



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 4b

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Memorandum

TO: Legislation Committee

DATE: July 3, 2008

FR: Deputy Executive Director, Policy

W.I. 1131

RE: AB 2558 (Feuer) — Greenhouse Gas Mitigation Fee

Description

AB 2558 (Feuer) would authorize MTC, and the Los Angeles County Metropolitan Transportation Authority, to place on the ballot for a majority vote passage two alternative fee options for up to 30 years:

- (1) Up to 3 percent of the retail sales price on motor vehicle fuel. At a price of \$4.50 per gallon, the fee would be 13.5.cents per gallon; or
- (2) An annual per-vehicle fee not to exceed \$90 for each vehicle registered in the Bay Area region that is to vary based on the emissions produced by the vehicle.

Because Assemblyman Feuer was willing to include the San Francisco Bay Area in his AB 2558, and it was up for hearing in the Senate Committee on Transportation and Housing, Commission Chair Dodd and Legislation Committee Chair Rubin used the Commission's urgency procedures to allow staff to communicate a position of "support" on AB 2558 immediately.

Recommendation: Ratify a position of "support and seek amendments"

Discussion

MTC's 2008 legislative program specifically seeks to pursue the authority for a regional gas fee bill of up to 10 cents per gallon for two specific priorities: 1) adequately maintain our local streets and roads, which is a challenge facing every jurisdiction across the Bay Area; and 2) address climate change.

As written, AB 2558 would require that the Commission and the Bay Area Air Quality Management District jointly adopt an expenditure plan to fund programs and projects to cost-effectively reduce greenhouse gas emissions directly associated with the operation of motor vehicles. The expenditure plan shall describe proposed transportation projects and programs and the estimated cost of each. Adoption of the expenditure plan by the commission and the district shall include a finding by the commission and the district that the expenditure plan will achieve a nexus between payment of the fee and the mitigation of greenhouse gas emissions.

AB 2558 requires that the expenditure plan prioritize expenditures that are most cost effective at producing reductions in greenhouse gas emissions from motor vehicle use in

the Bay Area region, and requires an equity analysis be conducted showing the costs and benefits of the proposed expenditure plan to each income and geographic group.

We recommend seeking an amendment to this bill to specifically allow for the eligibility of streets and roads repair in this legislation.

Known Positions

Support

- Amalgamated Transit Union
- American Lung Association
- Bay Air Quality Management District
- CALPIRG
- California League of Conservation Voters
- California Teamsters Public Affairs Council
- City of West Hollywood
- Coalition for Clean Air
- Environment California
- Friends of the Earth
- Green California
- Los Angeles Business Council
- Los Angeles County Metropolitan Transportation Commission
- Natural Resources Defense Council
- Planning and Conservation League
- Sierra Club California
- Southern California Transit Advocates

Opposition

- AAA of Northern California
- Automobile Club of Southern California
- California Beer and Beverage Distributors
- California Chamber of Commerce
- California New Car Dealers Association
- California Service Station and Automotive Repair Association
- Howard Jarvis Taxpayers Associations
- San Gabriel Valley Economic Partnership
- Stop the Hidden Taxes Coalition
- Transportation California Legislative Committee
- Western States Petroleum Association

Therese W. McMillan