as well as encouraging the use of intelligent transportation system measures;
- i) Support policies that expanding utilization of continuous access of high-occupancy vehicle (HOV) lanes;
- j) Monitor efforts to increase fines for HOV lane violations and, if implemented, ensure fines are dedicated to enforcement purposes;
- k) Support legislation that provides for equitable enforcement of regulations governing transportation network companies;
- l) Support efforts to study the development and safe operation of autonomous vehicles and related technologies;
- m) Oppose legislation that fails to preserve local discretion and flexibility in the development of the congestion management program.

VI. ROLES AND RESPONSIBILITIES

In recent years, there have been many efforts to reorganize or restructure transportation programs and local agency responsibilities. In 2019-20, OCTA will continue to monitor legislation or regulations that would significantly affect the way in which it operates, with a focus on the following principles:

- a) Support efforts to preserve the role of county transportation commissions, as consistent with existing law, in the administration of transportation programs;
- b) Oppose proposals that reduce the rights and responsibilities of county transportation commissions in planning, funding, and delivering transportation programs;
- c) Oppose efforts to unnecessarily subject projects to additional reviews and project selection approvals that could adversely affect delivery timelines and processes;
- d) Support efforts to facilitate a partnership with alternative mobility providers that allows for adequate information sharing while also respecting the planning efforts of local agencies;
- e) Support efforts to improve local oversight and create operational improvements in the administration of the Orange County Taxi Administration Program;
- f) Support efforts to increase the flexibility of funds used for motorist service programs;

- g) *Support efforts to maintain the promises self-help counties have made to taxpayers in the implementation of local sales tax measures, specifically regarding the sequencing and delivery of transportation improvements.*

VII. 91 EXPRESS LANES/MANAGED LANES

OCTA's commitment to continuously improve mobility in Orange County is reflected through a dynamic involvement in such innovative highway endeavors as the ownership of the 91 Express Lanes, a ten-mile managed lane facility on State Route 91, extending from State Route 55 to the Orange/Riverside County line. Since its purchase in 2003, the 91 Express Lanes has provided drivers an alternative mobility option between Orange and Riverside counties, while also allowing for investment in multi-modal improvements throughout the State Route 91 corridor.

As transportation demands continue to increase, innovative tools must be available to ensure transportation infrastructure projects continue to be built in a reliable, prompt, and efficient manner. OCTA took advantage of one such tool by securing a \$629 million federal loan to supplement state and local funds on the Interstate 405 Improvement Project. The loan, obtained through the Transportation Infrastructure Finance and Innovation Act (TIFIA), will save taxpayers approximately \$300 million in the decades to come. As the TIFIA loan illustrates, OCTA is committed to improving mobility for Orange County residents using the innovative tools and approaches that are allowing transportation agencies to stretch their dollars further than ever before.

Many agencies are discussing the increased use of managed lane facilities. To ensure not only the continued success of the 91 Express lanes, but also to ensure managed lane policy moving forward allows for local flexibility and input, in 2019-20, OCTA will:

- a) Support legislation to ensure revenues from managed lane facilities remain within the corridor from which they are generated, opposing efforts to divert revenues from managed lane facilities for state purposes;
- b) Support policies that allow OCTA and the Riverside County Transportation Commission to efficiently operate and maintain the 91 Express Lanes into Riverside County;
- c) Support efforts to preserve local flexibility in the administration of toll lanes;
- d) Oppose state efforts to construct or operate managed lane facilities that are established without an adopted statewide managed lane strategy or plan;
- e) Oppose state efforts to construct or operate managed lane facilities that fail to respect existing local transportation projects and funding programs;
- f) Support customer privacy rights while maintaining OCTA's ability to effectively communicate with customers and operate the 91 Express Lanes;

- g) Support the use of innovative means to enhance toll agency enforcement efforts, including ways to address toll violations due to protected plates;
- h) Support collaborative solutions to address the degradation of HOV lanes that respect local transportation funding sources and programs, have the support of the relevant regional transportation planning agency, do not redirect existing local transportation funding sources, and analyze the effect of single-occupant, low-emission vehicles, including associated federal requirements triggered by their access allowance.
- i) Support efforts to improve the interoperability of the different toll systems across the state in order to ensure fair and efficient toll operations, including enforcement mechanisms, throughout California.

VIII. RAIL PROGRAMS

Metrolink is Southern California's commuter rail system that links residential communities to employment and activity centers. Orange County is served by three Metrolink lines: the Orange County line, the Inland Empire-Orange County Line, and the 91/Perris Valley Line. In support of these routes, OCTA owns 48 miles of rail right-of-way in Orange County on which Metrolink operates. OCTA's rail capital budget supports improvements to the regional commuter rail system in Orange County, and under existing policy, OCTA is the primary construction lead on major capital improvements to the regional commuter rail system on its right-of-way.

In addition to Metrolink services, Orange County is also served by the state-supported Pacific Surfliner intercity passenger rail service traveling between San Luis Obispo and San Diego. The Pacific Surfliner is operated by Amtrak and managed by the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency (LOSSAN Agency). OCTA has served as the managing agency for the LOSSAN Agency since 2013 and assumed full administrative and management responsibility for the Pacific Surfliner service in June 2015 via an interagency transfer agreement with the State of California. OCTA continues to serve in this capacity, providing all necessary administrative support to the LOSSAN Agency.

Other rail systems could also travel through Orange County at some point in the future, including additional intercity rail service. While the status and future of these programs is uncertain, OCTA will be watchful to ensure that funding for these rail systems does not impact other transportation funding sources.

Key advocacy efforts will emphasize the following:

- a) Support legislation that encourages commercial, commuter-based development around passenger rail corridors that includes permanent job creation;

- b) Support efforts to create additional efficiency in rail program oversight, including consideration of possible program consolidation;
- c) Monitor and evaluate plans and progress of high-speed rail and its funding;
- d) Support efforts to provide resources for safety improvements on the rail network in Southern California, including for the implementation of Positive Train Control safety technology;
- e) Support policies that facilitate the development and construction of needed infrastructure projects that support modernization, connectivity, and general system-wide improvements to California's rail network.

IX. GOODS MOVEMENT

The Ports of Los Angeles and Long Beach, the nation's two busiest in terms of container volume and value, are vital to California's economy and the surrounding region because goods are shipped to and through the surrounding counties. Our state's goods movement-related industries account for more than \$700 billion in revenue and more than five million jobs. While the state's goods movement system is the most robust in the nation, it is continually challenged by competing goods movement systems in other states. In order to continue to compete and engage in the global market place, California must continue to enhance its goods movement system, while at the same time be cognizant of taking the necessary actions to mitigate any negative impacts to local communities.

Key Positions for 2019-20 include:

- a) Support improvements in major trade gateways in California to facilitate the movement of intrastate, interstate, and international trade beneficial to the state's economy;
- b) Support legislation that will aid in the development, approval, and construction of projects to expand goods movement capacity and reduce congestion;
- c) Ensure that control of goods movement infrastructure projects and funding retained at the local level;
- d) Seek mitigation for the impacts of goods movement on local communities;
- e) Pursue ongoing, stable sources of funding for goods movement infrastructure.

X. ACTIVE TRANSPORTATION

Active transportation projects and programs, which encourage greater mobility through walking and biking, have grown in popularity due to the environmental, health, and cost

savings benefits. Through local planning efforts such as Orange County's Regional Bikeways Planning Collaborative, the Pacific Coast Highway Corridor Study, and the development of OCTA's Commuter Bikeways Strategic Plan, OCTA continues to study, plan, and fund active transportation projects and programs as part of its mission to provide Orange County with an efficient and multi-modal transportation system.

Key positions include:

- a) Support legislation that increases the visibility and safety of users engaged in active transportation;
- b) Support creative use of paths, roads, and abandoned rail lines using existing established rights-of-way to promote bike trails and pedestrian paths;
- c) Support policies that encourage the safe interaction and operation of integrated multi-modal systems, including roadways, rail lines, bikeways, and pedestrian ways, and the users of those facilities;
- d) Support efforts to streamline active transportation funding programs;
- e) Support legislation and regulatory changes to streamline and simplify the review and approval by the California Public Utilities Commission of lease agreements between sponsors of active transportation projects and public utility companies.

XI. ADMINISTRATION/GENERAL

General administrative issues arise every session that could impact OCTA's ability to operate efficiently. Key positions include:

- a) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively contract for goods and services, conduct business of the agency, and limit or transfer the risk of liability;
- b) Support legislation to provide greater protection of OCTA's computer and information security systems;
- c) Support legislation that establishes reasonable liability for non-economic damages in any action for personal injury, property damage, or wrongful death brought against a public entity based on principles of comparative fault;
- d) Support legislation that would provide for consistency of campaign contribution limits applied to both elected and appointed bodies;
- e) Monitor the effect of Brown Act legislation on OCTA Board operations as it relates to the use of new technologies for communication with the public.

XII. ENVIRONMENTAL POLICIES

Changes in environmental laws can affect OCTA's ability to plan, develop, and build transit, rail, and highway projects. While OCTA has been a leading advocate for new, cleaner transit technologies and the efficient use of transportation alternatives, it also remains alert to new, conflicting, or excessive environmental statute changes.

Key positions include:

- a) Oppose efforts to grant special interest groups or new bureaucracies control, oversight, or influence over the California Environmental Quality Act process;
- b) Oppose legislation that restricts road construction by superseding existing broad based environmental review and mitigation processes;
- c) Support incentives for development, testing, and purchase of clean fuel commercial vehicles;
- d) Support efforts to seek funding and flexibility for the retrofit or re-powering of transit buses and locomotives with cleaner engines to attain air quality standards;
- e) Oppose legislation that would limit lead agency discretion in the management and oversight of lands set aside for environmental mitigation purposes, while encouraging policies that promote advance mitigation planning programs;
- f) Support efforts to ensure that Caltrans can continue to review and approve transportation projects under the National Environmental Policy Act;
- g) Monitor the development, adoption, and implementation of the Air Quality Management Plan (AQMP) to avoid cost increases and prevent any potential conflicts between AQMP implementation, the adopted Regional Transportation Plan, and OCTA's projects or programs.

XIII. EMPLOYMENT ISSUES

As a public agency and one of the largest employers in Orange County, OCTA balances its responsibility to the community and the taxpayers to provide safe, reliable, cost effective service with its responsibility of being a reasonable, responsive employer.

Key advocacy positions include:

- a) Oppose efforts to impose state labor laws on currently exempt public agencies;
- b) Oppose legislation that circumvents the collective bargaining process;

- c) Oppose legislation and regulations adversely affecting OCTA's ability to efficiently and effectively deal with labor relations, employee rights, benefits including pension benefits, Family Medical Leave Act, and working conditions, including health, safety, and ergonomic standards for the workplace;
- d) Support legislation that reforms and resolves inconsistencies in the workers' compensation and unemployment insurance systems, and labor law requirements that maintain protection for employees and allow businesses to operate efficiently;
- e) *Support workforce development policies that facilitate a more efficient talent acquisition process.*

XIV. TRANSPORTATION SECURITY AND EMERGENCY PREPAREDNESS

As natural and man-made disasters continue to threaten transportation systems around the world, significant improvements have been, and continue to be, carried out to enhance the safety, security, and resilience of transportation infrastructure in the United States. As Orange County's bus provider and a Metrolink partner, OCTA comprehends the importance of ensuring the safety and security of our transportation network and protecting our customers. Presently, OCTA maintains a partnership with the Orange County Sheriff's Department to provide OCTA Transit Police Services for the bus and train systems in Orange County and continues to be actively involved in a variety of state and regional preparedness exercises in support of first responders. OCTA is also currently working with its community partners on an effort to install video surveillance systems at Metrolink stations and on its fleet of buses and throughout its bus facilities. The development of a new Transit Security and Operations Center is also underway to enhance security efforts and further the resiliency of the Orange County transit system.

Heightened security awareness, an active public safety campaign, and greater surveillance efforts, all require additional financial resources. Consequently, in 2019-20, OCTA's advocacy position will highlight:

- a) Support state homeland security and emergency preparedness funding and grant programs to local transportation agencies to alleviate financial burden placed on local entities;
- b) Support legislation that balances retention mandates of video surveillance records to reflect current reasonable technological and fiscal capabilities;
- c) Support the use of new technology to increase the safety of public transportation passengers and operators.