Building Momentum for Change

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CHANGE IN MOTION

“Plans are nothing; planning is everything.”

DWIGHT D. EISENHOWER

Building Momentum for Change

The changes called for in the Transportation 2035 Plan are significant, and they will have a positive impact on the region. Still, when we measure the extent of that progress, we find that it falls short of attaining the Transportation 2035 performance objectives set by the Commission — in some cases, well short. While the plan does make meaningful headway when it comes to reducing delay and keeping our system in a state of good repair, achieving appreciable reductions in greenhouse gas emissions and vehicle travel proves to be a more elusive goal. To continue making progress toward our performance objectives — to keep change in motion — the Bay Area must take additional bold steps beyond the Transportation 2035 Plan.

It will take all of us to build the momentum for change, and the overarching question posed by the Transportation 2035 Plan can be stated simply: Is the Bay Area ready for change?

Are We Ready for Change?

What a difference two years can make! When we launched the Transportation 2035 planning effort in 2007, the U.S. economy appeared relatively stable, though gasoline prices were beginning a steep climb to over $4 per gallon a year later. Now, in the spring of 2009, gas prices have plummeted — but so too has the housing market, the financial sector, and the rest of the economy along with them. Many had expected an economic slowdown, but few had expected it to arrive with such sudden and destructive force. Our state and region have not been spared. The unemployment rate in California is in double digits, and the Bay Area is enduring a painful and prolonged recession. Anxiety is understandably high.

Crisis Brings Opportunity

In tough times like these, it is tempting to abandon ambitious goals and just stick to the basics: food, shelter and a steady paycheck. But every crisis brings opportunity. And every missed opportunity makes the next crisis all the more likely. What opportunities for transportation reform does the current economic calamity contain?

- A federal stimulus package — the American Recovery and Reinvestment Act of 2009 — that not only creates near-term construction jobs but also moves us along the path toward a new energy economy
- A shift in America's over-reliance on two dominant modes of travel (auto and air) toward more sustainable alternatives such as passenger rail
- An acceleration of the local self-help movement in transportation finance as Sacramento budget raids continue
- A renewed interest in urban living as Baby Boomers become "empty nesters" and as the climate consequences of suburban sprawl hit home

To a large extent, the Bay Area already has begun to seize these opportunities, as reflected in the priorities of the Transportation 2035 Plan. The vast majority of the plan's revenue is generated right here in the region, and more than 80 percent of the plan's total budget is invested in repairing the roads, bridges and transit systems in the existing urbanized area. Funds devoted to system expansion are overwhelmingly focused on public transit, with less money dedicated to road widening on a percentage basis than in any other major U.S. metropolitan area.

As noted earlier, however, the Transportation 2035 Plan's progressive investment program isn't nearly enough to achieve on its own the Bay Area's aggressive goals to reduce traffic congestion, vehicle travel per person, and greenhouse gas emissions. Nor would a radical shift in the plan's spending blueprint appreciably affect the performance outcome.

This chapter began with a quotation from Dwight Eisenhower about the importance of planning. Our 34th president also was acutely aware of the predilection of military leaders "to fight the last war." For some time now, the Bay Area's transportation policy debate has had

a similar feel: advocates focus all their energy on trying to advance or obstruct expansion projects even though repeated modeling analyses (including those conducted for this plan) have demonstrated the extremely limited impact of capital investment by itself on transportation system performance.

The Promise of Pricing and Focused Growth

If the region is to close the vast gap between current conditions and our 2035 performance objectives, we need to stop arguing over projects and start forging a united strategy to advance the two policy initiatives that will really make a difference: road pricing and focused growth. It is no accident that congestion pricing and greater densities are the respective "third rails" of transportation and land-use policy. There is something about each strategy to make just about everybody mad.

The Bay Area's failure to make much headway in implementing these strategies isn't for lack of trying. But our efforts to date have been disjointed and half-hearted, and often have tended to fizzle when the economy sours. As the Transportation 2035 Plan is adopted, we find ourselves in just such a moment again.

We will have some new tools at our disposal this time around. Senate Bill 375, authored by State Senate President Pro Tem Darrell Steinberg, will put the force of state law behind efforts to better link transportation investment and land-use decisions in the successor plan to Transporta- tion 2035. And the stage is set for potentially transformative change in federal policy on tolling when the 111th Congress and President Obama take up authorization of the surface transportation program (see "A New Beginning" on page 85). But the issue isn't just whether our state and federal leaders give us the tools to tackle focused growth and road pricing. It is also whether Bay Area leaders will have the courage to pick up those tools and use them.

In the end, "change in motion" requires a change of mind-set. So we return to that lingering question posed by this performance-based transportation plan: Is the Bay Area ready for change? The answer is up to all of us.

The answer is up to you.

Addressing Transit Sustainability

Over the past several decades, the Bay Area has made a huge investment in its public transit system. Indeed, our region has one of the most developed and diverse public transit systems in operation today — with historic cable cars climbing steep hills; local shuttles, paratransit vehicles and buses traveling along arterials; express buses zipping along in carpool lanes; light-rail, rapid-rail and commuter-rail services carrying riders to key regional nodes; and ferries criss-crossing the Bay. However, with regional transit operating shortfalls soaring to $8 billion and capital replacement shortfalls at $17 billion over the next 25 years, the Transportation 2035 Plan confirms that, for many operators, the current transit system is not sustainable. The arduous task of coping with these shortfalls ultimately falls to the Bay Area's 26 transit operators, each of whom must achieve a balanced budget on an annual basis. But the collective magnitude of these shortfalls is clearly a cause for regional concern — and regional action.

Our region needs to find alternative approaches to improve transit's core performance and financial stability. MTC believes that the most viable alternative is to undertake a fundamental reassessment of the region's public transit system, tackling tough questions such as:

- Can we continue to afford to serve the same travel markets with multiple services?

- Can we continue to afford to support over two dozen separate transit agencies when far fewer might suffice?

- Can we continue to afford to accommodate inconsistent service policies when simpler fare and schedule agreements among operators are possible?

The issue of transit sustainability has been examined already by some individual transit operators. Examples include Santa Clara Valley Transportation Authority's 2007 "Comprehensive Operations Analysis" and San Francisco Municipal Transportation Agency's 2008 "Transit Effectiveness Project." The common themes in these analyses include: identifying changes in market demand; developing cost-effective changes in how service is delivered; improving service reliability and convenience to attract new riders; and creating an effective multiyear transition to move riders into more productive services.

Following suit, the Commission has committed in the Transportation 2035 Plan to proceed with a Regional Transit Sustainability Project to identify service productivity improvements that will yield more from the region's existing investment in transit services. In parallel with this analysis, the Commission will pursue strategies to secure new transit operating revenues. Based on results of this project, the Commission intends to adopt reforms prior to the allocation of any new regional revenues for transit operations.

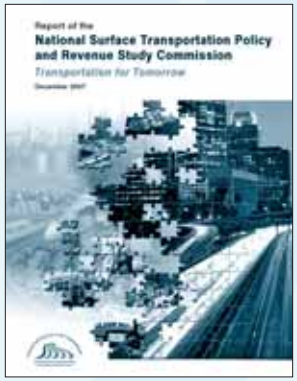
A New Beginning

A modern, smooth-functioning national surface transportation system is essential for economic success in a global economy, and is also a key determinant of the quality of life enjoyed by citizens throughout America. Yet for too long — since substantial completion of the Interstate Highway System in the late 1980s — this country has lacked a clear, comprehensive, well-articulated and widely understood strategic vision to guide transportation policymaking at the national level.

In 2005, Congress created the National Surface Transportation Policy and Revenue Study Commission to undertake a thorough review of the nation's transportation assets, policies, programs and revenue mechanisms, and to outline a coherent, long-term transportation vision that would serve the needs of the nation and its citizens. After an intensive 20-month study period, in December 2007, the National Commission issued its *Transportation for Tomorrow* report urging the United States to "create and sustain the preeminent surface transportation system in the world."

The principal recommendation of *Transportation for Tomorrow* is that the federal surface transportation program, scheduled to expire in September 2009, should not be reauthorized in its current form. Instead, Congress should make a new beginning and write the next transportation bill on a clean sheet of paper. The nation's future transportation policy is recommended to be organized along the 3 R's of **reform**, **restructuring** and **reinvestment**, as follows:

- We must **reform** how the nation upgrades and expands its transportation network, from how we pick the projects in the planning process to how we build them in the field. Federal investment should be guided by a national surface transportation strategic plan. The investment should be subject to benefit-cost analysis and performance-based outcomes, just as in the private sector. The time to complete environmental reviews must be shortened, in conjunction with other measures that speed the design and construction of new highway and transit capacity.



- We must **restructure** the federal transportation investment programs to concentrate on areas of genuine national interest. The 108 separate categorical surface transportation programs should be consolidated into 10 new initiatives, such as upgrading the nation's transportation infrastructure to a state of good repair; improving our global gateways and national goods movement system; and restoring mobility in congested metropolitan areas with populations of greater than 1 million.
- We must **reinvest** in our surface transportation and raise new revenue from the private sector as well as all levels of government (federal, state and local). The additional public funding should come primarily from users of the transportation system who will benefit the most from its improvement, whether in the form of higher fuel taxes and truck weight charges, a new fee on passenger rail tickets and container cargo, or tolling and congestion pricing to fund new capacity on the Interstate System. No one likes higher taxes or fees, but a better transportation system will require us to pay for it.