



Board Report

File #: 2016-1005, **File Type:** Program

Agenda Number: 45

**REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 19, 2017**

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN THE
2017 LEGISLATIVE PROGRAM**

ACTION: ADOPT THE 2017 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

ADOPT the **proposed 2017 Federal and State Legislative Program.**

FASANA amendment in Attachment B, Goal 12.

ISSUE

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County.

DISCUSSION

Policy Implications

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. To achieve these important goals, Government Relations staff will implement a legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials.

Federal Recap

In 2016, the agency continued to pursue our Board approved federal legislative priorities in Washington, D.C. Among the challenges with respect to advancing our agenda on Capitol Hill was the continued gridlock between the U.S. Senate and the U.S. House of Representatives. In a welcome departure from this gridlock, on December 3, 2015, Congress passed the Fixing America's

Surface Transportation Act (FAST Act) and the President signed the bill into law on December 4, 2015. That action set the stage for 2016 where U.S. Department of Transportation worked to implement the new legislation which authorizes funding for all surface transportation programs through 2020. Metro worked closely with our Congressional Delegation to include a number of priorities in the FAST Act including dedicated funding for freight and goods movement projects, ensuring the continuation of important programs such as Transportation Infrastructure Finance and Innovation Act (TIFIA) and the New Starts Grant program, and lastly increased direct funding from the federal government for all transportation programs through the Highway Trust Fund.

In calendar year 2016, Metro secured a number of grants/loans authorized under the FAST Act, with a total value of over \$1.54 billion - in addition to receiving over \$500 million in federal formula transportation funds.

On April 19, 2016, Metro secured a \$4.3 million federal Low or No Emissions grant from the FTA for five battery-electric zero-emission buses, as well as eight charging stations for the Orange Line bus rapid transit corridor.

On July 28, 2016, Metro secured a federal TIGER grant in the amount of \$15 million for the Rosecrans/Marquardt Grade Separation project in Santa Fe Springs.

On September 8, 2016, Metro secured a \$10.5 million federal Bus and Bus Facilities grant for the replacement of buses that have met their useful life with CNG buses to operate in the South Bay and Gateway cities areas. This federal grant will also permit Metro to install related CNG infrastructure and train workers on the new technology.

On October 5, 2016, Metro - in partnership with the City of South Gate and Eco-Rapid Transit - received \$2 million in federal Transit Oriented Development funding to plan cooperatively to increase economic development throughout the proposed West Santa Ana Branch Light Rail corridor between downtown Los Angeles and Artesia.

On October 7, 2016, Metro secured a \$3 million Advanced Transportation and Congestion Management Technologies Deployment Program grant for Metro's Freight Advanced Traveler Information System (FRATIS).

On October 7, 2016, Metro secured a \$1.3 million Mobility on Demand (MOD) Sandbox grant to explore the viability of first/last mile solutions for trips originating and ending at select transit stops.

On December 15, 2016 Metro successfully signed a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration in the amount of \$1.2 billion to fund the Westside Purple Line Extension (WPLE) Section 2.

On December 20, 2016, Metro closed a \$307 million TIFIA loan with the U.S. Department of Transportation for the WPLE Section 2.

In addition to FAST Act implementation, Metro successfully worked with U.S. Department of Transportation in 2016 to extend the Local Hire Pilot Program until March of 2017. This action allows

Metro to move forward on including local hire provisions in our contracting to ensure that the residents of Los Angeles County are benefitting from the local investment being made in our expanding transportation infrastructure. Metro looks forward to working with our Congressional Delegation and the Administration on making this program permanent in the 115th Congress.

Since 2010, at the direction of the Board of Directors, our agency began a campaign to advance legislative proposals that would address the acceleration of our transit and highway program, now known as America Fast Forward. Our America Fast Forward initiative has and continues to be discussed and debated by many senior transportation policymakers in Washington, D.C. This initiative remains a relevant policy proposal for President-elect Trump and the 115th Congress as discussion of an infrastructure package moves forward in 2017. A key aspect of the incoming Administration's proposal on infrastructure is to create innovative financing mechanisms that can help expand the nation's transportation infrastructure. That notion is a key aspect of the America Fast Forward initiative and we look forward to embedding innovative financing and funding tools in any infrastructure package advanced by the incoming Trump Administration and considered by Congress.

For the upcoming 115th Congress, we will be working to expand on our successes by working closely with the incoming Trump Administration and Congress on ways that we can best leverage our local funding to advance transit and highway projects across Los Angeles County. Given President-elect Donald Trump's stated interest in launching a new initiative to rebuild America's transportation infrastructure, our agency will be prepared with innovative financing proposals for the White House, incoming U.S. Secretary of Transportation Elaine Chao and Congress to consider.

State Recap

Each year, Metro successfully moves the largest legislative program of any transportation agency in the State of California through the legislative process. We were successful in obtaining approval through AB 2690 (Ridley-Thomas) to authorize Metro to require bidders to include subcontracting opportunities for small business enterprise (SBEs) and disabled veteran business enterprises (DVBES) as a component of the procurement process. Not only were we successful in securing passage of the legislation we were able to accomplish a key priority of the Board, expanding access to competition for small and disabled veteran business enterprises in the procurement process. Additionally, we advocated in support of a number of measures, including AB 1889 (Mullin), a measure that helped to secure funding specifically allocated to the "bookend" projects for the High Speed Rail project.

The 2016 Legislative session ended, yet again without resolution to one of the major challenges faced by the Legislature; addressing transportation funding in the First Extraordinary Session. A number of proposals were introduced into this session including a \$3 billion proposal from Governor Brown which contained a number of elements for which Metro had advocated. Senator Jim Beall and Assemblymember Jim Frazier introduced \$7 billion legislative funding proposals during the Special Session on Transportation in September 2016. Unfortunately, the leaders were unable to call a meeting of the Special Session to vote on the measures during the final hours of the legislative session. Metro advocated in support of the measures, and worked closely with the two Chairmen and key members of the Los Angeles County legislative delegation to communicate the Board's priorities for funding and policy reform.

On May 18, 2016, the California Transportation Commission (CTC) adopted the 2016 State Transportation Improvement Program (STIP) retaining \$152.5 million in programming in Los Angeles County over the 2016 STIP period, from Fiscal Year (FY) 2017 through 2021. Of this funding, \$102 million is for the Light Rail Vehicles and \$34.4 million is for a reimbursement to Metro for its advance expenditure on the Crenshaw/LAX Light Rail Transit project. A total of \$55.6 million (7.4%) in project funding was deleted from the Los Angeles County STIP program. This deletion included both Segment 6 (\$13.7 million) and Segment 13 (\$41.9 million) of State Route 138.

On August 16, 2016 the California State Transportation Agency (CalSTA) formally announced that Metro was awarded \$109.2 million in cap and trade funds under the Transit and Intercity Rail Capital Program for the Airport Metro Connector/96th Street Station and the Red/Purple Line Core Capacity Improvements projects. Metro received the largest share of the \$390 million that was available statewide. Metro staff continues to advocate to increase the share of cap and trade funding for transit and highway projects under the TIRCP, LCTOP, SHOPP and STIP programs. The STA funding allocation formula fix remains a challenge.

We were successful in advocating in support of increased funding for ITS programs under the purview of the UC system from the state's Public Transportation Account. The Budget Subcommittee adopted an additional \$3 million in funding for the ITS program in 2016-17.

One key priority is the continued authorization to pursue Public Private Partnerships (P3s). The authorization expired at the end of 2016. Metro is working closely with a coalition of stakeholders in Sacramento to continue to urge the Legislature to reauthorize this important tool and Metro's state advocacy team will continue those efforts in next year's legislative session.

In addition to advocating in support of the re-authorization for Public Private Partnerships, we are working to ensure passage of an urgency measure that would extend Caltrans' NEPA delegation authority indefinitely. The Federal NEPA delegation for Caltrans expired at the end of 2016, and a new measure was introduced at the beginning of the 2017 legislative session due to the sponsorship of Self-Help Counties and our added support. Caltrans' federal NEPA delegation authority allows Caltrans the ability to evaluate projects for NEPA clearance directly, streamlining project approval processes.

Also unresolved from this year is the push for the re-structuring of Metro's current Board of Directors. In 2016, two separate proposals were introduced in the legislature to re-structure Metro's Board of Directors to include members appointed by the State legislature and representatives from the Gateway Cities area. Staff were successful in advocating against the measures that would offset the balance of the current structure, which was established as a result of a bottoms-up process. We anticipate that a new measure will be brought forward this upcoming legislative session.

During next year's legislative session, staff anticipates that we will be addressing a number of new challenges. We anticipate there will continue to be discussions about federal freight funding under the FAST Act as the CTC determines guidelines for distribution of discretionary funds. We have been engaged internally to ensure that we are working in partnership with other regional transportation agencies and our State partners to prioritize funding for Southern California. We have a distinct

priority to advance highway and freight corridor projects under the FASTLANE grants program and we are continuing to maximize the opportunities through the partnerships with the Governor and on the federal level. In addition, OPR is establishing guidelines for sustainability under Senate Bill 743 and we are working closely to ensure that Metro's sustainability and transit oriented development priorities are incorporated in the final guidelines.

Both policy committee chairs as well as leadership in both houses continue to discuss the various proposals and have indicated that they would like to reach agreement on a package early in 2017. Despite multiple attempts last year to reach consensus on a comprehensive transportation funding package, an agreement still remains elusive. Metro is working closely with a coalition of transportation stakeholders to both urge the Legislature to come to agreement on a package and to ensure that the package reflects the needs of Los Angeles County. We remain hopeful that an agreement can be reached early in 2017.

A major initiative of Metro in the 2017 State Legislative session will be to seek changes in state law, including increased penalties, for those who commit assaults against our operators and personnel. Thousands of our employees are spread across Los Angeles County as we provide service to the largest service area of any public transit agency in the Country. Our employees are vulnerable and we must do everything we can to protect them. Metro has taken a series of steps to prevent assaults including the installation of protective barriers, television monitors located above the farebox, and training employees on de-escalation techniques. We have also worked closely with the Los Angeles Sheriff's Department and the District Attorney to support full prosecution of those who assault our operators. Despite these efforts, assaults still occur far too often and when cases are prosecuted they rarely result in serious penalties being assessed.

Specifically we would look to advance two changes in law. The first would be to allow such assaults to be charged as a felony if the assault occurs when a transit vehicle is in operation. Secondly, a limited number of agencies in California have been authorized to issue prohibition orders to individuals under certain circumstances. We would also look to include Metro as one of the agencies authorized to use this enforcement tool.

In addition to the above staff will be working to address a variety of other issues in the Legislative process, budget process as well as in various administrative processes in Sacramento these include but are not limited to:

- Funding for goods movement projects - The new federal bill allocates funds to California and the California Transportation Commission (CTC) will be finalizing guidelines early in the year and allocating these funds in 2017.
- Metro is proposing to expand the ExpressLanes network in Los Angeles which will require authorization by the CTC.
- Clarifying the process by which utilities bill Metro and potentially reduce Metro's operating costs.
- Increasing funding for Metro's Freeway Service Patrol program.
- Working with the California Air Resources Board to advance Metro's Zero Emission Bus

Program.

- Supporting the allocation of cap and trade funds to Los Angeles County.
- Extending the authorization to Metro to establish Enhanced Infrastructure Financing Districts.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not have an impact on safety.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

ALTERNATIVES CONSIDERED

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

NEXT STEPS

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills - in addition to advancing our plan to accelerate both our transit and highway program through our America Fast Forward initiative.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, Caltrans, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to monitor and track legislative efforts sponsored by other transportation interests and inform the Board of that legislation. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The 2017-2018 State Legislative Session began on December 5, 2016. The 2017 Federal Legislative Session with both the U.S. House of Representatives and U.S. Senate is scheduled to return in January 2017 to convene the new 115th Congress.

ATTACHMENTS

Attachment A - 2017 Federal Legislative Program

Attachment B - REVISED 2017 State Legislative Program

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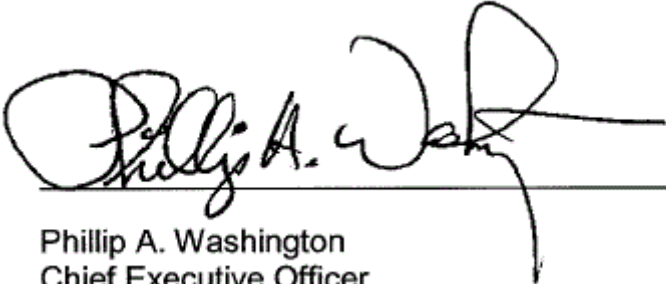
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