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July 8, 2025

The Honorable Toks Omishakin, Secretary California State Transportation Agency (CalSTA) 400 Capitol Mall, Suite 2340] Sacramento, CA 95814

Subject: Advancing Transit/Rail Through the Transit Transformation Task Force

Dear Secretary Omishakin:

On behalf of the Southern California Association of Governments (SCAG), I want to recognize and applaud the critical work that the California State Transportation Agency (CalSTA) and Caltrans are facilitating through the Transit Transformation Task Force (TTTF). The Task Force represents a significant step toward strengthening California's transit/rail systems, and SCAG appreciates the opportunity to participate, representing the priorities of our region's 100+ transit/rail operators while providing a regional planning perspective on the future of transit/rail. Since 1991, the SCAG region has invested more than \$196 billion in transit (2019 dollars), supporting strategies to meet the mobility and environmental goals included in the region's long-range plan, Connect SoCal, the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). However, more work is needed to not only maintain existing transit/rail use and operations, but to deliver future projects and services.

As the Task Force has discussed, California's transit/rail systems face several pressing challenges that demand urgent attention. Among them is the need to identify future funding to not only sustain transit/rail, including for operators facing fiscal cliffs, but implement the growth envisioned in our plans. Transit/rail's fiscal issues pose a significant threat to its long-term stability, highlighting the need for comprehensive long-range financial planning. Furthermore, additional stable funding mechanisms must be prioritized to effectively and flexibly address operational and capital needs, ensuring that transit/rail systems remain efficient, accessible, and capable of serving California's evolving mobility demands, as well as climate objectives.

Regional ridership continues to underperform, emphasizing the need for more targeted efforts to facilitate growth and ensure long-term viability, especially as new travel patterns are forcing changes to how we plan and implement transit service. Additionally, the implementation of Innovative Clean Transit (ICT) initiatives presents substantial financial hurdles, requiring strategic investment, support, and additional accommodations. These challenges are further compounded by California's preparation to host the 2026 World Cup, 2027 Super Bowl, and 2028 Olympic and Paralympic Games, events in which transit/rail will play a key role in managing transportation demand in the SCAG region.

Securing Additional Funding

Among the challenges we face, securing adequate funding stands out as the most critical. While updates to existing funding sources, such as the Transportation Development Act (TDA), will provide some relief, they alone will not suffice given the scale of need. To ensure the long-term viability of California's transit/rail systems, it is essential to preserve SB125 and the Transit and Intercity Rail Capital Program (TIRCP) to maintain continued investment.

Exploring innovative funding mechanisms such as road user charges, congestion pricing, and priced managed lanes can provide long-term financial stability. Many of California's MPOs, including SCAG, already anticipate these as future funding sources within our Regional Transportation Plans/Sustainable Communities Strategies (RTP/SCS). Furthermore, given the success of New York's congestion management program in reducing vehicle miles traveled and generating significant revenue for transit, implementing context-sensitive congestion pricing in the near term is a strategy that warrants serious consideration.

In addition to advancing congestion pricing, the Task Force needs to consider bond measures like Proposition 1B (2006) and Assembly Bill 939 (2025), to fund transit and sustainable transportation throughout California. To support an initiative like this, the Task Force will need to better articulate an overarching vision for transit/rail that builds upon existing state, regional, and local plans. A compelling and accessible framework that extends beyond greenhouse gas reduction goals and provides for an equitable distribution, addressing multiple policy objectives such as housing production, safe mobility and equity, can unite stakeholders, policymakers, and the public in a common mission.

Reconsidering ICT's Timeline

We need to reconsider the timeline for implementing the state's Innovative Clean Transit (ICT) requirements. ICT compliance places a heavy financial strain on transit agencies, as vehicle and infrastructure costs are double those of existing fleets. While clean transit initiatives are essential, the current timeline for ICT implementation risks redirecting scarce funding away from critical improvements. It limits the ability of transit agencies to maintain current levels of service and expand service in the future. In a revenue-constrained environment, prioritizing ICT compliance under the existing schedule could come at the cost of implementing investments that drive ridership growth, including service expansion and transit priority enhancements.

Evaluating Performance

We need to ensure that current and new funding are tied to performance measures that strengthen accountability and drive measurable improvements across transit/rail systems. A performance-based approach should motivate more efficiency, coordination, and resource optimization, ultimately benefiting riders through more seamless, reliable, and effective service. Transit providers currently report on several metrics at the federal level. Aligning performance metrics with existing reporting requirements would not only improve clarity and streamline transit agency workload, but will provide the state, region and individual transit agencies an improved understanding of performance without additional state oversight. Priorities should be set at the regional or county levels of government, which have a long history of efficiently investing in transit improvements in coordination with transit/rail agency partners. This would also ensure broad-based geographic support for transit/rail strategies. By aligning financial support with demonstrated outcomes, California can foster a more resilient transit/rail network that adapts to evolving needs while maximizing public investment. Many of California's MPOs,

including SCAG, already evaluate transit performance through our plans (<u>RTP/SCS</u>, <u>FTIP</u>) for federal purposes and are positioned to support these efforts without creating an additional layer of state oversight. MPOs are also able to ensure sensitivity to differing land use, transportation, and economic conditions.

Prioritizing Actionable Solutions

Prioritizing key actionable solutions is critical, with strategic investments focused on expanding frequent, reliable, and accessible transit/rail systems that drive ridership growth and deliver tangible benefits in both the near-, medium-, and long-term. Additionally, solutions should align with existing goals and funding needs outlined in plans such as Regional Transportation Plans, California Transportation Plan 2050, California State Rail Plan, and SB 1121 State and Local Transportation Needs Assessment. Clearly defining the strategies based on their timeframe for implementation is essential, especially for those requiring legislative support. The performance expectations need to be tailored to the demographic and travel characteristics of each subarea so that the funding is fairly distributed throughout regions, similar to the Local Transportation Fund (LTF) revenues. Furthermore, the Task Force needs to determine implementation roles by assigning clear responsibilities for the highest priority actions to ensure accountability and effective coordination across agencies and stakeholders. This will strengthen the impact of the Task Force's work and advancing California's transit/rail systems in a meaningful way.

SCAG is committed to collaborating with CalSTA, Caltrans, and the Task Force to address these challenges and seize opportunities that will advance transit/rail throughout California. We appreciate your leadership and look forward to continued engagement in these critical discussions.

Sincerely,

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