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June 1, 2010

The Honorable Joe Simitian
California State Senate
State Capitol Building, Room 2080
Sacramento, California 95814

Subject: Orange County Transportation Authority Opposition to SB 1245

Dear Senator Simitian:

On behalf of the Orange County Transportation Authority (OCTA) Board of Directors, I am writing to inform you that OCTA opposes SB 1245, which would prohibit vehicles that meet applicable vehicle occupancy requirements for high-occupancy vehicle (HOV) or high-occupancy toll (HOT) lanes from being charged a toll. In addition, SB 1245 changes the criteria for which the California Department of Transportation (Caltrans) is required to follow when changing the occupancy level requirement for HOV lanes.

Under existing law, Caltrans sets vehicle occupancy requirements for HOV lanes throughout the state with consultation and approval from the Federal Highway Administration (FHWA). Per the current HOV guidelines established by Caltrans, when Caltrans seeks to change the vehicle occupancy requirements for a HOV lane, multiple factors are to be considered, including: maximizing vehicle throughput, maintaining specific level of service standards, coordination with other HOV lanes in the region, and encouragement of HOV usage overall. SB 1245 instead would require Caltrans to focus entirely on person throughput, thereby discounting other important considerations.

In addition, SB 1245 would have implications for existing HOT lanes and congestion management policies around the state. These policies were developed with the goal of managing the use of the lanes and to meet the financial, environmental, and commuting benefits of these facilities. For example, on the 91 Express Lanes, OCTA currently allows vehicles with three or more passengers to use the 91 Express Lanes for free, except during certain peak periods in order to manage congestion and meet specified financial requirements. Per the franchise agreement for the 91 Express Lanes, it is expected that sometime in either fiscal year 2012 or 2013, the 91 Express Lanes will be able to maintain a specific debt coverage ratio, which will allow vehicles with three or more passengers to use the facility for free at all times. However, if SB 1245 passes, OCTA will have to provide this service with three or more passengers immediately, thus increasing toll rates for all users in order to meet OCTA's financial requirements.

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In addition, at the point where the 91 Express Lanes currently end, the carpool lanes which extend into Riverside County have a 2+ occupancy requirement. When these lanes are converted into toll lanes per SB 1316 (Chapter 714, Statutes of 2008), SB 1245 will prohibit vehicles with two or more occupants from being charged a toll. This statute will lead to two completely different policies on each side of the 91 Express Lanes, thereby creating confusion for drivers and possibly threaten the financial viability of the extension. Furthermore, if vehicles with two or more passengers are not tolled on the Riverside portion of the 91 Express Lanes, the tolls for single occupant vehicles will be higher, creating a disincentive to use the lanes and leading to higher congestion levels in the general purpose lanes. These compounded actions could also lead to delays for drivers on the Orange County portion of the lanes.

SB 1245 would create overall limitations on local transportation planning for future HOT lane projects or changes in HOV lane policies. With the implementation of AB 32 (Chapter 488, Statutes of 2006) and SB 375 (Chapter 728, Statutes of 2008), pricing policies are considered one of the principal methods of improving air quality and reducing greenhouse gas emissions. With ongoing state transportation funding limitations, mechanisms for financing and maintaining transportation projects are crucial. By placing strict limitations on the operations of HOV and HOT lanes, the air quality and financing benefits these projects provide will also be limited. For OCTA, SB 1245 could have negative implications for a variety of future projects, including the option currently being considered for creating tolled lanes along the San Diego Freeway (Interstate 405).

If you or your staff have any questions regarding OCTA's position on SB 1245, please contact Wendy Villa, State Relations Manager, at (714) 560-5595.

Sincerely,



Jerry Amante
Chairman

JA:lo

c: Will Kempton, Chief Executive Officer
Orange County State Legislative Delegation
Sloat Higgins Jensen & Associates