



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE
JUNE 18, 2015**

SUBJECT: MONTHLY STATE AND FEDERAL LEGISLATIVE REMARKS

RECEIVE oral Federal/State Affairs update.

DISCUSSION

This report was prepared on June 5, 2015 and will be updated with more current information at the Executive Management Committee on June 18, 2015.

Chairman Garcetti and members of the committee, I am pleased to provide an update on a number state legislative items.

Metro's Ballot Measure Authorization Legislation Approved in the State Senate

SB 767 (De Leon), which would authorize Metro to place a sales tax measure on a future ballot was approved in the State Senate. The bill has been amended to incorporate legislation from last year, SB 1037 (Hernandez). The Board of Directors adopted a Work with Author position on that measure. The measure will now be moved to the Assembly and will soon be considered in the Assembly Transportation Committee.

AB 194 High Occupancy Toll (HOT) Lanes Authorization Process Legislation Passes the Assembly

AB 194 (Frazier), which would re-open the process at the California Transportation Commission (CTC) to approve HOT lanes, passed the Assembly. This bill is modeled on legislation sponsored by Metro last year and would allow local agencies to apply to the CTC for permission to operate HOT lanes projects such as Metro's ExpressLanes. The bill will now be transmitted to the Senate and will proceed through the committee process in the Senate.

State Budget Update

The Budget Conference Committee has begun meetings this week. The following is an update of a few key issues.

Cap and Trade Funding Proposals

Staff are pursuing an opportunity to carve out some cap and trade funds which could be controlled by local transportation authorities. The Strategic Growth Council recently allocated a disproportionately lower amount of Affordable Housing

funds to Southern California. The transportation commissions in Southern California are seeking to create a carve out of some cap and trade funds to be allocated by local agencies similar to legislation that was previously considered by the Legislature. Staff are working with the Southern California Association of Government and the commissions in our region to advance this issue. Additionally, language has been included in the Assembly Budget proposal to allocate \$25 million in cap and trade funds to subsidize student transit passes. This provision is being sponsored by MoveLA and other organizations.

Transportation Loan Repayment

Staff are working to secure language in the State Budget that would ensure that specific transportation loans are included in the repayment of transportation loans. The specific program to be included is the Traffic Congestion Relief Program and would allow Metro to seek repayment of funds due to the East San Fernando Valley North/South project.

Transportation Funding Proposals Advance

Both the Senate and Assembly are considering legislative proposals to address the Governor's challenge to fund the state of good repair needs of the State Highway System. A number of proposals have been introduced in each house. These proposals not only deal with the challenges to the State system but also address the funding needs of the local street and road system. Staff will be presenting two of these proposals to the Board for their consideration in the June meeting cycle.

*Comments will be updated at Committee meeting.

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Chairman Garcetti and members of the committee, I am pleased to provide an update on a number federal transportation issues.

114th Congress - Surface Transportation Authorization Bill:

Metro is working closely with Senator Boxer, the Ranking Member of the Senate Environment and Public Works Committee, to ensure that the mark-up being held on June 24th in her committee reflects the goals of our 2015 Board-approved federal legislative program. Likewise, we are working with U.S. Representatives Grace Napolitano (D-32) and Janice Hahn (D-44) [who both serve on the House Transportation and Infrastructure Committee] and other key transportation stakeholders in the House, both Democrats and Republicans, to advance our Board-approved federal legislative priorities in the final version of the next surface transportation bill.

PEPRA/13(c)

As we reported last month, Metro continues to work closely with key stakeholders at the U.S. Department of Transportation, U.S. Department of Labor and the U.S. Congress to favorably resolve the longstanding PEPRA/13(c) impasse. On May 7, 2015 the U.S. Department of Labor communicated to us a willingness to certify grants with payments made prior to January 1, 2015. While this is movement on this issue - it does not represent a full and fair resolution to this issue - which is jeopardizing hundreds of million in federal funds for key programs and projects at our agency. We are focusing our attention on securing an agreement by Department of Labor Secretary Perez to certify our grants without delay. This effort includes, but is not limited to, working with our partners in the Los Angeles County Congressional Delegation. Lastly, we are grateful that our Board of Directors recently signed a letter to Secretary Perez urging his assistance in resolving the PEPRA/13(c) matter without delay.

Fiscal Year 2016 Appropriations Process:

The U.S. House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development and

the full Committee on Appropriations have both approved the transportation spending bill for Fiscal Year 2016. As has been previously noted, funding for the popular TIGER grant program is set at \$100 million in the bill, equal to what the House Committee on Appropriations set aside for the grant program last year, but \$400 million less than the enacted level ultimately approved by both the House and Senate last year. According to a document released by the committee, "the bill provides over \$40.2 billion from the Highway Trust Fund to be spent on the Federal-aid Highways Program. This is equal to the Fiscal Year 2015 level. The bill provides \$10.7 billion for the Federal Transit Administration (FTA) - \$161 million below the fiscal year 2015 enacted level. Transit formula grants total \$8.6 billion, which is consistent with the MAP-21 authorization legislation, to help local communities build, maintain, and ensure the safety of their mass transit systems. This funding is contingent on the enactment of new transportation authorization legislation, as the current authorization expires this year." The bill funds the U.S. Department of Transportation's Capital Investment Grant Program (New Starts) at \$1.9 billion, which is less than the amount Congress appropriated for the program last year (\$2.1 billion). We expect the Senate to act on their transportation spending measure for Fiscal Year 2016 in the months ahead.

We are working with House and Senate appropriators to ensure that our New Starts projects again receive funding, consistent with their pre-existing Full Funding Grant Agreements, in the Fiscal Year 2016 transportation spending measures. We are also working to ensure that Congress fully funds Section 2 of the Purple Line Extension, which was recommended for a Full Funding Grant Agreement in the President's Fiscal Year 2016 Budget that was released last month.

America Fast Forward Transportation Bond Initiative:

We are very pleased that the Brookings Institute included our America Fast Forward Transportation Bonds proposal in a recent paper they recently released. This support, in addition to the backing we have from over 200 Mayors across America and over 260 Chambers of Commerce, bodes well for our effort to have this new bond program integrated into the next surface transportation bill.

Local Hire - Appropriations and Authorization Tracks:

As previously noted, during the 113th Congress we worked closely with Congresswoman Karen Bass (D-CA) on our Board-adopted Local Hire initiative. Thankfully, Congresswoman Bass successfully included language reforming federal Local Hire rules in the omnibus spending bill (H.R. 83) adopted during the very last days of the congressional session. The language, in part, allows for local hiring for transportation projects using Federal Fiscal Year 2015 funds. In September of 2011, our Board of Directors amended our America Fast Forward initiative to include reforming federal Local Hire rules as a major goal for our agency.

At present, we are working closely with the U.S. Department of Transportation and Members of Congress, like Congresswoman Bass and senior Transportation and Infrastructure Committee member - Congresswoman Grace Napolitano (D-32) to advance this issue. Our ultimate goal is to include reforms to current Local Hire rules in the next long-term surface transportation authorization bill.

Earlier this year, the Obama Administration announced that they will be launching a [one year pilot program](http://simplesend.com/simple/t.asp?S=336&ID=76893&NL=4423&N=94597&SI=2291655&URL=http://libraryarchives.metro.net/DB_Attachments/150303_US_DOT_Local_Hire_Fact_Sheet.pdf) [to permit local hiring for projects funded through FHWA and FTA](http://simplesend.com/simple/t.asp?S=336&ID=76893&NL=4423&N=94597&SI=2291655&URL=http://libraryarchives.metro.net/DB_Attachments/150303_US_DOT_Local_Hire_Fact_Sheet.pdf). Metro has submitted a letter of support for this program to USDOT and looks forward to being a leading participant in the Obama Administration's one year pilot program - for construction projects and rolling stock as well.

TIGER

Earlier this year, United States Department of Transportation Secretary Anthony Foxx announced that \$500 million will be made available under the Transportation Investment Generating Economic Recovery (TIGER) competitive grant program.

TIGER grants are for capital transportation projects that will have a significant impact on the nation, a region, or metropolitan area. Grant awards in a single state, for projects in both urban and rural areas, cannot exceed a combined total of \$125 million. Last year, the average grant for projects in urban areas was about \$14 million.

TIGER is a highly competitive discretionary grant program that supports innovative projects, including multi-modal and multi-jurisdictional projects, which are difficult to fund through traditional federal programs. Since 2009, the TIGER grant program has provided a combined \$4.1 billion to 342 projects in all 50 states, the District of Columbia and Puerto Rico. Demand has been overwhelming, and during the previous six rounds, the Department received more than 6,000 applications requesting more than \$124 billion for transportation projects across the country. Two Metro projects were selected for a funding award last year for a combined total of about \$22 million.

We are planning to submit TIGER grant applications for the All Door Bus Boarding Project and for the Rail to Rail Active Transportation Project along the Metro-owned right of way in South Los Angeles.

We will be coordinating closely with Board members, members of the Los Angeles County Congressional Delegation and key stakeholders to increase our prospects for securing TIGER grants for these projects.

Lastly on the TIGER grant front, we would like to emphasize that we very much appreciate Congresswoman Maxine Waters (CA-43) and her efforts to expand the TIGER program. Congresswoman Waters recently gathered over 146 Members of Congress in signing a support letter, urging to the Chairman and Ranking Member of the Subcommittee on Transportation and Housing and Urban Development (T-HUD) Appropriations the expansion of the TIGER program with the full funding of the President's request for \$1.25 billion for TIGER in fiscal year 2016, as part of an expanded TIGER program that provides \$7.5 billion over 6 years TIGER received \$500 million in fiscal year 2015.

POSITIVE TRAIN CONTROL

Late last month, four U.S. Senators introduced legislation that would extend the national implementation deadline for Positive Train Control from later this year to December 31, 2020. The legislation (S.650), entitled the Railroad Safety and Positive Train Control Extension Act, was introduced by U.S. Senators Roy Blunt (R-MO), Bill Nelson (D-FL), Claire McCaskill (D-MO) and John Thune (R-SD) and was referred for action to the Senate Committee on Commerce, Science and Transportation.

The [Rail Safety Improvement Act \(RSIA\)](http://simplesend.com/simple/t.asp?S=336&ID=76939&NL=4423&N=94644&SI=2291655&URL=http://www.fra.dot.gov/Page/P0395) <<http://simplesend.com/simple/t.asp?S=336&ID=76939&NL=4423&N=94644&SI=2291655&URL=http://www.fra.dot.gov/Page/P0395>>, which was enacted in 2008, mandated that railroads implement Positive Train Control by December 31, 2015. In the aftermath of the September 12, 2008 Metrolink Chatsworth train accident, Metro and Metrolink worked very closely with U.S. Senators Dianne Feinstein (D-CA) and Barbara Boxer (D-CA) to ensure that the RSIA included strong Positive Train Control provisions, included the December 31, 2015 implementation deadline. At present, Metrolink is leading the nation on installing Positive Train Control by launching a Positive Train Control Revenue Service Demonstration along their San Bernardino Line. The San Bernardino Line traverses the cities of Los Angeles, Alhambra, Rosemead, El Monte, San Dimas, Baldwin Park, Covina, Pomona, Claremont, Montclair, Upland, Rancho Cucamonga, Fontana, Rialto, and San Bernardino along with unincorporated areas of Los Angeles and San Bernardino counties.

Most recently, the U.S. Senate Committee on Commerce, Science, and Transportation approved the Railroad Safety and Positive Train Control Extension Act ([S.650](http://simplesend.com/simple/t.asp?S=336&ID=77283&NL=4423&N=95064&SI=2291655&URL=https://www.congress.gov/114/bills/s650/BILLS-114s650is.pdf) <<http://simplesend.com/simple/t.asp?S=336&ID=77283&NL=4423&N=95064&SI=2291655&URL=https://www.congress.gov/114/bills/s650/BILLS-114s650is.pdf>>).

In response to the introduction of S. 650 - U.S. Senator Dianne Feinstein has introduced S. 1006. This legislation, entitled the Positive Train Control Safety Act would, if adopted into federal law, extend the national deadline to implement Positive Train Control (PTC) by one year extensions up and until 2018. The deadline would be extended from December 31, 2015 to December 31, 2016, inclusive of two additional one year increments provided approval is granted by the Federal Railroad Administration. We are recommending - through a formal Board Report - that our Board adopt a support position with respect to S. 1006.

Metro will continue to closely track this legislation and work with our Los Angeles County Congressional Delegation to ensure that any PTC-related legislation achieves three important goals:

1. Safeguards PTC standards and ensures that they are not diminished.

2. Ensures that interoperability of PTC remains a priority for the federal government.
3. Creates incentives to encourage timely implementation of PTC systems.

We have and will continue to closely collaborate with Metrolink on this and other key rail safety matters.

Conclusion:

Chairman Garcetti and members of the committee, thank you for your attention to the issues addressed in this report. This concludes my remarks before the committee. I would very much welcome the opportunity to respond to any questions members of the committee may have on this update or any other matter.

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