



Board Report

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Agenda Number: 36.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 17, 2019

SUBJECT: 2019 LEGISLATIVE PROGRAM

ACTION: APPROVE STAFF RECOMMENDATIONS

RECOMMENDATION

ADOPT:

- A. the proposed 2019 Federal Legislative Program as outlined in Attachment A; and
- B. the proposed 2019 State Legislative Program as outlined in Attachment B.

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. This year's program is presented in a different format. Based on the direction of the Vision 2028 Strategic Plan we are presenting a Five Year Strategic Legislative Program in addition to our annual goals and objectives. The Five-Year plan lays out general themes as identified in the CEO's Five Point Plan for the agency and will provide the broad policy framework through which our advocacy should be guided. We have incorporated specific activities related to the longer term plan into the goals and activities for next year. We will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

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. The program provides policy direction to our advocacy activities in Sacramento and Washington, D.C. 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 2018, the agency continued to pursue with vigor our Board approved federal legislative priorities in Washington, D.C. Federal transportation programs continued to be administered under the latest surface transportation authorization bill, the Fixing America's Surface Transportation Act (FAST Act), which was signed into law on December 4, 2015. While the FAST Act is authorized through 2020, the White House, U.S. Department of Transportation (USDOT), and Congress worked on a national infrastructure proposal that officials had hoped could inject some much needed investment in surface transportations program as well as implement policies to facilitate project delivery. In February 2018, the White House released a 55 page proposal that sought to leverage \$200 billion in federal funding into \$1.5 trillion of investment in infrastructure projects around the nation.

Metro played an active role in engaging the White House and the U.S. Department of Transportation to advocate for a strong infrastructure plan that could build on the best practices and lessons learned by our agency and the manner in which we are transforming the way Los Angeles County's 10 million residents commute and travel in our region. Additionally, Metro communicated its support for an infrastructure package to the members of the Los Angeles County Congressional Delegation as well as to members of key Congressional Committees that have jurisdiction over infrastructure matters. With regards to the White House's Infrastructure Plan, Congress engaged in a discussion through several hearings on the topic. Unfortunately, Congress could not come to an agreement on a path forward and the policy window to pass a package closed for the remainder of the 115th Congress.

Among the challenges that have carried over from the previous year, Congress continued to disagree on annual appropriation bills to fund the various federal agencies and programs. However, Congress and the White House did come to an agreement on setting spending caps for domestic and military budgets for a period of two years. This agreement boosted funding to surface transportation programs that led to large increases in popular programs such as the Federal Transit Administration's (FTA) Capital Investment Grant Program and the BUILD Grant Program. The two-year budget agreement also allowed Congress to complete, for the first time in decades, five of the twelve Fiscal Year 2019 annual appropriation bills and have them signed into law by the President. Unfortunately, the transportation funding bill was one of the seven remaining bills that were extended until December 7, 2018 through a Continuing Resolution. As of the writing of this report, Congress is looking to finalize the remaining bills prior to a new December 21, 2018 deadline. Metro has strongly advocated for a return to regular order in the appropriations process and will continue to do so in the future.

Lastly, Metro worked hard in Washington, D.C. to successfully advance important capital projects through discretionary grant programs. With respect to the Westside Purple Line Extension Section 3, Metro was able to navigate the grant process to gain approval from the FTA to move forward with the project on a timeline that will allow for revenue service well before the 2028 Olympic Games. Metro will continue to work closely with the FTA to gain final approval of a Full Funding Grant Agreement early in 2019. Under the USDOT's Infrastructure for Rebuilding America (INFRA) grant program, Metro was awarded \$47 million for our I-5 Choke Point Relief program that will reduce congestion

and improve safety along a 13-mile stretch of Interstate-5 near Santa Clarita. Metro was also awarded \$5.4 million in discretionary Bus and Bus Facility. Finally, Metro has pending applications for two projects - SR71 Conversion and I-605/SR91 Interchange Improvement project - through the BUILD Grant Program that is likely to be announced before the end of the year.

In January 2019, Congress will begin the first session of the 116th Congress. Metro will continue to work closely with the Trump Administration, USDOT and Congress to gain final approval of a \$1.3 billion Full Funding Grant Agreement for the Westside Purple Line Extension Section 3 and expand on our past successes by working to leverage our local funding to advance transit, highway and other effective mobility projects across Los Angeles County. More specifically, we will be working with members of the Los Angeles County Congressional Delegation and leaders of key Congressional Committees to advance our agency's Rebuilding America initiative - which is detailed in attachment A of this Board Report.

State Recap

Each year, Metro successfully moves the largest legislative program of any transportation agency in the State of California through the legislative process.

During the first year of the 2017-2018 State Legislative Session, the California Legislature and Governor Brown took a number of bold steps to address the growing infrastructure needs in California. Firstly, after years of debate, the Legislature passed and the Governor signed into law Senate Bill 1 (Beall & Frazier), which is a package of funding and reform that is set to generate \$52 billion over the next ten years. The bill's provisions included new funding for a variety of transportation programs. This bill is the first revision of the gas tax in over 20 years. California's highway system, its local streets and road system and its public transit system has suffered from the inability of the state to address basic state of good repair needs.

The November 2018 election brought about a number of changes and challenges. Specifically, a ballot measure, Proposition 6, aimed to repeal provisions of SB 1 and require a future vote for any increases to transportation taxes and fees. This would have jeopardized the viability of the State's aggressive transportation infrastructure funding plan. Proposition 6 was defeated by a vote of 56.8 percent statewide and 61.1 percent in Los Angeles County. Metro, as the recipient of over \$1.8 billion in funding from SB 1 programs created an informational outreach program to educate members of the public about Metro's plan to build highway and transit projects with the funding. Metro coordinated on regional and statewide outreach by participating in a number of forums, summits and workshops which outlined Metro's plan for building critical infrastructure and supported continued funding for local streets and roads improvements for the County's 88 cities and unincorporated areas.

Following the November 2018 election, the Los Angeles County State Legislative delegation also welcomes five new members. Christy Smith will represent Assembly District 38. In the Senate, new members Susan Rubio (District 22), Maria Elena Durazo (District 24), Bob Archuleta (District 32) and Tom Umberg (District 34) were sworn into office on December 3, 2018. Senate District 33 remains vacant, as Senator Ricardo Lara accepts his new position as Statewide Insurance Commissioner. We anticipate that this seat will be filled in a special election in early 2019.

With the passage of SB 1 in April 2017, the California Transportation Commission worked to adopt guidelines and provisions for allocating funding statewide. Metro weighed in on a number of issues to establish our priorities as the CTC considered allocation formulas and discretionary grant category provisions. In May 2018, the CTC and CalSTA announced major funding awards for all of the major funding categories under SB 1. Metro was successful in advocating for the award of \$1.82 billion in funding for a number of transit and highway projects.

Transit and Intercity Rail Capital Program - \$1.088 Billion

- Gold Line Foothill Light Rail Extension to Montclair
- East San Fernando Valley Transit Corridor Project
- West Santa Ana Branch Light Rail Transit Corridor project
- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Transit Corridor Project
- Vermont Transit Corridor
- Link Union Station Project - \$398 million awarded to Metrolink

Local Partnership Program

- Metro Orange Line Bus Rapid Transit Improvements Project: \$75 million
- La Cañada Flintridge Soundwalls Project: \$5 million

Solutions for Congested Corridors Program

- Airport Metro Connector 96th Street Transit Station Project: \$150 million

Trade Corridor Enhancement Program

- Interstate 5 Golden State Chokepoint Relief Project: \$247 million
- SR-57/60 Confluence: Chokepoint Relief Program: \$22 million
- America's Global Freight Gateway: Southern California Rail Project: 128.6 million
- Interstate 605/State Route 91 Interchange Improvement: Gateway Cities Freight Crossroads Project: \$32 million
- State Route 71 Freeway Conversion Project: \$44 million

On the legislative advocacy front, Metro was successful in the passage of two major pieces of legislation in 2018. Metro sponsored AB 2548 (Friedman) which authorizes Metro to implement a commuter benefits ordinance to work with employers in LA County to meet the State's Greenhouse Gas reduction goals. This legislation received strong support from the business community, environmental justice community and the legislature. AB 1205 (Jones-Sawyer) was introduced to refine aspects of Metro's successful small-business set-aside program and to establish a similar program for medium-sized businesses. Metro has forged ahead in establishing contracting policies and practices that support the development of small businesses in the county, and AB 1205's successful passage is indicative that we are committed to doing more for the economic prosperity of the region overall. AB 1205 received strong support from the small and disadvantaged and minority-owned business community.

One key priority for Metro's ongoing advocacy efforts was and continues to be the continued authorization for Caltrans to pursue and use Public Private Partnerships (P3s). The authorization for Caltrans to use the P3 method to deliver highway projects expired at the end of 2016 and the

Legislature was unable to come to an agreement over a potential extension of the statute. 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. The ability to utilize P3s to deliver projects is vital to the acceleration and delivery of Metro's LRTP and Measure M Highway and Transit priorities. Metro introduced legislation in 2018, AB 1594 (Bloom) that would clarify Metro's ability to utilize P3s and Design-build authority to accelerate project delivery. The legislation was successful in reinvigorating the discussion around P3s and Metro is poised to lead the discussion in the upcoming legislation to determine the direction and educate Sacramento leaders on the need for this authority in the wake of SB 1's new infusion of funding and need to expedite critical transportation projects statewide.

An additional priority for Metro's ongoing advocacy efforts include the need to provide certainty and stability to our power supply as we work to meet the agency's ambitious Zero-emission Bus Plan.

During next year's legislative session, we will continue to monitor efforts to jeopardize funding authorized under SB 1. We will also be working to ensure that the incoming Gubernatorial administration addresses the need for critical transportation infrastructure and housing policies that help LA County to address our long term sustainability goals.

As in previous years, our State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation in support of the Board-adopted Legislative program, Vision 2028, 28 by 2028, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC.

In addition to the above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (The entire 2018 State Legislative Program is outlined in Attachment B). These include but are not limited to:

- Metro is proposing to expand the ExpressLanes network in Los Angeles which will require tolling authorization by the CTC;
- Clarifying the process by which utilities bill Metro and potentially reduce Metro's operating costs;
- Working with the California Public Utilities Commission in leading the effort to establish Metro as a party to the proceedings and California Air Resources Board to advance Metro's Zero Emission Bus Program; and
- Supporting the allocation of cap and trade funds to Los Angeles County.

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. Additionally, Metro anticipates a conversation to begin on reauthorizing surface transportation programs beyond 2020 when they are set to expire. Metro will play an active role in shaping those discussion and looks forward to advocating for increased investment into transportation programs.

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 new 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 first year of the 2018-2019 two-year State Legislative Session began on December 3, 2018. The 2019 Federal Legislative Session will see both the U.S. House of Representatives and U.S. Senate

scheduled to return January 3, 2019 to convene the 116th Congress.

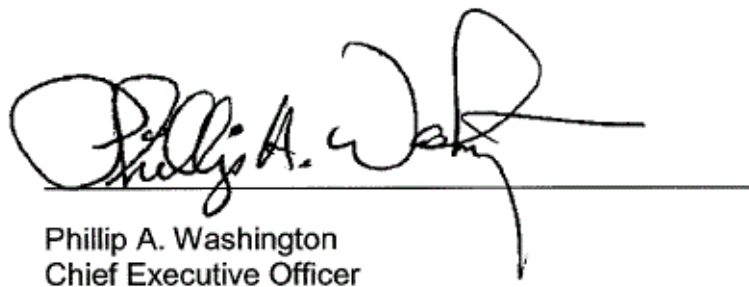
ATTACHMENTS

Attachment A - 2019 Federal Legislative Program Goals

Attachment B - 2019 State Legislative Program Goals

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