



February 25, 2025

Metropolitan Transportation Commission
375 Beale Street
San Francisco, CA 94105

RE: Item 12b. Transportation Revenue Measure Principles

Dear Commissioners,

The Bay Area Council has been working to improve our region's public transit system since our founding nearly 80 years ago, and we maintain our commitment to building a world class transit system in the region today. We have led or partnered on every funding measure to support regional transit over the past several decades. We are proud that we successfully fought for nearly \$4 billion of federal COVID relief funds to stabilize public transit operations during the pandemic, and then an additional \$1.2 billion of state budget funds in 2023 to give Bay Area transit agencies time to adjust to the new reality facing our region. We are currently supporting another state budget ask to ensure that services are not severely disrupted as we work toward a future transportation revenue measure to sustain public transit systems going forward. We understand the financial constraints particularly our largest transit agencies face, and we profoundly want public transit to succeed and thrive.

Yet now we are all grappling with the uncertainty about how to fund a thriving system: new federal and state funding will be very difficult to secure and voter attitudes on additional tax increases are very grim. Your polling clearly indicates that there is high tax sensitivity and a narrow path to securing voter approval for a future transit funding measure. The primary reasons voters would oppose a measure, beyond general concern for high cost of living, all revolve around a deep distrust in how our public transit agencies would use the funds and a belief that there are existing funds available that could be used more efficiently.

In order to restore voter confidence in public transit systems, we must require public transit agencies to provide a better, safer, cleaner, and more coordinated rider experience, and they must take the difficult steps to identify opportunities to cut costs. Transit shortfalls have existed long before the pandemic, and we need to better understand what is driving costs so we can right size budgets and adjust to post-pandemic revenue realities. We must show voters that we can deliver a better experience at a lower cost if we have any hope of passing a measure. That is why it is so important that you have included "meaningful accountability provisions" as a key principle of a future funding measure.

Fortunately, there is a solution to address voter distrust around financial efficiency of transit operations: we must embark on a meaningful efficiency review of Bay Area transit operators to identify areas to cut costs while also maintaining and improving service. Other regions of the country have made progress in addressing this challenge and we hope to replicate their success here in the Bay Area. In 2023, as New Jersey Transit (NJ Transit) was facing a nearly \$1 billion fiscal cliff, NJDOT announced a plan to cover the deficit through a combination of fare hikes, raising new revenues, and cutting costs. Governor Phil Murphy ordered through administrative action a Transit Feasibility Study of the NJ Transit system to identify at least \$325



million in budget cuts (about 10 percent of the agency's total budget of \$3 billion) and propose how to expand and improve service. The results of that New Jersey analysis will be forthcoming, and we can learn from this third-party consultant how to adjust service to meet the needs of riders while also driving down costs for taxpayers. Similarly, Washington DC Metro announced this month that it achieved \$500 million of savings over the past two years while ridership, revenue, and customer satisfaction grew. Clearly it can be done, and we must do this efficiency review in the Bay Area if we have any hope of passing a measure and sustaining our systems going forward.

Moreover, this is a prime opportunity to analyze how integrating new transportation technologies and services can help reduce costs while also improving service for customers. We are proud that the Bay Area is home to the world's greatest transportation innovations, and we should be harnessing these improvements to improve mobility, access, and the customer experience of our region's public transportation system. We have already seen examples of Contra Costa Transportation Authority and the San Jose Department of Transportation using autonomous shuttles to fill gaps in our region's transit systems and bring down operating costs, and Uber and Lyft have partnered with the Massachusetts Bay Transportation Authority (MBTA) to provide paratransit services in Boston that increased the number of rides by 28 percent while the MBTA reduced its operating costs by 6 percent. These are just a few examples of efficiency gains that can be achieved with the integration of new technologies. We can provide a better service to transit riders at a lower cost, we just need to reimagine how we are doing business and an efficiency review is the first step in that direction.

We are prepared to support a measure that has a viable path to success on the condition that a financial efficiency review is conducted of Bay Area transit agencies to identify how they can reduce costs while improving service for riders. Your recent poll indicates that voters will reasonably support a 4-county sales tax measure over 10 years if they can overcome the distrust in how public transit agencies are using taxpayers' funds. This efficiency review will rebuild public confidence in the agencies and ensure that every dollar is spent efficiently as we transition to a longer-term lower revenue environment. The Bay Area Council – and the voters – will require that the efficiency recommendations be implemented within the agencies prior to distributing the funds of a future measure. This is your chance to rebuild public confidence in public transit systems and set them on a path of a more sustainable transit operating model going forward.

Sincerely,

A handwritten signature in blue ink that reads "Jim Wunderman".

Jim Wunderman
President & CEO
Bay Area Council

CC: Senator Scott Wiener
Senator Jesse Arreguin