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June 22, 2007

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: CAROL INGE 
CHIEF PLANNING OFFICER

**SUBJECT: STATUS OF FEDERAL URBAN PARTNERSHIP AND
DISCRETIONARY FUNDING APPLICATIONS
FOR LOS ANGELES REGION**

ISSUE

The U.S. Department of Transportation (USDOT) recently announced its selection of nine metropolitan regions as Preliminary Urban Partners through the federal Urban Partnership Program. Although the USDOT did not select the Los Angeles region as an Urban Partner, and despite local media reports to the contrary, the Los Angeles region still will be able to submit applications and compete for a share of the \$1.1 billion in discretionary funding available for congestion relief.

BACKGROUND

Late last year, the USDOT solicited proposals under its national traffic congestion mitigation initiative. As the lead agency for the Los Angeles region, Metro submitted a joint Urban Partnership Agreement application in response to the USDOT solicitation. We presented a draft of Metro's Urban Partnership application at the April 2007 Planning and Programming Committee meeting. Based on subsequent conversations with USDOT staff, we learned that Metro's application would not be competitive without a strong "value pricing" or "congestion pricing" initiative. In response, we included a three-month, peak-period tolling pilot project subject to future Board approval, as described in Attachment A.

On June 6, 2007, the USDOT announced the selection of nine metropolitan regions as Preliminary Urban Partners. The USDOT did not select the Los Angeles region as an Urban Partner. The nine regions that were selected include New York, NY; Atlanta, GA; King County, WA; Dallas/Fort Worth, TX; Miami, FL; Minneapolis/St. Paul, MN; San Diego, CA;

San Francisco, CA; and Denver, CO. The USDOT expects to select up to five final partners and announce them in August 2007. The USDOT also intends to support the selected partners by giving them preference in obtaining available discretionary funds and by providing regulatory flexibility where needed.

The Los Angeles region will be able to submit applications and compete for a share of the \$1.1 billion that the USDOT has made available for congestion relief from various federal discretionary funding programs. Responding to separate USDOT solicitations for proposals for the \$1.1 billion, Metro has submitted applications for the Los Angeles region. The applications request a total of *\$234.2 million* in federal funds.

Los Angeles' Value-Pricing Proposals

The USDOT required that Urban Partnership applicants include value-pricing proposals in their applications. Also from discussions with USDOT staff, we learned that our application needed a strong value-pricing proposal to be competitive with other applications, particularly those from the San Francisco Bay Area, San Diego, and possibly New York. Therefore, we prepared Metro's Urban Partnership Agreement application package to include proposals that would provide for an evaluation of options for "time tolling" at freeway entrance ramps and also a non-binding feasibility study to identify freeway corridors for conducting a congestion-pricing pilot project. Both the value-pricing feasibility study and congestion-pricing pilot project were subject to the approval of the Metro Board and the boards of our respective partner agencies and Caltrans executives. A more detailed description of the value pricing feasibility study and congestion-pricing pilot is included in Attachment A. Despite our efforts to include these value-pricing components in our application, the Los Angeles region was not selected to continue negotiations with the USDOT.

We believe that the USDOT did not select the Los Angeles region as one of its Urban Partners in great part because of the lack of a significant or strong congestion-pricing proposal. Although our proposal included a congestion-pricing pilot project, it was conditioned on the USDOT's selection of the Los Angeles region as a potential Urban Partner, Board approval, and the results of a feasibility study. Therefore, the USDOT may have considered our value-pricing proposals as more of a preliminary effort with insufficient commitment for early implementation.

Metro Applications for Federal Discretionary Funding

On December 8, 2006, the USDOT announced the establishment of a national Urban Partnership Agreement program. With this announcement, the USDOT also invited metropolitan regions to enter into cooperative agreements with the USDOT to help mitigate urban traffic congestion. The partnerships would emphasize four strategies ("4-Ts") that mitigate traffic congestion: Tolling (congestion pricing), Transit (expanding express bus, bus rapid transit), Telecommuting, and Technology.

On December 22, 2006, the USDOT announced the availability of up to \$30 million in funding under a Value-Pricing Pilot program. The program establishes funding for local value-pricing pilot programs that primarily focus on projects with the greatest potential for

leading to significant, broad, and near-term congestion relief. We submitted a request for *\$3.9 million* under this program, but without an Urban Partner designation for the Los Angeles region and the USDOT preferential consideration afforded that designation, we may not be able to secure what we have requested under this new funding program.

On January 4, 2007, the USDOT, through the Federal Highway Administration (FHWA), published a Request for Applications for the Intelligent Transportation Systems Operational Testing to Mitigate Congestion (ITS-OTMC) program. The program will result in one or more, cooperative agreements with metropolitan areas to demonstrate, operate, and evaluate innovative technologies and systems to help mitigate urban traffic congestion. In addition to highway-specific technologies, eligible projects included signal priority systems for buses, contactless fare collection, real-time travel information (e.g., bus arrival times), incident detection, and vehicle locator systems. Metro already is involved in all of these activities. Proposals containing technologies with congestion mitigation strategies such as congestion pricing, expansion of transit capacity, and telecommuting were specifically encouraged. The ITS-OTMC program includes \$100 million in federal funds for fiscal years (FYs) 2007-09. Of this amount, we submitted a request for *\$68.6 million* to fund various technology projects. However, without an Urban Partner designation for the Los Angeles region and the preferential consideration afforded that designation, we may not be able to secure what we have requested through this new funding program.

On March 23, 2007, the Federal Transit Administration (FTA) and the FHWA published Requests for Applications for several discretionary programs. These discretionary programs include the FTA Bus and Bus-Related Facilities program and the FTA Alternatives Analysis program, which provide up to \$438 million and \$12 million in federal funding for FY 2007, respectively. Eligible projects include bus acquisitions, bus maintenance and administrative facilities, and transfer facilities. We submitted a regional application for *\$159.7 million* under the Bus and Bus-Related Facilities program and *\$2 million* under the Alternative Analysis program before the May 22, 2007 submittal deadline. Here we have a much better chance of securing some of what we have requested under these older programs, as in previous years, even without an Urban Partner designation for the Los Angeles region. Attachment B lists the funding requested under the various discretionary programs.

NEXT STEPS

We will keep the Board apprised of progress made on our existing applications for \$234.2 million in federal discretionary funding. The USDOT is currently reviewing our applications.

ATTACHMENTS

- A. Los Angeles' Choice for High Occupancy, Transit, Telecommuting, or Tolling (LA'CHOTTT)
- B. Los Angeles County's Funding Request under the ITS-OTMC, VPP, and FTA's Section 5309 Programs

ATTACHMENT A

Los Angeles' Choice for High Occupancy, Transit, Telecommuting, or Tolling (LA'CHOTTT)

The Los Angeles tolling/ congestion pricing proposal builds on the premise that shifting or reducing AM/ PM peak period travel through transit, higher occupancy vehicles, and market based strategies would prevent a breakdown in traffic flow. Los Angeles' strategy and pilot project would need to provide commuters options to choose among alternatives.

The first step in the LA'CHOTTT program will be to conduct a feasibility study to identify potential freeway corridors for the implementation of the variable price concept and ensure that potential corridors are multi-modal, and can provide transit alternatives and rideshare services along or near these corridors. Potential examples are the multimodal improvements on I-10 (El Monte Busway), I-110 (Harbor Freeway Transitway), I-105 (Glenn Anderson Freeway), or other high occupancy vehicle (HOV) lane corridors that have parallel bus and/or rail service.

Elements of the feasibility study may include:

- Implementing a short-term (e.g., 3-month) pilot project.
- Evaluating expanding the HOV requirement during AM and PM peak periods and gradually increasing the vehicle occupancy requirement from 2+.
- Implementing a high occupancy tolling (HOT) lane concept with a tiered fee structure wherein higher occupancy vehicles (4+) are allowed to use HOVs at no cost and lower occupancy vehicles (3+, 2+, and SOVs) would pay a toll. If this first phase of the pilot project proves successful and public acceptance develops, the second phase would expand application of these concepts by gradually adding general purpose lanes to this pricing scheme.
- Charging variable toll rates to ensure that traffic flow on the HOV facility does not degrade below 50 mph.

The following steps also would be taken to integrate Intelligent Transportation Systems (ITS) technologies and enhance the operation of both HOV and general-purpose lanes, including System Wide Aggressive Ramp Metering (SWARM).

- Integrate ITS technologies across all modes of transportation (freeways, arterials, bus and rail).
- Enlist employers to certify 4+ vanpools and provide training assistance and incentives to offer their employees transit passes, parking cash-outs, and

telecommuting options. Metro's regional Vanpool Program will be very important in implementing the pilot project, as it would allow for cooperative partnerships with other regional transportation authorities in Los Angeles and neighboring counties.

Once the feasibility study is completed, a major marketing campaign will be initiated to prepare for the implementation of the three-month pilot project of the LA'CHOTTT program in selected corridor(s).

Communications and marketing will be very important in implementing the pilot project. Together with the recommended technologies and peak-period changes, a major marketing campaign would be needed to advertise the countywide travel alternatives, incentives, and training/outreach programs available to employers and commuters in the region. Communications efforts will incorporate outreach efforts of other transit and rideshare program operators.

Metro's automated fare system TAP (Transportation Access Pass) smart cards would also be important in implementing the pilot project. The TAP technology might be used to identify eligible participants of the pilot project by offering reduced transit fares and/or a toll credit for using the HOV/HOT facilities.

The proposed LA'CHOTTT pilot project qualifies for funding under FHWA's Value Pricing Pilot program and accordingly, allows the use of toll revenue to mitigate impacts on low-income populations. Thus, revenue from the LA'CHOTTT pilot could fund operations of transit and ridesharing services to address equity issues. In this context, variable and/or reduced transit fares and passes could be made available to those shifting from solo driving to ridesharing, telecommuting, or transit and to subsidize travel by providing credits to those who cannot afford the tolls. There also is a need to address how to charge and collect tolls, whether variable by time of day, including the need for automated electronic collection. In summary, the feasibility study and pilot project proposed for Los Angeles would demonstrate the congestion mitigation benefits of operating HOV lanes as managed lanes and provides a starting point for other options for the future.

Los Angeles County's Funding Request
Intelligent Transportation Systems Operational Testing to Mitigate Congestion and Value Pricing Pilot Programs
Table 1

Uses of Funds	Total	Federal Request	Federal %
I10/I-710 INTEGRATED CORRIDOR MANAGEMENT (ICM)	\$ 7,569,224	\$7,365,160	97.30%
RIITS NETWORK ENHANCEMENT	\$ 3,047,504	\$2,735,000	89.75%
SYSTEM-WIDE ADAPTIVE RAMP METERING (S.W.A.R.M.)	\$ 1,586,900	\$1,269,520	80.00%
ADVANCED TRANSPORTATION MANAGEMENT SYSTEM (ATMS)	\$ 26,116,800	\$22,620,341	80.00%
BUSWAY PEAK HOURS	\$ 114,000	\$91,200	80.00%
ATCS - I-10 SANTA MONICA FREEWAY CORRIDOR	\$15,176,250	\$11,976,445	78.92%
ARTERIAL TRAFFIC SYSTEMS MANAGEMENT (ATSM)	\$ 19,342,646	\$10,677,976	55.20%
TRAVELER INFORMATION AND ASSISTANCE- SAFE	\$ 11,846,220	\$9,064,000	76.51%
NEXT TRIP BUS STOP INFORMATION	\$ 3,467,861	\$2,829,968	81.61%
COUNTYWIDE SIGNAL SYNCHRONIZATION & BUS SPEED IMPROVEMENTS (2007 Call for Projects)	\$ 40,300,000	\$0	0.00%
ITS-OTMC Subtotal	\$ 236,177,458	\$ 68,629,610	
VALUE PRICING PILOT PROJECT	\$ 5,147,000	\$3,947,000	76.69%
TOTAL FUNDING PROPOSALS	\$ 133,714,406	\$141,206,220	

LOS ANGELES COUNTY REGION
 FUNDING REQUEST UNDER THE FEDERAL TRANSIT ADMINISTRATION
 DISCRETIONARY PROGRAMS

ATTACHMENT B

Table 2

Item	Project Description	Quantity	Estimated Project Cost	Federal 5309 Funds Requested	Local Contribution	5309 Share
FTA Section 5309 Bus and Bus Facilities						
1	Acquire Replacement Transit Vehicles that meet or exceeded retirement age. These vehicles will improve service delivery throughout the LA Region.	208	\$115,736,629	\$74,073,708	\$41,662,921	64%
2	Acquire Expansion buses to serve projected service increase throughout the LA Region including service to the Los Angeles Airport.	59	\$16,645,250	\$13,316,200	\$3,329,050	80%
3	Expansion of CNG fast fill refueling stations for transit vehicles to accommodate fleet expansion due to added service.	3	\$2,330,378	\$1,864,302	\$466,076	80%
4	Construction of New Bus Administrative Facility to centralize transit services in the Burbank area and provide transit information to commuters. This facility will be located next to a park and ride commuter train/bus transfer facility.	1	\$498,960	\$399,168	\$99,792	80%
5	Construct New Bus Operations and Maintenance facility adjacent to Los Angeles Union Station and the City of Pasadena to accommodate expanded services that cannot be supported with existing infrastructure.	2	\$91,250,000	\$57,845,600	\$33,404,400	63%
6	Acquire and install bus shelters to enhance service in Monterey Park and to accommodate new service routes in the City of San Fernando.	31	\$572,000	\$457,600	\$114,400	80%
7	Acquire and install cameras in buses to increase security and reduce crime for transit patrons in the City of Pasadena.	19	\$135,100	\$108,080	\$27,020	80%
8	Construct park-and-ride facilities in the service area of the San Gabriel and Pomona valleys in California.	1	\$12,500,000	\$10,000,000	\$2,500,000	80%
9	Replace public address/changeable message signs at Metrolink stations		\$2,276,222	\$1,600,000	\$676,222	70%
	TOTALS		\$241,944,539	\$159,664,658	\$82,279,881	66%
	Alternative Analysis four corridors and modeling data updates		\$10,000,000	\$2,000,000	\$8,000,000	20%