
SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No: SCR 75

Hearing Date: 4/19/2022

Author: Grove

Version: 2/22/2022

Urgency: No

Fiscal: Yes

Consultant: Katie Bonin

SUBJECT: Kern County Sheriff's Office Deputy Phillip Campas Memorial Interchange.

DIGEST: This resolution memorializes Kern County Sheriff's Office Deputy Phillip Campas for his service.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.

- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the interchange at State Route 65 (post mile R0.000) and State Route 99 (post mile R29.878) in the County of Kern as the Kern County Sheriff's Office Deputy Phillip Campas Memorial Interchange.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to acknowledge and commemorate the life and service of Kern County Sheriff's Office Deputy Phillip Campas.
- 2) *Background.* In 2021, Officer Campas was tragically killed in the line of duty while engaged in a standoff with a gunman in a residential area. Officer Campas served Kern County for five years. Prior to his service, he joined the United States Marine Corps wherein he was deployed to Afghanistan in 2008 as a machine gunner. During his service to the Marine Corps he was awarded the Navy and Marine Corps Achievement Medal, the Combat Action Ribbon, the Afghanistan Campaign Medal, the Global War on Terrorism Service Medal, the Marine Corps Drill Instructor Ribbon, and numerous other medals reflecting honorably on his military career.

Officer Campas is survived by his wife, Christina, and three young children: Analissa Mae (6); Camila Rose (9); and Eli (13).

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee's policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SB 959 **Hearing Date:** 4/19/2022
Author: Portantino
Version: 3/14/2022
Urgency: No **Fiscal:** Yes
Consultant: Randy Chinn

SUBJECT: Surplus residential property: City of South Pasadena

DIGEST: This bill requires that specified surplus property in the City of South Pasadena that is offered for sale to specified tenants be offered at the 2016 appraised value.

ANALYSIS:

Existing law:

- 1) Allows Caltrans to acquire any real property that it considers necessary for state highway purposes. Whenever it determines that any real property acquired by the state for highway purposes is no longer necessary, Caltrans is allowed to sell or exchange it in the manner and upon terms, standards, and conditions established by the California Transportation Commission (CTC).
- 2) Establishes special provisions for the disposal of surplus residential property in the City of South Pasadena. Under these provisions the property must first be offered to former owners and present occupants, and then to specified present tenants at fair market value.

This bill:

- 1) Requires that surplus residential property in the City of South Pasadena that is offered for sale to a present occupant or tenant of the property to be offered at a price based on the appraisal of the property in 2016 if the present occupant or tenant was an occupant of the property in 2016 and the present occupant or tenant received a conditional offer prior to sale letter or sale offer of the property in 2016.
- 2) Provides that an offer made or accepted prior to January 1, 2022 that is not in compliance with above shall be corrected so the price complies.

3) Provides that these offers shall be valid until December 31, 2024.

COMMENTS:

- 1) *Author's Statement.* “All current Caltrans tenants should have the ability to purchase the homes they have been renting for decades and my legislative efforts in the SR 710 corridor reflects that value. In 2016, the sales process was paused after Caltrans sent correspondence to tenants with an appraisal price. In 2021, Caltrans started the sales process again. However, this time Caltrans is using 2021 appraisal prices. We need to make sure that tenants, in this case, for those who were offered their homes in 2016, have the ability to purchase.”
- 2) *A Costly Time Out.* In 2016, Caltrans began the process of selling surplus properties along SR 710 in South Pasadena. Eligible residents were sent a Notice of Conditional Offer Prior to Sale, which described how the price would be set, the conditions upon which the sale would be made, and the conditions upon which the property could be subsequently sold. Some residents were eligible to purchase the property “as is” at the 2016 fair market value, while other low- and moderate-income households could purchase the property based on their gross income. That process was halted because of legal challenges. In 2021, Caltrans resumed the process of selling surplus properties with prices updated to the 2021 fair market value as required by law.
- 3) *Not Many.* Caltrans indicates that not more than a handful of properties would be covered by this bill, making the direct fiscal impact to the state small. According to the author, only 5 home are impacted and the loss to Caltrans for using the 2016 assessed value instead of current fair market value is \$1.95 million.
- 4) *Cash back.* This bill provides that if an offer has already been accepted for a price different than the offer in 2016 then the individual shall be “corrected”, which implies that the individual shall receive the difference between the actual purchase price and the 2016 offer price.
- 5) *Me too?* While there may be few properties covered by this bill, it sets a precedent. Other property buyers along SR 710 in the cities of Pasadena and Los Angeles may come forward requesting the same deal.
- 6) *Constitutionality.* Article XVI, Section 16 of the California Constitution provides that the Legislature has no power to make a gift of public money to any individual, otherwise known as a prohibition against a gift of public funds.

This bill makes a finding that its provisions serve a public purpose and therefore do not constitute a gift.

RELATED LEGISLATION:

SB 51 (Durazo, Chapter 130 of 2021) -- Encourages the sale of homes owned by Caltrans for low- and moderate-income housing in the City of Los Angeles.

SB 381 (Portantino; Chapter 362 of 2021) -- Encourages the sale of homes owned by the Caltrans for low- and moderate-income housing in the State Route 710 corridor in South Pasadena.

AB 512 (Holden; 2021) -- Requires Caltrans, prior to selling an unimproved property within the State Route 710 corridor in the cities of Los Angeles, Pasadena, and South Pasadena, to offer to sell the property at the original acquisition price to a housing related entity (HRE) for affordable housing purposes; *failed passage in the Senate.*

SB 7 (Portantino; Chapter 835 of 2019) -- Restricts Caltrans from considering a freeway or tunnel as a feasible alternative for State Route 710 between Interstate 10 and Interstate 210, and makes other changes related to the SR 710 corridor.

AB 29 (Holden; Chapter 791 of 2019) -- Removes the portion of SR 710 between Interstate 10 and Interstate 210 from the California freeway and expressway system.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

None received.

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SCR 78 **Hearing Date:** 4/19/2022
Author: Durazo
Version: 3/1/2022
Urgency: No **Fiscal:** Yes
Consultant: Katie Bonin

SUBJECT: Los Angeles Firefighter Kelly Wong Memorial Highway.

DIGEST: This resolution memorializes Los Angeles Firefighter Kelly Wong for his service.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates a portion of southbound State Route 101, from the Temple St. ramp to the Broadway St. ramp, adjacent to the Cathedral of Our Lady of the Angels, as the Los Angeles Firefighter Kelly Wong Memorial Highway.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to acknowledge and commemorate the life and service of Los Angeles Firefighter Kelly Wong.

- 2) *Background.* In 2017, Firefighter Wong, while participating in a training exercise in downtown Los Angeles, tragically fell from an aerial ladder and suffered critical injuries. Ultimately, he succumbed to the injuries he sustained from the fall.

Firefighter Wong had a fulfilling and exemplary career as a firefighter. He became a firefighter with the Los Angeles Fire Department on August 20, 2015. Notably, he was named the Top Academic Recruit of his graduating class from the Academy, earning him distinction.

Firefighter Wong is survived by his wife, Danielle, and his six-year-old son, Colton.

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee’s policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

California Professional Firefighters

OPPOSITION:

None received.

SENATE COMMITTEE ON TRANSPORTATION

Senator Lena Gonzalez, Chair

2021 - 2022 Regular

Bill No:	SB 1309	Hearing Date:	4/19/2022
Author:	Durazo		
Version:	3/15/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Outdoor advertising displays: exemptions

DIGEST: This bill extends the special provisions authorizing outdoor advertising for sports arenas to January 1, 2028.

ANALYSIS:

Existing law:

- 1) Establishes the Outdoor Advertising Act (OAA), which regulates the size, illumination, orientation, and location of advertising displays adjacent to and within specified distances of interstate or primary highways, and, with some exceptions, specifically prohibits any advertising display from being placed or maintained on property adjacent to a section of landscaped highway.
- 2) Exempts advertising displays associated with sports arenas, as defined, from specific provisions of the OAA, provided that advertising display only includes products, goods, or services sold within that area on a regular basis, or marketed or promoted in that area pursuant to a sponsorship marketing plan, provided that the display is authorized by January 1, 2021. Advertising for distilled spirits, tobacco, firearms, or sexually explicitly material is not permitted.
- 3) Defines a "sponsorship marketing plan" as an agreement between the property owner, facility owner, facility operator, or occupant of the premises of an arena and a sponsor pursuant to which the sponsor is allowed to include its logo, slogan, and that the agreement is for a duration of not less than one year.
- 4) By contractual agreement, establishes the California Department of Transportation (Caltrans) as the administrator of the federal Outdoor Advertising Control (OAC) program, which has restrictions similar to California's OAA program, including maximum sign size, sign spacing,

location, illumination, and content. If the state fails to properly administer the federal program, the state shall lose 10% of its federal highway funding.

- 5) Requires that if an advertising display associated with a sports arena is subject to a notice from the federal government that the display will result in the reduction of federal highway funds, the authorization of the display shall cease. Failure to remove the advertising will result in a fine of \$10,000 per day until the advertising is removed.
- 6) Provides that responsibility for ensuring that the signs are compliant with the law is responsibility of the city or county which authorized the signs and that the city or county shall indemnify Caltrans for all costs incurred to ensure compliance.

This bill:

- 1) Reauthorizes the expired special provisions regarding the placement and operation of sports arena outdoor advertising displays to January 1, 2028.
- 2) Expands where sports arena signs can be placed to include 1000 feet from any parking facility used in the operation of the arena.
- 3) Shortens the minimum duration of a sponsorship marketing plan from one year to 30 days.

COMMENTS:

- 1) *Author's Statement.* "The cancellation of major sporting events during the pandemic have left sports venues grappling with long term financial consequences. SB 1309 provides a pathway for these sports arenas to pursue flexible revenue streams through the Outdoor Advertising Act and not rely on public funding. By utilizing the arena exemption, California taxpayers are protected while development and jobs can steadily recover."
- 2) *Sports are Special.* A combination of state and federal requirements govern the placement and operation of all outdoor advertising. Advertising displays associated with sports arenas have been exempted from some state requirements, though state law cannot provide an exemption from the federal requirements. The primary benefit of the sports arena is that it allows advertising displays to be erected on landscaped and scenic highways. While the arena exemption also applies to other state law that, for example, limits the

size and character of the displays (e.g. glare, flashing lights), federal law covers most of the same provisions.

The arena exemption was established in 2008 to help fund sports arenas by developing alternatives to public funding. Over the years, the exemption was clarified to limit the advertising to products and services actually sold at the arena and to products and services with which the arena had a sponsorship plan of at least one year. This was viewed as a compromise which addressed the concerns of arena developers to maximize advertising revenue and the outdoor advertising industry which faced new, heavily funded competition that built new advertising displays in areas which had previously been off-limits to outdoor advertisers.

- 3) *Poking the Bear*. The Federal Highway Administration (FHWA) periodically audits Caltrans to ensure that it is fulfilling its duties as administrator of the federal laws and regulations regarding billboards. In its latest report¹ the FHWA found that arena displays and displays in redevelopment areas may not be compliant with federal law. While the signs comply with state law, which was expressly revised to authorize many of these signs, federal law is more strict.

The FHWA review also found that specified signs exceeded the size limits of 1200 square feet, were located too closely to one another, and displayed full motion video. FHWA recommended that Caltrans pursue compliance with federal law and, in some cases, pursue removal of the signs under threat of the loss of 10% of the State's annual federal-aid funds. Should this penalty be invoked California would lose at least \$250 million.

This bill expands state law to allow more arena signs by reauthorizing the expired state law on arena sign exemptions and expanding where those signs can be placed, potentially in violation of federal law. While the Legislature can change state law, federal law and the state's obligation to enforce its agreements with the federal government remain unchanged. Consequently, this bill could create additional jeopardy and liability for the state and the local governments hosting the signs. This additional jeopardy could be avoided by requiring any new signs to be precleared by Caltrans to ensure compliance with federal law and the state's contractual obligations to FHWA. While this will not worsen our current standing with FHWA, Caltrans should be considering how to bring itself in compliance with its federal obligations. **The author and committee may wish to avoid creating any new issues with FHWA by limiting any new**

¹ U.S. Department of Transportation, Federal Highway Administration – Outdoor Advertising Review, Final Report; September 2020.

arena signs to those which have been prescreened by Caltrans as being consistent with federal law and the state's FHWA obligations.

- 4) *Fair Competition?* The arena exemption was originally established to help fund new sports arenas, both construction and operations. In this case the arenas associated with the sponsors, the Dodgers and LA Football Club, have already been built and the teams appear to be financially successful. This bill will increase the billboard advertising revenues of these already successful organizations in two ways. First, it allows more arena signs. Second, it allows additional advertising to be displayed on new and existing arena signs. However, this new revenue comes at the expense of the traditional outdoor advertising companies, which are legally prohibited from building the same advertising displays, and changes the deal made by arena owners and the outdoor advertising industry in 2013. **The committee may wish to consider the merits of such a change.**

RELATED LEGISLATION:

AB 1687 (Jones Sawyer, 2019) -- Expands the exemptions from the OAA for sports arenas; *failed passage in the Senate.*

AB 3168 (Rubio, Chapter 926 of 2018) -- Makes it easier to permit an advertising display near state highways.

SB 405 (Mendoza, 2017) -- Creates an exemption from specified provisions of the OAA for new advertising displays within the City of Artesia located adjacent to SR 91; *failed passage in the Assembly.*

SB 459 (Portantino, 2017) -- Exempts an existing advertising display in the City of Upland from the prohibition on locating advertising displays adjacent to landscaped freeways contained in the OAA; *failed passage in the Assembly.*

SB 744 (Hueso, 2017) -- Exempts three existing advertising displays located near the intersection of Interstate 8 and SR 111 in the County of Imperial from specified restrictions in the OAA under specified conditions; *failed passage in the Assembly.*

AB 700 (Jones-Sawyer; Chapter 337 of 2017) — Extends the sunset on the exemptions of sports arena from parts of the OAA to January 1, 2021.

SB 1199 (Hall, Chapter 869 of 2016) -- Provides that a billboard advertising for businesses and activities within a city, county, or city and county that is contained

within an existing redevelopment agency project may remain and be considered an on-premises display until January 1, 2023, if the display meets specified criteria.

AB 1373 (Santiago, Chapter 853 of 2016) -- Provides an exemption from regulations of the OAA for signs allowed by a City of Los Angeles ordinance in relation to the number and location of billboards in an area bounded by West 8th Street on the northeast, South Figueroa Street on the southeast, Interstate 10 on the southwest, and State Route 110 on the northwest, and a small, adjacent parcel if certain conditions are satisfied.

SB 31 (Padilla, Chapter 542 of 2013) -- Allows arenas to display advertising for products, goods, or services sold on premises as well as part of a sponsorship marketing plan if the arena is on public land and has a capacity of 15,000 or more seats.

SB 2339 (Solorio, Chapter 493 of 2008) -- Permits certain publicly-owned sports arenas located along landscaped freeways to advertise any products, goods, or services sold by persons on the premise.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

AEG (Anschutz Entertainment Group)
LAFC Stadiumco., LLC (the Los Angeles Football Club)
Los Angeles Dodgers LLC
Oakland Athletics

OPPOSITION:

California State Outdoor Advertising Association

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SB 1488 **Hearing Date:** 4/19/2022
Author: Glazer
Version: 3/16/2022
Urgency: No **Fiscal:** Yes
Consultant: Melissa White

SUBJECT: San Francisco Bay Area Rapid Transit District: Office of the BART Inspector General

DIGEST: This bill revises the duties and responsibilities of the San Francisco Bay Area Rapid Transit District (BART) Inspector General (IG) and provides that the IG shall have the independence necessary to conduct all of its audits and investigations in conformity with specified standards. Clarifies the IG's access to BART facilities and employees, officers, contractors and the authority to examine records and other property, as specified.

ANALYSIS:

Existing law:

- 1) Establishes the BART, governed by a board of directors (Board), with specified powers and duties relative to the construction and operation of a rapid transit system.
- 2) Creates an independent Office of the BART IG to ensure BART makes effective use of bridge toll revenue and other revenue and operates efficiently, effectively, and in compliance with applicable laws.
- 3) Requires the BART Board to nominate three people to the Governor and requires the Governor to appoint one of the three to serve as the IG for an initial four-year term, with an option to renew the term at will.
- 4) Authorizes the BART Board to remove the IG from office if either a 2/3rds majority of the members of the Board votes for removal or if the IG violates federal or state law or regulation, a local ordinance, or any policy or practice related to ethical practices, including but not limited to, the acceptance of gifts or contributions. Requires the reason for removal of the IG be stated in writing, include the basis for removal, and posted on BART's website.

- 5) Specifies the duties and responsibilities of the IG including, among others, conducting, supervising, and coordinating audits and investigations relating to the district's programs and operations.
- 6) Provides for the IG to receive \$1 million from an allocation of bridge toll revenue from the Bay Area Toll Authority (BATA), authorizes BATA to increase that amount, as specified.
- 7) Requires the Board to appoint a general manager who is responsible, subject to the direction and control of the Board, for the acquisition, construction, maintenance, and operation of the facilities of the district and also for the administration of the business affairs of the district.

This bill:

- 1) Changes the requirements needed to remove the BART IG from office during a term to requiring both a 2/3rds majority of the members of the Board of Directors vote for removal and the IG violates a federal or state law or regulation, a local ordinance, or a policy or practice of the authority relative to the ethical practices, including but not limited to, the acceptance of gifts or contributions.
- 2) States that the IG shall have independence necessary to conduct all of its audits in conformity with the Government Auditing Standards, published by the Controller General of the United State, and its investigation in conformity with the Principles and Standards for Offices of the Inspector General, published by the Association of Inspectors General. This independence includes being free from impairments from BART that may restrict the IG's ability to conduct independent and objective audits or investigations and issue reports based on the results.
- 3) Adds to and clarifies the duties and responsibilities of the BART IG to include:
 - a) Engaging in fraud prevention activities, including reviewing policies, procedures, and transactions to identify internal control weaknesses that can lead to fraud.
 - b) Providing recommendations to strengthen internal controls that will prevent or detect fraud, waste, and abuse.
 - c) Providing training to BART employees about what fraud is and how to prevent and report it.

- d) Identifying best practices in the delivery of not only capital projects, but also programs and operations.
 - e) Identifying “abuse” as well as “waste” and “fraud” in the operating practices of BART.
- 4) Clarifies the IG shall conduct, supervise, and coordinate audits and investigations in compliance with the government auditing standards and principles and standards for offices of inspectors general, as defined.
 - 5) Requires BART to give the IG access and authority to examine all records, files, documents, accounts, reports, correspondence, or other property of BART and external entities that perform work for them.
 - 6) Authorizes the IG to enter any BART office or facility and access, examine, and reproduce during regular business hours all records, files, documents, accounts, reports, vouchers, correspondence files, and all other records for any audit or investigation.
 - 7) Requires any officer or employee of BART or entity having these records or property in their possession, under their control, or otherwise having access to them, to permit access to, and examination and reproduction of, the records or property upon the request of the IG or the IG’s authorized representative.
 - 8) Authorizes the IG to gain access to confidential records or property that are obtained in connection with any audit, investigation, or review conducted, unless a law specifically refers to and precludes it.
 - 9) Requires that any information or documents obtained in connection with any audit, evaluation, investigation, or review conducted by the IG are subject to any limitations on release of the information or documents as may apply to an employee or officer of BART or external entity that provided the information or documents.
 - 10) States that providing confidential information, including, but not limited to, confidential information that is subject to a privilege, does not constitute a waiver of that privilege.
 - 11) Authorizes the IG to have access to and authority to meet with any employee or officer or contractor as necessary to complete an audit, investigation, or review.

- 12) Prohibits an employee, officer or contractor from interfering with, acting with intent to deceive or defraud, or obstructing the IG in the performance of an audit, investigation, or review.
- 13) Prohibits an employee, officer, or contractor from manipulating, correcting, altering, or changing records, documents, accounts, reports, or correspondence before or during any audit, investigation, or review.
- 14) Prohibits an employee, officer, or contractor from distributing, reproducing, releasing, or failing to safeguard confidential draft documents exchanged between the IG and the entity subject to any audit, investigation, or review without the Inspector General's express permission.
- 15) Authorizes the IG, or their designee, to issue subpoenas for:
 - a) The attendance of witnesses.
 - b) The production of records, files, documents, accounts, reports, correspondence, or other property.
 - c) The making of oral or written sworn statements, in any interview conducted as part of an audit, investigation, or review.
- 16) Allows for any person authorized to serve process of any court of record or by any person designated for that purpose by the IG or their designee, to serve any subpoena issued.
- 17) Requires the BART general manager to respond to all findings and recommendations made by the IG within 10 business days of receiving a request to respond and include all of the following in a response:
 - a) Factual documentation to support any disagreement with any findings.
 - b) A corrective action plan for each recommendation, including a timeline for when the recommendation will be implemented.
 - c) If the general manager disagrees with a recommendation, a reason for the disagreement and a proposal of an alternate means of correcting the underlying deficiency.

- 18) Requires the general manager to provide quarterly updates to the IG regarding the status of implementing each outstanding recommendation, including, explaining the work that has been done to implement the recommendation, and if not yet completed, the reason and the expected date for completion.
- 19) Authorizes the IG to have sole authority to do both of the following:
 - a) Determine if the general manager's proposed and implemented corrective actions satisfy the underlying issues identified in the BART Inspector General's recommendations.
 - b) Determine the accuracy of reports to be published by the office.
- 20) Authorizes the IG appoint, employ, evaluate, and remove assistants, employees, and personnel as deemed necessary for the efficient and effective administration of the affairs of the IG's office and may prescribe their duties, scope of authority, and qualifications.
- 21) Defines that an employee of the IG's office shall be excluded from the definition of an employee for purposes of representation by an employee organization, as defined.
- 22) Authorizes the IG to obtain the services of qualified consultants, investigators, or other professional experts necessary to perform its work, including obtaining independent counsel if the IG identifies a conflict of interest or threat to the IG office's independence.
- 23) Authorizes the IG to establish a system for maintaining records that is outside of the district's computer network and not accessible by the other parts of the district to ensure the confidentiality of its work from the other parts of the district, including emails.
- 24) Deletes outdated references to the creation of the IG's office.
- 25) Declares that this act creates new duties for a local agency, and would impose a state-mandated local program that could be reimbursable as determined by the Commission on State Mandates.

COMMENTS:

- 1) *Purpose.* According to the author, "Inspector Generals are supposed to be independent watchdogs of the agency with which they serve. This bill would

give new powers and protections to the BART Inspector General to ensure that the office is truly independent. The changes proposed in this bill modeled after current laws governing the Caltrans Inspector General and the State Auditor, and nationally recognized best practices or standards for auditors and inspector generals. With these changes, the residents of the Bay Area could be confident that the Inspector General can exercise the independent oversight that was intended when SB 595 was enacted in 2017 and later ratified by the voters.”

- 2) *BART*. BART is a special district created by the State of California consisting of Alameda County, Contra Costa County, and the City and County of San Francisco. BART connects San Francisco with cities in the East Bay and suburbs in northern San Mateo County operating on five lines, 131 miles of track with 50 stations in five counties. With an average pre-COVID-19 weekday daily ridership of about 405,000 passengers, BART is the fifth-busiest heavy rail rapid transit system in the nation.
- 3) *BART IG*. Senate Bill 595 (Beall, Chapter 650, Statutes of 2017), which authorized Regional Measure 3 (RM3), also created the BART IG. The measure, which raised toll rates on the Bay Area’s seven state-owned bridges, was approved by voters in 2018 in the City and County of San Francisco, Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano, and Sonoma Counties.

The IG was established to ensure BART makes effective use of bridge toll and other revenue and operates efficiently, effectively, and in compliance with applicable federal and state laws. Duties and responsibilities for the BART IG include, among others, conducting fraud and waste investigations, conducting audits, making recommendations to improve the efficiency and effectiveness of BART programs and operations, identifying opportunities to improve the data used to determine project resource allocations, and identifying and recommending best practices in the delivery of capital projects.

SB 595 also requires the Bay Area Toll Authority (BATA) to provide \$1 million annually from an allocation of RM3 revenue to the IG. It allows BATA to increase funding in the second and subsequent years of operation of the office, to the extent the BART IG requests and justifies the need for funds and such requests can be accommodated in BATA’s budget.

- 4) *BART IG having some issues getting up and running*. In June 2019, Governor Newsom appointed Harriet Richardson as the first BART IG. Upon her appointment, BART’s former Board President Bevan Dufty said, “Ms.

Richardson brings almost 30 years of experience conducting independent management reviews and audits. She has received six audit awards from the Association of Local Government Auditors and her work has led to many significant reforms during her career here, in the Bay Area, and Washington State.”

The Office of the IG Fiscal Year 2021 Annual Report says that since its inception, the office has received 60 complaints and 42 cases have been resolved. The most common allegations have been complaints alleging fraud, including theft of time and contracting fraud, and compliance, mostly policy and procedure noncompliance. Additionally, the IG conducted a district-wide risk assessment to help develop an audit plan by understanding areas vulnerable to fraud, waste, or abuse, and identifying opportunities to improve efficiency and effectiveness in the use of resources.

However, Ms. Richardson details issues getting the office running, specifically the development and approval of a charter for the office to clarify roles and responsibilities. The charter was built on both the BART IG statute and additional requirements and authority given to other IGs in California and throughout the nation. The IG presented the charter to the BART Board of Directors in January 2021.

According to the Annual Report, “the Board discussed our charter but continued it to a future meeting asking that we have discussions with labor unions before returning to the Board to adopt it. At the time, we understood the Board’s request to be that we meet with union leaders to explain what our work entails and the standards that guide it, and for us to address the unions’ concerns about how we would engage with represented employees who are under investigation. We were surprised, then, when the labor unions presented us with revisions to our charter, including major changes that would alter the intent of the legislation that created our office and create independence impairments.”

Further, “we discussed the unions’ proposed revisions in detail and accepted changes they proposed that allowed us to stay within the confines of the law and our professional standards. However, accepting some of their revisions would mean that we would be noncompliant with the ethical principles and independence standard that the Government Code requires we follow, as well as our statutory mandates in the Public Utilities Code, and would remove the authority traditional and required of an OIG such that we cannot work independently. We, therefore, declined to accept some of the changes.” The charter was not adopted.

- 5) *Added duties and responsibilities.* As noted by the author, SB 1488 revises the duties and responsibilities of the IG based upon statutory powers and explicit authorities of other IG offices, including the California State Auditor, the Caltrans IG, and the Los Angeles Metropolitan Transportation Authority (LA Metro) IG. Specifically, the bill provides that the IG shall have the independence necessary to conduct all of its audits and investigations in conformity with national standards and freedom from any impairments that may restrict the office's abilities. The bill also gives the IG authority to identify "abuse" in addition to waste and fraud, identify best practices in the delivery of programs, and engage in fraud prevention activities, including training employees to identify and report fraud. The bill clarifies the IG's access to BART facilities and employees, officers, contractors and the authority to examine records and other property. Additionally, the bill gives the IG authority to issue subpoenas for witnesses, the production of records, files and documents; and the making of sworn statements.

As follow up to any audit or investigation, the bill requires the BART general manager to respond to findings and recommendations made by the IG within 10 business days, and should include a corrective action plan and timelines for implementation. The GM will provide quarterly updates to the IG of the status of implementation.

Finally, the bill authorizes the IG to hire employees or consultants for the office and establish a separate system of maintaining records outside of BART's computer network.

- 6) *BART has concerns.* At the time of this writing, BART staff released a briefing memo for its Board of Directors' upcoming meeting detailing numerous concerns and proposed amendments to the bill. Two of the major areas of concern are access to both employees and records. Specifically, BART is concerned about granting the IG full, free, and unrestricted access to confidential, privilege or security-sensitive records, noting that existing offices including the Office of the Independent Police Auditor, Chief of Police, and the Office of Civil Rights have raised concerns about such records possibly containing disciplinary recommendations, investigative files, or internal emails about evidence.

Additionally, SB 1488 authorizes IG to have access to and authority to meet with any employee or officer or contractor as necessary to complete an audit, investigation, or review. Currently, a represented BART employee has the right to be represented by their exclusive representative as an investigatory interview that the employee reasonably agrees might result in disciplinary

action, commonly known as a “Weingarten right.” BART would seek to clarify that when the IG meets with any represented employee to complete an audit, investigation, or review the IG would comply with “all the rights afforded to employees under current collective bargaining agreements.” It is unclear how this language would affect the IG’s ability to conduct work confidentially even if the employee is not the subject of an investigation but possibly a complainant or witness.

Other areas of concern include increasing requirements to remove the IG from office; expanding the IG’s power to identifying “abuse,” in addition to “waste” and “fraud”; clarifying subpoena authority; new duties of the general manager to respond to the IG; authority to hire staff and consultants; and authorizing a separate system for maintaining records.

- 7) *BART Union also has concerns.* Writing in opposition to the bill, the California Board of the Amalgamated Transit Union states, “we believe that SB 1488 substantially undermines our existing collective bargaining agreements with respect to represented employees rights during an investigation, applicable notice requirements, and the union’s ability to effectively represent its members.”

Further, “we believe that for investigations which involve represented employees or bargaining unit work, the inspector general, must seek prior cooperation and assistance of the Union in the investigations to ensure our members’ rights are observed.”

- 8) *Additional resources needed to be effective.* As noted by both the IG’s Annual Report and the comments from BART, the ability of the IG to work effectively and fully implement the mission of the office requires additional resources. As mentioned, SB 595 authorized BATA to allocate \$1 million for the office from bridge toll revenue from RM3 and authorizes BATA to increase that amount. Funding from RM3 is currently on hold due to a lawsuit challenging the voter threshold for the passage of the measure by Bay Area voters. The case is currently before the California Supreme Court. BATA allocated funding to the office from other funds.

The IG’s Annual Report notes, “our funding constraints will soon have a detrimental impact on our ability to meet statutory requirements of our office.” Additionally, BART is concerned that the expanded duties and responsibilities in SB 1488, including hiring staff and consultants and possibly maintaining separate IT equipment, would be an unfunded mandate. BART is currently working with the IG to pursue funding as part of the state budget.

9) *Double referral.* SB 1488 is double referred to the Senate Judiciary Committee.

PREVIOUS/RELATED LEGISLATION:

SB 595 (Beall, Chapter 650, Statutes of 2017) – Authorized a special election in the Bay Area, known as Regional Measure 3, to consider a proposed increase in the amount of the toll rate charged on the state-owned toll bridges in that area to be used for specified projects and programs. Also created the Independent Office of the BART IG within BART, with specified powers and responsibilities for audits and investigations. Also provided for the IG to receive \$1,000,000 from an allocation of bridge toll revenue, in the second and subsequent years of operation of the office, authorized an increase that amount.

SB 87 (Committee on Budget and Fiscal Review, Chapter 32, Statues of 2019) – The Transportation Budget Trailer bill added new powers and duties to the Caltrans Office of Audits and Investigations.

SB 1 (Beall, Chapter 5, Statues of 2017) – Provided more the \$5 billion annually in new funding for transportation infrastructure. Also created the Independent Office of Audits and Investigations within Caltrans, with specified powers and duties.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

Association of Local Government Auditors

OPPOSITION:

California Board of the Amalgamated Transit Union

-- END --

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SCR 68	Hearing Date:	4/19/2022
Author:	Archuleta		
Version:	2/14/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Katie Bonin		

SUBJECT: First Lady Pat Nixon Highway.

DIGEST: This resolution memorializes First Lady Pat Nixon for her service.

ANALYSIS:

The committee has adopted a policy regarding the naming of state highways or structures. Under the policy, the committee will consider only those resolutions that meet all of the following criteria:

- 1) The person being honored must have provided extraordinary public service or some exemplary contribution to the public good and have a connection to the community where the highway or structure is located.
- 2) The person being honored must be deceased.
- 3) The naming must be done without cost to the state. Costs for signs and plaques must be paid by local or private sources.
- 4) The author or co-author of the resolution must represent the district in which the facility is located, and the resolution must identify the specific highway segment or structure being named.
- 5) The segment of highway being named must not exceed five miles in length.
- 6) The proposed designation must reflect a community consensus and be without local opposition.
- 7) The proposed designation may not supersede an existing designation unless the sponsor can document that a good faith effort has uncovered no opposition to rescinding the prior designation.

This resolution designates the portion of State Route 91, between the Pioneer Boulevard undercrossing to the Junction of State Route 39 and the State Route 91 separator, as the First Lady Pat Nixon Highway.

COMMENTS:

- 1) *Purpose.* The purpose of this resolution is to acknowledge and commemorate the life and service of First Lady Pat Nixon.
- 2) *Background.* Mrs. Nixon graduated from the University of Southern California in 1937, making her the first First Lady to earn a graduate degree. Mrs. Nixon then went on to teach at Whittier Union High School before she met Richard Nixon in 1938.

Mrs. Nixon was a role model for women and a champion for change. In her role as Second Lady she led a two-month tour through Asia and the Pacific. Similarly, while First Lady she was the first First Lady to travel to a combat zone to visit American troops and was eventually known as “America’s Ambassador of Goodwill” for her travels abroad. She endorsed the Equal Rights Amendment and advocated for the appointment of a woman to the United States Supreme Court. Notably, she was the first First Lady to wear pants in in public.

Tragically, First Lady at Nixon died on June 22, 1993 but her work in office continues to inspire women today.

- 3) *Consistent with committee policy.* This resolution is consistent with the provisions of the committee’s policy on highway designation.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

None received.

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SB 1161	Hearing Date:	4/19/2022
Author:	Min		
Version:	4/6/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Transit operators: street harassment plans

DIGEST: This bill requires the top ten public transit operators to develop and implement a plan to reduce the street harassment experienced by its riders, as specified, and to consider the safety concerns and needs of riders impacted by street harassment when planning, designing, and operating their systems. Requires transit operators to collect survey data for the purpose of informing the plan. Requires outreach activities, as specified, for both collecting survey data and developing and implementing the plan.

ANALYSIS:

Existing law:

- 1) Creates various transit districts throughout the state, with specified powers and duties relative to providing public transit service, and has various provisions applicable to all public transit and transit districts.
- 2) Authorizes a public transportation agency to enact and enforce an ordinance to impose an administrative penalty for a number of activities, such as fare evasion, smoking, and willfully disturbing others by engaging in boisterous or unruly behavior.
- 3) Requires that all persons within the jurisdiction of the state are free and equal, and are entitled to the full and equal accommodations, advantages, facilities, privileges, or services in all business establishments of every kind whatsoever, no matter what their sex, race, color, religion, ancestry, national origin, disability, medical condition, genetic information, marital status, sexual orientation, citizenship, primary language, or immigration status
- 4) Requires that no person shall, on the basis of sex, race, color, religion, ancestry, national origin, ethnic group identification, age, mental disability, physical

disability, medical condition, genetic information, marital status, or sexual orientation, be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.

This bill:

- 1) Makes finding and declarations regarding the need to increase safety and security on public transit systems, especially for women and girls. Declares that the Legislature affirms that protecting transit riders' safety, providing transit journeys free from street harassment, and ensuring equal access to transportation are public policy priorities.
- 2) Defines "Institute" as the University of California Institute of Transportation Studies (UCITS).
- 3) Defines "street harassment" as words, gestures, or actions directed at a specific person in a public place, without the consent of that person, because of a characteristic listed or defined as discrimination in the California Government Code, that the person experiences as intimidating, alarming, terrorizing, or threatening to their safety. Further defines age shall include any chronological age.
- 4) Defines "survey data" as information regarding public transit riders and their experiences using public transit, including, but not limited to, demographic information about riders and information about their experiences with safety, including, but not limited to, street harassment.
- 5) Defines "transit operator" as the 10 transit operators, as defined in state transit law, with the most unlinked passenger trips in 2019 in the state, according to the National Transit Database.
- 6) Requires UCITS, on or before June 30, 2023, to develop and make available to transit operators a survey for the purpose of promoting consistency in the collection of survey data, as specified.
- 7) Requires the survey to include questions asking for demographic information regarding riders, including their race, ethnicity, religion, age, disability, income, primary language, sex, gender, gender identity, gender expression, and sexual orientation; and information regarding a rider's experiences with safety while waiting at public transit stops and riding public transit, including:

- a) Whether a rider experiences street harassment.
 - b) The frequency with which a rider experiences street harassment.
 - c) The type of street harassment experienced by a rider.
 - d) The actual or perceived characteristics that serve as the basis for street harassment experienced by a rider.
 - e) Where and when a rider experiences street harassment, including on what mode of transit.
 - f) Whether a rider experiencing street harassment is alone or accompanied by others.
 - g) Whether a rider experiencing street harassment reports the incident, and, if so, to whom and the response received.
 - h) The impact of street harassment on a rider, including whether and how they change their use of transit.
 - i) A rider's perceptions of safety while using transit.
- 8) Requires UCITS to consider existing efforts by a transit operator to collect survey data and how a transit operator may use or update available survey data instead of collecting new survey data.
 - 9) Requires transit operators, on or before June 30, 2024, to collect survey data for the purpose of informing the required plan to reduce the street harassment experienced by its riders.
 - 10) Requires transit operators to conduct focus groups with subpopulations of riders who are underrepresented in surveys and impacted by street harassment.
 - 11) Requires transit operators to collect demographic and rider experience information, as specified.
 - 12) Declares that transit operators that have collected such information in the five years before the effective date of the bill be deemed to have collected the required data.

- 13) Authorizes transit operators to use the survey developed by UCITS and may ask additional questions beyond the questions included in the survey.
- 14) Requires transit operator, on or before June 30, 2025, to the following:
 - a) Develop and begin implementing a plan to reduce the street harassment experienced by its riders, based on the data collected through the survey.
 - b) Develop the plan in consultation with riders, as specified, and relevant local governments or private enterprises with ownership and jurisdiction over portions of the transit system, such as bus shelters.
 - c) Consider the safety concerns and needs of riders impacted by street harassment when planning, designing, and operating its system.
- 15) Authorizes the plan to include but not be limited to changes to policies, design, operations, or other aspects of transit systems under the jurisdiction of transit operators or relevant local government or private entity, such as:
 - a) Performing safety audits of transit systems or parts thereof that consider the experiences of riders by gender.
 - b) Developing a rubric, questionnaire, or other tool to analyze and understand the impacts of prospective changes to transit system policies, design, or operations on riders by gender or other characteristics such as socioeconomic status.
 - c) Increasing the presence of transit staff who are not transit police or other law enforcement.
 - d) Improving the physical infrastructure of transit vehicles, stations, and stops to increase the safety and perception of safety for riders.
 - e) Improving the frequency, timing, and reliability of service.
 - f) Training transit staff about when and how the law or transit policies require them to respond to and report incidents of street harassment.
 - g) Conducting educational and awareness raising campaigns regarding street harassment.

- 16) Declares that transit operators meet the requirements of the bill if they have taken action on or after January 1, 2018, that otherwise meets the requirements of the bill.
- 17) Requires transit operators to develop and implement the plan required by the bill in consultation with riders, including subpopulations of riders at increased or disproportionate risk of experiencing street harassment, which may include, but not be limited to, women riders, non-English speaking riders, and LGBTQ+ riders.
- 18) Requires transit operators, as part of the consultation, to conduct outreach in multiple languages to reach limited English proficient riders impacted by street harassment. Authorizes the languages to be determined by survey data or by the top non-English languages used by limited English proficient persons in the community served by the transit operator according to the most recent American Community Survey by the United States Census Bureau.
- 19) Requires the California State Transportation Agency (CalSTA), on or before January 1, 2027, to submit a report to the Legislature and the Governor that includes, but is not limited to, all of the following:
 - a) A summary of the survey data collected by transit operators.
 - b) A description of the plan developed by transit operators and any actions taken to implement the plan, including the transit operator's efforts to engage riders through outreach.
 - c) An evaluation of actions taken by transit operators to reduce the street harassment, including the effectiveness of the plan in reducing the street harassment, improving the safety of public transit, and increasing ridership on public transit; and any additional unmet needs faced by transit operators in reducing street harassment on its system.
- 20) Declares that nothing in this bill shall be construed to create new or additional liability for a transit operator for failing to respond to an incident of street harassment.
- 21) Declares that nothing in this bill shall be construed to require a transit operator to develop or implement the plan where the transit operator does not already have jurisdiction to develop or implement the plan.
- 22) Declares the bill may constitute a reimbursable mandate.

COMMENTS:

- 1) *Purpose.* According to the author, “From the first mile to the last, no Californian should feel unsafe traveling to work, to school, or anywhere. Unfortunately, that is not the reality for many individuals who use public transit, especially women, minorities, members of the LGBTQ+ community, disabled riders, and many more. This bill will help restore confidence in the safety of public transportation so that everyone — especially those most vulnerable to harassment — can ride from one place to the next without fear.”
- 2) *Street Harassment and COVID-19.* Harassment in public spaces is a multifaceted issue that affects many groups of people: women, ethnic minorities, members of the LGBTQ+ community, the elderly, adolescents, and people with disabilities. The vast majority of street harassment involves conduct that is not criminal, such as verbal harassment, and takes place in person and in spaces open and accessible to the public, such as streets and sidewalks, businesses, public transit, and parks. Street harassment includes unwanted sexual and racialized comments and slurs, whistling, leering, and other intimidating actions.

The sponsors of SB 1161, Stop AAPI Hate, formed as a coalition “in response to the alarming escalation of xenophobia and bigotry resulting from the COVID-19 pandemic.” According to the coalition, more than 9,000 acts of hate against Asian Americans and Pacific Islanders (AAPIs) have been reported to Stop AAPI Hate since the COVID-19 pandemic began in March 2020. Many more incidents continue to go unreported, making the actual number much higher. California leads all states in the number of hate incidents by a wide margin, with over 3,500 hate incidents or 38.6% of all reports. Hate incidents reported by women make up nearly two-thirds of all reports in the state, and a majority of these reports is accounts of verbal harassment or name-calling, including sexist slurs, in public.

- 3) *Street harassment and public transit.* Transit riders experiencing harassment on public transit systems has been a concern for transit operators. Increasing transit ridership is paramount to meeting our state’s climate goals and permanent mode shift is a priority. One of the concerns of many current and potential transit riders is safety and security on the system, especially women. According to a 2019 California statewide study by UC San Diego Center on Gender Equity and Health, 77% of women experience sexual harassment in a public space, including 29% on mass transit. Furthermore, women who identify

as lesbian or bisexual are more likely to report experiencing sexual harassment than straight women.

As a result of the street harassment experienced while riding public transit, women adjust their behavior or take precautions. For instance, the Los Angeles Metropolitan Transportation Authority (LA Metro), the largest transit operator in the state, found that in response to street harassment, women leave a bus or train mid-trip to avoid harassment, avoid travel in the evening, avoid certain settings such as crowded buses, and avoid walking alone.

- 4) *What are transit operators doing?* Many transit operators in the state have been focusing on the issue of harassment and the rider experience, and have conducted extensive outreach to try to identify the breadth of the problem and develop potential solutions. As mentioned, in 2019 LA Metro released a study called “Understanding How Women Travel.” LA Metro noted that they conducted the study because women compose over half of all transit ridership in Los Angeles County and their mobility needs, concerns, and preferences have not been critically accounted for in the way our transportation systems are planned.

The women surveyed for the study identified safety concerns as the top barrier to riding transit. 60% of respondents said they felt safe riding LA Metro during the day, but only 20% said they felt safe at night. The study details how women feel compelled to change their behavior due to safety concerns, “some women reported wearing sneakers on the bus or train in case they unexpectedly need to run from an assailant. They also said they would avoid wearing skirts because they did not want their bare skin to touch the seat and out of fear that men would sexually harass them. Women reported that they hide their jewelry on public transit due to fear that it may be stolen, and many shared stories of seeing people robbed on public transportation.”

Additionally, the women surveyed offered suggestions on what would make them feel safer riding transit. Responses range from physical changes, such as added lighting at stops and security cameras, to increases in staffing of both police and transit security staff. Respondents also noted empathy for the bus operators, who perform many jobs at once, but also expressed frustration that operators may not step in to manage conflict between passengers.

In addition to the study, LA Metro has ongoing stakeholder outreach and involvement in their operations. The LA Metro Women and Girls Governing Council is working to guide implementation of the findings and recommendations included in the report. LA Metro also has a Public Safety

Advisory Committee that reviews and gives input on the agency's reimagining of public safety. Finally, they use customer data, collected multiple times per year through surveys, to assess the quality of service and perception of safety on the system.

In the Bay Area, the Bay Area Rapid Transit District (BART) launched the "Not One More Girl" campaign in April 2021 in partnership with the Alliance for Girls, Betti Ono, Black Girls Brilliance, and The Unity Council's Latinx Mentorship and Achievement Program. According to BART, "BART's Communications Department partnered with BART's Art Program Manager and worked through these organizations to engage local girls and gender expansive youth about their experiences on BART and to develop campaign materials to serve as BART's first ever sexual harassment prevention campaign."

Specifically, as part of the campaign, BART and the campaign partners had visual aesthetic and artwork produced as posters, billboards, and other media installed as public art on the facade of select BART stations inside train cars and stations throughout the transit system; led overall strategy discussions to ensure the campaign included structural change and long term plans for policy change; and led efforts to ensure meaningful youth engagement and youth inclusion.

Since the campaign launched, BART has implemented numerous changes reflecting the feedback received, including launching public awareness campaigns, conducting ongoing stakeholder engagement, clarifying outreach surveys to include relevant questions, increasing unarmed safety personnel at stations, and updating the customer code of conduct to include sexual harassment. For example, while BART tracks crime data related to sexual assault and battery, BART did not have a way to track sexual harassment complaints over time. In October 2020, BART added the following question to its ongoing Passenger Environment Survey: Have you experienced gender-based sexual harassment in the last six months at BART? With that question, BART learned that the number of survey respondents who reported experiencing gender based sexual harassment decreased from 12% in the first quarter of 2021 to 7% percent in the last quarter of the year.

- 5) *SB 1161 wants more transit operators to address street harassment.* SB 1161 is modeled on the work of LA Metro and BART and hopes to expand it by requiring the top 10 transit operators in the state to gather and analyze data about riders and their experiences with street harassment on their systems. Operators would then develop a plan and initiatives to address street harassment

on their systems, while conducting stakeholder outreach throughout. According to preliminary analysis by the California Transit Association utilizing the National Transit Database, the 10 transit operators would be LA Metro, San Francisco Municipal Transportation Agency (MUNI), BART, San Diego Metropolitan Transit System, Alameda – Contra Costa Transit (AC Transit), Orange County Transportation Authority (OCTA), Long Beach Transit, Santa Clara Valley Transportation Authority (VTA), Sacramento Regional Transit, and the Los Angeles Department of Transportation.

Specifically, the bill calls for UCITS to develop a standard survey for the transit operators to use to gather data related to street harassment, including specific demographic information and information regarding a riders' experiences with safety while waiting at transit stops and riding the transit system. The transit operators would then be required to collect survey data from its riders and to conduct focus groups paying special attention to underrepresented populations. Transit operators would be authorized to use their own surveys, which may have already been developed or conducted, for the data required.

After the data is collected, transit operators would be required, by 2025, to develop and begin implementing a plan to reduce street harassment experienced by their riders based on the data. The plan would be developed in consultation with riders and relevant local governments or private entities. In some areas, part of the transit system, such as bus shelters, are owned and maintained by a local jurisdiction or private company. The bill includes some possible options that could be included in the plans, including increasing transit safety staff that are not police; improving the physical infrastructure on transit vehicles, stations, and stops; improving the frequency and reliability of service; training transit staff about when the law or policies require staff to respond and report incidents; and conducting educational and awareness campaigns. Again, transit operations would develop and implement the plan in consultation with riders, including those riders at increased risk of experiencing street harassment. This outreach would be required to be conducted in multiple languages.

Finally, the bill requires CalSTA to submit a report detailing the survey data collected by the transit operators, a description of each plan developed and any actions taken to implement the plan. CalSTA would also evaluate the effectiveness of the plans and actions taken in reducing street harassment, improving the safety of transit, and increasing transit ridership. CalSTA is also tasked with identifying any unmet needs faced by transit operators in reducing street harassment on their systems.

In recognizing the work many transit operators are doing on this issue, the bill declares that transit operators are deemed to have complied with the bill if they have taken actions on or after January 2018, that meet the bill's requirements. It is unclear who would determine if a transit agency has met the requirements.

- 6) *Concerns over costs.* Transit operators have expressed concerns over the costs associated with the survey work, plan development, and stakeholder outreach required by SB 1611. Additionally, there are long-term costs to consider for the implementation of the initiatives contained in the plans. The activities required in the bill would be an eligible use of transit operating funds, including implementing long-term service changes or upgrades to infrastructure. However, with California transit operators recovering from the loss of riders from COVID-19, and slowly having riders return to their systems, additional requirements could pose a real financial challenge. To that end, to support the survey and plan development work, the sponsors of the bill have submitted a one-time budget request for funding for CalSTA to assist in the implementation of the policy components laid out in the bill.

RELATED LEGISLATION:

AB 2549 (M. Bonta, 2022) – Would require the California Department of Public Health to conduct research and a 5-year, statewide, public campaign to raise awareness and understanding of street harassment as a public health problem in the state with the purpose of preventing its occurrence.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13.)

SUPPORT:

Stop AAPI Hate Coalition (sponsor)

Los Angeles County Metropolitan Transportation Authority (sponsor)

AAPI Equity Alliance

ACLU California Action

African Advocacy Network

Alliance for Girls

API Forward Movement

Asian American Pacific Islander Coalition of the North Bay

Asian Americans in Action

Asian Pacific American Dispute Resolution Center (APADRC)
Asian Pacific American Women Lawyers Alliance (APAWLA)
Asian Pacific Community Fund
AYPAL: Building API Community Power
California Healthy Nail Salon Collaborative
Cambodia Town INC.
Center for Asian Americans in Action
Center for Asian Americans United for Self Empowerment (CAUSE)
Chinese Culture Center of San Francisco
Chinese for Affirmative Action
Chinese Progressive Association
Community Legal Services in East Palo Alto
Consumers for Auto Reliability & Safety
Contigo Communications
Council on American-Islamic Relations, California
Empowering Pacific Islander Communities (EPIC) Fiscally Sponsored by
Community Partners
Equal Justice Society
Food Empowerment Project
Heart of Los Angeles (HOLA)
Hmong Innovating Politics
Inland Empire Immigrant Youth Collective
Japantown Task Force
Korean American Center
Korean American Coalition - Los Angeles
Korean Community Center of The East Bay
LA Raza Community Resource Center
Macla/movimiento De Arte Y Cultura Latino Americana
National Pacific Islander Education Network
North East Medical Services (NEMS)
Oca - Sacramento Chapter
Pacific Asian Counseling Services
People Organizing to Demand Environmental & Economic Rights
San Francisco Transit Riders
Self-help for The Elderly
Silicon Valley Asian Pacific American Democratic Club
Soma Pilipinas
South Asian Network
Southeast Asian Development Center
Thai Community Development Center
Tranzito
Wu Yee Children's Services

Youth Against Hate

OPPOSITION:

None received

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SB 1175	Hearing Date:	4/19/2022
Author:	McGuire		
Version:	3/16/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Department of Transportation: intermodal passenger services: rail corridors

DIGEST: This bill adds the Sacramento-Larkspur-Novato-Cloverdale corridor to the existing authorization for the California Department of Transportation (Caltrans) to provide intercity passenger rail service on specified corridors in the state and to contract with National Railroad Passenger Corporation (Amtrak) to provide such service.

ANALYSIS:

Existing law:

- 1) Authorizes Caltrans to construct, acquire, or lease, and improve and operate, rail passenger terminals and related facilities that provide intermodal passenger services along the following corridors:
 - a) The San Diego-Los Angeles-Santa Barbara corridor.
 - b) The San Francisco-San Jose-Monterey corridor.
 - c) The Los Angeles-Riverside-San Bernardino-Calexico corridor.
 - d) The San Jose-Oakland-Sacramento-Reno corridor.
 - e) The Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland corridor.
 - f) The Los Angeles-Santa Barbara-Oakland-Sacramento-Redding corridor.
- 2) Authorizes Caltrans to contract with Amtrak for commuter or intercity rail passenger services.

- 3) Provides funding for intercity passenger rail service from a portion of the sales tax on diesel fuel through the Public Transportation Account.
- 4) Authorizes the Capitol Corridor Joint Powers Authority (JPA), San Joaquin JPA, and the Los Angeles- San Diego-San Luis Obispo (LOSSAN) Rail Corridor Agency to oversee state-supported intercity passenger rail service.
- 5) Authorizes Caltrans, subject to approval of the Secretary of Transportation, to enter into an interagency transfer agreement under which a JPA assumes responsibility for administering the state-supported intercity passenger rail service, and associated feeder bus service, in a particular corridor.
- 6) Defines the boundaries of the three intercity rail corridors, and requires the preparation of an annual business plan for the corridor by each participating JPA board of directors.
- 7) Requires the Secretary of Transportation to develop a state rail plan covering all aspects of rail transportation, as specified. The plan is required to be updated every five years.
- 8) Creates SMART and establishes a comprehensive set of powers and duties regarding the formation, governance, organization, maintenance, operation and potential dissolution of the district. Authorizes SMART to provide passenger rail service in the counties of Sonoma and Marin and is governed by a 12-member board of directors.

This bill:

- 1) Adds the Sacramento-Larkspur-Novato-Cloverdale corridor to the existing authorization for Caltrans to construct, acquire, or lease, and improve and operate, rail passenger terminals and related facilities that provide intermodal passenger services along specified corridors.

COMMENTS:

- 1) *Purpose.* According to the author, “SB 1175 is designed to help the publicly owned Sonoma Marin Area Rail Transit (SMART) be eligible to apply for Federal Railroad Administration grant funds that have historically been prioritized for intercity passenger projects. The bill will recognize the railroad corridor that runs east/west between the national rail network and Novato, as well as the Larkspur to the Sonoma-Mendocino County SMART mainline, as a Department of Transportation intermodal passenger service corridor, similar to

other corridors such as the San Diego-Los Angeles-Santa Barbara, the Los Angeles-Riverside-San Bernardino-Calexico, and others.”

- 2) *Intercity rail in California.* California is home to three of the six busiest Amtrak intercity passenger rail routes in the nation. The Capitol Corridor service in Northern California covers 170 miles, with 18 stations, connecting Auburn to San Jose. In 2019, the Capitol Corridor had record ridership of roughly 1.7 million. The San Joaquins serves the Central Valley and pre-COVID were operating two daily round trips between Sacramento and Bakersfield and five daily round trips between Oakland and Bakersfield, carrying over 1.1 million passengers a year. In Southern California, the Pacific Surfliner service is a 351-mile coastal corridor that runs from San Diego to San Luis Obispo, travelling through Orange, Los Angeles, Ventura, and Santa Barbara counties. The Pacific Surfliner has 26 daily trains and an annual ridership of nearly 3 million.

Prior to 2012, Caltrans Division of Rail and Mass Transit managed and funded two of the three intercity rail services within the state - the Pacific Surfliner and the San Joaquins. The Capitol Corridor was, and still is, managed by a JPA that administers day-to-day operations within specified service boundaries. During the 2011-12 Legislative Session, SB 1225 (Padilla), Chapter 802, Statutes of 2012, and AB 1779 (Galgiani), Chapter 801, Statutes of 2012, authorized the transfer of responsibility of Pacific Surfliner and San Joaquins, respectively, to JPA managing agencies and, among other provisions, defined the service boundaries within each region. Currently, all three intercity rail service lines are managed by local JPAs while Caltrans remains responsible for providing state funding for each intercity rail line.

Historically, the intercity rail lines were partially funded by the federal government through Amtrak operations. However, with the passage of the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), states were required to assume full funding of these lines. In California, the three intercity rail lines are funded from a portion of the sales tax on diesel fuel, which equates to roughly \$130 million for the 2021-22 fiscal year. With the passage of SB 1 (Beall, Chapter 5, Statutes of 2017), the three intercity rail providers also receive an additional roughly \$20 million per year for capital and operations support from the State Rail Assistance (SRA) program. Additionally, there are other funding sources for capital improvements for intercity rail including the Transit Intercity Rail Capital Program (TIRCP) and the Interregional Transportation Improvement Program (ITIP).

The statutes governing the JPAs define the specific corridors in which they are authorized to operate and provide service. Specifically, the Capitol Corridor is defined to extend from Colfax to San Jose. The San Joaquins corridor is defined as Los Angeles through Bakersfield to Oakland and Sacramento. The LOSSAN corridor is San Diego through Los Angeles to San Luis Obispo.

- 3) *SB 1175 would add a new corridor.* Under current law, Caltrans is authorized to construct, acquire or lease, and improve and operate rail terminals and related facilities to provide intermodal passenger service along specific corridors defined in statute. This includes contracting with Amtrak to provide these intercity services. This authorization has evolved into the JPA operating agreements and corridor descriptions described above.

The corridors include the San Diego-Los Angeles-Santa Barbara corridor, the San Francisco-San Jose-Monterey corridor, the Los Angeles-Riverside-San Bernardino-Calexico corridor, the San Jose-Oakland-Sacramento-Reno corridor, the Los Angeles-Bakersfield-Fresno-Stockton-Sacramento-Oakland corridor, and the Los Angeles-Santa Barbara-Oakland-Sacramento-Redding corridor.

SB 1175 would add the Sacramento-Larkspur-Novato-Cloverdale corridor to this designation. The addition of this corridor is consistent with a recommendation in the 2018 State Rail Plan to “evaluate expansion of rail service from San Rafael, Sonoma, and Napa Counties to Solano County, considering rail service primarily on existing rail alignments, with potential connections to the statewide network at Fairfield-Suisun or near Vallejo.”

The state has focused on part of this North Bay corridor before, as San Francisco-San Jose-Eureka was included as an eligible intercity corridor for possible funding from the Passenger Rail and Clean Air Bond Act of 1990 which provided \$1 billion in General Obligation bonds for acquisition of rights-of-way, capital expenditures, and acquisitions of rolling stock for intercity rail, commuter rail, and rail transit programs.

- 4) *Who is SMART and what are their plans?* SMART is a commuter rail provider that currently provides passenger service in a corridor linking Santa Rosa Airport in Sonoma County to San Rafael in Marin County. The current 45-mile system includes stations in the Sonoma County Airport area, Santa Rosa, Rohnert Park, Cotati, Petaluma, Novato, San Rafael, and Larkspur. Existing SMART service generally parallels the existing Highway 101 corridor. In 2019, SMART had a ridership of approximately 2500 passengers per weekday. SMART’s system also includes a bicycle and pedestrian pathway along the rail

corridor. Future extensions are planned for Windsor, Healdsburg, and Cloverdale, providing 70 miles of passenger rail service.

In addition to these planned extensions, SMART has been studying the development of its 41 mile long East/West corridor from Novato to Suisun, which would connect SMART to the exiting Capitol Corridor. The extension would provide connectivity along the Highway 37 and 12 corridors between Marin County, Black Point, Sonoma, Napa/American Canyon/Vallejo, and the Suisun/Fairfield areas. Much of the corridor parallels the current Highway 37 which serves as the primary roadway corridor connecting Marin County with Sonoma, Napa, and Solano Counties. Currently, the Metropolitan Transportation Commission (MTC) is leading an effort to study and implement a project to both widen Highway 37 and toll the facility to help ease congestion.

SMART's 2019 feasibility study of the corridor detailed two options for the needed capital improvements to prepare for passenger service. Both options would require improvements to the existing trackway and bridges, new stations, and installation of a new signal system with Positive Train Control. Additionally, agreements would have to be worked out with private rail companies, specifically the Union Pacific Railroad, which owns and controls the right-of-way and track between American Canyon and Suisun City, approximately 15 miles. The options studied could be completed in four to six years, depending on the availability of funding. Cost estimates range from \$780 million to \$1.3 billion.

According to SMART, designating this corridor as an intercity rail corridor would allow it to be eligible to apply for Federal Railroad Administration (FRA) grant funds that have historically been prioritized for intercity passenger projects. The recent passage of the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58), which provides \$1.2 trillion in infrastructure investments over five years, has made SMART even more optimistic. IIJA represents a historic investment in passenger rail, with over \$60 billion in potential grants. For example, the Consolidated Rail Infrastructure and Safety Improvements (CRISI) program has guaranteed funding of \$5 billion over five years, with a possibility of \$5 billion more through federal appropriations. Writing in support of the bill, SMART states, "this legislation will aid the State and SMART as we support each other's mutual objectives to seek Federal capital rail funds to upgrade SMART's public railroad for passenger services."

- 5) *How would this impact the state's intercity rail providers?* SMART is currently classified under state law as a commuter rail provider and therefore is eligible for state capital grants and receives state operating funding as such.

For example, SMART receives formula allocated funding from the State Transit Assistance (STA) program, the Low Carbon Transit Operations Program (LCTOP), the transit State of Good Repair program and the SRA program. Additionally, SMART is eligible for grant funding from various state programs, including the TIRCP. As noted previously, the state's three intercity rail providers receive funding for operations from Caltrans as "state-supported" intercity passenger rail systems. Additionally, they also receive SRA formula allocations.

Although the development of the East/West corridor is in its early stages, if developed, it is anticipated that SMART would operate the line. This creates an interesting question regarding state transit operating assistance – is SMART a commuter rail provider or an intercity passenger rail provider or both? What are the implications for state funding programs and the other intercity rail providers? Are the three intercity rail JPAs concerned about this? According to the Capitol Corridor, writing in support of the bill, "As one of the other supported rail corridors in the State government code, it is acceptable to us to also include this new emerging corridor of the State's rail network. This section of the code does not require the State to invest in a given conventional rail corridor but does allow the State the flexibility to choose to make rail investments. We appreciate the State's ongoing support of rail services and expansions in California and seek to continue our collective work of providing a world class rail system for all Californians. The State and SMART's objective is to try to get access to capital expansion funding, in particular Federal capital funds, to bring greater rail resources into California."

RELATED LEGISLATION:

SB 69 (McGuire, Chapter 423, Statutes of 2021) -- Reorganized the North Coast Rail Authority (NCRA) into the Great Redwood Trail Agency (GRTA), transferred its authority related to rail and freight to SMART, and established GRTA's new mission of developing the Great Redwood Trail.

SB 742 (Allen, Chapter 652, Statutes of 2019) -- Made various changes to provisions relating to the state's intercity thruway bus services.

SB 477 (Cannella, 2017) – Would have authorized a local JPA operating intercity rail service to expand service beyond its statutorily defined corridor if specific conditions are met. SB 477 was held on the Assembly Appropriations Committee suspense file.

SB 1 (Beall, Chapter 5, Statutes of 2017) -- Provided approximately \$5.2 billion per year in new funding for highways, transit and active transportation programs, including intercity and commuter rail.

SB 1225 (Padilla, Chapter 802, Statutes of 2012) -- Authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the LOSSAN Corridor if specific conditions are met.

AB 1779 (Galgiani, Chapter 801, Statutes of 2012) -- Authorized an interagency transfer agreement to be entered into with a local JPA to provide intercity rail service in the San Joaquin Corridor if specific conditions are met.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

Capitol Corridor Joint Powers Authority
Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN)
San Joaquin Joint Powers Authority
Sonoma-Marín Area Rail Transit District (SMART)
Transportation Agency for Monterey County (TAMC)

OPPOSITION:

None received

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SB 1193	Hearing Date:	4/19/2022
Author:	Newman		
Version:	2/17/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Katie Bonin		

SUBJECT: Department of Motor Vehicles: electronic notifications and transactions.

DIGEST: This bill allows for Department of Motor Vehicles (DMV) customers to opt in to receiving select DMV notices electronically.

ANALYSIS:

Existing law:

- 1) Requires a state department, including the DMV, or a division, officer, employee, or agent, to give various notices or communications to persons, and requires that whenever that notice is required to be given, the notice is to be given either by personal delivery, by certified mail, or by mail.
- 2) Requires that whenever notice is required to be given by the DMV, the notice shall be given either by personal delivery to the person to be notified; by certified mail, return receipt requested; or by mailing the notice, postage prepaid, addressed to the person at their address as shown by the records of the DMV.
- 3) Specifies that the giving of notice by personal delivery is complete upon delivery of a copy of the notice to the person to be notified. The giving of notice by mail is complete upon the expiration of four days after deposit of the notice in the mail, except that in the case of a notice informing a person of an offense against them, the notice is complete 10 days after mailing.
- 4) Specifies that wherever a notice or other communication is required to be mailed by registered mail by or to a person or corporation, the mailing of that notice or other communication by certified mail, shall be deemed to be a sufficient compliance with the requirements of law.

- 5) Requires a person to have a valid license or temporary permit issued by the DMV to act as a vehicle salesperson, and requires the DMV to issue a license bearing a full-face photograph of the licensed vehicle salesperson, among other information, upon their application for the license.

This bill:

- 1) Permits certain DMV notices, currently required by law to be mailed, to be delivered electronically.
- 2) Specifies that the giving of notice by electronic notification is complete upon sending the electronic notification.
- 3) Specifies that wherever a notice or other communication is required, electronic notification shall be deemed to be a sufficient compliance with the requirements of law.
- 4) Authorizes, for a provision of the Vehicle Code or of Title 13 of the California Code of Regulations that requires the DMV to mail, notify, deliver via certified or first class mail, provide information in written form, or otherwise references the use of paper, a writing, or the mail to convey information to a person of any departmental actions related to a permit, license, identification card, endorsement, certificate, or vehicle registration, that requirement may be satisfied by electronic notification, including, but not limited to, email, if the all of the following are established by the DMV:
 - a) The DMV identified the person prior to accepting their consent to receive the type of document or information that is electronically delivered.
 - b) The person consented to the electronic receipt of the type of document or information delivered.
 - c) The DMV permits a person to withdraw their consent to electronically receive the type of document or information.
 - d) The DMV records do not indicate the person withdrew their consent to electronically receive this type of document or information as of the date the document or information was electronically sent.

- 5) Specifies that for a provision of this code that refers to an address for any kind of notice or mailing, and mailing is effected pursuant to this section, an email or electronic delivery address provided to the DMV by the recipient may be used.
- 6) Specifies that a person who provides an electronic delivery address to the DMV shall notify the DMV of any change to that address.
- 7) Specifies the consent to accept electronic notification may be made electronically.
- 8) Specifies the DMV may adopt regulations to implement this section.
- 9) Permits the DMV to require a photograph at the time of the license renewal.
- 10) Removes the requirement that a vehicles salesperson's license be renewed in person.
- 11) Removes the requirement that a veteran come into the DMV to apply for a veteran designation.

COMMENTS:

- 1) *Purpose.* According to the author, "In response to the ongoing COVID-19 pandemic, DMV has deployed new technologies and services to streamline workflow processes and improve the customer experience. SB 1193 continues the DMV's modernization progress by allowing customers the option to receive paperless notifications and apply for a veteran designation or renew a vehicle salesperson license online without an in-person visit. By allowing for electronic notices and reducing the number of required in-person transactions, this bill will reduce wait times at DMV locations while improving overall efficiency and the customer experience for veterans, vehicle salespersons, and people who prefer 'paperless' notifications."
- 2) *Going Paperless.* Currently, the DMV allows for customers to opt in to receive limited electronic notices. These notices include driver's license renewal notices, identification card renewal notices, vehicle/vessel renewal notices. SB 1193 will expand the DMV's ability to include other notices. Provided the customer consents to and opts into paperless notices. When a customer logs into their DMV account they navigate to the "paperless notices" tab under their account. They are given an "agreement for paperless notices" prompt that notifies the customer they are electronically consenting to receive selected DMV notices electronically. The prompt also provides that the customer can

withdraw consent, change their preferences back to paper notices, or request paper notices at any time. To withdraw their consent and change their preferences back to paper notices, the customer logs into their DMV account and navigates to the “paperless notices” tab under their account again. The customer then clicks the “deselect all” option and then clicks update. The customer will then begin receiving notices in paper format.

- 3) *Veteran Designations*. Under current law, a veteran has the option to have their veteran status printed on their driver’s license or identification card to help them quickly identify themselves and receive benefits they are entitled to. The veteran must pay a five dollar fee to the DMV. The veteran must reach out to their County Veteran Service Office (CVSO) to receive and complete their Veteran Status Verification Form (VSD-001). This form is not available at the DMV but must be physically filed at the DMV before the DMV will update the veteran’s driver’s license or identification card. SB 1193 would remove the requirement that a veteran must come into the DMV to file their VSD-001. Notably, the veteran is still required to reach out to their CVSO to receive the VSD-001. This is important because the CVSO is responsible for connecting the veteran to many benefits they may not be privy to.

Pending legislation, SB 837 (Umberg) seeks to remove the five dollar fee a veteran is required to pay for the designation. If SB 837 fails to become law, the five dollar fee could also be paid electronically. Meaning at no point in applying for the veteran designation will the veteran need to come in to the DMV office.

- 4) *Customer convenience*. DMV customers have expressed their discontent with DMV wait times. Similarly, many field offices were closed during the COVID-19 pandemic making it difficult for customers to receive services without the ability to do so online. To remedy the wait times and increase online servicing, the DMV is undergoing a modernization enhancement to provide customer notifications electronically to increase efficiency and decrease the need for DMV visits. SB 1193 removes the in-person requirement for veterans applying for a veteran designation on their driver's license or identification card and for vehicle salespersons renewing their licenses. Coupled with the additional electronic notifications, SB 1193 has the potential to reduce the number of required in-person DMV visits, which could reduce wait times, increase customer satisfaction, and alleviate DMV staff workload.
- 5) *Potential Savings*. As mentioned, SB 1193 could create saving for DMV operators. Savings will depend upon customer behavior and opt-in rates. Savings may be realized over many fiscal years, and the potential for savings

increase as the DMV evaluates and provides electronic notices for other types of required mailings across additional programs. According to the DMV, the potential annual savings for the driver's license suspension or revocations notices could reach \$108,464 annually if only 30% of customers opted in, \$ 65,736 if 20% opt in, and \$32,868 if 10% opt-in.

- 6) *Receipt Confirmations.* Although electronic notices are more convenient and cost effective for the DMV there are many potential issues. If a customer gives electronic consent and subsequently receives a notice that goes directly to the customer's spam box, the notification is accidentally deleted, or a customer suffers a medical or personal emergency and does not check their email for a prolonged period of time, or is simply unable to log into their email accounts, the customer may be unable to respond in a timely manner and may subsequently suffer DMV imposed penalties, including late fees. As SB 1193 is written, there are no protective provisions requiring confirmations of receipt of the electronic notifications. Instead, SB 1193 declares that delivery is complete upon sending the electronic notification. To remedy this potential issue, the author and committee staff may wish to include language to require receipt confirmations for each electronic notification.

RELATED LEGISLATION:

SB 837 (Umberg, 2022) — this bill will remove the five dollar fee a veteran is required to pay to have their veteran status included on their driver's license or identification card. *This bill is currently in the Senate Appropriations Committee.*

AB 1382 (Patterson, 2021) — this bill would have required the DMV to establish a virtual field office allowing the electronic completion of transactions that require manual review by the department. *This bill died in the Assembly Transportation Committee.*

AB 2906 (Melendez, 2018) — this bill would have allowed the DMV to contact an individual to alert them that their license has been revoked or suspended via fax machine, email or cell phone. *This bill died in the Assembly Appropriations Committee.*

AB 935 (Frazier, Chapter 644 of 2014) — This bill required the DMV to offer a driver's license or identification card that includes the word "VETERAN" on its face.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

**POSITIONS: (Communicated to the committee before noon on Wednesday,
April 13.)**

SUPPORT:

American Legion, Department of California

Amvets, Department of California

California New Car Dealers Association

Military Officers Association of America, California Council of Chapters

Vietnam Veterans of America, California State Council

OPPOSITION:

None received.

-- END --

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SB 1201 **Hearing Date:** 4/19/2022
Author: Melendez
Version: 3/15/2022
Urgency: No **Fiscal:** No
Consultant: Katie Bonin

SUBJECT: Clean California Local Grant Program of 2021: Clean California State Beautification Program of 2021: homeless encampments.

DIGEST: This bill permits local governments to use funds received from the Clean California Program for cleaning up homeless encampments.

ANALYSIS:

Existing law:

- 1) Vests the California Department of Transportation (Caltrans) with possession and control of the state highway system and associated property, and requires the department to improve and maintain state highways.
- 2) Creates the Clean California Local Grant Program of 2021, administered by Caltrans, to provide funding for grants to specified local entities for purposes of beautifying and cleaning up local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces.
- 3) Creates the Clean California State Beautification Program of 2021, administered by Caltrans, to provide funding for purposes of beautifying and cleaning up state highways.

This bill:

- 1) Permits local governments to use funding received under those programs to clean up homeless encampments on or around highway rights-of-way, within one mile of the freeway or flood channels under and surrounding the highways.
- 2) Specifies that the bill would apply only to appropriations made by the Legislature on or after January 1, 2023, for purposes of those programs.

COMMENTS:

- 1) *Purpose.* According to the author, "with the number of homeless individuals in California continuing to increase, it is vital that efforts are made to address the danger that homeless encampments pose to both the individuals within them and the areas that surround them. Encampments along highways are not only unsightly but also dangerous. By allowing local governments to utilize funding previously unavailable to this cause, SB 1201 would provide more desperately needed resources for California's highways' cleanup and safety."
- 2) *Clean California Program.* AB 149 (Committee on Budget, Chapter 81 of 2021), created the Clean California Program, which consists of both the Clean California Local Grant Program (CCLGP) and the Clean California State Grant Program (State Beautification Program). Both programs are beautification projects; one local and one state. CCLGP is administered by Caltrans and allocates grants to local and public agencies to beautify and clean up local streets and roads, tribal lands, parks, pathways, transit centers, and other public spaces. The program requires that no less than 50% of the program funds be allocated to projects that benefit underserved communities, requires local matching of funds of no more than 50% of the total project cost, limits awards to \$5 million dollars, and prohibits funding projects that displace persons experiencing homelessness. Caltrans developed the guidelines, materials, and a selection process to implement the program.

The State Beautification Program provides funding for beautifying and cleaning up state highways. This program includes a requirement that projects must enhance and beautify public spaces while benefitting underserved communities, provides funding for projects such as greening and landscaping projects, funds gateway community identification projects, enhanced infrastructure safety measures, prohibits program funds from being used to displace persons experiencing homelessness, and allows Caltrans to use job order contracting. These state projects are on Caltrans's rights-of-way and Caltrans identifies, selects, and executes the projects.

- 3) *Funding the Clean California Program.* The 2021-22 budget package included a total of about \$1.1 billion General Fund over a three-year period for the Clean California Program, \$475 million in 2021-22 and 2022-23 and \$146 million in 2023-24.¹ In December of 2021, Caltrans issued a call for projects. On March 1, 2022 Caltrans awarded grants to local governments and tribes, \$296 million for CCLGP and the \$287 million for the state beautification projects on the state

¹ <https://lao.ca.gov/reports/2022/4526/clean-ca-local-grant-program-021022.pdf>

highway system, totaling \$583 million. All local grant projects are required to be completed by June 30, 2023 and state beautification projects are required to be completed by June 30, 2024.

- 4) *SB 1201 may not be needed.* In July of 2020, Caltrans issued a directive in response to the COVID-19 pandemic specifying that unsheltered encampment relocation and cleanup operations are only permitted if the encampment poses an imminent and significant public safety hazard. Because of the directive, the author contends that many lower-level encampments have not been removed or cleaned up, resulting in a buildup of trash and debris. However, under the CCLGP, local governments already have the ability to apply for grant funding to clean up and beautify areas of need, including homeless encampments, as long as all of the other provisions of the CCLGP have been met.

Additionally, the author has noted that the bill is needed to help applicants understand that these funds can be used to “clean up” homeless encampments. However, there are projects that have been awarded to do exactly what SB 1201 proposes to do. An example is the Alameda County District Attorney’s Clean Streets Initiative, which was awarded \$2,369,091 from the CCLGP. This project is intended to provide continuous litter abatement and combat illegal dumping in homeless encampments at three homeless encampments: two in East Oakland and one in Hayward.

- 5) *Displacement Concerns.* In the ninth circuit case, *Martin v. City of Boise*, the court held that cities may not give tickets or remove people experiencing homelessness from public places, including homeless encampments, unless the city can provide enough shelter beds to rehouse those individuals. Both the CCLGP and the State Beautification Program prohibit projects that displace persons experiencing homelessness to ensure those people will not be unlawfully removed by clean up and/or beautification efforts under the programs. SB 1201 does not clarify that persons experiencing homelessness cannot be displaced or their property seized. **The author and the committee may wish to include a provision that specifies that program funds shall not be used to displace persons experiencing homelessness or permits the seizing of their property.**

In October of 2021, Caltrans cleared out homeless encampments in Sacramento. Caltrans received public criticism for removing the encampments without ensuring the individuals who lived there had a place to go or providing the city with adequate notice of the sweeps. In response, many of the homeless encampments were relocated within an hour to the other side of the street or a block away. Meaning that even if the homeless encampment was removed and

those individuals displaced, the encampment would be relocated unless those individuals have secured housing.

- 6) *Double Referral*. This bill is also referred to the Senate Public Safety Committee.

RELATED LEGISLATION:

AB 149 (Committee on Budget, Chapter 81 of 2021) — this bill created the Clean California Local Grant Program and the Clean California State Beautification Program.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

None received.

OPPOSITION:

Corporation for Supportive Housing
Housing California

-- END --

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SB 1104	Hearing Date:	4/19/2022
Author:	Gonzalez		
Version:	4/6/2022 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Melissa White		

SUBJECT: Governor’s Office of Business and Economic Development: Office of Freight

DIGEST: This bill establishes the Office of Freight (Office) within the Governor’s Office of Business and Economic Development (GO-Biz) to serve as the coordinating entity to steer the growth, competitiveness, and sustainability for freight and ports across the state, as specified; requires the Office to prepare an assessment of statewide economic growth, competitiveness, prosperity, resiliency, and sustainability for the state’s ports and freight sector every five years after the initial assessment. Also, requires the California State Transportation Agency (CalSTA) to incorporate the findings of the assessment into the state freight plan, as specified.

ANALYSIS:

Existing law:

- 1) Establishes GO-Biz for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth.
- 2) Authorizes GO-Biz to coordinate the development of policies and criteria to ensure that federal grants administered or directly expended by state government advance statewide economic goals and objectives.
- 3) Authorizes GO-Biz to market the business and investment opportunities available in California by working in partnership with local, regional, federal, and other state public and private institutions to encourage business development and investment in the state.
- 4) Authorizes GO-Biz to support small businesses by providing information about accessing capital, complying with regulations, and supporting state initiatives that support small business.

- 5) Requires CalSTA to develop a the California Freight Mobility Plan (CMFP), every five years, in accordance with federal guidelines and establish an advisory committee made up of federal, state, local, and regional representatives as well as private sector and specified interest groups, to guide CFMP development.

This bill:

- 1) Defines “economic competitiveness” to mean the ability of the California freight sector to successfully compete with freight sectors in other states as measured by using existing comparable metrics, to increase the productivity of freight and related sectors, and to contribute to the growth of the state’s economy. Economic competitiveness is affected by policies, institutions, and investments that influence the freight sector’s productivity.
- 2) Defines “freight sector” to mean all transportation-based and transportation-dependent enterprises involved in the supply chain from point of origin to point of consumption, including ports, rail, freight corridors, and warehouses and distribution centers.
- 3) Establishes the Office within GO-Biz and requires the Office to serve as the coordinating entity to steer the growth, competitiveness, and sustainability for freight and ports across the state and to promote and assess the continued economic vitality and sustainability of the freight sector.
- 4) Requires the Office, in coordination with the California Air Resources Board (ARB) and the California Transportation Commission (CTC) to prepare an assessment of statewide economic growth, competitiveness, prosperity, resiliency, and sustainability for the state’s ports and freight sector.
- 5) Requires the assessment to include an evaluation of the resilience of the freight sector and any supply chain concerns and the role and capacity of the freight sector in advancing the state’s zero emission goals.
- 6) Requires the assessment to identify the following:
 - a) The economic competitiveness in the supply chain, including an evaluation of the state’s supply chain competitiveness, international trade and exports, manufacturing, warehousing, distribution centers, capacity to expand, defense, and workforce development, that may impact businesses, workers, and communities as they relate to the freight industry.

- b) Metrics and baselines from which to measure the effectiveness of the goals, recommendations, and actions proposed in the assessment, including, but not limited to, financial performance, market share performance, workforce development, labor market effects, emerging technologies including logistics, and overall short- and long-term economic performance of the freight sector.
 - c) Goals to increase economic competitiveness and strengthen resilience to economic downturns and the effects of climate change.
 - d) A process to track, at least annually, progress being made to reach the goals and implement the recommendations and other actions proposed in the assessment, including a mechanism for modifying those goals and actions to address immediate and emerging issues, stay-at-home orders, or other crises that may impact the competitiveness of the freight sector.
 - e) Ongoing strategies the state is employing to address freight mobility issues, such as congestion, truck bottlenecks, inefficiencies, and a deficit of workforce, and prioritize and recommend to the CTC and CalSTA complementary or additional strategies to reduce these mobility issues.
 - f) Challenges the California freight sector faces in meeting the state's emission reduction goals, quantify the costs associated with meeting those emission reduction goals, and prioritize and recommend strategies the state can use to address these challenges.
- 7) Requires the assessment to assess the relative competitiveness and resiliency of different sectors of the supply chain, the impacts of trends in the economy across the supply chain, and the impacts of state and federal climate and air pollution policies on economic competitiveness for businesses and the freight sector.
- 8) Requires the assessment to note where its data came from and the time period that the data reflects.
- 9) Requires the Office to use the most current data reasonably available for the assessment, including considering relevant data from CTC's Clean Freight Corridor Efficiency Assessment.
- 10) Requires the Office to submit the assessment to the Legislature on or before December 31, 2024, and an updated assessment at least once every 5 years thereafter.

- 11) Requires the Office to consult, in preparing the assessment, with public and private sector freight stakeholders, as specified; the California Public Utilities Commission; the California State Lands Commission; local air pollution control districts; environmental, safety, and community organizations; representatives from communities that are adjacent to, or environmentally impacted by, the freight sector; and the Legislature.
- 12) Requires the CalSTA to incorporate the findings of the assessment into the state freight plan, as specified.

BACKGROUND

- 1) *Go-Biz*. In April 2010, Governor Schwarzenegger issued Executive Order S-01-10 to create the Governor's Office of Economic Development to provide a one-stop shop for serving the needs of businesses and economic developers. The office was later codified through AB 29 (Perez, Chapter 475, Statutes of 2010). GO-Biz carries out its mission through nine primary functional areas, including but not limited to the following units: California Business Investment Services (CalBiz), Permit Assistance, the Office of the Small Business Advocate, International Affairs and Business Development, the California Competes Tax Credit Program and the Innovation and Entrepreneurship Program. GO-Biz provides a range of programs and services that support business development, including assisting small businesses in understanding and complying with state regulations, permitting assistance for new and expanding businesses, and assisting the state in building out its zero-emission vehicle infrastructure.

As part of its international trade and investment activities, Go-Biz is required to develop a five-year international trade and investment strategy that sets policy goals, objectives, and recommendations necessary to implement a comprehensive international trade and investment program for the state. This includes identifying the process it will use to evaluate on an ongoing basis, current workforce, infrastructure, research and development, and other needs of small and large firms, including no but not limited to, highways, logistics hubs, and rail link businesses with the state's ports of entry and foreign and domestic markets.

- 2) *Goods Movement in California*. California's sea ports of entry serve as key commercial gateways for the movement of billions of dollars' worth of products annually and, overall, freight movement generates about one-third of California's economy, which is the fifth largest in the world with the state's

GDP at over \$3 trillion. Freight movement (also known a goods movement) is a complex web of goods being transported via ship, plane, train, or truck using highways, local roads, railways, navigable waterways, key seaports, airports, warehouses, and intermodal facilities.

Due to increasing market demands, freight movement is expected to continue to grow, impacting our state while also facing competition from other locations in the United States and across the world. However, despite the growth and economic benefits that goods movement represents, the industry also places a heavy burden on the state in terms of the increased demand on transportation infrastructure and increased environmental impacts. To reduce the environmental impacts of the transportation sector including freight, and to plan freight more comprehensively, the state has enacted various laws, regulations, initiatives, and executive orders.

- 3) *Freight Planning in California.* Recognizing the importance of freight, the state and federal government have placed a greater emphasis on planning for and funding goods movement projects. For example, the federal government, through the Fixing America's Surface Transportation (FAST) Act of 2015, requires states to prepare a state freight plan as a condition of getting federal freight funding and mandates that specified elements be included. To comply with these and other state requirements, CalSTA develops the California Freight Mobility Plan (CFMP), which is updated every five years to provide a long-term vision for California's freight future. The plan is put together with input from the California Freight Advisory Committee, made up of state, regional and local governments, the freight industry, and environmental, community, and safety groups. The most recent CFMP was released in March 2020 and focuses on the goals of multimodal mobility, economic prosperity, environmental stewardship, healthy communities, safety and resiliency, asset management, and connectivity and accessibility.

Further, in 2015, Governor Brown issued Executive Order B-32-15, which directed key agencies to create a sustainable freight plan with the goals of improving freight efficiency, transitioning to zero-emission technologies, and increasing competitiveness of California's freight system. These agencies adopted the Sustainable Freight Action Plan in 2016. The plan provides short and long-term goals for state agencies to consider when planning for freight sustainability, including improving freight system efficiency 25% by 2030, deploying over 100,000 freight vehicles and equipment capable of zero emissions operation and maximize near-zero emission freight vehicles and equipment powered by renewable energy by 2030 and establish a target for

increased state competitiveness and future economic growth within the freight and goods movement industry.

- 4) *COVID-19 and the Supply Chain*. The events of the COVID-19 pandemic provided the perfect storm for the resulting backlog in the global supply chain. COVID-19 had both direct impacts on workforce and operations, and an increase in spending on goods—particularly via online shopping—in the United States. This increase in shopping served to flood the supply chain across the U.S.

The San Pedro Port Complex, which includes the Ports of Los Angeles (LA) and Port of Long Beach, accounts for 40% of cargo entering the U.S. As a result, the spike in shopping flooded these ports with goods: the Port of Los Angeles had a 30.3% increase in shipping containers in 2021 compared to 2020, and the Port of Long Beach had a 32% increase. As a result, every element of the supply chain, from ports to warehouses, was straining to keep up with the influx of goods.

The problem was compounded with a shortage of workers, including truck drivers and warehouse employees. Additionally, warehouses in Southern California were full, resulting in containers on truck chassis sitting for up to a week waiting to be unloaded.

In an effort to help relieve the supply chain problem, both the state and federal government took numerous policy and funding actions, including:

- In June 2021, the Biden Administration launched its Supply Chain Disruptions Task Force to investigate the port congestion problem. Based on findings of this task force, the administration announced a shift to 24/7 hour operations at the Port of LA on October 13th.
- In August 2021, GO-Biz launched a California Supply Chain Success Initiative (Initiative) in partnership with CalSTA, the Port of Long Beach, and the California State University Long Beach Center for International Trade and Transportation. The goal of the Initiative was to engage various stakeholders along the supply chain. The initiative included discussions between local, state, and federal stakeholders on how to improve data sharing throughout the supply chain, and how to shift the supply chain to 24/7 operations.

- In October 2021, CalSTA partnered with the U.S. Department of Transportation (USDOT), to secure \$5 billion in loans to support supply chain infrastructure.
- In October 2021, Governor Newsom issued Executive Order (EO) N-19-21 as the culmination of the work with the Biden Administration and the freight industry. For immediate relief, it directs state agencies to find land for short-term storage needs, and to look into temporary exemptions to current vehicle weight limits to allow trucks to carry additional goods per trip. For the long term, the EO directs state agencies to develop proposals for consideration to support the supply chain in the Governor's January Budget, encourages state agencies to consider workforce training and education programs, directs state agencies to identify priority freight routes to be considered for temporary truck weight exemption to allow for trucks to carry additional goods, and expedites the creation of a CA Workforce Development Board Industry panel on port labor and climate change issues in the Port of LA and Long Beach.
- In January 2022, as a follow up to the EO, Governor Newsom proposed \$2.3 billion for supply chain investments in the proposed 2022-23 State Budget.

COMMENTS:

5) *Purpose.* In response to the recent supply chain problems, the author introduced SB 1104. According to the author, "SB 1104 will advance the economic vitality and long-term sustainability of the freight sector by addressing gaps in current coordination and long-term statewide economic planning. Freight is the backbone of Californian's economy, accounting for one-third of California's economy, and generating millions of direct and indirect jobs. However, despite the importance of the freight sector to the livelihoods of Californians, the ongoing supply chain crisis has shown that the complex system of businesses along the supply chain is vulnerable to disruptions. Stakeholders across the board have voiced concerns that the freight sector needs better statewide coordination, direction from state agencies, and planning to advance the economic competitiveness of the freight sector and keep trade in California. SB 1104 will accomplish both of these goals by creating an Office of Freight within the Governor's office of Business and Economic Development to act as a coordinating entity for stakeholders and agencies involved in the supply chain, and to publish a report that assess and plans for the economic competitiveness of the freight sector in California."

- 6) *Is more formal coordination of goods movement needed?* SB 1104 would establish an Office of Freight within GO-Biz to serve as the coordinating entity to steer the growth, competitiveness, and sustainability for freight and ports across the state. The new Office would then be tasked with preparing an assessment of statewide economic growth, competitiveness, prosperity, resiliency, and sustainability for the state's ports and freight sector. The initial assessment is due to the Legislature on December 31, 2024, with a required update every five years after. GO-Biz would put together the assessment in coordination with ARB and CTC. As part of the assessment, Go-Biz would be required to consult with a wide variety of stakeholders in the public and private freight sectors, including ports, shippers, carriers, freight-related associations, supply chain businesses, and the freight industry workforce. Additionally, GO-Biz would bring to the table the CPUC; the California State Lands Commission; local air pollution control districts; environmental, safety, and community organizations; representatives from communities that are adjacent to, or environmentally impacted by, the freight sector; and the Legislature.

Overall, the assessment would serve to follow up on many of the ideas and innovations created through the experiences of last year, including the EO, by evaluating the resilience of the freight sector and any supply chain concerns. Additionally, the assessment will look at follow up to the Sustainable Freight Action Plan and evaluate the role and capacity of the freight sector in advancing the state's zero emission goals.

For more long term goals, the assessment will identify the economic competitiveness of all sectors of freight movement; metrics and baselines to measure effectiveness of any recommendations proposed; goals to strengthen resiliency during economic downturns; and a process to annually track progress being made to reach the goals and implementation of recommendation. And finally, to bring the state's good movement strategies together, the bill requires CalSTA to incorporate the findings of the assessment into the state's next CMFP.

According to GO-Biz, prior to the supply chain problems last year, they regularly convened a wide variety of freight industry stakeholders to continue the work outlined in the Sustainable Freight Action Plan and discuss other issues facing good movement in California. In essence, the framework laid out in SB 1104 likely already exists through GO-Biz's work, and SB 1104 would serve to formalize this work and elevate these issues within the Administration through the creation of the Office.

- 7) *Feds create an Office of Freight.* The federal government has recently moved in this direction as well. The recently passed Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58), provides \$1.2 trillion in investments over five years, including \$550 billion in new spending on transportation, water and power infrastructure, and pollution cleanup, in addition to regular annual spending on infrastructure projects. The IIJA also creates a new Office of Multimodal Freight and Infrastructure Policy at the U.S. DOT. The creation of this new Office will elevate and focus national attention on supply chain and goods movement issues that are critical to California's and the nation's economy. In addition to providing billions in funding for freight infrastructure, the new Office will coordinate updates to the State Freight Advisory Committees, Multi-State Freight Corridor Planning, the National Multimodal Freight Network, and the National Freight Strategic Plan to align overarching priorities, improve public and private industry collaboration, and consider emerging opportunities and challenges. IIJA also reinstates the National Cooperative Freight Transportation Research Program to study issues related to freight efficiency and resiliency, future freight trends, and workforce considerations.
- 8) *Arguments in Support.* Writing in support, the California Business Roundtable, the California Retailers Association, and the California Trucking Association state, "California's ranking as a world economy is due in part by its ability to move more than 40 percent of the nation's products through its ports. However, the historic congestion felt at our State's ports exposed the dire need for high-level coordination to ensure a stronger and more reliable supply chain infrastructure. While GO-Biz and CalSTA have taken leadership roles in facilitating coordination along the supply chain in response to the congestion crisis, there is currently no state entity with the authority and capacity to coordinate across the entire supply chain. SB 1104 addresses this concern by creating an Office of Freight within GO-BIZ for high-level coordination along the supply chain and by requiring this new Office of Freight to work with stakeholders to assess and plan for the economic competitiveness of the freight sector."
- 9) *Double referral.* This bill was approved by the Senate Committee on Business, Professions and Economic Development on March 21, 2022 by a vote of 12-0.

RELATED/PREVIOUS LEGISLATION:

AB 1678 (Fong, 2022) -- Would require the Department of Food and Agriculture to establish and convene a Blue Ribbon Commission on Port Congestion and Supply Chain Deficiencies, with the Secretary to serve as the chair and to appoint the other members of the commission. This bill would require the commission to

recommend changes needed in the immediate and long-term future to mitigate the negative impacts of port congestion and supply chain deficiencies on agricultural commodities. AB 1678 is currently pending in the Assembly Committee on Agriculture.

AB 1679 (Fong, 2022) -- Would require the Director of Go-Biz to appoint a Supply Chain Senior Adviser to be the principal advocate in the state for the interests of business and industry related supply chain development and operation and to advise the Director on legislation, administrative regulations, and other issues affecting the state's supply chain. Also, authorizes the Senior Advisor to convene one or more advisory groups consisting of stakeholders in the supply chain, and requires the Senior Advisor to collaborate with state agencies with similar duties and functions or that otherwise support or impact supply chains in the state. AB 1679 is currently pending in the Assembly Transportation Committee.

SB 671 (Gonzalez, Chapter 769, Statutes of 2021) -- Requires the CTC, in coordination with other state agencies, to develop a Clean Freight Corridor Efficiency Assessment and incorporate the recommendations into their respective programs for freight infrastructure. Also codifies existing CTC guidelines for eligible projects for the Trade Corridor Enhancement Program (TCEP).

AB 371 (Frazier, 2019) -- Was similar to this bill and would have required GO-Biz, in consultation with the ARB, the CTC, and the CalSTA, to prepare a statewide economic growth, prosperity, and resiliency assessment of the California freight sector on or before December 31, 2021, and to update the assessment at least once every 5 years. The bill would have required the assessment to identify specified information, and would require the office, in developing the assessment, to consult with the Legislature and representatives from a cross section of public and private sector freight stakeholders. AB 371 was held in the Assembly Appropriations Committee.

AB 14 (Lowenthal, Chapter 223, Statutes of 2013) -- requires the CalSTA to prepare a state freight plan with specified elements to govern the immediate and long-range planning activities and capital investments of the state with respect to the movement of freight. The bill requires the agency to establish a freight advisory committee with various responsibilities in that regard. The initial state freight plan would be submitted to the Legislature, the Governor, and certain state agencies by December 31, 2014, and updated every 5 years thereafter.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, Wednesday, April 13, 2022.)

SUPPORT:

California Association of Port Authorities
California Business Roundtable
California Retailers Association
California Trucking Association
Pacific Merchant Shipping Association

OPPOSITION:

None received

-- END --

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SB 1121 **Hearing Date:** 4/19/2022
Author: Gonzalez
Version: 4/6/2022 Amended
Urgency: No **Fiscal:** Yes
Consultant: Melissa White

SUBJECT: State and local transportation system: needs assessment

DIGEST: This bill requires the California Transportation Commission (CTC) to biennially develop a needs assessment of the cost to operate, maintain, and provide for the future growth and resiliency of the state and local transportation system.

ANALYSIS:

Existing law:

- 1) Creates the CTC, with various powers and duties relative to the programming of transportation capital projects and allocation of funds to those projects pursuant to various transportation funding programs.
- 2) Requires certain transportation planning agencies to prepare and adopt a regional transportation plan (RTP) directed at achieving a coordinated and balanced regional transportation system.
- 3) Requires the California Department of Transportation (Caltrans) to prepare a State Highway System Management Plan (SHSMP), each odd numbered year, which consists of a 10-year state highway rehabilitation plan and a 5-year maintenance plan.
- 4) Requires Caltrans to develop and prepare a state transportation improvement program (STIP) to include a listing of all capital improvement projects that are expected to receive an allocation of state transportation, as specified, including projects to be funded with interregional improvement funds and regional improvement funds.
- 5) SB 1 (Beall, Chapter 5, Statutes of 2017), otherwise known as the Road Repair and Accountability Act of 2017, provides over \$5 billion annually for the state and local transportation systems.

This bill:

- 1) Defines state and local transportation system to include:
 - a) Bicycle and pedestrian facilities.
 - b) Local streets and roads.
 - c) Highways, bridges, and culverts.
 - d) Transit systems; commuter rail systems; and intercity rail systems, including the operations of those systems.
- 2) Requires the CTC to prepare a needs assessment of the costs to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years.
- 3) Requires the CTC to forecast the expected revenue, including federal, state, and local revenue, to pay for the cost identified in the needs assessment; any shortfall in revenue to cover the cost; and provide recommendations on how any shortfall should be addressed.
- 4) Requires the CTC to include in the needs assessment the costs of transportation system improvements included in regional, interregional, and state transportation improvement programs, and the State Highway System Management Plan.
- 5) Requires the CTC to include in the needs assessment the costs to address climate change impacts to provide for system resiliency.
- 6) Authorizes the CTC to use exiting reports or analyses in developing the needs assessment.
- 7) Requires the CTC to consult with relevant stakeholders, including but not limited to, metropolitan planning organizations, county transportation commissions, regional transportation planning agencies, local governments, and transit operators in developing the needs assessment.
- 8) Requires the CTC to submit the needs assessment to the Legislature on or before January 1, 2024 and biennially thereafter, as specified.

COMMENTS:

- 1) *Purpose.* According to the author, “California’s transportation system, which includes roads, highways, transit, and bike and pedestrian facilities, is an essential part of our economic and societal infrastructure. Yet policymakers lack a comprehensive picture on the transportation funding needs, for both state and local facilities, and how those needs will be met. This bill addresses the problem by requiring the California Transportation Commission to do three things. First, develop a comprehensive assessment of how much we’ll need to maintain and construct that infrastructure. Second, estimate how much funding we expect to have. Third, if there’s a shortfall, recommend how to address it. With this information, policymakers, stakeholders and advocates can do a better job of planning for our future to create the transportation system that meets our needs.”
- 2) *What is a needs assessment and have we done this before?* A transportation infrastructure needs assessment provides an identification of our current transportation systems and assets, an estimate of the future costs to both maintain and expand the system, the current and projected funding available, and a discussion of possible strategies to meet the needs.

Although the federal government has been better at detailing transportation system wide needs on a more regular basis as part of their biennial the “Status of the Nation’s Highways, Bridges and Transit: Condition and Performance (CNP),” California has taken a look at the statewide transportation network and identifying needs.

In 1999, then Senate Pro-Tem John Burton, authored Senate Resolution (SR) 8, which called on the CTC, working with Caltrans, and regional transportation agencies, to produce a 10-year needs assessment of the state’s transportation system. The SR 8 report included unfunded rehabilitation and operations needs for highways, transit, rail, and ferries; a list of high-priority projects, that were expected to reduce congestion and provide economic and environmental benefits to the state; and workload projection and staffing estimates necessary for Caltrans to perform the project support work required.

The most recent statewide needs assessment was conducted by the CTC in 2011. At that time, the CTC noted that the goal of the report was to, “detail what is needed for California’s transportation system and how we can pay for it. The report, therefore, allows transportation agencies and stakeholder groups to provide a consistent message to decision makers on these important subjects.”

SB 1121 would continue this work. Specifically, the bill would require CTC, in consultation with Caltrans and relevant stakeholders, such as transportation planning agencies, local governments, and transit operators, to prepare a needs assessment of the costs to operate, maintain, and provide for the necessary future growth of the state and local transportation system for the next 10 years. Additionally, the bill requires the CTC to forecast the expected revenue, including federal, state, and local revenues, to pay for the cost identified in the needs assessment; any shortfall in revenue to cover the cost; and provide recommendations on how any shortfall should be addressed. The needs assessment would be due to the Legislature by January 1, 2024, and would then be required to be updated biennially.

The CTC would be required to look at both the state and local systems including, highways, bridges, and culverts; local streets and roads; bicycle and pedestrian facilities; and transit and rail systems, including operations. Additionally, for the first time in a statewide assessment, SB 1121 requires the CTC to include the costs to address climate change impacts to provide for system resiliency.

- 3) *Some are already studying the needs and identifying the funding gap.* SB 1121 allows the CTC to incorporate existing studies and reports into the statewide assessment. Many transportation stakeholders at the state, regional, and local level already have extensive data on the needs for maintenance and expansion. For example, in 2021, Caltrans released its State Highway System Management Plan (SHSMP), estimating that the cost to operate and maintain state highways for the next 10 years will be \$116.8 billion. Caltrans also estimates that only \$55.3 billion in funding will be available, leaving a deficit of \$61.5 billion. For the first time, Caltrans included needs identified to address statewide sea level rise impacts associated with climate change, which increased the funding needed by \$11.1 billion over 10 years. SB 1121 requires the CTC to include these costs as well.

Additionally, since 2008, the California State Association of Counties (CSAC) and the League of California Cities (League) have studied the condition and funding needs of the local system. Their most recent report, released in August 2021, found that it will cost \$118.7 billion over the next 10 years for local streets and roads to be maintained in a state of good repair. However, only \$54.7 billion will be available leaving a deficit of \$64 billion.

The state's transit and rail systems are more difficult to assess, with growing need for both capital and operations. The COVID-19 pandemic dramatically

affected ridership on the state's transit systems. With federal COVID-19 relief funding running out, many transit agencies could face operating deficits which could result in service cuts. For example, the Metropolitan Transportation Commission (MTC) estimates that beginning in 2023 Bay Area transit operators will have an average annual deficit of over \$500 million over the next five years. The southern California region has asked for an additional \$10 billion to support the operation of their transit systems.

- 4) *What's next?* SB 1 (Beall, Chapter 5, Statutes of 2017), the Road Repair and Accountability Act, was a landmark piece of legislation, providing over \$5 billion in new funding annually for all facets of the transportation network. However, as seen in the analyses by Caltrans and local governments, it is not enough to fully fund either a state of good repair or expansion of the system. As noted, SB 1121 requires CTC to complete its needs assessment by January 1, 2024, and biennially thereafter. Having a full assessment and understanding of the current state of California's transportation system, the funding needed to both maintain and expand the network; and the funding available to meet those needs is an important first step in discussing future priorities and resources.

Writing in support, Transportation California notes, "our industry views this forward thinking about Californian's transportation system needs as climate challenges continue and resiliency needs increase, mobility systems innovate, and the base systems ages, as critical to setting the stage to meet our state's future. We also strongly support the requirement for the commission to forecast anticipated revenues that would be available to meet the identified needs of the system and the means to address any shortfalls if identified."

RELATED/PREVIOUS LEGISLATION:

SB 1 (Beall, Chapter 5, Statutes of 2017) -- The Road Repair and Accountability Act of 2017, provides over \$5 billion annually for the state and local transportation systems.

AB 515 (Frazier, Chapter 314, Statutes of 2017) – Required Caltrans to prepare a State Highway System Management Plan (SHSMP), each odd numbered year, which consists of a 10-year state highway rehabilitation plan and a 5-year maintenance plan.

SR 8 (Burton of 1999) – Required the CTC, working with Caltrans and regional transportation planning agencies, to produce and submit to the Senate a 10-year needs assessment of the state's transportation system.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday,
April 13, 2022.)

SUPPORT:

Transportation California

OPPOSITION:

None received

-- END --

- 5) Requires each agency that serves a substantial number of non-English-speaking people who comprise five percent or more of the people served to develop an implementation plan, in every odd-numbered year, and to submit the implementation plan to CalHR for its review.

This bill:

- 1) Defines “underserved population” as a population that receives fewer services or less frequent services from the DMV than the average California population.
- 2) Defines “unserved population” as a population that has not received services from the DMV.
- 3) Requires that, on or before January 1, 2024, the DMV submit a report to the Legislature that includes specified information, including identifying unserved or underserved populations of Californians that currently receive services from the DMV at lower than average rates, including communities with members who primarily speak languages other than English, and Californians experiencing homelessness.
- 4) Specifies that the report to the Legislature includes all of the following information:
 - a) Identified unserved or underserved populations in California that currently receive services from the DMV at lower than average rates, including communities with members who primarily speak languages other than English and Californians experiencing homelessness.
 - b) Estimates of the number of Californians in these populations that are currently unserved or underserved by the DMV.
 - c) Strategies and procedures on how to effectively outreach and provide services to these targeted communities, including, but not limited to, both of the following:
 - i. Procedures on how to coordinate with community groups, local entities, continuum of care entities, nonprofit organizations, and any other entities identified by the DMV as representing an unserved or underserved population to serve these populations.
 - ii. Procedures to approve or deny community group requests for targeted outreach, including responding to all applications within 30 days.

- 5) Specifies that in developing the report, the DMV shall coordinate with community groups, local entities, continuum of care entities, nonprofit organizations, and any other entities that the department identifies as relevant to understanding the needs and barriers facing unserved and underserved communities.
- 6) Requires the DMV to develop strategies and procedures to effectively outreach and provide services to these targeted communities, including procedures on how to coordinate with community groups, local entities, and other entities to serve these populations.
- 7) Specifies that on or before June 1, 2024, the DMV shall implement the procedures specified in the report to solicit and respond to outreach requests from community groups, local entities, continuum of care entities, nonprofit organizations, and any other identified entities.

COMMENTS:

- 1) *Purpose.* According to the author, “The DMV provides essential services to Californians, such as furnishing valid government IDs that are used to lease apartments, sign kids up for school, apply for jobs, or to access programs like Medi-Cal, food stamps, or cash assistance programs. However, many Californians face barriers in accessing these services. The barriers to accessing these services are very diverse and include language barriers, illiteracy, incarceration status, or a lack of home address for people experiencing homelessness. SB 1233 recognizes the need to meet Californians where they are and incorporate flexibility and responsiveness in how DMV services are provided. SB 1233 requires the DMV to work with community groups and local entities to publish a report that will identify underserved groups and develop a protocol by which community groups or local entities can request targeted outreach services by the DMV. SB 1233 will ensure that critical services are more efficiently and effectively provided to all Californians.”
- 2) *The Dymally–Alatorre Bilingual Services Act.* The Dymally–Alatorre Bilingual Services Act (Act) of 1973 ensures that all residents, including those who are limited-English-proficient (LEP), have equal access to public services. State agencies involved in providing information or services to the public, where a substantial portion is LEP, must provide information and services to the public in the language of the LEP person if that group comprises five percent or more of the people served by any local office or facility of a state agency. The Act requires every state and local agency to have a sufficient number of qualified

bilingual staff and translated written materials so that the LEP population they serve are able to effectively access and communicate with government.

- 3) *What is the DMV doing now?* The DMV provides interpreters within their field offices at no cost to the customer. Appointments with an interpreter can be made online or by calling a helpline for virtually every language. However, it may take time for the DMV to contact an interpreter for certain languages. Similarly, the DMV website can be translated into over 100 languages via the translate option at the top of the webpage. The California Driver's Handbook is available in seven languages, including: English, Spanish, Armenian, Chinese, Hindi, Punjabi, and Vietnamese. A California Driver's license application is available in 10 languages, including: English, Spanish, Chinese, Hindi, Japanese, Khmer, Korean, Tagalog, Thai, and Vietnamese. The California Driver License knowledge exam is available in 36 languages: Amharic, Arabic, Armenian, Assyrian, Cantonese (audio), Chinese Traditional (written), Croatian, Dari, Farsi (Persian), French, German, Greek, Hebrew, Hindi, Hmong, Hungarian, Indonesian, Italian, Japanese, Khmer (Cambodian), Korean, Laotian, Mandarin (audio), Pashto, Polish, Portuguese, Punjabi, Romanian, Russian, Samoan, Tagalog, Thai, Tongan, Turkish, Urdu, and Vietnamese. Many other states only offer their Driver's License Exams in English and do not have interpreter services.
- 4) *A real-life example.* The City of Long Beach has the most significant and oldest Cambodian, Khmer-speaking community in the United States, with over 20,000 Cambodian or Cambodian-ancestry people.¹ Conversely, the DMV data shows that only 0.66% of the individuals served at the Long Beach DMV field site are classified as primary Khmer speakers. Although Long Beach has the most prominent Cambodian and Khmer-speaking community, they do not reach the five percent threshold stipulated under the Act to require the DMV to provide language services to this community. As a result, Khmer is not one of the languages offered for interpreter services in the City of Long Beach. The DMV webpage can be translated into Khmer using google translate; however, this option is often insufficient for real communication. As California has over 200 languages spoken in the state, this is not an isolated issue.
- 5) *Implementation.* SB 1233 may be difficult to implement. SB 1233 requires the DMV to effectively outreach and provide services to these unserved or underserved populations. The bill provides definitions for the populations but it is unclear what outreach and servicing would include. Currently, the DMV does not maintain information regarding their customer's race, ethnicity, or

¹ <https://www.respectability.org/2017/09/how-and-why-did-cambodians-settle-in-long-beach-california/>

language preferences because it is not necessary for them to provide services. SB 1233 would require outreach in a way that the DMV is not currently required or prepared to do. Perhaps the bigger question is whether or not the Act is doing enough for the California melting pot.

RELATED LEGISLATION:

SB 2253 (Ting, Chapter 469, Statutes of 2014) — this bill made substantive and clarifying changes to the Dymally-Alatorre Bilingual Services Act.

AB 305 (Furutani, 2011) — this bill would have increase the reporting requirements in the Dymally-Alatorre Bilingual Services Act. *This bill died in the Assembly Appropriations Committee.*

SB 987 (Escutia, 2002) — this bill would have expanded the State Personnel Board's authority to ensure compliance with Dymally-Alatorre and would have expanded reporting requirements. *This bill was vetoed due to costs.*

AB 763 (Shelley, 2001) — this bill would have required that information and materials provided over the Internet explaining services available from a state agency be translated into any non-English language spoken by a substantial number of people served by the agency. *This bill died.*

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

Khmer Girls in Action
Mixteco Indigena Community Organizing Project (MICOP)

OPPOSITION:

None received.

SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No: SB 1251 **Hearing Date:** 4/19/2022
Author: Gonzalez
Version: 3/29/2022
Urgency: No **Fiscal:** Yes
Consultant: Randy Chinn

SUBJECT: Office of the Zero-Emission Vehicle Equity Advocate

DIGEST: This bill establishes the Office of the Zero-Emission Vehicle Equity Advocate to steer the development of a shared, cross-agency definition of equity, set an equity agenda for the deployment of zero-emission vehicles, the supporting infrastructure, and workforce development, and publish progress updates, as specified.

ANALYSIS:

Existing law:

- 1) Designates the California Air Resources Board (ARB) as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases (GHGs) and requires ARB to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
- 2) Designates the California Energy Commission (CEC) as the state agency charged with administering the Alternative and Renewable Fuels and Vehicle Technology Program (now known as the Clean Transportation Program, or CTP), to develop and deploy technologies and alternative and renewable fuels to help attain the state’s climate change policies.
- 3) Executive Order N-79-20 sets a goal that 100 percent of new passenger cars and trucks sold in California be zero emission vehicles (ZEVs) by 2035; and, sets a goal that 100 percent of medium- and heavy-duty vehicles in the state be zero-emission for all operations where feasible.
- 4) Establishes several programs to support the purchase of light-duty ZEVs and near-ZEVs including the Clean Vehicle Rebate Program, the Clean Fuel

Rewards Program, the Low Carbon Fuel Standard, the Advanced Clean Car Regulations, and Clean Cars for All.

This bill:

- 1) Establishes the Office of the Zero Emission Vehicle Equity Advocate (ZEV Advocate), within the Governor's office and under the authority of an executive director, to steer the development of a shared, cross-agency definition of equity, and set an equity agenda for the deployment of light-, medium-, and heavy-duty ZEVs, the supporting infrastructure, and workforce development.
- 2) Requires the ZEV Advocate to serve as a point of contact for stakeholders to provide concerns and suggestions related to the state's progress in equitably achieving the state's ZEV deployment goals.
- 3) Requires the ZEV Advocate to provide information and propose policy and procedural changes to relevant state agencies, including, but not limited to, the ARB, CEC, the State Transportation Agency (CalSTA), the California Transportation Commission (Transportation Commission), and the Governor's Office of Business and Economic Development (GO-Biz), as needed, to ensure consistency among equity definitions, criteria, and targets utilized in the state's ZEV and infrastructure programs and to ensure best practices related to equity are incorporated into a state planning for ZEV deployment, funding, and program design.
- 4) In order to facilitate alignment of equity goals, authorizes the ZEV Advocate to convene meetings or task forces, or both, between state agencies, local government, utilities, labor, or private sector actors key to advancing zero-emission transportation goals, or any combination of these entities.
- 5) Requires the ZEV Advocate to provide guidance to state agencies by developing and adopting an equity action plan to advance equity in access to ZEVs, infrastructure, and ZEV transportation options in low-income and disadvantaged communities as well as to advance equity by reducing pollution driven by the transportation sector and related industries in low-income and disadvantaged communities and by supporting an equitable ZEV industry and workforce.
- 6) Requires the equity action plan to include all of the following:
 - a) Guidance on the design and implementation of state funding programs with the aim of ensuring that programs are designed so that funding is

allocated to most effectively advance an equitable deployment of ZEVs, as specified.

- b) Recommendations on funding criteria to be applied to all relevant state agencies to prioritize an equitable advancement of ZEVs, as specified.
 - c) Propose additional financing tools and policy needs to address community-based transit and transportation solutions that address key gaps and obstacles.
 - d) Develop and set milestones for equity for intervening years on the path toward goals for 2035 and beyond.
- 7) Requires the ZEV Advocate to assess progress towards the equity action plan and publish an update of the progress on each of the activities described by this bill on its internet website on or before January 1, 2025, and every two years thereafter, and notify the relevant policy committees of the Legislature of the information provided in that update.
- 8) Requires the update to include, but not be limited to, metrics tracking all of the following:
- a) State funding spent toward the deployment of ZEV ownership and supporting infrastructure in emissions-overburdened communities and disadvantaged and low-income communities, and the number and type of vehicles or charging infrastructure deployed with this funding.
 - b) State funding for multiyear projects that advance deployment of ZEVs in communities identified as disadvantaged communities prioritized by severity of air pollution from mobile sources, lack of charging infrastructure and electric vehicles, and transportation or transit deserts.
 - c) Progress towards equity milestones as set in the equity action plan.
- 9) Requires the ZEV Advocate, in developing the equity action plan, to coordinate with community organizations, local entities, state agencies, and other private and public stakeholders to steer for an equitable zero-emission vehicle deployment.
- 10) Sunsets on January 1, 2028.

COMMENTS:

- 1) *Author's Statement.* “Currently, the majority of Zero Emission Vehicles (ZEVs) belong to wealthier, white Californians living in areas with only moderate or low levels of air pollution. At the same time, low-income, predominantly Black and Brown communities are the most likely to suffer from air pollution, and so have the biggest need for non-polluting ZEVs. As California works to reach its ambitious ZEV goals and moves to invest billions of dollars to accelerate ZEV deployment, it is essential to address these equity gaps. By creating a Zero-Emission Equity Advocate, SB 1251 will ensure there is an explicit plan and standard for prioritizing equity in ZEV deployment, will align equity efforts across State agencies, and will create a direct, streamlined path for community groups to provide feedback to state agencies in steering and developing a ZEV future that is accessible to all Californians.”

- 2) *Widening the Focus.* Most ZEV programs have been utilized by wealthier individuals, understandable when most ZEVs cost upwards of \$60,000. But with prices for some new ZEV's declining over the last several years to below \$30,000 before rebates, and prices for a growing used ZEV market much lower, ZEVs have become much more affordable for lower- and middle-income households. As ZEV technology has made headway into other markets (e.g. heavy duty vehicles, trains, power generation), new opportunities arise for deploying the technology in a way which benefits disadvantaged communities. It may be an appropriate time to more explicitly consider equity in our ZEV policies.

Currently GO-Biz is coordinating the state's ZEV efforts among the 29 different state departments and agencies that they have identified as having a role in ZEV deployment. Their efforts have resulted in the California Zero-Emission Vehicle Market Development Strategy.¹ In it they recognize that the state needs to focus on equity, pledging to keep equity foremost in their decision-making:

“The people suffering the impacts of social, economic, and environmental burdens are also those closest to the solutions. Continual, meaningful engagement and capacity building within priority communities is key to ensuring that the ZEV market provides direct and assured benefits to those most impacted by poor air quality and lack of access to clean mobility and high-road jobs. We actively look for opportunities to implement community-

¹ <https://business.ca.gov/industries/zero-emission-vehicles/zev-strategy/>

led ideas and share decision-making power; each decision or action should incorporate priority communities' ideas and direct feedback.²"

- 3) *Establishing Consistency.* California's many ZEV programs have different beginnings, goals, and administrators. Some focus on vehicles, others on infrastructure. Their impact on disadvantaged communities differs widely. For some it is direct, such as providing lower-income customers with larger incentives for purchasing EVs. For other it is indirect, such as replacing diesel drayage trucks so that the air pollution in the nearby communities is reduced. This bill is intended to provide an ongoing voice and consistent perspective on equity issues as our ZEV programs are considered and implemented.
- 4) *A Voice.* This bill gives the ZEV Advocate a voice to make suggestions and recommendations, and to convene parties for consultation. It does not give the ZEV Advocate the power to decide policy issues. Those decisions remain at the agency or department that has the authority today. The bill also gives the ZEV Advocate the responsibility of developing an equity action plan and to assess how well the state has done. This assessment role will establish some accountability for the various state ZEV program administrators and provide the Legislature with insight, which will help shape future funding and policy decisions.
- 5) *More Coordination.* Because California's ZEV programs are administered and directly impacted by 29 agencies and departments, coordination is complicated and fraught. Ensuring consistency of goals, leveraging synergies, coordinating efforts and avoiding duplication and working cross-purposes are issues not just for equity but also for the entire ZEV deployment effort. Given how critical successful ZEV deployment is to meeting the state's GHG reduction goals and, more importantly, to encouraging other jurisdictions to follow California's lead, **the author may wish to consider whether a broader mandate for the ZEV Advocate is appropriate.**
- 6) *Double Referral.* This bill was heard by the Governmental Organization Committee and approved 9-4 on April 5.

RELATED LEGISLATION:

SB 551 (Stern, 2021) -- Establishes the California Zero-Emission Vehicle (ZEV) Authority within the Governor's Office of Business and Economic Development. *This bill is pending in the Assembly.*

² California Zero-Emission Vehicle Market Development Strategy, p 12.

SB 350 (De León, Chapter 547, Statutes of 2015) directs CARB to conduct a study on the barriers for low-income Californians to access clean transportation options, including those in disadvantaged communities.

SB 1275 (De León, Chapter 530, Statutes of 2014) requires CARB to develop a plan to achieve California's then-goal of getting 1 million ZEVs on the road by 2023, while ensuring that low-income/disadvantaged communities benefit from that transition.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

Auto Club of Southern California (AAA)
Automotus INC
California Municipal Utilities Association
Cleantech San Diego
Communities for A Better Environment
Environmental Defense Fund
Fresno Metro Black Chamber of Commerce
Greenlatinos
The Climate Center

OPPOSITION:

None received.

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SENATE COMMITTEE ON TRANSPORTATION
Senator Lena Gonzalez, Chair
2021 - 2022 Regular

Bill No:	SB 1398	Hearing Date:	4/19/2022
Author:	Gonzalez		
Version:	3/14/2022		
Urgency:	No	Fiscal:	Yes
Consultant:	Randy Chinn		

SUBJECT: Vehicles: consumer notices

DIGEST: This bill requires certain disclosures by manufacturers and dealers of new vehicles regarding the capabilities of semiautonomous driver assistance features and prohibits the misleading marketing of such features.

ANALYSIS:

Existing law:

- 1) Defines a vehicle as “a device by which any person or property may be propelled, moved, or drawn upon a highway, excepting a device moved exclusively by human power or used exclusively upon stationary rails or tracks.”
- 2) Provides numerous rules governing the operation of vehicles on the state’s public and private roads but does not, however, require that a person drive the vehicle.
- 3) Requires that vehicles operating on public roads be registered with the Department of Motor Vehicles (DMV).
- 4) Prohibits vehicle manufacturers and dealers from false or misleading advertising (Vehicle Code §11713)
- 5) DMV regulations prohibit the false or misleading advertising of a technology as autonomous (13 CCR 228.28).

This bill:

- 1) Prohibits auto dealers and manufacturers from selling any new passenger vehicle with any semiautonomous driver assistance feature, or providing any software update that adds any semiautonomous driver assistance feature, without providing the buyer with a notice that clearly describes the functions and limitations of any such feature.
- 2) Prohibits auto dealers and manufacturers from naming or marketing any semiautonomous driver assistance feature using language that implies that the vehicle can function as an autonomous vehicle.
- 3) Defines “semiautonomous driver assistance feature” as a vehicle feature that enhances safety or provides driver assistance but is not capable of driving the vehicle without the active control or monitoring of a human operator. These features include, but are not limited to, monitored autopilot systems, electronic blind spot monitoring, automated emergency braking, adaptive cruise control, parking and lane keeping assist, lane departure warning, and traffic jam and queuing assist.

COMMENTS:

- 1) *Author’s statement.* “Senate Bill (SB) 1398 increases consumer safety by requiring dealers and manufacturers that sell new passenger vehicles equipped with a semiautonomous driving assistance feature or provides any software update or vehicle upgrade that adds a semiautonomous driver assistance feature to give a clear description of the functions and limitations of those features. Further, SB 1398 prohibits a manufacturer or dealer from deceptively naming, referring to, or marketing these features.”
- 2) *A Longer Ride than Expected.* The bold predictions made in the middle of the last decade for rapid deployment of autonomous vehicles has given way to the reality that autonomy is hard. While a few companies seem on the verge of launching self-driving autonomous vehicles in limited circumstances, a fully self-driving car is not available today. Yet the road to autonomy has resulted in remarkable progress in developing useful driver assistance features that perform some of the driving tasks. Cruise control, which adjusts to the speed of the vehicle ahead, is widespread; autonomous steering is available on some models, as is self-parking. But at this point, all of these features requires the presence and attention of a human driver for the vehicle to be operated safely. Unfortunately, a quick YouTube search shows that some drivers misuse these

advanced features (e.g. vehicles traveling at freeway speed while the “driver” is asleep, or even sitting in the back seat), putting much greater faith in the technology than is warranted and endangering the public.

- 3) *No Self-Inflicted Wounds.* In addition to cutting-edge technical expertise, the development of autonomous vehicles also requires government approval at the federal and state level. Such approvals have come very deliberately— and California has been more deliberate than most -- as the public’s fears of autonomous vehicles must be addressed. The industry has, for the most part, also been conservative in deploying the technology as they recognize that crashes of autonomous vehicles will delay government approval and jeopardize public acceptance. By requiring clear disclosures and prohibiting misleading marketing, this bill supports the progress of the autonomous vehicle industry. While it will not stop the irresponsible behavior of drivers who intentionally misuse the technology, it is intended to thwart its unintentional misuse.
- 4) *Enforcement.* Under current law, the DMV is responsible for ensuring that automotive advertising isn’t false or misleading. Its regulation specifically recognize that advertising a vehicle as autonomous when it is not is misleading. The DMV is currently considering whether recent marketing by an automobile manufacturer violates that regulation. This bill goes a bit farther by requiring disclosures of the capabilities of semiautonomous features and prohibiting the misleading advertising of semiautonomous features. The DMV has the authority to suspend or revoke a manufacturer’s or dealer’s license for false advertising violations, though typically violations are settled with fines.
- 5) *Say What?* The bill requires both manufacturers and dealers to provide a notice that discloses the functions and limitations of the semiautonomous driver assistance features of new cars. More specificity may be needed to clarify the form of such a notice. Is it simply a check-off for the owner to review the owner’s manual, or is a more thorough communication required? Will the DMV be required to review the owner’s manual to ensure that it provides adequate disclosures? Do dealers have a safe harbor if they rely on the manufacturer for the necessary disclosures, or do dealers have a separate obligation to ensure proper disclosure? These implementation questions should be considered as the bill advances.
- 6) *Double Referral.* This bill has been double referred to the Judiciary Committee.

RELATED LEGISLATION:

SB 1298 (Padilla; Chapter 570 of 2012) – Establishes the basic framework and definitions for authorizing the use of autonomous vehicles.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

Unknown

POSITIONS: (Communicated to the committee before noon on Wednesday, April 13, 2022.)

SUPPORT:

AAA Northern California, Nevada & Utah
Auto Club of Southern California (AAA)
Consumer Federation of California

OPPOSITION:

None received.

-- END --