



November 4, 2024

To: Regional Transportation Planning Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Regional Planning Update

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Overview

Regular updates on regional planning matters are provided to highlight current transportation planning issues impacting the Orange County Transportation Authority and the Southern California region.

Recommendation

Receive and file as an information item.

Background

The Orange County Transportation Authority (OCTA) regularly coordinates with other planning and regulatory agencies within the Southern California region. This coordination is conducted at many levels, involving the OCTA Board of Directors (Board), executives, and technical staff. Some examples of the regional planning forums in which OCTA participates include:

- Southern California Association of Governments (SCAG) Regional Council, policy committees, and technical working groups,
- State Route 91 Advisory Committee,
- Regional Chief Executive Officers meetings,
- South Coast Air Quality Management District (AQMD) working groups
- Interregional planning coordination meetings (OCTA, SCAG, the San Diego Association of Governments, and the California Department of Transportation [Caltrans] districts 7, 11, and 12).

Regional planning updates are prepared twice a year, with the last update provided to the Board in May 2024. Attachment A includes regional planning activities that are being monitored by staff, including relevant activities highlighted in previous updates.

Since the May 2024 update, there have been new developments in the following planning activities:

- Resolution on potential federally imposed highway funding sanctions
- SCAG's Expert Panel on Induced Travel Impacts of Priced Managed Lanes

A discussion of each is provided below.

Discussion

Resolution on Potential Federally Imposed Highway Funding Sanctions

In May 2024, staff presented a report to the Board about the potential for federally imposed highway funding sanctions. The report highlighted ongoing disagreements between the United States Environmental Protection Agency (EPA), California Air Resources Board (CARB), and South Coast AQMD over the Contingency Measure Plan (CMP) for the 1997 ozone National Ambient Air Quality Standard. The EPA proposed disapproving the CMP, arguing that it did not fully meet Clean Air Act requirements, particularly concerning the distribution of responsibilities between federal and state agencies. OCTA's primary concern was the possibility of highway funding sanctions, which could restrict federal funding for critical transportation projects beginning in fiscal year 2026-27 if the disapproval was finalized.

Since the May 2024 update, EPA, CARB, and South Coast AQMD have resolved their disagreements and avoided the need for sanctions. Instead, the agencies agreed to work collaboratively to meet ozone standards in the South Coast Air Basin. On July 22, 2024, the agencies issued a Joint Statement on Advancing Emissions Reductions (Attachment B). The agencies also issued individual letters of intent detailing the actions each agency will undertake to reduce emissions (Attachments C, D, and E). These actions are summarized below:

- EPA: Reduce emissions from locomotives, aviation, non-road engines, and ocean-going vessels by advancing zero-emission technologies, tightening emissions standards, and collaborating on innovations to lower NOx emissions.
- CARB: Develop regulations to reduce NOx emissions across sectors, including aircraft, ocean-going vessels, and heavy-duty vehicles, aiming to achieve five tons per day of NOx reductions by 2033.
- South Coast AQMD: Implement zero-emission projects for locomotives and off-road equipment, introduce indirect source rules for rail yards and marine ports, and conduct technology demonstrations for cleaner aviation and maritime practices.

The agreement resulted in the withdrawal of the 2019 CMP and, while the EPA maintains its proposed disapproval, the withdrawal prevents the issuance of a final determination. Going forward, the agencies will pursue their commitments from the letters of intent and revise the CMP to meet federal requirements and ensure compliance with EPA standards. OCTA will continue to monitor this process to safeguard the agencies' interests.

Related to this resolution, AQMD was awarded approximately \$500 million from the EPA's Climate Pollution Reduction Grant (CPRG) program. The CPRG funds are intended to reduce diesel pollution and invest in zero-emission infrastructure targeting heavy-duty freight vehicles and trains. By investing in zero-emission technologies, smog-forming emissions will be reduced, helping to meet the federal air quality standards that were at the center of the proposed disapproval discussed above.

SCAG has reported that they will receive \$50 million from this grant to advance its Last Mile Freight Program, which aims to transition last-mile delivery vehicles to clean technologies. Staff is continuing to monitor for other specific programs that will be used to direct investments for the remainder of the award.

Summary of SCAG's Expert Panel on Induced Travel Impacts of Priced Managed Lanes

In July 2024, Professor Michael Manville from the University of California, Los Angeles' Institute of Transportation Studies, published the SCAG-funded expert panel study, *Induced Travel Estimation Revisited*. The study reviews the effect of priced managed lanes (express lanes) on inducing vehicle miles traveled (VMT), as required by SB 743 (Chapter 386, Statutes of 2013).

A key question raised in the report is whether the use of VMT as a standalone environmental metric for evaluating transportation impacts under the California Environmental Quality Act is appropriate. The report highlights the need to recognize that not all VMT impose equal environmental burdens. For instance, an electric vehicle driving in off-peak hours produces far fewer impacts than a gasoline-powered vehicle in rush-hour traffic. Therefore, it is suggested that VMT alone does not capture the full complexity of transportation systems' performance, and that more nuanced measures of environmental impact would provide for a more accurate and appropriate analysis.

The report also explores whether it is appropriate for Caltrans to continue using the same methodology to analyze general purpose lanes as for express lanes. While express lanes differ from general purpose lanes in terms of pricing and occupancy policies, the report concludes that there is insufficient research to support altering the current assumption that adding new express lanes will likely increase VMT at a rate similar to that of general purpose lanes. The current assumption presumes that when vehicles move to the new express lanes, any

space freed up in general purpose lanes is quickly filled by new trips, resulting in more total driving. The report recommends that further research is needed to differentiate the impact of express lanes from that of general purpose lanes. It is also noted that the induced VMT calculator used by Caltrans does not adequately account for the local context of project areas, suggesting it may be insufficient for estimating induced VMT accurately for individual projects.

Until sufficient research is conducted demonstrating that express lanes generate a lower rate of induced VMT compared to general purpose lanes, projects that add capacity on freeways (that are not already environmentally cleared) will likely require extensive mitigation to offset induced VMT.

Summary

OCTA staff is actively engaged in monitoring regional planning efforts, including developments such as the resolution of potential federal highway funding sanctions and SCAG's expert panel on induced travel impacts of priced managed lanes. As part of these efforts, staff will continue to track updates and provide input to ensure OCTA's interests are represented.

Attachments

- A. Regional Planning Activities – November 2024
- B. Letter from Joseph Goffman, Assistant Administrator for Air and Aviation, U.S. Environmental Protection Agency, and others, Joint Statement on Advancing Emissions Reductions in the South Coast Air Quality Management District – Dated July 22, 2024
- C. Letter from Martha Guzman, Regional Administrator, U.S. Environmental Protection Agency, and Alejandra Nunez, Principal Deputy Assistant Administrator, U.S. Environmental Protection Agency, to Liane M. Randolph, Chair, California Air Resources Board, and Vanessa Delgado, Chair, South Coast Air Quality Management District Governing Board, Dated July 22, 2024
- D. Letter from Liane M. Randolph, Chair, California Air Resources Board, to Joseph Goffman, Assistant Administrator for Air and Aviation, U.S. Environmental Protection Agency, and others, re: Letter of Intent for Further Measures to Improve Air Quality in South Coast, Dated July 22, 2024
- E. Letter from Vanessa Delgado, Governing Board Chair, South Coast Air Quality Management District, to Joseph Goffman, Assistant Administrator for Air and Aviation, U.S. Environmental Protection Agency, and Liane M. Randolph, Liane M. Randolph, Chair, California Air Resources Board, Dated July 22, 2024

Prepared by:



Angel Garfio
Planning and Analysis
Transportation Analyst, Associate
(714) 560-5822

Approved by:



Kia Mortazavi
Executive Director, Planning
(714) 560-5741