



April 28, 2021

The Honorable David S. Kim
Secretary, California State Transportation Agency
915 Capitol Mall
Sacramento, CA 95815

Re: Transportation Construction Industry Comments on the Draft Climate Action Plan for Transportation Infrastructure

Dear Secretary Kim,

The undersigned organizations, representing the transportation industry and workforce that builds, repairs, and maintains California's statewide multimodal transportation system, write to respectfully communicate our significant concerns with many aspects of the Draft Climate Action Plan for Transportation Infrastructure (CAPTI or Draft Plan) released by the California State Transportation Agency (CalSTA) on March 10, 2021. While we are not at odds with the state's overarching climate, health, and equity goals, we are apprehensive about the proposed strategies for achieving said goals. As such, the comments below are offered in the spirit of collaboration and cooperation and, while critical, are intended to be constructive. The state must ensure that that implementation of the CAPTI does not impede progress on other key state goals including the creation of living-wage jobs, economic growth, and opportunity for upward mobility for all Californians.

Unfortunately, we find overall that the Draft CAPTI lacks significant detail that is necessary for meaningful analysis and without this information, it is difficult to understand the practical implications from enacting such a plan and its associated implementation strategies and actions. The Draft Plan also fails to demonstrate how, and by how much, the CAPTI will help the state achieve its climate change, health, and equity goals. The proposed structure and process for monitoring implementation of the CAPTI is not specific enough to hold the state accountable or to evaluate outcomes and understand trades-offs being made within the strategies and actions.

Moreover, the Draft Plan does not offer a true public process that provides stakeholders the ongoing opportunity to be meaningfully involved in revisions to the “living document” that CalSTA and its state agency partners envision for the CAPTI effort. Finally, the Draft Plan states it was developed in a collaborative fashion with stakeholders. While we appreciate the additional California Transportation Commission (CTC) workshops on the Draft CAPTI since its release, and the two CalSTA hosted CAPTI workshops, substantive new information and answers to our questions and concerns have not been provided to date. It is concerning that some stakeholder groups have touted the CAPTI public process as robust and meaningful while many other groups, including ours, have found it lacking. This leads us to question how equitable the public process has been.

It is imperative for CalSTA and its state agency partners to provide more information in support of the Draft CAPTI assumptions and engage in a true stakeholder driven process to vet the Draft CAPTI proposals, goals, and anticipated outcomes; develop quantifiable metrics to evaluate progress; and generally, take the time to build a baseline of mutual understanding, trust, and collaboration prior to acting on the final plan. In addition to these high-level takeaways, below please find more specific feedback on the Draft CAPTI goals, strategies, and actions:

Honor SB 1 by Identifying and Delivering New Revenues to Solve Transportation Related Climate Change, Health, and Equity Problems. Since Governor Newsom signed Executive Order N-19-19, which calls on multiple state agencies to take action to reduce greenhouse gas (GHG) emissions and mitigate the impacts of climate change, including leveraging more than \$5 billion in discretionary transportation revenues, CalSTA has maintained its CAPTI efforts will preserve the fix-it-first approach in SB 1 – the Road Repair and Accountability Act of 2017. While a fundamental tenet of SB 1 is indeed a fix-it-first approach to our multimodal surface transportation infrastructure, the legislation is so much more than an infrastructure strategy.

SB 1 is the product of years of detailed negotiations, weighing of various policy trade-offs, setting goals, and making extremely specific programmatic and funding decisions to achieve said goals. Unless CalSTA identifies and delivers new funding opportunities (such as the federal funding discussed in the Draft Plan), we are extremely concerned about the CAPTI, slowly, but surely altering the purpose and use of SB 1 funding. For instance, under “S2.4 Increase Funding to Active Transportation Program (ATP)” the state suggests first pursuing new federal funding for this purpose but also offers the concept of taking “small contributions from across several programs (e.g. SHOPP, TCEP, SCCP, TIRCP, etc.) to minimize impacts to any single funding source.” While this likely passes a constitutional test in that the strategy would use transportation revenues for transportation purposes, it will dilute existing funding from its original intended purpose and impede the ability of the state and locals to reach other critical transportation goals. The concept of repurposing existing revenues for the ATP also ignores the fact that SB 1 more than doubled funding for that program and Caltrans has also increased discretionary spending on complete streets projects on the state highway in recent years. Moreover, the ATP isn’t the sole funding source supporting active transportation—local governments have proposed and built over 1,700 projects with active transportation components using flexible SB 1 funding. Another CAPTI goal, which our organizations support, is the build out of an integrated, statewide rail and transit network, centering around the State Rail Plan (S2.2). The State Rail Plan is an ambitious plan that to date remains unfunded. Without new revenues, how does the Draft Plan propose to meet this goal while also preserving the integrity of existing transportation revenues?

Finally, we would be remiss if we did not raise the issue of SB 375 (Chapter No. 328, Statutes of 2008) implementation. CARB argues in both its SB 150 Report and the 2020 Mobile Source Strategy that SB 375 is not being implemented and that the state will fail to meet its GHG reductions goals from the transportation sector without more aggressive action. However, the state has failed to deliver on its fundamental role in SB 375 implementation which was to provide, “a sustainable source of funding to be able to accommodate patterns of

growth consistent with the state's climate, air quality, and energy conservation goals." A state revenue stream to support projects that accelerate implementation of sustainable communities strategies would surely have provided accelerated GHG emissions reductions over the intervening period since passage of SB 375. Moreover, it is unclear the extent to which cities and counties are making land use decisions that are inconsistent with SB 375. More analysis is needed to support the claim that SB 375 is not being implemented at the local level and that an ambitious vehicle mile traveled (VMT) strategy is called for.

Draft Plan Does Not Quantify Anticipated GHG Emissions Reductions. The Draft Plan does not quantify what GHG emissions reductions will be achieved from implementing the proposed CAPTI strategies and actions. As such, it is impossible to understand how much closer implementing the CAPTI will bring us to achieving our climate change goals. Without this information policymakers and stakeholders cannot adequately evaluate the proposed outcomes and the various policy trade-offs inherent in these decisions. If implementing the Draft Plan forecasts a 15-percent reduction in GHG emissions from the transportation sector, certain trade-offs might be worth it, whereas if the plan were to result in only a 3-percent reduction in GHG emissions those trade-offs might be less acceptable. The Draft Plan talks about policies and trades-offs needing to deliver outsized benefits to climate, health, and equity goals. We request CalSTA quantify the CAPTI's outsized benefits prior to moving forward with adoption and implementation.

Impacts to Living Wage-Jobs and Economy Growth Not Analyzed. The Draft Plan does not indicate whether the proposed strategies and associated actions were analyzed for impacts on living-wage jobs and economic activity. If an evaluation was conducted, the analysis and results were not detailed in the CAPTI. Our overarching concern is that an increase in VMT typically occurs in tandem with robust economic activity. What, if any, impact will a purposeful reduction in VMT have on economic growth and the creation of living-wage jobs? The CAPTI should not be adopted and implemented until this critical question is addressed.

Lacks Quantifiable Metrics to Measure Outcomes and Achievements. The Draft CAPTI includes a section dedicated to implementation, including a multipage chart of specific actions, the lead agency tasked with implementation, supporting agencies, and a timeframe. These metrics are a measure of whether the state has taken on and completed certain tasks like updating guidelines, convening working groups, and exploring funding opportunities. These metrics, while showing progress on implementing the plan, will not allow for evaluation of the effectiveness of the plan in achieving the state's climate change, health, and equity goals. It is one thing to update transportation competitive grant program guidelines, it is another to analyze how those guideline changes will alter project funding decisions and how those new funding decisions move the needle on the state's goals.

Analysis of Existing Governmental Constraints. The Draft CAPTI includes numerous proposed strategies and actions but does not elaborate on what can be achieved by CalSTA and its state partners with existing authority and what new authority or authorization it may need from the State Legislature. For some proposed strategies and actions, existing authorization is clear (updating CTC guidelines, creating working groups) but for others state authority is opaquer (e.g. an interagency framework for project evaluation around advancing sustainable communities). Without analysis, it is impossible to understand how successful the state will be in implementing the Draft CAPTI and therefore how the state can be held accountable for outcomes.

Erosion of Existing Transportation Funding. Recently, the Mineta Institute published a report that examined the potential impact of the state's zero emission vehicle (ZEV) and reduced VMT goals on the current transportation funding structure. The report found that in a scenario where the state goals are reasonably achieved, transportation funding would be reduced on an annual ongoing basis by \$4 billion by 2040. It is critical that the

state ensure a replacement funding mechanism to adequately maintain the state's "built" mobility infrastructure prior to implementing aggressive VMT strategies.

We want to reiterate our commitment to the state's climate change, health, and equity goals. That said, we urge CalSTA and its state partners to meaningfully involve stakeholders, including the transportation construction industry, in information sharing, development of policy issues, and forming solutions to solve these challenges. Without these critical pieces having occurred during the development the Draft Plan, we must request that CalSTA take no further action on the CAPTI until meaningful stakeholder engagement has occurred. Please contact Kiana Valentine, Executive Director, Transportation California should you want to discuss our request or if you need additional information (kiana@politicogroup.com or (916) 266-3892).

Respectfully,

/s/

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