



**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE  
MARCH 17, 2016**

**SUBJECT: STATE AND FEDERAL REPORT**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE **State and Federal Report.**

**DISCUSSION**

**Executive Management Committee  
Remarks Prepared By Raffi Haig Hamparian  
Government Relations Director, Federal Affairs**

Chairman Ridley-Thomas and members of the Executive Management Committee, I am pleased to provide an update on a number of federal affairs impacting our agency. This report was prepared on March 1, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting on March 17, 2016.

**Federal Appropriations for Fiscal Year 2017:**

Later this year, both the House and Senate appropriations committees will begin their work on their spending bills for Federal Fiscal Year 2017. We are going to be working closely with members of our Board, the Los Angeles County Congressional Delegation and our federal advocacy team to ensure that our Board-approved priorities are reflected in the final spending bills adopted by Congress later this year. Specifically, we are working to ensure that the President’s recommendation (embedded in his Fiscal Year 2017 Budget) that our agency received \$375 million for our New Starts projects is included in the transportation spending bill considered by both the House and Senate this year.

**FAST Act:**

Late last year, the Congress adopted and President Obama signed into law America’s new surface transportation authorization bill - Fixing America’s Surface Transportation Act (FAST Act). The bill authorizes a number of existing and new federal grant programs.

Earlier this week, the U.S. Department of Transportation (USDOT) announced a Notice of Funding Availability (NOFA) for the Fiscal Year 2016 TIGER Grant program. As authorized by the Consolidated Appropriations Act of 2016, signed by the President on December 18, 2015, \$500 million is available for various transportation projects through the TIGER Grant program. The

minimum project cost is set at \$5 million for urban areas and applications are due by April 29, 2016.

Previously, our agency has received the following funds through the TIGER Grant program: \$546 million TIFIA loan (underwritten by a \$20 million TIGER grant) for the Crenshaw/LAX Transit Project; \$10.3 million for the Willowbrook/Rosa Parks Station; \$11.8 million for the Eastside Access Improvement Project and most recently - last year - we received \$15 million for the Rail to Rail Active Transportation Corridor Connector Project.

Additionally, as the USDOT works to implement the recently passed FAST Act, USDOT officials are expected to release Notices of Funding Availability (NOFA) for several other grant opportunities by the end of February. The expedited timeline for awarding Fiscal Year 2016 grants will result in a shorter than usual timeline for applicants to submit applications. Expected grant announcements in the next week include funding opportunities for the Nationally Significant Freight and Highway Projects grant - \$800 million, Bus and Bus Facilities - \$213 million, the No & Lo Emissions Bus and Bus Facilities grant - \$55 million, Pilot Program for Transit Oriented Development Planning - \$10 million, and Technical Assistance and Workforce Development - \$4 million. Metro will be actively pursuing these grant opportunities for projects that best meet the grant criteria as outlined by the USDOT. We will continue to keep all Board members fully apprised of our aggressive effort to secure a maximum amount of federal grant funding made available through the FAST Act.

#### **West Los Angeles Veterans Administration - Federal Legislation:**

Earlier this week, the House Committee on Veterans' Affairs adopted H.R. 3484, the Los Angeles Homeless Veterans Leasing Act of 2016. The bill, offered as an amendment in the nature of a substitute by committee Chairman Jeff Miller (R-FL), includes language that would permit "any local or regional public transportation authority to access, construct, use, operate, maintain, repair or reconstruct public mass transit facilities, including fixed guideway facilities" at the Department of Veterans Affairs West Los Angeles Campus. The Los Angeles Homeless Veterans Leasing Act of 2016 was authored by Congressman Ted Lieu (D-CA). Congressman Lieu's staff have been working closely with Metro on the section of the bill dealing with public transportation. U.S. Senator Dianne Feinstein has authored companion legislation that is pending in the U.S. Senate and is expected to be considered later this year.

#### **Local Hire:**

The U.S. Department of Transportation's Local Hiring Pilot Program was issued one year ago on March 2, 2015. Currently, our agency is urging the U.S. Department of Transportation to make permanent or extend the Local Hire Pilot Program. The Local Hire Pilot Program allows cities and counties, especially those that have voted to tax themselves to support local transportation infrastructure, to make sure that the jobs created by those projects employ people in their communities. Metro has been approved to participate in the Pilot Program for three current solicitations that are proceeding through the evaluation process. Our agency is closely coordinating our work on this matter with Congresswoman Karen Bass (D-CA) - who has been and remains a remarkably effective advocate for reforming federal local hire rules.

#### **Conclusion:**

That concludes my remarks on federal affairs Chairman Ridley-Thomas. I would welcome the

opportunity to address any questions from you or members of the Executive Management Committee. Thank you.

**Executive Management Committee  
Remarks Prepared by Michael Turner  
Deputy Executive Officer, Government Relations, State Affairs**

**State Board of Equalization Reduces Excise Tax on Gas:**

The State Board of Equalization voted, as required by law, to lower by 2.2 cents the excise tax rate on gasoline. The vote (3 in favor to 2 opposed) will move the current excise tax on gas from 30 cents to 27.8 cents - effective July 1, 2016 through June 30, 2017. The action of the State Board of Equalization exacerbates funding shortfalls already being faced by the State of California in maintaining its investments in the statewide highway system and mass-transit networks.

The State of California's gas tax is imposed in two ways. The first is a flat gas tax that does not change. The second is based on the price of gas and has to be changed periodically by the State Board of Equalization. Since the price of gas has been falling, the State Board of Equalization adjusted the price based tax downward. Should the price of gas rise, the State Board of Equalization would have to increase the price based portion at the next adjustment period. Metro staff is currently assessing the impact of this vote on the ability of the State of California to honor its current and future commitments to projects and programs in Los Angeles County.

**Government Relations Hosts Senators Jim Beall and Ben Allen:**

Metro's Government Relations department hosted California State Senator Jim Beall, Chairman of the Senate Transportation and Housing Committee and Senator Ben Allen, a member of our LA County delegation, member of the Senate Transportation and Housing Committee and a strong supporter of Metro's projects, for a briefing and a tour. The Senators were briefed on key projects in Senator Allen's district and Metro's current and future local, State and Federal Funding.

**Assembly Member Roger Hernandez Transportation Forum:**

Staff worked with Assembly Member Roger Hernandez to conduct a transportation forum in his district on February 20. The forum was attended by a number of community members who addressed transportation issues and challenges they face in the San Gabriel Valley. After the event, the Metro ExpressLanes team staffed MEL, Metro's mobile van and signed up new FasTrak customers and provided information to customers and the Assembly Member's staff on the Low Income Assistance Plan.

**Goods Movement Roundtable:**

Staff participated in a roundtable meeting on freight hosted by Assembly Member Patrick O'Donnell. The meeting was attended by a number of legislators. During the roundtable, a number of stakeholders from the goods movement industry provided comments on the issues in the Southern California region.

**Continued CARB briefings:**

Metro staff is working with the California Transit Association on continued efforts to communicate concerns about the proposed Zero Emission Bus (ZEB) rule. Most recently staff shared a report on the performance of ZEB's at Metro as compared to other technologies that could reduce greenhouse gas emissions at a faster rate and lower cost than ZEB's.

**Legislature Approves Transportation Loan Repayment:**

The State Senate and Assembly approved the Managed Care Organization (MCO) tax reform package. As part of that package, the Legislature approved AB 133, a budget committee bill that among other provisions, appropriates \$173 million from the State General Fund Reserve (Proposition 2) for transfer and repayment to various transportation accounts that were diverted away to assist the General Fund in prior budget years. AB 133 also includes some fund transfers that are not transportation-related.

Metro's State Advocacy team has been working to ensure that our projects are eligible under the proposed repayment of past transportation loans. We have been working with California Secretary of Transportation, Brian Kelly on this specific provision. Of the amount allocated to the Traffic Congestion Relief Program projects, improvements to State Route 71 and the San Fernando Valley North/South project are eligible for funding. The process now shifts to the California Transportation Commission and we will continue to work with the Secretary and the Commission to secure funds eligible for our projects.

**Bill Introductions:**

Friday February 19, 2016 was the deadline to introduce legislation on the State level. We are currently reviewing bills for potential impacts to Metro's funding and programs.

This year, there were 1,326 Assembly Bill introductions, and last year, there were 1,550 introductions. This year, there were 667 Senate Bill introductions, and last year, there were 805 introductions.

Total number of regular session introductions this year: 1,993

Total number from last year: 2,355

Total for the 2-year session so far: 4,348

**Conclusion:**


That concludes my remarks on state affairs Chairman Ridley-Thomas and Committee members. I would welcome the opportunity to address any questions from you or members of the Executive Management Committee. Thank you.

**ATTACHMENTS**

Attachment A - March 2016 Legislative Matrix

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