REPORT

DATE: April 19, 2004

TO: The Energy & Environment Committee
The Transportation & Communications Committee

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SUBJECT: AB 2628 (Pavley) High Occupancy Vehicle Lanes

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION: Information/Discussion.

SUMMARY:

AB 2628 allows advanced technology Partial Zero-Emission Vehicles (PZEV or "hybrid" vehicles) to use high occupancy vehicle lanes (HOV) regardless of existing required vehicle occupancy levels. Current law, AB 71 (Cunneen), Chapter 330, Statutes of 1999 extends the privilege of HOV lane use to battery electric and compressed natural gas vehicles (Ulta-Low Emission Vehicles or Super-Ultra Low Emission Vehicles). AB 2628 would further extend that privilege to hybrid vehicles.

BACKGROUND:

The declared legislative intent in establishing HOV lanes or rideshare lanes is to relieve traffic congestion, conserve fuel and reduce vehicular emissions. These lanes are an integral part of traffic management strategies designed to reduce the number of single occupant vehicles during peak periods of traffic congestion and to provide an incentive for travelers in the form of higher average speeds and reduced travel times.

Over the years advocates for many groups have suggested using HOV lane access to reward certain behaviors or to ease the commute for one class of users or another including doctors, seniors, veterans, the disabled, deadheading transit vehicles and others. These proposals have all been rejected.

Beginning in 1999 the Legislature through AB 71 granted HOV lane access drivers of ultra-low emission vehicles (battery-powered and compressed natural gas vehicles). At that time the proponents of AB 71 argued that the bill would induce purchase of alternative fueled vehicles as specified in the bill without negatively affecting the times savings benefit afforded to multi-occupant HOV lane users.

AB 2628 allows PZEV or "hybrid" vehicles to use high occupancy vehicle lanes (HOV) regardless of required vehicle occupancy levels and directs the DMV to issue a qualifying decal for HOV lane use if:

- the vehicle meets California's PZEV standards for criteria pollutant emissions and achieve fuel economy of at least 45 mpg
- are hybrid vehicles produced in 2004 or earlier, have a 45 mpg or greater, and meet California ULEV, SULEV or PZEV standard for exhaust emissions

- the federal government acts to approve the use of HOV lanes by hybrid vehicles regardless of the number of occupants (provision exists to grant California a waiver to allow hybrids to use HOV lanes in the Administrations federal transportation reauthorization proposal)

- Caltrans is allowed to suspend HOV lane privileges for these vehicles on any particular HOV lane if it finds that the lane, or any portion of it, exceeds certain congestion thresholds; and,

- if Caltrans determines that following the issuance of at least 50,000 decals, that significant HOV lane breakdown (undefined) has occurred throughout the state, DMV would be required to stop issuing the decals.

AB 2628 (Pavley) - Discussion of Pro and Con Arguments

Pro Arguments	Con Arguments
1. transition to alternative fuels - provides additional purchase incentive for 50,000 new, near PZEV hybrid vehicles	1. no clear evidence that a previous bill, AB 71 (1999) that allows electric and CNG vehicles access to HOV Lanes resulted in increased sales; JD Powers reports that back-orders for hybrids is strong and exceeds supply – no need to provide additional incentives
2. fuel economy - rewards owners of fuel efficient hybrids	2. discriminates against other technologies that attain at least 45 mpg
3. congestion relief - N/A	3. bill makes no assessment of current and forecast HOV lane usage statewide or in the SCAG region in order to estimate the operational practicability of the bills' provisions SCAG staff estimates that if 60% or 30,000 of the estimated 50,000 hybrids are purchased in southern California, these vehicles could contribute a 10% increase in SOV use of HOV Lanes in the SCAG region; and, depending upon the specific corridor involved, either exacerbate an already congested peak commuting period or result in degrading the time savings enjoyed by HOV lane ridesharers
4. identifying decals – DMV will issue 50,000 decals that set hybrid apart from other vehicles; decals allow access to HOV lanes	4. bill does not specify how Caltrans would suspend hybrid vehicle use of HOV lanes once an HOV lane segment "breaks-down"
5. revenue enhanced transportation projects – N/A	5. potential financial impacts result if hybrid is allowed free use of existing/proposed user-fee backed HOV lane toll facilities; that practice may render revenue generating projects financially non-viable
6. sunset date - 2008	6. bill lacks assessment of current and forecast HOV lane usage statewide or in the SCAG region in order to estimate the operational practicability of the bills' provisions, including sunset date

SUPPORT:

Treasurer Phil Angelides (sponsor)

California Environmental Protection Agency (sponsor)

CALTRANS

Global Green USA

Natural Resources Defense Council

OPPOSE:

Alameda County Congestion Management Agency
CALCOG

BILL STATUS:

AB 2628 has been referred to the Assembly Committee on Appropriations

FISCAL IMPACT:

All work related to adopting the recommended staff action is contained within the adopted FY 03/04 budget and adopted 2004 SCAG Legislative Program and does not require the allocation of any additional financial resources.

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