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January 7, 2013

The Honorable John A. Pérez
Speaker, California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Darrell Steinberg
President Pro Tempore, California State
Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Connie Conway
Minority Leader, California State Assembly
State Capitol, Room 3104
Sacramento, CA 95814

The Honorable Bob Huff
Minority Leader, California State Senate
State Capitol, Room 305
Sacramento, CA 95814

Dear Speaker Pérez, Senator Steinberg, Assembly Member Conway, and Senator Huff:

On behalf of the Rural County Representatives of California (RCRC), which represents thirty-two rural counties in California, we write to express our concerns regarding implementation of the federal surface transportation reauthorization program, known as the Moving Ahead for Progress Act in the 21st Century (MAP-21).

RCRC is an association of California counties and the RCRC Board of Directors is comprised of elected supervisors from our thirty-two member counties. Rural county supervisors are extensively involved in transportation-related issues on two primary fronts: 1) Boards of Supervisors oversee public works directors/departments and subsequently help maintain the road network of their respective county; and 2) many supervisors sit as members of local transportation planning agencies where determining and funding projects are prioritized and developed.

Interstate highways, state highways and county-maintained roads located in rural areas of the State provide many benefits to California's transportation system. This network serves as a connector to other states, supports the movement of agriculture, freight, energy, and other critical goods. The rural network of roads and highways also connects people to employment and provides access to California's tourist attractions. It should be noted, that in many rural areas, the state highway is the key link for residents to use for their daily transportation needs - including access to medical care, education and employment. As such, any impact to the State Department of Transportation's (CalTrans) State Highway Operation and Protection Program (SHOPP) is of importance to rural areas. We encourage the Legislature to consider these rural transportation system benefits as we begin to discuss MAP-21 implementation and surface transportation investments.

MAP-21 is a two-year federal transportation effort that includes \$109 billion to fund the nation's highways and transit systems. California is expected to receive \$3.54 billion in Fiscal Year (FY) 2013, with a slight increase to approximately \$3.57 billion in Fiscal Year 14. MAP-21

represents the first major shift in transportation funding in more than a decade. As we prepare for the upcoming legislative session, we anticipate a variety of legislative proposals to be introduced to reconstruct transportation funding. These proposals may include: 1) distribute MAP-21 funding based on population; 2) integrate MAP-21 funding with SB 375 (Steinberg - 2008) greenhouse gas reduction targets; 3) provide a direct funding stream for bridge repair/replacement; and, 4) reconstruct other various transportation funding streams. Simply put, we are very concerned about a number of these concepts and how they would impact rural areas.

Current funding distribution formulas reflect a carefully-crafted understanding of transportation network throughout the state. These formulas take into account population, lane miles, regional needs and the difficulty in some jurisdiction's ability to deliver much-needed projects that benefit all Californians. Thus, if California were to move to a formula dominated by population-based models, rural counties would be at a disadvantage. First, a population-based formula does not take into account the large amounts of road mileage that many rural agencies must maintain. Also, population-based formulas (as to be distributed beyond that specified by MAP-21) would not fund the highest project or program needs that the entire state values. While rural counties may not have the large population base, these areas covers roughly 50 percent of the state's landmass. Any transportation funding formula should provide funding protections or guarantees for California's rural transportation system and reflect that rural counties have no realistic means (sales tax, public private partnerships, etc.) to generate sufficient funding for larger projects that provide statewide benefits.

Also of note, the funding level for MAP-21 has remained substantially the same as the previous federal reauthorization measures. However, the Highway Safety Improvement Program (HSIP) has become proportionately higher. We believe the implementation of HISP should include equitable statewide criteria that would address an emphasis on safety.

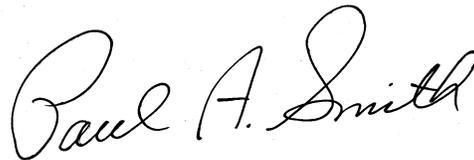
We understand that some members of the Legislature are contemplating MAP- 21 implementing legislation that contains extensive reference to SB 375 goals as a means to direct MAP-21 funding. SB 375 requires 18 Metropolitan Planning Organizations (MPO's) to identify a forecasted development pattern and transportation network that will meet greenhouse gas emission reduction targets through their Regional Transportation Plans (RTP) planning processes. However, SB 375 does not apply to the entire state and the requirements do not pertain to the 26 rural Regional Transportation Planning Agencies (RTPAs) that also prepare RTPs. We believe an SB 375 model for awarding funding is inappropriate because it could preclude rural RTPA's from accessing these funds and also runs counter to the flexibility granted in MAP-21. We recommend the continued statewide use of RTP's to guide transportation funding decision-making. The 2010 State RTP Guidelines update was prepared to incorporate new planning requirements as a result of SB 375. While the guidelines include both state and federal requirements, MPOs and RTPAs have the flexibility in selecting transportation planning options that best fit their regional needs.

A top priority for rural counties is to preserve a dedicated funding source for bridges. Counties and cities own and operate over 50 percent of the bridges statewide. Although MAP-21 retains the set aside requirement for funding "off-system" bridges (equal to 15% of the Highway Bridge Program (HBP) for FY 2009), the HBP was eliminated, meaning, there is no dedicated funding stream for "on-system" bridges. Furthermore, the list of "on system" bridges was greatly expanded. Under HBP, all eligible bridges in California were listed on a bridge inventory and a statewide committee prioritized projects for funding. This meant that bridge projects in rural areas could be repaired or replaced based purely on need.

With the elimination of HBP, the funding for bridges in both rural and non-rural areas are likely to originate from funding sources that have traditionally not been dedicated to bridges. In other words, bridge projects will be competing with all other types of projects in regional and state decision making. For rural areas, this becomes even more problematic and destabilizing since most rural regions lack the funds to complete a bridge project without outside assistance. Therefore, in implementing MAP- 21, RCRC will be advocating for long-term and stable funding solutions that reflect these challenges.

On a final note, we urge an overall level of caution in developing and enacting MAP-21 implementation. A key element of MAP-21 is that these funding streams along with the projects funded and delivered will now be evaluated by the Federal Highway Administration (FHWA); however, the evaluation tools and goals have yet to be finalized by FHWA. Directing monies and delivering products in a manner that does not conform to federal expectations and standards could have unforeseen consequences. As such, we should proceed with great care particularly when the FHWA evaluation criteria have yet to be fully constructed.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Smith". The signature is written in a cursive, flowing style.

PAUL A. SMITH
Senior Legislative Advocate

cc: Members of the California Legislature
DeAnn Baker, Senior Legislative Representative of CSAC
Bimla Rhinehart, Executive Director of California Transportation Commission
Malcolm Dougherty, Director of California Department of Transportation
Brian Kelly, Secretary of Business, Transportation & Housing Agency
Brian Annis, Deputy Secretary of Business, Transportation & Housing Agency
Bill Higgins, Executive Director of CALCOG
Eric Thronson, Consultant to the Senate Transportation & Housing Committee
Erica Martinez, Consultant to the Office of the Speaker of the Assembly
Janet Dawson, Consultant to the Assembly Transportation Committee