

SB 9 (Beall)
Transit and Intercity Rail Capital Program
Fact Sheet

ISSUE

Transportation funding available under the State's Transit and Intercity Rail Capital Program should be invested in projects that maximize reductions in greenhouse gas (GHG) emissions to ensure California meets its climate goals set forth by AB 32.

BACKGROUND

The California Global Warming Solutions Act of 2006 (AB 32) authorizes the California Air Resources Board to create a market mechanism to help reach the state's GHG emissions reduction goals as stated in AB 32.

With this authorization, CARB created the cap-and-trade auction revenue program. In this program, CARB auctions off emission credits to covered entities that must comply with a cap on GHG emissions. California receives the revenue derived from the auctions, and is directed to spend these funds on GHG emission reduction projects.

Last year, SB 862, established the Transit and Intercity Rail Capital Program (TIRCP) to be administered by the California State Transit Agency (CalSTA). This competitive program was created within the Cap and Trade framework to fund transit projects, which are critical to reaching California's environmental and economic goals for the future.

THIS BILL

SB 9 seeks to address a major issue facing the legislature this year - how to ensure CalSTA effectively grants funding to transportation projects that will result in significant reductions of GHG emissions.

More specifically, this bill addresses this question by doing the following:

- Models the TIRCP after the federal New Starts/Small Starts Program establishing categories for both large and small projects, but focusing the program on transformative projects that will reduce greenhouse gas emissions.
- Adds co-benefits and other factors that CalSTA must consider when evaluating grant applications.
- Specifies that a project sponsor can submit a grant application to fund a project over

multiple fiscal years, and that CalSTA can make multi-year funding commitments for such projects.

- Clarifies that funding from this program can be used for project development work, as well as for construction.
- Requires CalSTA to do a multi-year programming process and authorizes CalSTA to enter into multi-year funding agreements with project sponsors.
- Allows for the use of Letters of No Prejudice (LONPs) so that project sponsors can advance their projects with local money and then get reimbursed with state dollars when they become available, which is a common industry tool used at both the federal and state levels.

SB 9 will ensure that Cap and Trade funding is invested responsibly in projects that maximize GHG reductions and meet the goals of AB 32.

STATUS/VOTES

Senate Committee on Environmental Quality (7-0)
Senate Committee on Transportation and Housing (10-0)
Senate Committee on Appropriations (7-0)

SUPPORT

City of San Jose
International Longshore & Warehouse Union
Northern California Carpenters Regional Council
San Francisco Bay Area Water Emergency
Transportation Authority
Santa Clara County Board of Supervisors
Santa Clara Valley Transportation Authority
Silicon Valley Leadership Group

FOR MORE INFORMATION

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