



METROPOLITAN  
TRANSPORTATION  
COMMISSION

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September 16, 2024

Dear Select Committee Members,

As you know, earlier this year, Senator Wiener and Senator Wahab chose to pause their efforts to advance SB 1031 and, at that time, called upon MTC to work through the summer and fall to seek a consensus on authorizing legislation with broad enough regional support to pass the Legislature in 2025 and pave the way for a successful ballot measure in 2026.

Throughout this process, the Commission has sought perspectives from the widest possible cross section of the Bay Area because the post-pandemic challenge we are facing impacts everyone in the Bay Area in one way or another.

It's been my honor to be appointed Chair of this process, and I want to thank the Select Committee members for the time you've invested, contributing your expertise and insights to many long and difficult conversations these last three months. I would also like to thank the members of the Executive Group for their service.

A consistent theme I've heard again and again while meeting with leaders throughout the Bay Area is that this is a challenge that must be addressed or the repercussions across the Bay Area will be truly consequential, affecting everyone but especially those in our community who rely on public transit every day for their basic mobility, harming the region's economic engine as a provider of high paying jobs, and negatively impacting the Bay Area's well regarded quality of life.

Our next two meetings are critical. MTC and many other public agencies will begin finalizing their 2025 legislative priorities in November, so we must stay on schedule to finish our work in October. Our goals include bringing as many customers back as possible by creating better, more customer-focused transit service throughout the Bay Area with a Transit Transformation program while at the same moment addressing the very serious funding challenges that the pandemic has wrought.

BART is by far the Bay Area's most important multi-county regional transit system, and the magnitude of the funding challenge is in the five counties served by BART. I must remind my fellow Committee members that BART has been able to benefit each and every local transit operator within the Bay Area since its 1972 opening with a high farebox revenue business model. And, for over 50 years, that model created a foundation that every Bay Area public transit operator relied upon and benefited from where almost every transit allocation decision at every level of government from federal, state, regional and local was made with the assumption that BART's high farebox would last forever. But that business model ended in March of 2020.

Of course, BART is not alone in needing significantly more taxpayer subsidy to keep a basic level of service. We must come together to address a post-pandemic transit landscape in which over \$500 million dollars in annual fare revenue is simply gone for the foreseeable future. We

also need to recognize that transportation is less of a top priority among Bay Area voters or businesses now that so many have flexibility to work remotely, and we need to not lose sight of the difficulty of the challenges before us.

The recommendation of this Committee will not be the end of this process, but it is a crucial first step in what will be a long journey to address transit funding shortfalls. Much could change between now and November 2026 and it is important that we submit to the legislature a proposal for a measure that both addresses the shortfall and helps implement transit transformation, and that this be a measure voters will support. As we build the consensus we were tasked to find, be assured that each committee member will have the opportunity to offer a minority position statement that will be submitted along with our recommendation.

Lastly, during the countless meetings I've had over the past few months with many, many people, I've tried to stress what an exceptionally difficult moment this is. Even if we succeed and obtain voter approval for significant additional revenues, we must *also* accept that we are in a new post-pandemic era for public transit, entirely different from the one all of us have understood and worked under for the past 50 years. Our task isn't just to "plug a hole" and carry on like before. The pandemic has hit a reset, forcing us to rethink our old assumptions, embrace transformation and truly collaborate if we want a viable Bay Area public transit system in our future. I challenge us to continue to be open to collective solutions – knowing that the Bay Area's future will be brighter if we find common ground.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Spering", written in a cursive style.

Jim Spering  
Chair, Transportation Revenue Measure Select Committee