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LA pushing to become nation's mass transit leader

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LOS ANGELES -- The region famous for jilting the street car to take up a love affair with the automobile is trying to rekindle its long ago romance with commuter rail.

If successful, the novel plan to borrow billions from the federal government, led by Los Angeles Mayor Antonio Villaraigosa, would result in the largest transit expansion project in the nation.

Los Angeles County voters agreed two years ago to pay a half-cent sales tax over the next 30 years to extend train and rapid bus lines, projects that would routinely require federal assistance.

But the mayor, who sits on a county transportation board, wants a loan instead of Washington handouts to get the projects built in a decade rather than 30 years. He contends it would save money in the long run, result in more construction jobs and less traffic and pollution.

If the approach works, it could set a precedent for cities and states across the country considering major rail and road improvements.

"We can't wait because traffic is unbelievable and the environmental problem is too severe," said Denny Zane, who is building a coalition of business, labor and environmental groups pushing for the plan. "The need for jobs and economic development is also very severe."

In the first half of the 20th century the Los Angeles region boasted an extensive system of streetcars and high-speed electric railways including the famed Red Cars. After World War II, Southern California began abandoning those systems in favor of personal automobiles and freeways, leaving mass transit to buses.

Now, with gridlock commonplace, the focus is back on high-capacity transit systems - light rail, interurban heavy rail, dedicated busways - to catch up with the transportation demands of millions of people.

But with federal and state transportation funds dwindling due to a reduction in gas tax revenue, experts say the time is right to test innovative ideas in transportation financing.

"The national government should help cities that are helping themselves and take advantage of these bold plans to transform how these places operate and function," said Robert Puentes, a fellow at the Brookings Institution's Metropolitan Policy Program.

Under the so-called 30/10 initiative, the sales tax would generate about \$5.8 billion over the next 10 years to pay for a dozen projects.

Local transportation officials said another \$8.8 billion is needed to pay for the estimated \$14.6 billion total cost. By using the future sales tax revenue as collateral for long-term bonds and a low-interest federal loan, the county Metropolitan Transportation Authority could put these projects on the fast track. The county would repay the federal loan over 20 years with proceeds from the sales tax.

The projects include a long-awaited subway extension to the economically vibrant west side of Los Angeles (a plan often called the Subway to the Sea), a regional connector linking three rail lines in the downtown core, plus light rail extensions reaching Los Angeles International Airport and communities to the south and east. In all, completion of these projects would add 78 miles of rail and bus-only lanes to the current, 102-mile system and 77 million annual transit boardings to the MTA's current 445 million.

Because there is no existing federal funding program for the grand scale of projects Los Angeles County wants to get going at once, officials are seeking a combination of loans, grants and bonds that would require congressional approval.

The effort is picking up some momentum.

U.S. Transportation Secretary Ray LaHood said in a June letter that the 30/10 model "has the potential to transform the way we invest in transportation projects across the nation." In another nod to the plan, the Federal Transit Administration agreed to evaluate the Subway to the Sea for federal funding in its entirety instead of in three segments, giving the project an edge when it competes for grants from the agency.

"It's a good and healthy indicator of government support for the project," said Raffi Haig Hamparian, government relations manager at the MTA.

The region has had past successes in getting federal investments in massive transportation projects. The effort to obtain a \$400 million federal loan for a \$2.4 billion dedicated railway linking the ports of Long Beach and Los Angeles with transcontinental railyards laid the groundworks for a 1998 federal credit program for significant transportation projects.

One transportation expert said the decision to incur debt over 30 years comes with inherent risks.

"Cost overruns will cost us more than we estimate now, and give us a certain amount of financial risks in the future," said Martin Wachs of the Rand Corp. think tank.

However, he said the benefits of accelerating the projects outweigh the negatives.

Transit agencies struggling for a bigger share of federal and state funds are paying attention.

The Regional Transportation Authority of Chicago faces funding shortages that restrict spending on maintaining and upgrading the system to \$2.7 billion over five years, said director Steve Schlickman. Chicago operates the nation's second largest transit system.

"Hopefully other metropolitan areas will wake up and realize that virtually every major city in this country is underinvesting in their infrastructure," Schlickman said. "We can't rely on the federal government, we have to rely on all levels of government."

Villaraigosa said his staff has had discussions with officials from Houston, Chicago, New York and other cities interested in the 30/10 model to build their transportation projects faster.

"There's a lot of national interest because everybody's going to Washington knocking on doors and nobody's answering," the mayor said. "They're realizing that the best way to get those doors open is to leverage the little federal money that there is with local money."

Wachs said there isn't enough money to go around for every city lining up for federal funds to improve transportation systems, but those that are willing to put up their own money should get priority.

"They should have first dibs because their voters have been willing to tax themselves to get these important programs started, the national government should notice that," he said.