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Honorable Hilda Solis
Member of Congress
1414 Longworth House Office Building
Washington, D.C. 20515

Dear Congresswoman Solis:

Thank you for your July 23, 2008 letter regarding the Los Angeles Region Congestion Reduction Demonstration Initiative.

Caltrans, the Los Angeles County Metropolitan Transportation Authority (Metro) and other local partners are committed to reducing congestion and improving mobility in the San Gabriel Valley, South Los Angeles and other parts of Los Angeles County. Undeniably, this is an innovative, cutting edge demonstration project. It holds the promise of significantly expanding travel options, improving air quality, bolstering transit service, tackling congestion in the nation's most gridlocked region and injecting your area with \$210 million in federal resources for critical transportation improvements. In short, the project is based on the firm belief, as articulated by the Metro Board of Directors, that dramatic action is urgently needed to tackle unbearable levels of gridlock facing your constituents.

While many factors contribute to Los Angeles County's longstanding designation as the gridlock capital of the U.S., the federal transportation funding deficit is high on the list. As a donor state for federal-aid highway program funds, Los Angeles County receives less federal gas tax revenues from Washington, DC than we contribute in gas tax payments. Your area – and the entire region – continues to suffer from underinvestment in much-needed transportation improvements.

Regarding the issue of carpoolers and their ability to access High Occupancy Toll (HOT) lanes, the revised Memorandum of Understanding (MOU) between Caltrans, Metro and the U.S. Department of Transportation makes clear that High Occupancy Vehicle (HOV) -2 vehicles will be able to continue utilizing HOT lanes on I-110 at no cost. With respect to I-10, minimum occupancy requirements vary based on time of day. During peak periods, only three person carpools are allowed. During non-peak periods, HOV-2 is in effect. Analysis is currently underway to project anticipated traffic demand on I-10. Also, it should be noted that variable pricing is and will be a vital strategy covered in Caltrans' recently launched efforts with regional stakeholders to develop a California HOV/HOT Business Plan.

With regard to evaluating the impact of congestion pricing on the economies of lower income communities, this assessment will be undertaken as part of the overall operating plan. In addition, the environmental process for the project also provides an open and public process in terms of analyzing and addressing these issues. It is also through the environmental process that the potential impacts of congestion pricing on traffic demand along residential streets adjacent to I-110 and I-10 will be thoroughly evaluated, complete with recommended

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mitigation measures should they be deemed necessary. Be assured that there will be a thorough analysis with community input before any final decisions are made and implemented.

On the issue of low income commuters, Caltrans and Metro are sensitive to the concern that tolling may have a disproportionate impact on individuals and families with limited financial means. As such, it is our intention to develop a program specifically designed to assist low income commuters. One proposal may be to provide HOT lane credits for regular transit users which would enable them to redeem credits for free access to HOT lanes on those occasions when driving a car is necessary. There are other promising and creative options currently being explored. We are fully committed to developing a system of comprehensive mobility improvements accessible to individuals of all income levels. Towards this end, we would value your input and suggestions on how to maximize the effectiveness of such a program.

With respect to converting HOV lanes to HOT lanes, we are currently in the process of identifying potential fund sources and determining the manner in which the conversion will be financed. As you correctly noted, the \$210 million USDOT grant cannot be used for this purpose. Furthermore, I want to emphasize that funds used for implementation purposes will only be for eligible expenses. No construction and operation of bus transit and rail projects will be delayed as a result of the federal grant.

Finally, we fully understand and appreciate your concern regarding the manner in which the Congestion Reduction Demonstration Initiative has advanced over the past year. This is a concern we share as well. It is important to keep in mind that the timing of the project was largely dictated by federal deadlines. As you may recall, the solicitation of grant applications appeared in the *Federal Register* on November 13, 2007 and required prospective grantees to submit proposals by December 31, 2007, only six weeks following the announcement. This necessitated an accelerated effort on our part to develop a comprehensive congestion relief program in a very short period of time. Nevertheless, the state of our region's ever-growing gridlock, combined with the prospect of dwindling federal transportation dollars in future years, prompted our Board to conclude that pursuing this grant to help launch an ambitious congestion relief program was an absolute imperative. To forego the opportunity to obtain substantial federal transportation resources for the benefit of Los Angeles County taxpayers would have been contrary to the best interests of our residents.

Thank you for the opportunity to respond to your concerns. We look forward to maintaining an ongoing dialogue with you to address the significant transportation and air quality challenges facing your constituents and all of Los Angeles County's 10 million residents.

Sincerely,



Roger Snoble
Chief Executive Officer