



Written Statement for the Record  
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Good afternoon, Chairwoman Boxer, Ranking Member Inhofe, and members of the Committee. I would like to welcome you to SANDAG, and thank you for providing us with the opportunity to testify before you today about the region's priorities for the next federal surface transportation authorization. We appreciate the hard work accomplished by you and your staff to organize a series of field hearings in California, including today's in San Diego.

### **SANDAG: Who Are We and What Do We Do?**

I am Gary L. Gallegos, Executive Director of the San Diego Association of Governments (SANDAG). I am here today to stress the need for federal-level investment in our nation's transportation infrastructure, and to illustrate how Metropolitan Planning Organizations (MPOs) such as SANDAG effectively and successfully plan intermodal transportation networks, and link policy concerns with practical solutions.

SANDAG is a statutorily created consolidated agency serving the more than 3 million residents of the San Diego region. The 18 cities and county governments comprise SANDAG, which serves as the forum for unified regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transportation, and provides information on a broad range of topics pertinent to the region's quality of life.

In addition to transportation, SANDAG regional work includes population and employment growth forecasts, habitat planning, housing, census, energy, economic prosperity, public safety, binational and interregional planning, and shoreline preservation. The agency's program budget for the fiscal year beginning July 1, 2008, totals \$966 million, which includes a \$56 million overall work program with the remainder dedicated to the capital program. As the federally designated MPO, SANDAG is responsible for regional transportation planning and programming of federal, state, and local funding (**Attachment 1 – What is SANDAG?**).

### **THREE THINGS COMBINE TO MAKE US UNIQUE:**

- Combined Planning and Construction Authority
- *TransNet*: Our Self-Help ½ Cent Sales Tax
- We Get Things Done

SANDAG has responsibilities far beyond what is required by the federal government for a metropolitan planning organization. In addition to the federal MPO designation, SANDAG is designated by the State of California as the Regional Transportation Planning Agency (RTPA) for San Diego County. There is some overlap in these two designations, but that overlap works in SANDAG's favor. Most importantly, and unlike many of our Councils of Governments (COGs) and MPO colleagues nationwide, the augmented state responsibilities vest in SANDAG the authority to decide and direct where state and federal funding in the region will be used.

California has independent – and unique – regional participation requirements. Senate Bill 1435 (1992) required delegation of federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality (CMAQ) programming decisions to MPOs/RTPAs, and Senate Bill 45 (1997) gave the same regional agencies the responsibility for programming state dollars (State Transportation Improvement Program funds). Vesting this degree of authority within the regional planning agencies is what has helped SANDAG, in large part, become so successful at moving infrastructure projects. Further, on January 1, 2003, a state law (Senate Bill 1703) consolidated all of the roles and responsibilities of SANDAG with many of the transit functions of the two regional transit agencies. The consolidation gave SANDAG responsibilities for transit planning, funding allocation, project development, and eventually construction in the San Diego region in addition to its ongoing transportation responsibilities and other regional roles.

### **The Need for a New Federal Vision: Focused Programs Get Focused Results**

As early as next year, Congress will have an opportunity to pass a near term economic stimulus bill followed by much needed federal surface transportation authorization legislation that can meaningfully affect many concerns that we, as Americans and Californians alike, care deeply about – the economy and jobs, national security, energy, and the environment. These two opportunities present us with a prime opportunity to address emerging needs of the 21<sup>st</sup> century. We must ensure that the U.S. economy remains strong and competitive in a changing world.

SANDAG urges Congress to craft comprehensive legislation that reasserts the strong federal role in transportation and outlines a clear strategic vision that focuses on several major themes:

- Restoring our neglected infrastructure to a good state of repair
- Ensuring efficient goods movement, particularly at global gateways, as a national economic priority
- Establishing reliable mobility within and between congested metropolitan areas
- Appropriate pricing of certain transportation facilities is encouraged
- All citizens have efficient travel options - from cities to small towns to rural areas
- A balanced national system of roads, rails and public transit as a national priority
- Safety is assured - a reduction of highway injuries and fatalities and appropriate security on our nation's public transit systems
- A national transportation policy that integrates climate change and renewed environmental stewardship
- Rational and streamlined regulatory policies prevail

These “consensus principles,” which are supported by Caltrans, regional agencies, and numerous stakeholders throughout California, have been highlighted in your prior field briefings. These themes are not new; they echo many of the findings of the National Surface Transportation Policy and Revenue Study Commission created under SAFETEA-LU (“1909 Commission”). SANDAG also agrees with the 1909 Commission that the current 108 transportation programs in SAFETEA-LU need to be streamlined into 10 programmatic areas. We need to spend far less time applying for over 100 types of funding, and far more time applying funding in 10 critical areas.

### **Increased Investment Is Needed Now: We are Here to Deliver!**

We join our regional and state partners in advocating for increased federal investment in our nation’s transportation infrastructure. Bipartisan groups, businesses, and public and private sector organizations alike have called for increased investment. The report by the 1909 Commission found that since 1980, the federal commitment to infrastructure spending has remained stagnant, while the commitments of both state and localities have continued to increase. The U.S. Chamber of Commerce’s *Future Highway and Public Transportation Finance Study* states that our nation needs to invest an additional \$50 billion annually to maintain our infrastructure network, and another \$100 billion annually to improve it. The American Society of Civil Engineers has given the nation’s transportation network a “D” grade, estimating that \$1.6 trillion is needed over the next five years for infrastructure upgrades.

### **California Taxpayers Have Invested In Our Future**

California has invested heavily at the state and local level in a comprehensive transportation system that benefits not only our own state economy but also the economies of many other states in the nation. More than two-thirds of the goods passing through the Los Angeles-Long Beach sea ports are destined for regions outside California. In 2006, California voters approved nearly \$43 billion in statewide infrastructure bonds to address transportation, housing, public education, and water projects. These infrastructure bonds included nearly \$20 billion for transportation investments. At the local level, 19 California counties have special transportation sales taxes that provide a combined \$3 billion in revenues on an annual basis.

At the local level, our region’s voter-approved, half-cent local sales tax program, *TransNet (Attachment 2)*, has been an important element in constructing, expanding, and maintaining the network of highway, public transit, and local street and roads in San Diego County for more than two decades. The original *TransNet* program was approved by local voters in 1987. Due to the success of *TransNet*, 67 percent of the region’s voters approved a 40-year program extension in 2004. Today, SANDAG administers a \$14 billion *TransNet* sales tax program that will fund highway, transit, local streets, smart growth and bicycle/pedestrian projects, and environmental mitigation efforts through 2048.

### **National Needs: Require National Partnering**

While California and its regions have invested heavily in transportation, there remains a clear need for a greater federal investment in transportation. In 2007, SANDAG adopted

the 2030 San Diego Regional Transportation Plan: Pathways for the Future. Implementing this \$57 billion Regional Transportation Plan (RTP) will rely on securing more than \$11 billion in federal funding through the year 2030. The success of the region's *TransNet* program also relies on securing at least half of the funding for the program's major highway and transit corridor projects from non-*TransNet* sources.

We urge Congress to enact visionary economic stimulus legislation followed by a fresh approach to the next transportation authorization. The federal Highway Trust Fund is barely solvent enough to support currently authorized funding levels under SAFETEA-LU. In addition, the 1909 Commission has reported that the nation faces a \$140 billion annual investment shortfall to maintain existing transportation assets and to expand our road and transit systems to handle future growth. If we want a better transportation system, we are going to have to pay for it.

### ***PROGRAM SPECIFICS***

#### **Goods Movement: Not Just a State and Regional Issue**

Regional agencies like SANDAG are today's "boots on the ground" planners and implementers of tomorrow's regional infrastructure. In order to continue our successful efforts, regional organizations need a strong federal partner at the table and decisive leadership to help make safe and secure transportation a reality. Nowhere is this more evident than in the area of goods movement. Currently, there is no program aimed specifically at improving the goods movement network, nor is there realistic funding to support this need.

SANDAG joins other regions throughout the State of California to urge Congress to create a national goods movement program that treats the nation's multimodal goods movement network as a system, and works for all states and regions. The program must be able to achieve multiple objectives, including recognizing the national importance of **freight gateways** and how they support our global economy. In 2006, California passed a pioneering infrastructure bond measure aimed at improving the state's four Gateway Regions, while recognizing the need to reduce public health impacts caused by the movement of goods. Proposition 1B included \$2 billion to improve California's trade corridors – ports, highways, freight rail, and border crossings, and an additional \$1 billion in funding for goods movement emission reduction projects. Addressing goods movement, however, is not a California issue alone. California is the gateway for approximately 40 percent of containerized trade entering the United States, and the San Diego/Imperial Border Region is the third busiest NAFTA (North American Free Trade Agreement) border crossing. Goods movement is an issue that is shared by states and regions across the country, and one that should be a top priority in the next transportation authorization.

#### **The Region's NAFTA Gateway: State Route 11 and the New Otay Mesa East Port of Entry**

SANDAG is pressing ahead with several important trade corridor improvement projects, including a third border crossing gateway project in partnership with Caltrans. In September 2008, Governor Schwarzenegger signed into law California Senate Bill 1486 by

State Senator Denise Ducheny. This legislation provides SANDAG with the authority to set, levy, and collect tolls or fees for the use of a new highway – State Route 11. SANDAG plans to bond against these tolls/user fees to advance construction of a new border crossing – the Otay Mesa East Port of Entry (**Attachment 3**).

The new Otay Mesa East Port of Entry will help reduce traffic delays at the existing San Ysidro and Otay Mesa Ports of Entry and will provide an alternative crossing for commercial traffic. Each day, an estimated 62,000 vehicles, more than 25,000 pedestrians, and nearly 3,000 trucks cross the U.S.-Mexico border northbound at our existing crossings. Land gateways are just as important as seaport gateways. The 1.4 million trucks per year that cross at the existing Otay Mesa Port of Entry, is more Twenty-foot Equivalent Units (TEUs) than move through the Port of Oakland. Typical peak period wait times exceed two and a half hours. Our recent research shows that California loses \$3.9 billion due to these border crossing delays, and the lost economic opportunity in San Diego alone exceeds \$3.3 billion. The construction of this project is expected to provide 8,200 jobs in our region for a total of \$464 million in labor income. Additionally the combined operation of the new Otay Mesa East border crossing, State Route 11, and State Route 905 highways will bring in 34 thousand jobs and \$1.2 billion in labor income to our region.

### ***The Goods Movement Imperative: Leverage Our Self-Help with National Support***

Arguably, a new international border crossing is a federal responsibility. However, the SANDAG Board of Directors – locally elected mayors, council members, and county supervisors, along with business and community leaders, recognize the importance of border infrastructure improvements to our own economy. While Mexico is the United States' third largest trading partner, it is California's number one export market. Trade also is the fastest growing component of the San Diego regional economy. Our local leaders realize that to get the new border crossing project off the ground, local investments are needed sooner to strengthen and sustain our local and regional economies.

The State of California also has acknowledged the importance of this new project. Through Caltrans, the state has been leading the way to secure a Presidential Permit for the Otay Mesa East Port of Entry as well as the environment clearances for both the border crossing and the planned State Route 11 highway. We expect to break ground on this project no later than 2013.

### **The Region's Rail Lifeline: The LOSSAN Coastal Rail Corridor: Ensuring the Movement of People and Goods on Shared Infrastructure**

The only viable rail corridor connecting the San Diego region to the rest of the national rail network is the coastal railroad corridor known as LOSSAN (Los Angeles-San Diego-San Luis Obispo Rail Corridor). The LOSSAN corridor stretches 351 miles through six counties from San Diego north through Los Angeles and on to San Luis Obispo. Of the 63 miles of coastal railroad in San Diego County, only about half of the rail line is double tracked, but it carries more than 50 trains per day. The corridor also is publicly owned by the North County Transit District (NCTD) and the Metropolitan Transit System (MTS). NCTD operates and maintains the entire San Diego County portion of the LOSSAN corridor.

The LOSSAN corridor is one of the busiest intercity passenger rail corridors in the nation. Amtrak's Pacific Surfliner service connects Southern California's coastal population centers, carrying nearly three million annual passengers, second only to Amtrak's Northeast corridor. In addition to intercity rail service, commuter rail service (the COASTER in the San Diego region, and Metrolink to the north of San Diego) and freight trains make this corridor a critical component of the region's transportation system.

The railroad serves as the exclusive rail connection between San Diego, Tijuana, and points north for the movement of freight. Between two and eight freight trains are operated by the Burlington Northern and Santa Fe Railroad each day. The number depends upon the amount of traffic in and out of Mexico, the Port of San Diego, and the southern portion of the rail line. Freight volume exceeds 30,000 carloads annually.

Ensuring the efficient movement of passengers and freight in this corridor relies on two key issues: double tracking the rail line, and replacing and maintaining rail bridges and other aging infrastructure. Since the rail corridor is shared by intercity, commuter, and freight rail services, delays in one area can often result in a "domino effect" rippling through to other parts of the corridor. To ensure reliable service, substantial improvements in the coastal rail corridor are needed. The SANDAG 2030 RTP includes the completion of double tracking the rail line between Orange County and Downtown San Diego, tunnels at Del Mar and University City, and station improvements like additional parking at each of our passenger stations.

The state of rail bridges is a critical issue for the corridor, and one focus of the long-range transportation plan is to replace aging single-track timber trestle bridges with modern double-tracked structures. The rail corridor was originally built in the 1880s by the Atchison, Topeka, and Santa Fe Railroad Company, and a recent survey by NCTD showed that 26 structures are more than 50 years old, including 11 which were built before 1930. The normal lifespan of a timber trestle bridge is 75 years. NCTD sets aside \$6 million annually for rail capital improvements but at this level, the bridge replacement needs are unachievable. Double tracking and modernizing the coastal rail corridor in the San Diego region is estimated to cost between \$2 billion and \$3 billion through 2030.

Since 2001, California's population grew 11 percent, vehicle miles traveled grew only 8 percent, while ridership on California's three intercity passenger rail lines including the Pacific Surfliner, increased 43 percent. One in every five Amtrak passengers is in California. With the growth in ridership and associated revenue, the system is efficiently run with a farebox recovery rate in excess of 50 percent at a time when state transit operations funding has remained flat.

The LOSSAN rail corridor has enjoyed voter support, first in 1990 and more recently with the passage of our local transportation sales tax, *TransNet*, and statewide with Proposition 1B in 2006 and most recently with Proposition 1A, which passed November 4, 2008. Each of these measures has earmarked funds to improve our coastal rail corridor. Congress has previously recognized the benefits of the LOSSAN corridor by funding more than \$24 million for critical improvements projects, including grade separations and the stabilization of coastal bluffs. Recent developments such as H.R. 2095 now show the federal government's commitment to rail. By leveraging these funds, we have recently funded

capacity projects on a relatively smaller scale, but it will take additional resources and commitment. Continued and expanded funding for rail infrastructure is needed.

The LOSSAN corridor and the new State Route 11/Otay Mesa East Port of Entry are two critical trade corridors that are part of a national goods movement system. The projects highlighted are among the many needed in California and in other states to ensure the safe, reliable, and efficient movement of goods for our nation's economic well-being. A national goods movement program must be a priority in the next federal authorization, complete with a dedicated, reliable source of funding, such as an autonomous "freight trust fund." The program should be mode-neutral and performance-based to ensure that improvements to the most critical roadway, rail, port, or border crossing needs are addressed.

### **Innovative Corridor Management Strategies**

In addition to a national goods movement program, the next federal authorization must continue to spur innovation and support pioneering mobility improvements. The San Diego region has been a leader in innovation. In September 2008, SANDAG opened the first 4.5 mile segment of our Interstate 15 Managed Lanes. When fully completed, this project will create a 20-mile multimodal facility in the median of Interstate 15. It will feature a four-lane Managed Lane facility with a movable barrier; multiple access points to the regular highway lanes; and direct access ramps for buses, carpools, and FasTrak customers (paying solo drivers). A high-frequency Bus Rapid Transit (BRT) system also will operate in the Managed Lanes. The Managed Lanes system is expected to accommodate 20 percent more trips and people per hour during peak commute times than general purpose lanes.

This \$1.3 billion project is an example of a successful partnership among federal, state, and local governments. To complete the initial segments of the Managed Lanes, SANDAG has invested \$176 million in *TransNet* local sales tax funds, and successfully competed for \$400 million in funding from the California infrastructure bonds (Proposition 1B, 2006). Congress has appropriated less than \$10 million for the project, with a combination of annual appropriations as well as an appropriation in SAFETEA-LU. With full funding, we will be on track to complete the 20 miles of Managed Lanes by 2012.

The unique Managed Lanes also feature a dynamically priced toll system that allows solo drivers to use the lanes for a fee, an innovative demand management system in place nationwide that was initially developed and tested in San Diego. The tolls vary based on traffic levels in the Managed Lanes and adjacent general purpose lanes, and are set to ensure free flow travel in the Managed Lanes facility. The toll revenue is used to operate the toll system and to fund transit and rideshare services in the Interstate 15 corridor. SANDAG has plans to expand this high-occupancy toll (HOT) lane concept to other corridors in the region, including Interstates 5 and 805 and the State Route 52 corridor.

The I-15 model showcases the integration of transit and roadways into a flexible transportation system for the corridor. The project is a multimodal solution to the growing traffic congestion in the corridor that offers a premium level of service to transit users, ride sharers, and solo paying commuters during rush hours. During the off-peak periods, once

the entire corridor is complete, the Managed Lanes also could be used to facilitate goods movement through the region.

The San Diego region has been a leader in innovative pricing solutions. In addition to the Interstate 15 Managed Lanes and the proposed State Route 11 toll highway and Otay Mesa East border crossing, the region features toll lanes along State Route 125 that are operated under a long-term concession agreement between the State of California and a private operator. Each of these unique projects is an example of a regionally-developed mobility solution that has the added benefit of completely or partially paying for itself, rather than being entirely dependent on traditional revenue sources.

While toll revenues should not supplant the role of a continued, dedicated federal program, the next transportation authorization must continue to support innovative pricing as a “tool in the toolbox” to improve our regional transportation systems and manage demand on these systems. We need to encourage and support state and regional pricing and financing mechanisms along with other incentives to encourage private investments in our networks, where they make sense.

### **Metropolitan Mobility: The Nation’s Economic Engines**

Metropolitan regions like San Diego are the economic engines of the nation that must compete and trade with other metropolitan areas around the world for jobs, industry and commerce. The next federal surface transportation authorization must ensure focused investments in our metro regions to ensure our continued nation’s growth and economic well-being. The report from the 1909 Commission highlighted that the nation’s largest urban areas generate 60 percent of the value of U.S. goods and services. Urban areas of one million or more in population comprise about 60 percent of total U.S. population, and they capture more than 85 percent of national market share for three critical transportation indicators: traffic congestion, transit ridership, and population exposure to auto-related air pollution.

Prosperity and growth in the U.S. economy is linked to the ability of our nation’s metropolitan areas to adjust, develop and deliver effective and competitive transportation programs at the regional level. SANDAG supports a continued and strengthened metropolitan planning process along with an accompanying funding program that would be highly flexible and performance based. In its regional transportation planning and programming, SANDAG routinely uses criteria to evaluate and prioritize major transportation projects, and performance goals, or metrics, to measure the success of our efforts. These criteria and performance goals typically focus on a range of desired outcomes to simultaneously improve the economy, environment and equity in the region.

A well-designed planning and funding program can help ensure that federal dollars are aimed at efficiently moving people and goods, reducing traffic delays, boosting transit ridership, and improving air quality in metropolitan areas. This proven concept should be elevated to the next level by connecting our nation’s “mega-regions” that are the foundations of our nation’s economic productivity and prosperity. The metropolitan planning process helps integrate transportation planning into other urban planning activities, and ensures a broad range of public and private participation in the planning

and development of our regional transportation networks. Setting appropriate and consistent performance goals also will help ensure dollars are wisely spent across metro regions.

### **Balancing Transportation Policy with Environmental and Energy Policies**

Consistent with the 1909 Commission findings, any effort to improve multimodal mobility also should address the environmental and energy-related considerations of our transportation investments. Prior transportation authorization measures have linked transportation and air quality improvements, and the next authorization should continue our progress down this path. This includes both reducing traditional smog-forming pollutants as well as identifying appropriate policies and measures to curb the greenhouse gas emissions that contribute to global warming.

SANDAG's own programs successfully marry transportation and environmental policies. The region's *TransNet* local sales tax program includes funding for transportation improvements as well as an Environmental Mitigation Program designed to mitigate for transportation-related project impacts and implement the region's habitat conservation plans on programmatic scale, rather than the traditional project-by-project approach. This spirit should be mirrored in our nation's policies.

Transportation will likely play a key role in helping the nation achieve our goals in economic competitiveness and social equality, and the next authorization provides an opportunity to create a planning and policy framework that advances our goals in these areas without sacrificing one for the other.

### ***CONCLUSION***

Madame Chairwoman, thank you for your continued interest in transportation and the environment. We share these interests and hope that our regional examples assure you of our mutual objectives. The next federal transportation authorization must be very different from what we have today. It should provide flexibility to regions and states to respond quickly to changing economic and environmental conditions. It should help us address not just our mobility needs but also consider our nation's environmental and energy needs. It should focus our investments in areas that give us back a return that is greater than our initial investment, creating a legacy of investment that future generations can depend and build upon. To this end, we can ensure that our transportation investments clearly demonstrate these desired benefits.

Regional agencies such as SANDAG stand ready to partner with the federal government and our state to deliver high-caliber infrastructure projects to rebuild America and put us on a path to economic recovery and prosperity well into the 21<sup>st</sup> century.

On behalf of SANDAG, I thank you for the opportunity to testify before you today.