

# Memorandum

Tab 26

To: CHAIR AND COMMISSIONERS

CTC Meeting: August 27, 2015

Reference No.: 4.16  
Information

From: WILL KEMPTON  
Executive Director

Subject: **UPDATE ON CALIFORNIA TRANSPORTATION PLAN (CTP) 2040**

## **ISSUE:**

At the May 28, 2015 Commission meeting in Fresno, Caltrans presented the draft CTP 2040 for Commission consideration and comment. The Commission submitted comments on the CTP 2040 to Caltrans on June 4, 2015 (Attachment A). A summary of the remarks provided by the Commission are as follows:

- The CTP 2040 should balance the economic impacts and greenhouse gas (GHG) emission reduction goals in the development of long range plans.
- The CTP 2040 should acknowledge the current and planned efforts undertaken to reduce GHG emissions.
- The intent of Senate Bill 1077, for the development and deployment of a road charge pilot program, should be clearly articulated in the CTP 2040.
- An estimate and potential source of funding needed to implement the alternatives and recommendations outlined in the CTP 2040 should be included.
- In order to address the states growing population and economy, strategic investments to add capacity should be considered in the long range planning for the state.
- Land use and housing plays a critical role in the development of long range transportation plans. The CTP 2040 should reflect a summarization of the efforts taken at the regional level in the development of regional transportation plans to meet state housing goals.

The Commission received a response from Caltrans on July 28, 2015 (Attachment B) addressing each of the concerns identified in the June 4<sup>th</sup> letter. Caltrans will update the Commission on the status of the draft 2040 CTP at the August Commission meeting.

## **BACKGROUND:**

Pursuant to federal regulation (23 CFR Section 450.214) and state statute (Government Code Sections 14000.6 and 65071 [et al]) Caltrans is required to prepare a statewide long-range transportation plan.

In 2009, SB 391 (2009, Liu) expanded the statutory requirements of the CTP. Specifically, SB 391 directed Caltrans to complete the CTP 2040 by December 31, 2015; and to prepare an update every five years thereafter. SB 391 further specified that Caltrans must address how the state will achieve maximum feasible emissions reductions in order to attain a statewide reduction of greenhouse gas emissions to 1990 levels by 2020 and 80 percent below 1990 levels by 2050;

taking into consideration the use of alternative fuels, new vehicle technology, tailpipe emissions reductions, and expansion of public transit, commuter rail, intercity rail, bicycling, and walking.

SB 391 also required that Caltrans complete an interim report by December 31, 2012, providing a list and an overview of all sustainable communities strategies and alternative planning strategies with an assessment of how implementation of the sustainable communities strategies and alternative planning strategies would influence the configuration of the statewide integrated multimodal transportation system. At its March 2013 meeting, the Commission considered the interim report and provided comments to Caltrans recommending the CTP: 1) Include a summarization of MPO efforts to generate forecasted development patterns captured in sustainable communities strategies that meet state housing goals; 2) Assess how regional forecasted development patterns influence the configuration of the statewide integrated multimodal transportation system in the CTP; and 3) Ensure early and continuous coordination during development of the CTP with the State Department of Housing and Community Development and other agencies and stakeholders.

Caltrans has stated the CTP 2040 development process complies with federal public participation requirements to ensure the public has an opportunity to provide input during the development of the plan. Caltrans also formed a Policy Advisory Committee and Technical Advisory Committee to provide guidance, direction and necessary approvals with respect to the continuing, comprehensive and cooperative statewide planning process as required by federal regulations.

Pursuant to SB 486 (2014, DeSaulnier), the Commission may develop guidelines, in cooperation with Caltrans, to inform the next CTP due in December 2020.

Attachment A – Commission letter to Caltrans (June 4, 2015)

Attachment B – Caltrans response letter (July 28, 2015)

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## CALIFORNIA TRANSPORTATION COMMISSION

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June 4, 2015

Mr. Malcolm Dougherty, Director  
California Department of Transportation  
P.O. Box 942873, MS-49  
Sacramento, CA 94273-0001

Dear Mr. Dougherty,

The California Transportation Commission (Commission) considered the March 2015 draft California Transportation Plan 2040 (CTP) at its May 28, 2015 meeting. The Commission commends the California Department of Transportation (Caltrans) and other stakeholders for their extensive efforts in responding to landmark legislation impacting how California must plan for transportation now and in the years to come. The multimodal integration planned through 2040 will provide more transportation opportunities for Californians as we strive to reduce environmental impacts while improving mobility and accessibility for all.

Importantly, the CTP, once complete, will serve as a framework for the Commission and others to consult when carrying out measures directed towards achievement of the greenhouse gas emissions targets called for in the Governor's recently released Executive Order B-30-15 (EO). The Commission believes it is vitally important that state agencies take climate change into account in their planning and investment decisions, and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives as required in the EO.

The Commission recognizes the CTP is an important document in informing California's future vitality. Once finalized, the CTP will guide long-term planning and form the basis for future investment decisions that will affect California's transportation system. From our review of the CTP, it is evident that Caltrans is planning for significant actions that will fundamentally alter how Californians will utilize our transportation system. Therefore, it is important for the CTP to provide clear priorities, while balancing environmental goals with economic and mobility needs. It is with this understanding that the Commission offers comments and recommendations to inform the final plan.

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## **1. Economic Impacts**

Balancing California's greenhouse gas emission reduction goals with economic and other goals is critical to ensure the vitality of future generations. This balance is not evident in the draft CTP. As an example, Table 24 (page 105) provides data on the net economic impacts of CTP Alternative 1 to Alternative 2; while an overall net increase of 13,000 jobs is projected during the plan period, a net loss of 77,000 jobs between 2026 and 2040 is anticipated. There are no similar economic projections for the third most aggressive alternative. The economic impacts resulting from the actions planned to reduce GHG emissions from the planned transportation system should be clearly and transparently identified and considered. Great care should be exercised in the development of this plan to ensure that necessary strategies are incorporated for a robust and thriving economy through 2040 and beyond.

The CTP focuses primarily on methods to reduce overall vehicle miles traveled (VMT) for purposes of reducing statewide transportation related GHG emissions. Issues related to ensuring mobility, connectivity and economic development as required by California Government Code Sections 65071 (et seq.) appear secondary to the plan objectives. To promote a robust economy and quality of life, the plan must balance statewide goals and objectives to provide for a comprehensive multimodal transportation network well into the future.

## **2. Current State Government Efforts to Reduce GHG Emissions**

The CTP places little emphasis on current and planned efforts within the Legislature, Administration, local government and private industry to promote technological improvements underway that will reduce GHG emissions. For example, the CTP does not transparently integrate the California Air Resources Board's (ARB) Low Carbon Fuel Standard, draft Sustainable Freight Initiative, or Greenhouse Gas Reduction Fund (GGRF) strategies despite that these strategies are anticipated to reduce GHG emissions from the transportation sector during the plan period.

## **3. Road User Charge**

The draft CTP refers numerous times to a "road user charge" as a method to reduce VMT by increasing vehicle operating costs. SB 1077 (2014, DeSaulnier) provided for a process to guide the development and evaluation of a pilot program to assess the potential for mileage-based revenue collection for California's roads and highways as an alternative to the gas tax system. The pilot program is intended to identify and evaluate issues related to the potential implementation of a road usage charge program in California. The objective of the road usage charge called for in SB 1077 is not to reduce VMT by increasing vehicle operating costs. The objective of SB 1077 is to explore a road usage charge program as an alternative to the antiquated gas tax structure now in place. Language in the CTP regarding a road user charge and incorrect references to SB 1077 should be revised to reflect current legislative direction.

## **4. CTP Implementation**

Funding, including dollars from the Cap and Trade Program, will be a key issue to implement the actions identified in each of the three CTP alternatives. We encourage Caltrans to include an estimate of, and identify a likely source(s) for, the funding necessary to implement each of the

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individual actions identified in the alternatives and recommendations chapter of the CTP. We also recommend Caltrans refine and prioritize the individual recommendations contained in Chapter 8, removing any duplication, and clearly identifying the priorities, timeline, practicality, cost, funding source proposed, and implementation responsibility.

To assist in prioritization, we recommend that a focus be placed on proposed actions that are the most feasible, cost effective and expected to achieve the greatest reductions in GHG emissions. Vague and confusing recommendations such as to “avoid projects with high health and environmental costs, such as general land uses” and “develop a tax and fee structure that facilitates an efficient and affordable transportation system consistent with long-term transportation, housing, land use, and resource management plans” should be clarified or removed. Recommendations to streamline the environmental review process and to promote efficient infill housing development and redevelopment opportunities should acknowledge that streamlining the California Environmental Quality Act (CEQA) is extremely difficult and infill housing is costly and prohibitive without incentives and subsidies. We also recommend that greater emphasis be placed on strategies to streamline and reduce costs such as innovative procurement methods and the consolidation of transit agencies for greater efficiency, effectiveness, and customer experience.

## **5. Road Capacity Projects**

Road capacity expansion projects, in addition to other project types, must be strategically planned to address California’s growing population and promote a robust economy. Further, funding required for road capacity expansion projects must be identified and secured to address population growth, local land use decisions, the need for economic vitality, the safety of motorized and non-motorized public and other factors. Therefore, the Commission believes that statements such as to “avoid projects that add road capacity” and “any transportation projects on the State Highway System or on local streets that are capacity increasing should not be supported for funding” should be removed.

## **6. Land Use and Housing**

It is vital the CTP provide for a transportation network that aligns with projections for land use and housing. As recommended to Caltrans on March 5, 2013 in response to the California Interregional Blueprint Interim Report, the Commission continues to recommend the CTP reflect a summarization of the regional efforts to generate forecasted development patterns in adopted regional transportation plans that meet state housing goals; and assess how such efforts influence the configuration of the statewide integrated multimodal transportation system. This is very important since the CTP has the potential to influence and facilitate the achievement of statewide goals pertaining to housing in addition to transportation and air quality. As stated in 2013, the Commission acknowledges this will likely require early and continuous coordination during development of the CTP with the State Department of Housing and Community Development and other agencies and stakeholders.

The CTP is an important and aspirational document, serving to inform future decisions affecting California’s quality of life. In an effort to provide ample opportunity for public participation and transparency, the Commission strongly urges Caltrans provide an additional public review process before finalizing the documents. Additionally, since this document will be used to inform fiscally

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constrained multimodal regional and state plans, the information presented should be transparent and easily understood by the public. We believe particular care should be exercised in the preparation of this document to ensure information presented is as accurate as possible and we recommend a peer review by industry or other experts be performed, as applicable.

The Commission appreciates the opportunity to provide comments for your consideration. Please contact Susan Bransen, the Commission's Chief Deputy Director, at (916) 654-4245 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Will Kempton" followed by a long horizontal line extending to the right.

WILL KEMPTON  
Executive Director

c: Commissioners, California Transportation Commission  
Secretary Brian P. Kelly, California State Transportation Agency  
Katie Benouar, Chief, Caltrans Division of Transportation Planning

**DEPARTMENT OF TRANSPORTATION**

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July 28, 2015

Mr. Will Kempton  
Executive Director  
California Transportation Commission  
1120 N Street, MS-52  
Sacramento, CA 95814

Dear Mr. Kempton:

The California Department of Transportation (Caltrans) would like to thank the California Transportation Commission (Commission) staff for their time and effort in reviewing the March draft of the California Transportation Plan 2040 (CTP 2040) and providing comments toward improving the CTP 2040 document. We have prepared a response to your letter dated June 4, 2015. We look forward to working together in finishing a successful CTP 2040.

### **1. Economic Impacts**

Language in the final draft is being edited to address the Commission's concerns with balancing greenhouse gas (GHG) emission reduction goals with economic and livability goals. The CTP must provide for strategies that achieve a balance among the three E's (Economy, Equity, and Environment) of sustainability. The analysis scenarios were constructed to see to what extent transportation strategies and other actions would be needed to reach GHG targets. The scenarios help identify the order of magnitude of potential reductions from bundles of complementary actions. GHG reductions and economic impacts out to 2040 and beyond are estimates, given current information and tools available. These estimates will be refined and revisited over time.

The final draft of the CTP will further emphasize multi-modal mobility, connectivity of all travel systems, and distinctions between urban and rural future travel. There will also be an emphasis on reductions in vehicle miles of travel (VMT) per capita in the context of growing population and fleet changes/efficiencies that will lead to GHG reductions.

### **2. Current State Government Efforts to Reduce GHG Emissions**

The CTP 2040 Scenarios are built upon the adopted regional transportation plans, assume implementation of the new Low Carbon Fuel Standards, and all current California Air Resources Board programs. The specific reductions to be accomplished are credited toward implementation of these programs. Improved analysis of impacts from implementation of various state programs

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will need to be assessed and incorporated in the next CTP. Additionally, Greenhouse Gas Reduction Fund (GGRF) programs specifically intend to reduce GHG emissions and will call for additional analysis once implementation occurs.

### **3. Road User Charge**

We have edited, per your comment, the language in the final draft to appropriately characterize the purpose, content, and direction of Senate Bill 1077, Vehicles: road usage charge pilot program. Distinction will be made between text that describes funding trends, revenue estimates, options for funding the transportation system more sustainably, and what was analyzed to assess drivers to achieve travel behavior changes and GHG emissions reductions. “Road user charge” was a technique used to analyze “pricing strategies” in the model to determine at what levels VMT would shift and by how much. The final draft will more clearly articulate the difference and distance between the funding/revenue trends and the analysis to consider “variable pricing” as a bundle of scenario strategies analyzed. Thank you for helping to clarify this section per your comments.

### **4. CTP Implementation**

The CTP Scenarios were not prepared in the same way Regional Transportation Plans (RTP) scenarios are developed. The CTP is aspirational and unconstrained. The strategies and bundles were constructed with existing data and tools, to reflect transportation strategies that might have some connection to reality, but also to give an order of magnitude of potential reductions. The analysis results inform the recommendations but subsequent actions to implement specific strategies will need to be further analyzed for feasibility, cost-effectiveness, and GHG reduction potential. That is the job of the “action” plans that nest under the CTP (i.e., modal plans, sustainable community strategies, the Interregional Transportation Strategic Plan, smart mobility programs, etc.) as well as policy decision makers such as the Commission, the California State Legislature and administration.

The Recommendations chapter is currently being restructured to remove any duplication, confusing language and streamline the information in a clear and concise way. The Commission’s recommended format for this chapter is being considered.

### **5. Road Capacity Projects**

We are editing the CTP to articulate that all projects on all modes will be analyzed in view of the overall goals of the CTP. The word “avoid” will be edited in the final draft. Recommendations will ensure local and regional flexibility to meet future travel demand. The Plan incorporates and states the need for strategic multi-modal investments to address future growth in population and mobility needs. Language will be strengthened to ensure this message is clear.

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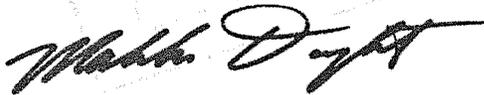
## 6. Land Use and Housing

The CTP and the California Statewide Travel Demand Model (CSTDMD) is built upon the RTP/Sustainable Communities Strategy (SCS) which reflect the most current land use and housing projections in adopted plans. The resulting travel projections in the CSTDMD reflect the anticipated impacts on the statewide travel network from blueprint planning and SCS development from the four largest Metropolitan Planning Organizations. Caltrans will continue to coordinate with the California Department of Housing and Community Development, engage in the State Housing Plan update, and seek strategies and craft recommendations that integrate land use and transportation to foster location efficient mobility as well as housing to meet future population growth and address social equity. Caltrans has been actively involved with the California State Transportation Agency; the Business, Consumer Services, and Housing Agency; and the Strategic Growth Council/Affordable Housing and Sustainable Communities GGRF grants program.

Caltrans appreciates the thorough comments from the Commission. The CTP attempts to present this complex analysis as clearly and transparently possible. Technical appendices are anticipated in the final draft to ensure information is available and well documented. Further, an Executive Summary and other more easily understood products are anticipated to ensure public information that is clear, brief, and supported. The CTP has been developed in an open, transparent process, including a broad cross section of stakeholders, partners, and consulting advisors, in both a policy advisory group and a technical advisory group. The draft CTP was broadly developed and broadly reviewed by stakeholders and the public.

Thank you for taking time to review the CTP 2040. If you have any further questions or concerns regarding the CTP 2040, please contact Katie Benouar, Chief, Division of Transportation Planning, at (916) 653-1818 or [katie.benouar@dot.ca.gov](mailto:katie.benouar@dot.ca.gov).

Sincerely,



MALCOLM DOUGHERTY  
Director

c: Brian P. Kelly, Secretary, California State Transportation Agency  
Susan Bransen, Chief Deputy Director, California Transportation Commission

**UPDATE ON THE**  
**CALIFORNIA TRANSPORTATION PLAN**  
**(CTP) 2040**

A VERBAL PRESENTATION ON THIS ITEM  
WILL BE MADE AT THE AUGUST 27, 2015  
CALIFORNIA TRANSPORTATION COMMISSION MEETING