



November 18, 2008

Mary Nichols  
Chair, California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**Re: Comments on the Climate Change Proposed Scoping Plan**

Dear Chairman Nichols:

On behalf of the public transit system members of the California Transit Association, we thank you and your colleagues for your work to implement AB 32, the Global Warming Solutions Act of 2006, and appreciate the work of your staff on the Climate Change Proposed Scoping Plan. We also acknowledge the somewhat increased discussion of transit's potential role in reducing greenhouse gas (GHG) emissions, specifically in the section on Regional Transportation-Related Greenhouse Gas Targets, as compared to the relatively minimal discussion in the Draft Scoping Plan.

While it is a positive development that the Proposed Scoping Plan now states, "Enhanced public transit service combined with incentives for land use development that provides a better market for public transit will play an important role in helping to reach regional targets" – because we think that *could* be true – we still have to ask you and your Board colleagues: How can local transit systems be expected to maintain current service levels, much less play this important new role through enhanced service, in light of the recent dismantling of transit funding occurring at the state level?

**We urge you and the entire Air Resources Board to call on the legislature and the Governor to fully fund public transportation in the 2008-09 state budget, and to reject any proposals to further diminish or divert from transit the state revenue streams that have historically been available to public transit.**

The 2007-2008 state budget diverted nearly \$1.3 billion in funds previously dedicated to the Public Transportation Account (PTA), to non-transit purposes, for purposes of supporting expenditures previously paid for entirely by the General Fund. In addition, the 2008-09 state budget diverts an additional \$1.67 billion from the PTA for similar, non-transit purposes. Now, in his Special Session budget proposals, the Governor proposes to reduce the State Transit Assistance (STA) program by another \$230 million—a 75% cut from the program funded in the original 2008-09 budget. Furthermore, the Governor proposes to *permanently* eliminate the STA program beginning in 2009-10.

The elimination of the STA program would have a devastating impact on transit ridership and the state's priorities with respect to greenhouse gas emissions reduction. Without these flexible funds – which can be spent by transit systems on operating costs like labor, fuel and power, or on capital projects such as new clean-fuel bus and new rail transit projects – local bus and rail transit systems will have to cut back on existing transit service or delay planned capital expenditures.

The Proposed Scoping Plan projects that the transportation sector will emit 225 MMTCO<sub>2</sub>E in the year 2020 if the state were to continue with "business-as-usual." However, the recent huge state transit funding cuts and proposed new cuts are much worse than "business-as-usual" and will result in more cars on the

road and actually increase CO<sub>2</sub>E emissions in the state. The Scoping Plan counts on transit to provide continuing service to California communities to help reduce overall air pollution in the state, assuming that transit will receive historical funding levels. In fact, with the recent shift of state funds away from transit, our systems' continued ability to serve communities as effectively as the Scoping Plan calls for becomes compromised. **Regional and local governments will never meet their GHG emission reduction targets under AB 32 (the Global Warming Solutions Act) and SB 375 (Steinberg) [Chapter 728, Statutes of 2008] if the state further cuts or even eliminates state funding for public transit.** Therefore, we again urge the Air Resources Board to call for the restoration of historic state transit funds.

We also urge you to direct your staff to bring back an iteration of the Scoping Plan, for your consideration and action in December, that more directly connects the GHG reduction goals set out in the Plan for the transportation sector with the investment needed for transit to achieve these goals. Revenue generated by any new cap-and-trade or other market-based mechanism to limit emissions should be *specifically* targeted for this purpose, and not just listed as a possible expenditure.

Public transportation plays an important role in achieving your goals, through producing 95 percent less carbon monoxide (CO), 90 percent less in volatile organic compounds (VOCs), and about half as much carbon dioxide (CO<sub>2</sub>) and nitrogen oxide (NO<sub>x</sub>), per passenger mile, as private vehicles. In addition to mobility and congestion management, transit provides the multiple benefits of improved air quality, energy efficiency, compact development, the economic benefits of reduced household expenditure on transportation and increased social inclusion, toward an overall increase in quality of life for all Californians.

And, preserving and growing public transit funding has never been more important than right now, as agencies struggle to keep up with the huge demand for services created by the skyrocketing price of gasoline in the last two years. More Californians are riding transit than at any time since World War II. Transit ridership is growing in many of our cities by 20-to-25% in recent months, compared to last year. **California cannot build a 21st century transit system on a 1960's state budget!** With over 38 million people living in California, an annual population growth of 600,000, the increase of goods movement and fuel-efficient vehicles, our existing highway infrastructure cannot sustain the state's mobility needs. Increased investment in public transportation is part of the solution.

The California Transit Association therefore supports the enactment of the proposed cap-and-trade program, and/or other market-based programs, to limit emissions.

**We urge you to support amendment of the Scoping Plan to add public transit as a direct recipient of an appropriate stream of new cap-and-trade revenue, and thus call for funding public transit directly, instead of merely referencing the possible use of these revenues as incentives to local governments for projects that support use of transit. We specifically request that the Air Resources Board recommend that public transit operators receive direct, ongoing and growing operating subsidies from this revenue, in order to bear the load of the increased demand created for its service as the state shifts towards reduced vehicle-miles traveled and more walkable communities.**

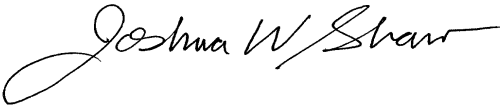
Furthermore, the appendices of the Proposed Scoping Plan state "Another GHG reduction opportunity for the State is in the use of bond funds. Ownership of the GHG emission reductions resulting from State bond funded projects will remain with the State. Those emission reductions should not be considered the property of the entity that received the bond funds, nor shall they be entitled to seek further financial gain from those reductions. Instead the GHG emissions reductions should belong to the State, and ultimately be used to promote the goals of AB 32." Since 1990, California voters have voted for three bond measures providing additional transit capital investment. Transit agencies who receive these bond funds

for projects also usually provide matching funds in order to complete these projects. **Therefore, our Association asks that transit agencies be credited with emissions reductions resulting from these projects.**

Investing in transit now will prepare California for its 2020 emissions reductions goals, as well as its 2050 emissions reductions goals, and will guarantee better air quality for future generations.

Thank you for your time and consideration. We look forward to helping the ARB and the state to continue its work on implementing the Scoping Plan and to keep California's air clean. If you have any questions, please feel free to contact me at 916-446-4656.

Sincerely,

A handwritten signature in black ink that reads "Joshua W. Shaw". The signature is written in a cursive style with a large, sweeping initial "J".

Joshua W. Shaw  
Executive Director

Cc: Members, Air Resources Board  
James Goldstene, Executive Officer, Air Resources Board  
Executive Committee, California Transit Association