



## Legislative Bulletin | May 24, 2010

### Federal Legislative Alert and Updates on State Legislation

#### Draft Climate and Energy Legislation Released- Urge for Revenues to go to Transportation

Recently, Senators John Kerry (D-MA) and Joseph Lieberman (I-CT) released their long-awaited climate change and energy draft legislation, "the American Power Act" (APA).

A significant portion of the revenue generated from the APA would come directly from fees imposed on the production of motor fuels. These fees would likely be passed onto consumers at the gas pump, having the same impact on fuel prices as an increase in the motor fuels user fee, or gas tax.

The American Public Transportation Association (APTA) and a coalition of 26 other transportation organizations joined together to advocate that 100 percent of revenue generated from new fees on motor fuels in the bill should be returned to the transportation sector and invested under a multi-year authorization bill. To read the coalition's letter, click [here](#).

The APA bill directs up to \$6.25 billion per year for transportation investments from revenues generated from carbon fees and emissions auctions. Based on APTA's analysis of the legislation, a minimum of \$19.5 billion in funds will be generated from motor fuels production in 2013 (the first year the bill would become effective), with that amount significantly increasing in subsequent years. This means that at least 77 percent of revenue generated from pollution fees on gasoline and diesel is diverted away from investment in transportation in the first year. In later years as the price of carbon increases, the percentage diverted could be as much as 91 percent.

The legislation provides for the following transportation investments:

- One-third of emissions allowances capped at \$2.5 billion per year will be deposited into the Highway Trust Fund (HTF).
- One-third of emissions allowances capped at \$1.875 billion per year will be distributed by the Secretary of Transportation for competitive grant funding to continue the Transportation Investment Generating Economic Recovery (TIGER) program created by the American Recovery and Reinvestment Act (ARRA).
- One-third of emissions allowances capped at \$1.875 billion per year will be distributed by the Secretary of Transportation for state and local investments in transportation greenhouse gas emission reduction programs. Within this program:

The bill requires states and cities to evaluate carbon pollution and set reduction targets when developing transportation plans.

Of these funds 10 percent is set-aside of these funds for states and Metropolitan Planning Organizations (MPOs) to use for planning purposes.

The amounts allocated for surface transportation are far short of the levels that would be required to finance a new authorization bill, and represent a small percentage of the actual revenues derived from the production of motor fuels. In addition, the \$2.5 billion annual allocation to the HTF is not enough money to keep either the Highway or Mass Transit Accounts solvent, nor does the bill contain any language regarding transit formula dollars. APTA is asking transit agencies to contact their Senators to urge them to ensure that 100 percent of revenues generated from fees on motor fuels production in the APA are invested in transportation in order to maintain and improve our nation's infrastructure. When you talk to your Senators and their staff, please ask the following:

- Ask your Senators to contact Senators John Kerry (D-MA) and Joseph Lieberman (I-CT) and other Senate leaders to insist that 100 percent of new fees on motor fuels detailed in the bill should be returned to the transportation sector and invested under a multi-year authorization bill.
- Inform your Senators that the current level of transportation funding in the draft bill is insufficient to maintain, much less grow, current transportation investment.
- Explain to your Senators that because the bill will raise the price of motor fuels, it will almost be impossible to finance a long-term authorization bill unless a much larger portion of the APA's revenues are dedicated to the Highway Trust Fund (including the Mass Transit Account).

For APTA's sample letter click [here](#).

The organization Transportation for America has also informed us of their ongoing advocacy efforts to gain more transportation funding out of the APA bill. Please click [here](#) to see Transportation for America's action alert and talking points, which encourage thanking Senator Boxer for being a strong voice for transportation at the federal level, and asking her push for further funding of clean transportation in the APA bill.

### **Updates on State Legislation: Association Priority Bills**

We ask that you send in a letter from your agency on the following bills:

#### **[AB 987](#) (Ma) Transit village development districts.**

Eliminates the voter approval requirement for forming an infrastructure financing district adopting an infrastructure financing plan, or issuing bonds for implementing a transit village plan. Also recasts the area in a transit plan to include all land within 1/2 mile of a transit station entrance.

Status: To be heard in the Senate Local Government Committee on June 9, 2010.

Position: **Support**

[Sample letter](#)

**[AB 2620](#) (Eng) Transportation: toll facilities.**

Requires an unspecified percentage of net toll revenues generated by certain toll facilities on the state highway system to be dedicated to maintenance, preservation, and rehabilitation of the state highway system, including funding of projects in the state highway operation and protection program (SHOPP).

Status: In the Assembly Appropriations Committee on Suspense File.

Position: **Oppose**

[Sample letter](#)

The following are additional bills on which the Association has taken a position. We will keep you updated as soon as hearing dates are set for these bills:

**[AB 266](#) (Carter) Transportation needs assessment.**

Requires the California Transportation Commission on an every 5 year basis to assess the unfunded costs of programmed state projects and federally earmarked projects in the state, as well as available funding for transportation purposes and unmet transportation needs on a statewide basis. Position: **Support**

**[AB 2324](#) (John A. Perez D) Transit: public transit facilities.**

Makes it a misdemeanor to carry weapons at a public transit facility, trespass in an unauthorized area of a public transit facility, and/or destroy property at a public transit facility. Position: **Support**

**[AB 2509](#) (Hayashi) Transit village plan.**

Revises the list of specified characteristics that a transit village plan may address to add other land uses, including educational facilities that provide direct linkages for people traveling to and from primary and secondary education schools, community colleges, and universities. Position: **Support**

**[AB 2516](#) (Hill) Housing accessibility: Accessible Housing Task Force.**

Creates an Accessible Housing Task Force under the Department of Housing and Community Development to recommend strategies for increasing housing accessibility for disabled persons near transit. Position: **Support**

**[SB 1320](#) (Hancock) Transit fare evasion and passenger misconduct: administrative adjudication.**

Authorizes the Alameda-Contra Costa Transit District to adopt and enforce an administrative adjudication ordinance addressing fare evasion and passenger misconduct.

Position: **Support**

Please contact Legislative and Regulatory Assistant Sabrina Means at [sabrina@caltransit.org](mailto:sabrina@caltransit.org) if you have any questions.