



July 6, 2015

Dear Chairman Frazier & Assembly Transportation & Infrastructure Development Committee Members:

As the executive directors for the metropolitan planning organizations representing approximately 80 percent of the state's population, we applaud Governor Brown for calling the Legislature into a special session to address California's ailing transportation infrastructure.

We respectfully urge this committee to take action this summer to put the state on a path to providing well maintained highways, local roads and public transit systems that meet the needs and expectations of our residents and businesses.

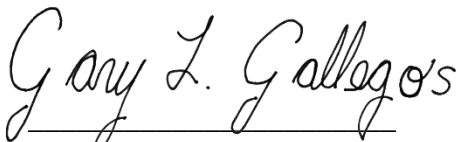
As you begin consideration of the key elements needed in a transportation funding package, Senator Beall's SB X1-1 serves as an excellent starting point for discussions. We share eight policy priorities that we respectfully ask you to keep in mind in your deliberations.

1. **Make a significant investment.** Any solution must provide an investment large enough to demonstrate tangible benefits to the traveling public. This requires going big. Recent focus group efforts and polling conducted by the California Alliance for Jobs and Transportation California suggests that voters are willing to tax themselves to the tune of at least \$3 billion a year, as long as there are accountability provisions and assurances that funds will be dedicated to transportation purposes.
2. **Ensure transportation revenues are protected.** Time and time again (Proposition 42, 2002; Proposition 1A, 2006; Proposition 22, 2010), voters have overwhelmingly supported dedicating and constitutionally-protecting transportation dollars for transportation purposes. Focus group and polling efforts confirm that voters fear that new revenues will be diverted. Therefore, the transportation package should include protections against using new transportation revenue for other purposes.
3. **Share revenue equitably between local and state roadway systems.** Cities, counties and the state are all facing tremendous funding shortfalls for the maintenance of their respective streets, roads and highways. We support sharing revenue for roadway maintenance equally between the state and cities and counties.
4. **Achieve a state of good repair.** One of the caveats voters support when polled on transportation taxes is that new revenues should be prioritized for repairs to the existing transportation system. Funding should be made available not just to the state and local roadway system, but also to address the immense rehabilitation needs of many of our public transit systems.
5. **Support focus on operational improvements.** Any legislation to increase funding for roadway maintenance should also focus on operational improvements. Operational projects are key to maximizing current infrastructure efficiencies, highly cost-effective and can deliver tremendous benefits on local streets and roads as well as the state highway system.

6. **Adopt a program of at least 10 years.** Given the difficulty of enacting new taxes and fees, we urge you to adopt a new transportation funding program with a minimum duration of 10 years. A five-year plan is simply not long enough to have a significant impact on the local road and state highway maintenance backlog.
7. **Address state's critical goods movement needs.** We support the dedication of a portion of a new transportation funding package to the Trade Corridor Improvement Fund, as proposed in SBX1-1 but at a funding level substantially higher than the approximately \$52 million/year proposed therein.
8. **Fix the annual price-based excise tax adjustment.** Due to the Gas Tax Swap of 2010, a portion of the state's excise tax on gasoline is adjusted once a year to take into account the forecast of gasoline and consumption for the subsequent fiscal year so as to maintain revenue neutrality relative to a gasoline sales tax. Given the high volatility and loss of revenue resulting from this policy, we support eliminating this annual adjustment and instead indexing the tax to the Consumer Price Index or, at a minimum, enacting legislation to smooth out the ups and downs as proposed in SB 321 (Beall).

We stand with you in advocating for a long-overdue focus on rebuilding California's aging transportation system and look forward to working with you to achieve this investment for the betterment of future generations of Californians.

Thank you for your service and leadership at this critical time.



Gary L. Gallegos
Executive Director, SANDAG



Steve Heminger
Executive Director, MTC



Hasan Ikhrata
Executive Director, SCAG



Mike McKeever
Chief Executive Officer, SACOG

cc: The Honorable Senate President Pro Tempore Kevin de Leon
The Honorable Assembly Speaker Toni Atkins
The Honorable Bob Huff, Senate Minority Leader
The Honorable Kristin Olsen, Assembly Minority Leader
Mr. Brian Kelly, Secretary, California State Transportation Agency