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SPECIAL REPORT:
Senate Transportation Appropriations and California Implications - *August 15, 2002*

On July 25, 2002, by unanimous consent, the Senate Appropriations Committee passed that chamber's version of the Transportation Appropriations for Fiscal Year 2003, S.2808. The Committee Report is numbered S.Rept. 107-224. The following represents a quick analysis of the bill from a California perspective as prepared by the California Institute. We apologize in advance for any errors or omissions in our discussion of these documents, and would appreciate any input/feedback on how to make improving corrections. The ordering of items generally reflects their presence in the bill does not mean to imply any relative importance.

Transportation Security Administration (TSA)
The new Transportation Security Administration was created in the aftermath of the September 11th terrorist acts with the enactment on November 19, 2001 of the Aviation and Transportation Security Act. The TSA is designed to improve security for all transport systems across the US including aviation, railways, highways, pipelines and waterways. The FY2003 Senate bill appropriates $4,950,000,00 for the TSA, $150,000,000 more than the President's budget request, with $200 million of these funds are set aside for new explosive detection technology installations at airports. The Senate Report expressed disappointment with the TSA's budget documentation performance and level of public receptiveness since inception.

Essential Air Service
The Senate bill recommends $115,000,000 for the Essential Air Service (EAS) and Rural Airport Improvement Program, which provides funds directly to commuter/regional airlines to provide air service to small communities that otherwise would not receive air service and for rural airport improvement. The bill notes the EAS subsidy rates under new eligibility standards and notes that two California airports receive federal EAS funding: Crescent City at $314,865 and Merced at $949,458 annually.

Federal Aviation Administration
The Senate Transportation appropriations bill makes an appropriation of $13,586,225,000 for the Federal Aviation Administration, $4 million above the President's recommendation.

Airport Surface Detection Equipment (ASDE-X)
The Senate Committee allocates $104,600,000 for the ASDE-X program designed to improve runway safety through better airport controller awareness, $14,600,000 of which is to be spent for new multi-lateration enhancements in Los Angeles among other nationally recognized high volume ASDE-3 sites.

Terminal Air Traffic Control Facilities
The Senate Committee reduced funds for terminal air traffic control facilities by $19 million due deleted funding for Oakland airport's air traffic control tower. Report language stated: "Based on the

FAA's newly updated contracting schedule, the agency will not be able to contract for this tower within fiscal year 2003."

Airport Discretionary Grants

Within the overall obligation limitation in this bill, over $869,000,000 is available for discretionary grants to airports. Specifically, the Committee expects the FAA to give priority consideration to the Stockton Metropolitan Airport application for facility upgrades.

US Coast Guard

The Senate report provides $6,071,978,000, for FY2003 Coast Guard activities, an increase of $832,319,000 above last year's levels. The bill would require the Coast guard to rebalance its objectives to integrate Homeland Defense activities into the existing mission of the agency and would reject the Bush Administration's proposal for $165 in new user fees on Coast Guard users.

Boat Safety: Vessel traffic safety fairway, Santa Barbara/San Francisco.- The Senate report contains the following text: "retains a general provision (sec. 312) that would prohibit funds to plan, finalize, or implement regulations that would establish a vessel traffic safety fairway less than 5 miles wide between the Santa Barbara traffic separation scheme and the San Francisco traffic separation scheme. On April 27, 1989, the Department published a notice of proposed rulemaking that would narrow the originally proposed 5-mile-wide fairway to two 1-mile-wide fairways separated by a 2-mile-wide area where off-shore oil rigs could be built if Lease Sale 119 goes forward. Under this revised proposal, vessels would be routed in close proximity to oil rigs because the 2-mile-wide non-fairway corridor could contain drilling rigs at the edge of the fairways. The Committee is concerned that this rule, if implemented, could increase the threat of offshore oil accidents of the California coast. Accordingly, the bill continues the language prohibiting the implementation of this regulation."

Federal Highway Administration

The Senate report appropriates $32,892,767,000 for the administration and operation of the Federal Highway Administration in FY 2003, an increase of $2,257,297,000 over the 2001 enacted level and $355,946,000 over the budget request.

Federal-Aid Highways

The bill includes language limiting fiscal year 2002 Federal-aid highways obligations to $31,800,000,000, a level $896 million above the previous year's allocation and $8,595,213,000 over the President's budget request. Released in February, 2002, the Administration's FY 2003 budget totals for highways were based on the estimated 2003 distribution of obligation authority through the Revenue Aligned Budget Authority (RABA) funding formula mechanism, which required a major reduction in highway expenditures to coincide with reductions in fuel tax revenues. Congress has supported restoring highway funds which were cut by the RABA mechanism, but authorizing committee and appropriating committee members differed regarding the appropriate way to do so, and the Senate Committee's $8.6 billion increase creates a substantial point of contention with the House-supported increase of $4.4 billion (which was authorized in the FY 2002 supplemental appropriations bill, signed on August 2, 2002).

The Senate provides an overall highway obligation ceiling for California that exceeds the figure proposed in the President's budget by $731,248,265. Under the Senate recommendation, California would receive $2,605,145,789, an amount higher than the FY 2002 level of $2,516,921,592.

Bridge Replacement and Rehabilitation Discretionary Program

Of the funds provided for the bridge discretionary program in fiscal year 2002 in the Senate Appropriations bill, the Golden Gate Bridge Seismic Retrofit program would receive $6,000,000.

High priority projects

TEA-21 includes 1,850 high priority projects specified by the Congress. Funding for these projects totals $9,359,850,000 over the 6 year period

National corridor planning and border infrastructure programs

The Senate bill includes the following funding directives:

- Alameda Corridor East Construction Project - $1,000,000
- New Route 905 Otay Mesa to I-5/I-85m - $5,000,000
- Colfax Narrows Project - $1,000,000

Ferry boats and ferry terminal facilities - TEA-21 reauthorized funding for the construction of ferry boats and ferry terminal facilities. Funds provided for the Ferry boats and ferry terminal facilities program under the Senate Committee recommendation would be available for several activities including:

- San Francisco Bay Area Water Transit Authority Ferry Project - $2,500,000
- Vallejo Baylink Ferry Terminal and Facilities - $1,500,000

Transportation and community and system preservation pilot program

The program provides grants to States and local governments for planning, developing, and implementing strategies to integrate transportation and community and system preservation plans and projects. Funds provided for this program for fiscal year 2003 would be available for the following activities:

- Orange County Congestion Program $1,000,000
- Virginia Corridor Greenway Pilot Project, Modesto $500,000

Specified ITS deployment projects

The following projects contribute to the integration and interoperability for Intelligent Transportation Systems in metropolitan and rural areas and promote deployment of the commercial vehicle intelligent transportation system infrastructure. Funding for deployment activities according to the Senate appropriations bill are to be available as follows:

- Chinatown Intermodal Trans. Center, Los Angeles $2,500,000
- Sacramento Area Council of Governments, ITS $1,000,000
- Willowbrook Avenue Rail Safety Program, Compton $2,000,000

Truck Safety - Mexican Border

The Senate Committee remained consistent with the President's budget request of $59,967,000 for initiatives to enhance truck safety at the Mexican Border, more than twice the amount appropriated in FY2002. The bill recommends $41,967,000 for Federal border enforcement and $18,000,000 for southern border state operations in the form of grants, with $47,000,000 provided for inspection station construction activities and $8,250,000 for National Motor Safety Program State operations grants.

The Senate report includes the following text regarding truck safety: "Last year, the Committee dedicated a significant amount of time and effort to the safety concerns associated with the initiation of cross-border trucking shipments between the United States and Mexico when the Administration announced its intention to open the border by January, 2002. The fiscal year 2002 Transportation Appropriations Act included a general provision which required a number of actions by the Secretary of Transportation, the Federal Motor Carrier Safety Administration (FMCSA) and the Inspector General (IG) prior to the opening of the United States-Mexico border to commercial vehicle traffic beyond the commercial zone. A key provision was the requirement that the Inspector General conduct a comprehensive review of border operations to verify whether safety requirements are in place. The Inspector General's report of June 25, 2002 states that the FMCSA has made measured progress toward meeting the Act's requirements to hire and train inspectors; establish inspection facilities; and develop safety processes and procedures for Mexican long-haul carriers.

However, the IG's report indicates that there are remaining issues of concern and the Administration must do more work before the border is open. Two areas that need additional attention are law enforcement authority's access to databases and the ability of States to prosecute Mexican trucks operating in violation of U.S. law. Specifically, the IG's report states that Mexico's commercial driver's license (CDL) and vehicle registration databases are sufficiently accurate and integrated into databases. However, 6 of the 25 United States-Mexico border crossings do not have adequate access to these databases to verify licenses, registration, operating authority or insurance. Additionally, the Transportation Act required the IG to verify that measures are in place to enable U.S. law enforcement authorities to ensure the effective enforcement and monitoring of Mexican motor carriers according to U.S. law. The IG's report points out only two States—Arizona and California— have enacted legislation authorizing their enforcement personnel to take action when they encounter a vehicle operating without authority. This means that 48 States lack any law to put out-of-service or penalize large trucks that are caught operating without Federal operating authority. The Committee strongly believes that this safety gap needs to be closed before the border is open... The Committee intends to continue to closely monitor the implementation of the United States-Mexico cross-border trucking provisions to ensure that safety is not compromised. The Committee has included a general provision continuing the cross border safety provisions included in the 2002 Transportation Appropriations Act."

Federal Railroad Administration

Next Generation High-Speed Rail

Within passenger rail corridor planning funds of $9,100,000, the Senate bill includes $2,000,000 for California high-speed rail. The Senate report specifies $200,000 to be spent for Las Vegas - Los Angeles highspeed rail capacity and ridership analysis.

Within Magnetic Levitation (maglev) transportation funding, California provisions include the following specific committee allocations:

- Nevada-California: Environmental impact studies, design and engineering - $2,000,000
- Southern California Maglev environmental study and planning - $1,000,000

National Railroad Passenger Corporation (AMTRAK)

Amtrak has been on the verge of bankruptcy this year from its increasing debt burden. The Supplemental Approporiations Act of FY2002 included supplemental funds amounting to $105,000,000 to keep Amtrak routes running through September 2002.

The Senate Report recommends an appropriation of $1,200,000,000 for FY2003 national passenger rail system operations; remaining consistent with the amount requested by the Amtrak Board of Directors and roughly $678 million more than the President's budget request. The Committee urged greater transparency in Amtrak's budget management and urged the administration to submit reauthorization reform proposals that would resolve the current inequity among state subsidization of Amtrak services.

Federal Transit Administration

Formula Program

The bill notes formula program funds within each TEA21 program category for California:

- Urbanized area -	$583,841,997
- Nonurbanized area -	$10,475,294
- Elderly and persons with disabilities -	$9,488,919
- Total formula programs -	$603,806,210

Bus and Bus Facilities

The bill notes $657,200,000 for bus and bus facilities funding. These funds may be used to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. Funds for bus and bus facilities shall be distributed as follows:

- AC Transit Buses and Bus Facilities $1,000,000
- East Palo Alto Buses $400,000
- Fresno Buses $600,000
- Gardena Municipal Bus Lines $350,000
- Santa Clara Valley Transportation Authority Buses $2,000,000
- Livermore Valley Center Project $300,000
- Los Angeles MTA Buses and Bus Facility $5,000,000
- Los Angeles to Pasadena Construction Authority Intermodal Centers $3,000,000
- Modesto Bus Maintenance Facility $500,000
- Monterey-Salinas Transit (MST) Bus and Bus facilities $500,000

- Municipal Transit Operators Coalition, Long Beach $1,750,000
- Palo Alto Bus Facility $400,000
- Sacramento Regional Transit District Bus Facilities $1,250,000
- San Francisco Municipal bus and bus facilities $5,000,000
- Santa Barbara, Bus and Bus Facilities $750,000
- Sierra Madre Villa CNG Fueling Station $200,000

Fixed Guideway Modernization

The bill shows a total of $1,214,400,000 for the modernization of existing rail transit systems. Under TEA21 all of the funds are distributed by formula. California would receive $139,151,6518 for these projects in FY2003.

Transit New Starts

The bill provides $1,314,400,000 for New Starts. These funds are available for major investment studies, preliminary engineering, right-of-way acquisition, project management, oversight, and construction for new systems and extensions. The Senate bill lists the following projects:

- Altamont Commuter Express San Jose to Stockton $2,000,000
- San Diego Mission Valley East Line project $65,000,000
- Los Angeles East Side MTA $10,000,000
- San Francisco SFO BART extension project $100,000,000
- Los Angeles North Hollywood extension project $40,000,000
- San Diego Oceanside-Escondido Light Rail Project $20,000,000

In transit new starts project detail, the Senate report includes the following language:

Los Angeles East Side corridor light rail transit project.—The Los Angeles County Metropolitan Transportation Authority is proposing to implement a 5.9 mile light rail transit (LRT) line in the Eastside Corridor, connecting Downtown Los Angeles with low-to moderate-income communities in East Los Angeles. The proposed system would include 8 stations and will traverse eastward from Union Station (the city's major intermodal hub, serving intercity, commuter, and regional rail service, as well as local and express bus services) along Alameda Street through the City Terrace, Belvedere, and East Los Angeles communities of unincorporated Los Angeles County. The project would terminate at Beverly and Atlantic Boulevards, where a 500 space park-and-ride facility is planned. The project is primarily at-grade, with a 1.8 mile mid-section underground in tunnel. The project is intended to improve mobility for residents and employees in the corridor, and provide improved access to employment opportunities throughout the MTA service area. 15,000 average weekday boardings are forecasted on the proposed line in 2020, including 9,700 daily new riders. The project is estimated to cost $818,000,000 in escalated dollars, with a section 5309 New Starts share of $491,000,000. This project has been authorized in TEA21. The Committee has recommended $10,000,000 in new starts funding for this project in fiscal year 2003.

Los Angeles North Hollywood extension project.—The Los Angeles Metro Rail Red Line rapid-rail system is being planned, programmed and constructed in phases, through a series of ''Minimum Operable Segments'' (MOSs). The first of these segments (MOS–1), a 4.4-mile, 5-station segment, opened for revenue service in January 1993. A 2.1-mile, three-station segment of MOS–2 opened along Wilshire Boulevard in July 1996; an additional 4.6-mile, 5-station segment of MOS–2 opened in June 1999, and the Federal funding commitment has been fulfilled. On May 14, 1993, an FFGA was issued to the Los Angeles County Metropolitan Transportation Authority (LACMTA) for the third construction phase, MOS–3. MOS–3 was defined under ISTEA (section 3034) to include three segments: the North Hollywood segment, a 6.3-mile, three-station subway extension of the Hollywood branch of MOS–2 to North Hollywood through the Santa Monica mountains; the Mid-City segment, a 2.3-mile, two-station western extension of the Wilshire Boulevard branch; and an undefined segment of the Eastside project, to the east from the existing Red Line terminus at Union Station. LACMTA later defined this eastern segment as a 3.7-mile, four-station extension under the Los Angeles River to First and Leona in East Los Angeles. On December 28, 1994, the FFGA for MOS–3 was amended to include this definition of the eastern segment, bringing the total commitment of Federal new starts funds for MOS–3 to $1,416,490. In January 1997, FTA requested that LACMTA submit a recovery plan to demonstrate its ability to complete MOS–2 and MOS–3, while maintaining and operating the existing bus system. On January 14, 1998, the LACMTA

Board of Directors voted to suspend and demobilize construction on all rail projects other than MOS–2 and the MOS–3 North Hollywood Extension. The MTA submitted a recovery plan to FTA on May 15, 1998, which was approved by FTA on July 2, 1998. In 1998, LACMTA undertook a Regional Transportation Alternatives Analysis (RTAA) to analyze and evaluate feasible alternatives for the Eastside and Mid-City corridors. The RTAA addressed system investment priorities, allocation of resources to operate existing transit services at a reliable standard, assessment and management of financial risk, countywide bus service expansion, and a process for finalizing corridor investments. On November 9, 1998, the LACMTA Board reviewed the RTAA and directed staff to reprogram resources previously allocated to the Eastside and Mid-City Extensions to the implementation of RTAA recommendations, including the LACMTA Accelerated Bus Procurement Plan. LACMTA continued to study transit investment options for the Eastside and Mid-City corridors. In October 2000, FTA approved entry into preliminary engineering for a 5.9-mile, 8-station light rail line in the Eastside Corridor between downtown Los Angeles and East Los Angeles. The Mid-City corridor is still undergoing alternatives analysis. FTA will consider the prior Federal commitment under the MOS–3 FFGA as an ''other factor'' for rating and evaluation purposes for these projects, as long as the identified projects otherwise meet the requirements of the new starts program. On June 9, 1997, FTA and LACMTA negotiated a revised FFGA covering the North Hollywood segment (Phase 1-A) of MOS–3, which opened in June 2000. The total capital cost of the North Hollywood project is estimated at $1,310,820,000 of which the revised FFGA commits $681,040,000 in section 5309 new starts funds. Through fiscal year 2002, a total of $640,550,000 has been appropriated for the North Hollywood segment of MOS–3; an additional $49,530,000 was provided in fiscal year 2001. This project has been authorized in TEA21. The Committee has recommended $40,000,000 in New Starts funding for this project in fiscal year 2003.

San Diego Mission Valley East LRT Extension project.—The Metropolitan Transit Development Board (MTDB) is constructing a 5.9-mile, 4-station light rail extension of its existing Blue Line, from east of Interstate 15 to the City of La Mesa, where it will connect to the existing Orange Line near Baltimore Drive. The Mission Valley East line will serve four new and two existing stations, and would include elevated, at-grade, and tunnel portions. The project includes two park and ride lots and a new access road between Waring Road and the Grantville Station. The corridor runs parallel to Interstate 8 in eastern San Diego and La Mesa, and is characterized by a mix of low- to moderate-density industrial, residential, and commercial uses, but includes several major activity centers such as San Diego State University, the Grossmont regional shopping center, Kaiser Hospital, the Alvarado Medical Center, and the Grantville employment area. Over 24,000 jobs and nearly 10,000 residences are located within walking distance of the proposed stations, and existing zoning is generally supportive of transit. Total capital costs are estimated at $431,000,000. On June 22, 2000, FTA issued an FFGA committing a total of $329,960,000 in section 5309 new starts funding to this project. Through fiscal year 2000, Congress has appropriated $112,720,000 for this project, and an additional $31,210,000 was provided in fiscal year 2001. The Committee recommends $65,000,000 in New Starts funding for this project in fiscal year 2003.

San Francisco BART Extension to SFO Airport project.—Bay Area Rapid Transit (BART) in San Francisco and the San Mateo County Transit District (SamTrans) are constructing an 8.7-mile, 4-station extension of the BART rapid transit system to serve San Francisco International Airport (SFO). The project consists of a 7.5-mile mainline extension from the existing BART station at Colma, through Colma, south San Francisco, and San Bruno, terminating at the Millbrae Avenue BART/CalTrain Station. An additional 1.2-mile spur from the main line north of Millbrae will take BART trains directly into the airport, to a station adjoining the new International Terminal. The San Francisco International Airport is a major partner in this project. All structures and facilities to be constructed on airport property, and installation of related equipment, are being funded, designed and constructed by the airport for BART. This project is also part of the FTA Turnkey Demonstration Program to determine if the design/ build approach will reduce implementation time and cost. On July 24, 1997, the first contract was awarded for site preparation and utility relocation associated with this project. Bids for the main contract for construction of the line, trackwork and related systems were opened on November 25, 1997. On June 30, 1997, FTA entered into an FFGA for the BART–SFO extension, committing a total of $750,000,000 in Federal new starts funds to the project; total capital costs at that time were estimated at $1,054,000,000. The total cost has since increased to an estimated $1,510,200,000; a recent surge in local construction activity has resulted in higher than estimated costs for construction of this project. Per the terms of the FFGA, any cost increases are the responsibility of the local project sponsors. Thus, the original Federal commitment is unchanged at

$750,000,000. Through fiscal year 2002, a total of $317,370,000 has been appropriated for this project. An additional $79,250,000 was provided in fiscal year 2001. This project has been authorized in TEA21. The Committee has recommended $100,000,000 in new starts funding for this project in fiscal year 2003.

San Diego Oceanside-Escondido Rail Corridor project.—The North County Transit District (NCTD) in northern San Diego County is planning to convert an existing 22-mile freight railroad corridor between Oceanside and Escondido into a rail transit line. The line would run east from the City of Oceanside through the cities of Vista and San Marcos and unincorporated portions of San Diego County, to the City of Escondido, using diesel multiple unit (DMU) rail vehicles. The alignment also includes 1.7 miles of new right-of-way to serve the campus of California State University San Marcos (CSUSM). The line is located along the State Route 78 corridor, the principal east-west corridor in the county. The complete 23.7-mile system will serve 15 stations, 4 of which would be located at existing transit centers. Passenger rail service would have exclusive use of the rail line during pre-defined hours of operation. An Environmental Impact Report (EIR) for the Oceanside-Escondido project was certified in 1990, and a separate EIR for the CSUSM alignment was certified in 1991. A major investment study was not required under the procedures in effect at the time, based on concurrence from FTA, FHWA, the San Diego Association of Governments, Caltrans, the City of San Marcos, and NCTD. Advance planning was completed in December 1995, and the Environmental Assessment/Supplemental Environ-mental Impact Report was completed in early 1997. FTA approved NCTD's request to enter final design in February 2000. The total capital cost for this project is estimated at $332,300,000, of which NCTD is seeking $152,100,000 (46 percent) in FTA § 5309 New Starts funds. Ridership is estimated at 15,100 average weekday boardings in 2015, of which 8,600 would be daily new riders. Revenue operations are scheduled to begin in January 2004. This project will help to alleviate the heavy congestion of northern San Diego County along the Route 78 corridor. The project will serve large intermodal transit centers in both Oceanside and Escondido, and the corridor between contains a dispersed mix of commercial, industrial, and single-and multiple-family residential developments. This project is rated ''medium-high'' for both finance and justification, earning an overall rating of ''highly recommended.'' Section 3030(a)(77) of TEA21 authorized this project for final design and construction. Through fiscal year 2002, Congress has appropriated $24,280,000 in section 5309 New Starts funds for this project. FTA anticipates that NCTD will be ready for an FFGA for this project by fall fiscal year 2003. The Committee has recommended $20,000,000 in New Starts funding for this project in fiscal year 2003.

Stockton Altamont Commuter Rail project.—The San Joaquin Regional Rail Commission (SJRRC), the Alameda Congestion Management Agency, and the Santa Clara Valley Transportation Authority have proposed to implement a commuter rail system along an existing Union-Pacific Railroad right-of-way operating between the three counties. A Joint Powers Board comprised of members from each of the three agencies was also created to operate the proposed Altamont Commuter Express. The SJRRC would be the managing agency for the initial 36-month term of an agreement executed between the three agencies. In addition to identifying potential sources for capital and operating funds, the member agencies will define the methods for allocating future costs and the shares of future capital improvement contributions from the member agencies. Through fiscal year 2002, Congress has appropriated $6,910,000 in section 5309 new starts funds for this effort. The Committee has recommended $2,000,000 in new starts funding for this project in fiscal year 2003.

Job Access and Reverse Commute Grants

The Senate Committee recommends $150,000,000 for the Job Access and Reverse Commute Grants program, the level guaranteed under the TEA21 transit category firewall. This program is meant to help welfare reform efforts succeed by providing enhanced transportation services for low-income individuals, including former welfare recipients, traveling to jobs or training centers.

The program makes competitive grants to qualifying metropolitan planning organizations, local governmental authorities, agencies, and nonprofit organizations. The Committee recommends the following allocations of job access and reverse commute grant program funds in fiscal year 2002:

- CalWORKS Recipient Job Center	$750,000
- Los Angeles County, UTRANS	$1,000,000
- Low Income LIFT Program, SF MTC	$2,000,000
- Rideshare Program-MTA	$750,000
- SACOG, Sacramento Region JARC Projects, CA	$1,500,000

- Santa Clara Valley, Guaranteed Ride Home Program $350,000

General Provisions

Sec. 329. The Senate Committee Report includes a provision modifying public law to define the Alameda Corridor East and Southwest Passage high priority corridor.

Sec.350. Contrary to the President's request, Senate language would extend a cross border trucking safety provision from the FY2002 appropriations act.