

TO: Marketing, Planning & Legislative Committee

DATE: February 26, 2020

FROM: Rick Ramacier
General Manager



SUBJECT: AB2057 – Chiu

Background

Assembly Member Chiu from San Francisco has introduced AB2057 to promote the development of a seamless Bay Area transit system. This bill seems to lean heavily on a report by the San Francisco Bay Area Planning and Urban Research Association (SPUR) from 2015 titled, “Seamless Transit”. It also leans heavily on a paper by Seamless Bay Area, “To Build a Seamless Transit System, Governance Reforms Must Accompany New Funding”. One of the major contentions of both these works is that the Bay Area does not have a functioning regional transit system. Moreover, these works argue that it’s time to create one and that in order to do so, we must take away some current policy, operational, and even budget authority from the existing public systems throughout the nine counties of the Bay Area.

Seamless Bay Area is the main sponsor of AB2057. They presented Assembly Member Chiu with original bill language. The current working draft (not formally amended into what is still a spot bill) of AB2057 is not that language, but it is informed by it. While the main goal of AB2057 – development of a regional transit system – has value, the current mechanics of the bill provide some challenges with the strong possibility of many unintended consequences.

What is in AB2057

The working draft would require a 17 member Bay Area Seamless Transit Task Force to be established by the California Secretary of Transportation. The task force would have three appointments from the Governor and legislature, three appointments from the Metropolitan Transportation Commission (MTC)/Association of Bay Area Governments (ABAG), four public transit operators (one has to be a rail operator) appointed by the Clipper Executive Board (CEB), two members from the County Transportation Agencies (such as the Contra Costa Transportation Authority by way of example), two outside “technical experts” appointed by MTC jointly with CEB, and three advocates.

This task force would be charged with studying and recommending to the legislature on 10 areas. This includes, a zone-based regional fare system and common local fares, forcing increased schedule coordination, coordinated capital planning, improvements to project delivery, identifying functions to be consolidated, evaluating the possible creation of a single rail operator, ensuring that the rider perspective is built into capital project design, evaluating the how to authorize a Network Manager that would have accountability and enforcement mechanisms to push transit integration in support of a seamless transit network, recommend strategies to minimize institutional related high costs and inefficiencies, and to ensure that future regional funding be used to support one through nine of this list.

The working draft also would require MTC, working with the transit operators to develop a plan for full fare coordination and integration by January 1, 2022. This work is already underway under the auspice of CEB. If the transit operators cannot agree on something to implement by that date, MTC would be authorized to adopt various rules to promulgate a fully integrated fare system after further transit operator and public input. MTC would have to consider farebox recovery ratios and per passenger costs if they were to pursue a forced solution. The working draft also goes on to mandate a series of software requirements to be placed on the transit operators in support of the integrated fare structure. And, MTC would be mandated with requiring the transit

operators to adopt a comprehensive and standardized regional wayfinding system and a standardized regional map.

Finally, the working draft requires MTC to prioritize the use of STA funds to support all activities called for in the bill. This would almost certainly threaten some unknown portion of our current operating revenue.

Summary Analysis

The current working draft is an improvement over the language submitted by Seamless Bay Area. However, concerns remain with this draft. First and foremost is the call to use STA funding to pay for the activities and actions put forward in the bill. This represents a direct threat to our current funding.

A second concern is the mandate to create an integrated fare system. While this is a worthy goal that should be pursued where possible, the region and the transit operators should maintain flexibility and control over this. Mandating an integrated fare system could have profound unintended consequences that damage existing transit services, create legal snarls for one or more transit operators, and/or lead to other unintended inequities vis-à-vis transit services from sub area to sub area of the region. Given that the region, through the CBE, has already begun to study the prospect of moving to a fully integrated fare system, we should let this process be completed before the state mandates this.

A third concern relates to the 10 tasks that would be assigned to the proposed task force. As proposed, these may be too prescriptive. A better approach might be to give MTC additional direction to work with the transit operators on increasing service coordination, developing more regional services, and developing a comprehensive regional transit plan. MTC could be charged with reporting back to the legislature on progress and recommendations for further action if the MTC and the transit operators cannot make progress in a timely manner. I would note that the transit operators, through the CEB are already working on many of the ten tasks without legislation, and in a manner that will minimize unintended consequences and respect local interest.

Finally, this working draft comes with no funding. This implies that someone(s) existing funding will be at risk which in turn likely means reductions in existing transit service somewhere in the Bay Area. That runs counter to all of the adopted and/or state goals for the region on increasing transit ridership through better access to transit and the related targets for greenhouse gas reductions.

The Bay Area is not the first region to tackle the challenge of creating a regional transit system where good local transit already exists. However, in those areas, the approach was not to change the nature of the local systems to serve the regional desire. Rather, these other regions created a new regional system on top of the local systems, that in many cases leverage what the local systems are already doing. Moreover, these regional systems are most often funded through new funding and not reliant on gaining a share of existing funding.

Transit CEO Response

A group of Bay Area transit CEOs have met with Assembly Member Chiu and are very likely to do so again soon. He has expressed a sincere interest in working with the transit operators to arrive at a place where everyone be at least somewhat supportive of his effort. After the first meeting, these CEOs (MUNI, BART, AC Transit, County Connection, VTA, Golden Gate, SamTrans) sent Mr. Chiu alternative bill language. Much of it is not included in the working draft. At the next meeting, it is expected that the CEOs will provide Mr. Chiu with our comments, concerns, and suggestions. Only time will tell how far this effort goes.

Political Landscape

There is a fair amount of momentum behind the idea of adopting legislation along the lines of AB2057. The same ideas and principles are part of the regular discussions of how potential FASTER (Mega Measure) programs should be developed. Also, in addition to SPUR and Seamless Bay Area, the Bay Area Council (made up of business leaders from around the Bay Area), Google, Facebook, Apple, etc. have all expressed support for transit reforms of these types as well as support for the development of a regional transit system.

The Bay Area Caucus (the Bay Area state legislative delegation) discussed this topic at their recent annual retreat in early January. A number of folks with insight to that event said there was wide-spread general support for doing something like an AB2057. We should not count on our various Bay Area legislators to outright oppose AB2057 simply because their respective transit operator(s) asked them to. Strategically, we may be better off working with our various representatives on making AB2057 better and more acceptable. That is the spirit in which the select transit CEOs are attempting to work with Assembly Member Chiu on AB2057.

Staff Recommendation

Staff recommends that we watch AB2057 and express our concerns to the author as well as to our state legislative delegation, along with suggestions for improvements to the bill. I have spoken with the staff with both Assembly Member Bauer-Kahan and Assembly Member Grayson thus far. Both of those discussions went well. If AB2057 is not amended to our liking, we will have time to take an oppose position later this spring.

Action Requested

Staff requests that the MP&L Committee forward this item to the full board for discussion and feedback.