



June 6, 2014

The Honorable Mark Leno
Chair, Senate Budget Committee
California State Senate
State Capitol, Room 5100
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Assembly Budget Committee
California State Assembly
State Capitol, Room 6026
Sacramento, CA 95814

RE: Cap-and-Trade Revenues to Support Intercity Passenger Rail Services

Dear Members of the Budget Conference Committee:

On behalf of the undersigned member agencies of the Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency, we write to urge the Budget Conference Committee to provide a secure and stable source of funding for intercity passenger rail corridors by dedicating a portion of cap-and-trade funds to support intercity passenger rail services. In addition, we request that these services be eligible for any funding directed to the implementation of sustainable communities strategies.

The LOSSAN rail corridor travels through a six-county coastal region in Southern California and is the second busiest intercity rail corridor in the nation. Passenger rail services within the corridor are provided by Amtrak Pacific Surfliner intercity trains and Metrolink and COASTER commuter trains. These services, together with the services provided by the state's other corridor agencies, represent more than 40 percent of all annual passenger-miles traveled on the state's passenger rail network.

By providing a transportation alternative to automobiles, intercity passenger rail service is succeeding in helping support the state to meet its clean air goals under AB 32 (Chapter 488, Statutes of 2006), and in implementing regional sustainable communities strategies under SB 375 (Chapter 728, Statutes of 2008) by removing 109 million pounds of carbon dioxide emissions, and eliminating 355 million vehicle miles travelled every year. With additional financial resources, corridor agencies would be able to build upon these successes by increasing and improving services to the benefit of California residents and visitors.

For this reason, we support and encourage the committee to make available a continuous appropriation of five percent of total cap-and-trade funds to intercity passenger rail corridors, and to allow intercity passenger rail services to compete for additional cap-and-trade funding for sustainable communities. In addition, we support an appropriation of 25 percent of total cap-and-trade revenues to public transit operators, including commuter rail operators, as these services provide important connections to the state's intercity rail corridors. This request is consistent with the policy position on cap-and-trade revenues adopted by the California Transit Association.

With a stable funding source and with the eligibility to compete for additional resources, the cap-and-trade program would ensure that California continues to operate the most

The Honorable Mark Leno and The Honorable Nancy Skinner
June 6, 2014
Page 2

successful state-supported intercity rail program in the nation while also providing the state with substantial greenhouse gas emission reducing benefits.

We thank you and your staff for considering our recommendations and we look forward to working with you and the committee throughout the budget process. If you have any questions or would like more information, please contact Jennifer Bergener, LOSSAN Managing Director, at (714) 560-5462.

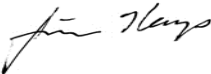
Sincerely,



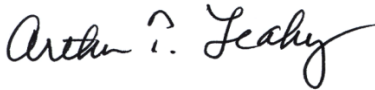
Ronald L. De Carli
Executive Director
San Luis Obispo Council of
Governments



Paul Jablonski
Chief Executive Officer
San Diego Metropolitan Transportation
Authority



Jim Kemp
Executive Director
Santa Barbara County Association of
Governments



Arthur T. Leahy
Chief Executive Officer
Los Angeles County Metropolitan
Transportation Authority



Matthew Tucker
Executive Director
North County Transit District



Gary Gallegos
Executive Director
San Diego Association of Governments



Darrell Johnson
Chief Executive Officer
Orange County Transportation Authority



Darren Kettle
Executive Director
Ventura County Transportation
Commission



Anne Mayer
Executive Director
Riverside County Transportation
Commission

The Honorable Mark Leno and The Honorable Nancy Skinner
June 6, 2014
Page 3

c: Governor Edmund G. Brown, Jr.
Members, Budget Conference Committee
Senator Loni Hancock (D-Oakland)
Senator Ricardo Lara (D-Bell Gardens)
Senator Jim Nielsen (R-Gerber)
Assembly Member Richard Bloom (D-Santa Monica)
Assembly Member Jeff Gorrell (R-Camarillo)
Assembly Member Shirley Weber (D-San Diego)
LOSSAN State Legislative Delegation