



2016 STATE LEGISLATIVE PROGRAM

The California Transit Association's 2016 State Legislative Program is an integral part of making our vision a reality, and is part and parcel of our mission to further the interests of public transportation as defined in our Strategic Plan.

Vision Statement

This statement contains our long-range vision for the transit industry and portrays the desired future the Association seeks to achieve. Our Association's vision is to have:

“Fully funded, efficient, and effective public transit systems operating in a balanced transportation network.”

Mission Statement

To attain that vision we carry out our mission to:

“Support the needs of California’s public transit systems through advocacy and education.”

Advocacy

The goal of the advocacy effort contained in our Strategic Plan is to:

“Influence decision makers to enact policies and supply funds supporting and advancing public transit.”

The objectives of our advocacy effort are aimed at:

- Ensuring that existing transit funds are protected.
- Securing new funds for transit.
- Pursuing laws and regulations that support transit and defeating those that impede transit's ability to meet the public's mobility needs.

2016 STATE LEGISLATIVE PROGRAM – SUMMARY OF NEW / ACTION ITEMS

The following summarizes the highest priority policy goals the California Transit Association will pursue in 2016, including sponsored legislation we will seek.

- **Transportation / Transit Funding:** Advocate for a comprehensive state transportation funding solution, providing funding to all modes, including highways, roads, and transit capital & operations.
- **Transit Funding from Cap and Trade:** Pursue additional funding from the Cap and Trade programs for transit operators from the 40 percent non-dedicated share. Protect transit's existing share of long-term Cap and Trade revenue allocated to the Low-Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, and the Affordable Housing and Sustainable Communities Program; and support annual appropriations of Cap and Trade funds to the Low Carbon Transportation program to be used for transit.
- **Cap and Trade Cleanup:** Pursue a legislative solution that would shift the 50 percent operator-by-operator disadvantaged community-benefit requirement to either a statewide or regional target for investment and/or seek to adjust the 50 percent requirement to 25 percent consistent with the Transit and Intercity Rail Capital Program and the provisions laid out in SB 535 (de Leon) [Chapter 830, Statutes of 2012]. Additionally, pursue statutory changes to allow transit operators receiving Low-Carbon Transit Operations Program funding to use the funding for operations for up to five years, as well as other mechanisms that would provide additional flexibility to operators.
- **Bus Axle Weight Fix:** Uphold the Association's commitment to explore and support an appropriate solution addressing Caltrans concerns related to the operation of certain buses on bridges, as enacted in AB 1250 (Bloom) [Chapter 484, Statutes of 2015].
- **Zero Emission Bus Procurements:** Ensure a positive outcome for transit in the California Air Resources Board's (ARB) proposed Advanced Clean Transit regulation. Oppose any ZEB purchase mandate that would place undue burden on transit agencies, and support the provision of new sources of funding to incentivize the adoption of ZEB technology.
- **Bus on Shoulder Expansion:** Define and seek as appropriate an expansion of the existing, very limited bus on shoulder statutory authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946 (Stone) [Chapter 426, Statutes of 2013].
- **Bond Funding: Proposition 1A Rail Transit and Proposition 1B Public Transit Modernization, Improvement, Service Enhancement Account (PTMISEA) and Transit System Safety, Security, Disaster Response Account (TSSSDRA) Funding:** Monitor and/or actively pursue if necessary the remaining allocation of the \$950 million in regional rail connectivity funds provided by the Proposition 1A High-Speed Rail bond to all program recipients. Monitor the allocation of the remaining amount of appropriated PTMISEA funds, and seek continued significant annual appropriations and allocations from the TSSSDRA program to keep up with transit capital needs.
- **Pension Reform:** Monitor and respond as appropriate to state and federal efforts regarding pension reform, including pending legal review relative to PEPRA/13(c).
- **MAP-21 Implementation:** Support legislation and administrative strategies to implement MAP-21, or the next authorization bill, in a way that ensures the best possible outcome for transit.
- **CEQA Reform:** Support efforts to include transit projects in CEQA reform measures.
- **Rail Modernization:** Support the state's rail modernization efforts.

2016 STATE LEGISLATIVE PROGRAM – ALL ACTION ITEMS

The following summarizes all policy goals the California Transit Association will actively pursue in 2016, whether through sponsoring legislation or in supporting the work of other groups. These are a mix of our existing goals and new items added for 2016.

OBJECTIVE 1: Existing Transit Funds are Protected

A. Protect existing State transit funds, including TDA, PTA, TCRP, Propositions 1A & 1B, and Cap and Trade revenues for transit, from being eliminated, terminated, shifted or otherwise used for non-transit purposes, without specific repayment terms, and restore or obtain repayment of all previous loans or shifts of transit funds, plus interest.

The Association will continue to take all actions necessary and appropriate in support of protecting against diversions from the Public Transportation Account (PTA). In 2010, the “gas tax swap” package of bills, ABX8 6 and ABX8 9 (Committee on Budget) [Chapters 11 and 12, Statutes of 2010] diverted \$1.586 billion in state funding for public transportation in FY 10-11 from the four historic sources of funding: spillover, Proposition 42, sales tax on diesel, and Proposition 111. Prospectively, only the sales tax on diesel is retained, and this source was enhanced through the second gas tax swap of 2011, as contained in AB 105 (Committee on Budget) [Chapter 6, Statutes of 2011]. This represents the last remaining source of state funding for public transportation.

The Association will advocate for maintenance of transit funding in the FY 2016-17 State Budget at levels prescribed in Proposition 22 and the 2011 gas tax swap, and explore all necessary actions for further protecting existing transit funds. The Association will partner with local government, the environmental community, and other interested transportation stakeholders, among others, and form coalitions advocating for protection of transit funding.

B. Preserve the relative share of Cap and Trade revenues for public transit established in 2014 legislation.

In 2011 California’s Air Resources Board (ARB) adopted a Cap and Trade regulation, expected to help California achieve the goals of AB 32 (Nunez and Pavley) [Chapter 488, Statutes of 2006] – the California Global Warming Solutions Act of 2006) – which include reducing the greenhouse gas emissions that contribute to climate change. The Cap and Trade program sets a limit on the total greenhouse gas (GHG) emissions that can be emitted by specific sources within the state; those emitters that anticipate exceeding their cap must purchase additional allowances through this market-based system. The ARB conducts auctions for these allowances, and the revenue generated is available for appropriation by the Legislature.

In 2014, the Legislature approved SB 862 (Committee on Budget and Fiscal Review) [Chapter 36, Statutes of 2014] which established long-term funding programs from the Cap and Trade program for transit and sustainable communities & affordable housing, as well as for high-speed rail. This dedicated 60 percent of future revenues for transportation-related programs on a continuously appropriated basis.

Beginning in FY 2015-16, 60 percent of Cap and Trade revenues will be dedicated as follows:

- 5 percent for the Low-Carbon Transit Operations Program;
- 10 percent for the Transit and Intercity Rail Capital Program;
- 20 percent for the Affordable Housing and Sustainable Communities (AHSC) Program;
- 25 percent for high-speed rail.

The remaining 40 percent is available for appropriation by the Legislature and the Administration in each fiscal year.

The Association will work to protect existing long-term Cap and Trade revenue allocated to transit through the Low-Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program, and the Affordable Housing and Sustainable Communities Program, and support annual appropriations of Cap and Trade funds to the Low Carbon Transportation program to be used for transit.

C. Ensure continued allocation of Proposition 1A Rail Transit and Proposition 1B Public Transit Modernization, Improvement, Service Enhancement Account (PTMISEA) and Transit System Safety, Security, Disaster Response Account (TSSSDRA) Funding.

Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act of 2008, provided for \$950 million in bond funds to fund capital projects that improve other passenger rail systems in order to enhance these systems' capacity, or safety, or allow riders to connect to the high-speed train system. Of the \$950 million, \$190 million is designated to improve the state's intercity rail services. The remaining \$760 million would be used for other passenger rail services including urban and commuter rail, and would be allocated based on a formula developed and supported by the Association's rail passenger member transit systems.

In 2012, the legislature approved SB 1029 (Committee on Budget and Fiscal Review) [Chapter 152, Statutes of 2012], which appropriates funding for high-speed rail. The appropriation includes \$6 billion for the Central Valley (\$3.3 billion of which is a federal grant), \$1.1 billion for the "bookends," and \$819 million for connectivity funding (with \$106 million for intercity rail).

The PTMISEA is part of the larger Proposition 1B Transportation Bond passed by voters in 2006. PTMISEA funds may be used for transit rehabilitation, safety or modernization improvements, capital service enhancements or expansions, new capital projects, bus rapid transit improvements, or rolling stock (buses and rail cars) procurement, rehabilitation or replacement. Of the \$19.925 billion dedicated to transportation by Prop 1B in 2006, \$3.6 billion dollars was allocated to PTMISEA to be available to transit operators over a ten-year period. PTMISEA funds are appropriated annually by the Legislature and allocated by the State Controller's Office.

At the end of FY 2013-14, approximately \$800 million in PTMISEA funds were available for appropriation, as well as an additional \$160 million for the state's three intercity rail corridors. The FY 2014-15 Budget Act appropriates \$793 million in PTMISEA for transit and \$160 million for intercity rail. The remaining \$7 million will be set aside for Caltrans administration of the program in future years. Because these are bond funds, they will be available to transit and intercity rail agencies once the state has determined an appropriate time to sell bonds in order to finance the proposed projects. Bond sales traditionally occur twice a year, in the spring and fall.

Additionally, Proposition 1B's Transit System Safety, Security, Disaster Response Account (TSSSDRA) set aside \$1 billion to be appropriated for transit safety and security programs, to be allocated by the California Emergency Management Agency (CalEMA).

The Association will coordinate with the Department of Transportation, Department of Finance, the State Treasurer's Office, CalEMA, and the State Controller, if necessary, to ensure that allocations are made.

OBJECTIVE 2: New Transit Funds are Secured

A. Advocate for additional, more flexible state transit funding as part of the special session on transportation and infrastructure development.

On June 16, 2015, Governor Brown called for the Legislature to convene a special session to immediately address the state's transportation infrastructure needs, and proposed the Legislature "enact pay-as-you-go, permanent and sustainable funding to: adequately and responsibly maintain and repair the state's

transportation and critical infrastructure; improve the state's key trade corridors; and complement local infrastructure efforts." The Governor further proposed that the Legislature enact legislation necessary to: "establish clear performance objectives measured by the percentage of pavement, bridges, and culverts in good conditions; and incorporate project development efficiencies to expedite project delivery or reduce project costs." The Legislature responded by convening Extraordinary Session 1 on June 19, 2015.

The Association seized the opportunity created by the special session to try and refocus the discussion from one strictly limited to new revenues for highways and streets & roads, to one that includes all modes. As part of our mission to find more state funding for transit, the Association put forth a number of proposals for consideration by the Legislature, which could generate additional revenue for transit agencies. Mainly, we proposed: increasing the rate of sales tax on diesel fuel, which would increase the amount of funding in the State Transit Assistance program; increasing the share of the statewide sales tax that flows to the Local Transportation Fund; and, increasing the share of Cap and Trade revenues flowing to transit programs (more on Cap and Trade under B. below).

Two bills were introduced in the special session, ABX1 8 (Bloom and Chiu) and SBX1 7 (Allen), which would triple the incremental sales tax rate on diesel fuel, increasing the amount of revenue flowing to the State Transit Assistance program by approximately \$300 million annually.

The Association will advocate: for new funding for transit agencies; that any new state solution achieving additional revenues for highways and local streets & roads should provide flexibility for projects to benefit transit service (such as complete streets and active transportation); and, that new funding programs include transit as an eligible expenditure (such as from the road-user charge and expansion of high-occupancy tolling).

B. Pursue additional transit funding from non-dedicated Cap and Trade revenues.

In FY 2015-16, 60 percent of all Cap and Trade funds were dedicated for specific purposes, including affordable housing and sustainable communities, high-speed rail, and transit.

The Association believes additional revenue is needed from Cap and Trade for transit and bicycle & walking if we are to meet our state's laudable environmental policy goals, as set forth in AB 32 (Nunez and Pavley), SB 375 (Steinberg) [Chapter 728, Statutes of 2008], SB 535 (de Leon), and SB 350 (de Leon) [Chapter 547, Statutes of 2015].

Two bills were introduced in the special session, ABX1 7 (Nazarian) and SBX1 8 (Hill), which would direct an additional 15 percent of the total Cap and Trade program to public transit.

Of the 40 percent of Cap and Trade funds not continuously appropriated pursuant to existing statute, the Association will seek additional ongoing, dedicated revenue for transit. The Association will continue to be a resource to the Legislature and advocate for additional revenues for transit.

C. Support new local government funding options to support transit and infrastructure near transit.

With the state's regions working to implement SB 375 (Steinberg) and the recent dissolution of redevelopment agencies, local governments continue to seek methods of financing new infrastructure around transit. During the 2013-14 Legislative Session, SB 628 (Beall) [Chapter 785, Statutes of 2014] was signed into law creating "enhanced" Infrastructure Financing Districts, which can be formed to fund transit projects. SB 628 (Beall) is not a silver bullet, but it is a step in the right direction towards providing more creative financing options for transit agencies. The Association has also supported efforts to lower the vote-threshold for local sales tax measures geared toward transportation. The most recent effort, ACA 4 (Frazier), is supported by the Association and still moving through the Legislature.

The Association supports new local funding tools enabling local governments to maintain and expand transit service and promote infrastructure, including affordable housing, near public transit.

OBJECTIVE 3: Laws and Regulations That Support Transit are Enacted and Those That Impede Transit's Ability to Meet the Public's Mobility Needs are Defeated

A. Pursue cleanup legislation to address the application of the disadvantaged community requirements, the availability of operations funding for new service in the Low-Carbon Transit Operations Program, as well as other positive program outcomes for transit agencies.

As enacted in SB 862 (Committee on Budget and Fiscal Review), the LCTOP is subject to a disadvantaged community requirement of 50 percent per operator. Specifically, Section 75230 of the Public Resources Code requires that "for transit agencies whose service areas include disadvantaged communities...at least 50 percent of the total moneys received pursuant to this chapter shall be expended on projects or services that...benefit disadvantaged communities." This results in certain transit agencies, with a small number of disadvantaged communities (in some cases one or two census tracts), being required to spend at least half of their funding to benefit those areas. The requirement continues year after year and will ultimately result in overinvesting in certain areas at the expense of good GHG-reducing projects.

Also, Caltrans and the Air Resources Board are considering putting a limit on the number of years a transit agency can fund operations for new service. If a time limit is required, the Association believes that a system should have five years to use LCTOP funding for operations, as this is generally considered a standard ramp-up period for establishing ridership.

Finally, other tools that may need to be enacted through legislation, such as the ability to utilize a "letter of no prejudice" process or the expansion of eligible expenditure programs or project-types (e.g. training), will be sought as needed.

The Association will seek a legislative solution that would shift the 50 percent operator by operator disadvantaged community-benefit requirement to either a statewide or regional target for investment and/or seek to reduce the 50 percent requirement to 25 percent consistent with the Transit and Intercity Rail Capital Program and the provisions laid out in SB 535 (de Leon). Additionally, the Association will pursue a statutory change to allow transit operators receiving Low-Carbon Transit Operations Program funding to use the funding for operations for up to five years, as well as other statutory changes necessary to make the best use of the resource provided by the LCTOP.

B. Explore and support an appropriate solution addressing Caltrans concerns related to the operation of certain buses on bridges.

Late in the 2015 legislative session, Caltrans raised significant concerns over the impact the Association's bus axle weight proposal would have on bridges. The Association developed, in consultation with the League of California Cities and the California State Association of Counties, a tiered approach to: 1) acknowledge the existing weight of transit vehicles currently in service; and 2) put in place a statutory scheme that would ramp-down the curb weight of transit vehicles over time. At issue is Caltrans' concern that some vehicles' gross weight may exceed the design standard for some bridges. While the Association believes transit buses, regardless of allowable axle-weights, would still be subject to state and local laws pertaining to vehicle weights on bridges, Caltrans requested language requiring the permitting of buses using those facilities if the buses are over the load-weight of the bridge.

Uphold the Association's commitment to explore and support an appropriate solution addressing Caltrans concerns related to the operation of certain buses on bridges, as enacted in AB 1250 (Bloom).

C. Ensure a positive outcome for transit in the California Air Resources Board's (ARB) proposed Advanced Clean Transit regulation, oppose any ZEB purchase mandate that would place undue burden on transit agencies, and seek new sources of funding to incentivize the adoption of ZEB technology.

The California Air Resources Board's (ARB) Zero-Emission Bus (ZEB) requirements continue to be a concern for member agencies. One of the issues critical to our members is the requirement to incorporate ZEB purchases into procurements. As part of the Fleet Rule for Transit Agencies, adopted by the ARB in 2000, large transit agencies were required to have a 15-percent rate of ZEB purchases and/or lease agreements. Affected agencies were those that have or will have 200 or more buses over the life of the regulations. ARB previously delayed the requirement to 2011 (diesel path) and 2012 (alternative fuel path). The preponderance of evidence from our members suggests that the technology is still not ready for expanded implementation.

The Association's Task Force on Zero Emission Buses (ZEB task force) worked with ARB staff to delay the implementation of the 15-percent ZEB purchase requirement. On July 23, 2009, The ARB voted unanimously to delay the 15-percent ZEB purchase requirement. ARB released a regulatory advisory in February 2010 stating that the regulation as written in the California Code of Regulations will not be enforced, and that ARB staff is to return to the Board no later than July 2012 with recommended amendments to the ZEB regulation regarding the purchase requirement. In 2014, ARB staff announced its intentions to revisit the ZEB purchase requirement through the proposed Advanced Clean Transit regulation, which would expand the scope of the purchase requirement to all size transit systems.

While the specifics of the ACT regulation have not yet been finalized, ARB staff presented their proposed framework for the regulation at public workshops in May 2015. The ACT regulation, as proposed, is based on four broad elements:

- Require Zero Emission Bus Purchases – Mandate a fraction of bus purchases to be ZEB technology beginning 2018. This purchase requirement would increase over time, with the goal of transitioning all transit fleets to ZEB technology by 2040.
- Minimize Emissions from Conventional Fleet – Require transit operators to purchase the cleanest available technology at the time of replacement, and to use renewable fuels, as soon as feasible.
- Provide Regional Flexibility for ZEBs – Allow fleets within a region the option to pool requirements and work together to achieve a ZEB fleet.
- Innovate Transit Beyond Buses – Allow for transit operators to work with MPOs to develop and implement plans for increased efficiencies through the use of innovative transit technologies beyond conventional transit operations.

ARB staff intend to release the language of an initial draft regulation in late 2015, and are expected to present an amended regulatory proposal for the Board's consideration in Summer/Fall 2016.

The Association will continue to work through the ZEB Task Force to actively engage ARB in this process and ensure ARB staff's recommendations to its Board take into account the feasibility for transit systems statewide to incorporate ZEBs into their fleet, minimize negative impacts to transit systems, and ensure flexibility in ZEB implementation, as well as advocate for new funding to incentivize the adoption of ZEB technology.

D. The Association may pursue complementary statutory changes, including, but not limited to, amendments to the statutes governing the procurement of electricity by transit systems in order to make the implementation of ZEB technology more cost-effective.

E. Define and seek as appropriate an expansion of the existing, very limited bus on shoulder statutory authorization.

AB 946 (Stone) authorized Monterey-Salinas Transit District (MST) and Santa Cruz Metropolitan Transit District (METRO), in consultation with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP), to designate the shoulders of certain highways and freeways as transit bus-only corridors (commonly referred to as BOS programs). BOS programs minimize congestion-related interruptions of bus schedules, and improve travel times for buses relative to automobiles in a manner

that is low-cost and easy to implement. Other agencies have expressed an interest in implementing a similar program in their respective jurisdictions.

The Association will work with other interested transit and regional agencies to define their commitment to moving legislation expanding the program; through this group process we hope to define and seek as appropriate an expansion of the existing, very limited bus on shoulder statutory authorization granted to Monterey-Salinas Transit District and Santa Cruz Metropolitan Transit District by AB 946.

F. Monitor state implementation of pension reform laws.

On September 12, 2012, the Governor signed the Public Employees' Pension Reform Act of 2013 (PEPRA) [Chapter 296, Statutes of 2012]. Subsequently, the United States Department of Labor (USDOL) began reviewing Federal Transit Administration (FTA) grants of California transit agencies based on objections raised by transit labor unions (the Amalgamated Transit Union (ATU), United Transportation Union (UTU) and the Teamsters) that the recently-enacted PEPRA in California violates the 13(c) provisions of federal transit law. In their review, the USDOL determined that PEPRA: constitutes a change in legal or factual circumstances that may materially affect the rights or interests of employees represented by the ATU; appears to have removed mandatory and/or traditional subjects of collective bargaining from the consideration of the parties; and, may prevent transit operators in the state of California from continuing the collective bargaining rights of employees, as required by Section 13(c)(2) of the Federal Transit Act.

As a result of this determination, all transit agencies in the state of California with workers represented by the ATU, UTU and Teamsters were subject to having billions of dollars in federal capital and/or operating funding withheld because of the implementation of PEPRA. Federal grants for the Sacramento Regional Transit District and California Department of Transportation were officially decertified in September of 2013.

In response, the California Legislature passed and the Governor signed AB 1222 (Bloom and Dickinson) [Chapter 527, Statutes of 2013] to ensure that \$1.6 billion in federal grants continue to flow to transit districts while litigation is pursued to defend California's bipartisan pension reforms. AB 1222 (Bloom and Dickinson) provided a temporary exemption for public transit workers from PEPRA through December 31, 2014, while a lawsuit, filed by the State of California and Sacramento Regional Transit District against the USDOL, was resolved in court. In 2014, the Association sponsored AB 1783 (Jones-Sawyer) [Chapter 724, Statutes of 2014], which extends the exemption originally provided by AB 1222 (Bloom and Dickinson) until January 1, 2016, allowing additional time for the outcome of the lawsuit.

In December 2014, a federal court judge ruled favorably on behalf of the state and Sacramento RTD; however, the USDOL has not conformed their grant certification process to this ruling. A new round of litigation has been initiated.

The Association will closely monitor state and federal actions regarding the PEPRA/13(c) issue and continue to remain actively involved with all levels of government on this issue to mitigate any negative impacts to transit systems or support efforts which advantage transit systems.

G. Support efforts to implement MAP-21 in California with the best outcome for transit.

MAP-21, the Moving Ahead for Progress in the 21st Century Act (P.L. 112-141), was signed into law by President Obama on July 6, 2012, funding surface transportation programs at over \$105 billion for fiscal years (FY) 2013 and 2014. MAP-21 was recently extended through October 29, 2015.

Since mid-2012, the Association has participated in state-led efforts to identify implementation concerns regarding MAP-21 and suggest proposals for implementation.

The Association will continue to participate in state legislative and regulatory efforts to ensure appropriate implementation of MAP 21 or its successor reauthorization bill at the state level.

H. Support efforts to include transit projects in CEQA reform measures.

The Association will work with legislative leadership, the Governor and other groups to advocate that any reforms to the CEQA process advantage public transit projects, including bicycle, pedestrian, and TOD projects.

I. The Association will support the state's rail modernization efforts including continued development of the high-speed rail project in its efforts to help the state achieve a successful multi-modal transportation system for the future.

The current transportation system in California is inadequate, and sometimes incapable of handling the present demands placed on it. This burden will surely increase as California is expected to add an additional 20 million people by 2030. To address these projected needs, the California Transit Association supports the existence of a seamless, multi-modal transportation network in order to more efficiently move people and goods from one location to another.

The California high-speed rail project is an opportunity to address some of the State's projected transportation needs by linking the Northern and Southern portions of the state with a system that includes trains traveling in excess of 200 miles-per-hour and capable of reaching Los Angeles from the Bay Area in less than 3 hours.

In 2008, voters approved Proposition 1A, which authorizes the sale of \$9 billion in infrastructure bonds to help fund the project's initial phase. The measure also authorized an additional \$950 million bond sale to fund improvements to existing public transportation systems and facilitate local and regional systems' connectivity to the high-speed rail project.

The Association supports the development of such a system in order to promote greater access and mobility, as well as to enhance the integration of all modes of travel in the state. However, our support for the implementation of such a system is predicated on the following factors:

1. Membership of the High-Speed Rail Authority should continue to have geographic representation from the identified corridors under study throughout the state and have consensus approval by the Legislature and the Governor.
2. The High-Speed Rail Authority should continue to be receptive to working with public transit to better define the needs and services required to accommodate California's growing population. As the High Speed Rail Authority begins to implement the project, it should be aware of the regional and local transportation plans adopted by local entities and should maintain a focus on how the High Speed Rail system will interact with and help facilitate those plans.
3. Coordination between High Speed Rail and local transit agencies will be necessary to provide timely and efficient service to those people that would be transferring between the two modes of travel. Therefore, the Authority should work with local agencies to identify funding in addition to the connectivity funding included in Proposition 1A, to help advance this coordination and associated local service and infrastructure improvements.
4. Funding sources for High-Speed Rail should be distinct from current funding sources for transit. Revenue allocated to fund the implementation or operation of High Speed Rail should not reduce, adversely impact or rely upon the current funding streams for transit.
5. The opportunity to address future funding needs of transit must also be preserved. In light of the projected \$68 billion required to complete High-Speed Rail construction as well as the potential funds needed for future operations, maintenance and rehabilitation, transit should be assured that the project will not preclude transit's ability to access additional future revenues, including cap and trade funding identified by the Association to support transit capital and operating needs. Implementation and funding

for the project should also be coordinated to avoid adverse impacts on the timely sale and allocation of infrastructure bonds that support local and regional public transit needs.

6. The California High-Speed Rail Authority should continue to aggressively seek federal and private-sector funding, and should prioritize the use of these funds to maximize state funding opportunities for local public transit systems.