

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 18, 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 Fasana and members of the Executive Management Committee, I am pleased to provide an update on a number of federal affairs of interest to our agency. This report was prepared on July 28, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

Federal Grants for Fiscal Year 2016

I am pleased to share with you that earlier this week Metro was awarded \$15 million for the Rosecrans/Marquardt grade separation project through the Transportation Investment Generating Economic Recovery (TIGER) grant program run by the U.S. Department of Transportation. TIGER grants are very competitive discretionary grants and I want to thank our staff for their hard work in submitting a successful application. I also want to express our appreciation for the strong support we received from our Congressional Delegation for this grant - especially from U.S. Senators Dianne Feinstein, Barbara Boxer and Congresswoman Linda Sanchez. It should be noted that our agency has secured five TIGER grants over the last eight years that TIGER grants have been issued - which is a positive track record that reflects favorably on our agency and the strong confidence the U.S. Department of Transportation has in our ability to build mobility enhancing projects.

Metro's Government Relations team will continue to actively seek Congressional support for our other grant applications which include an FTA Bus and Bus Facilities grants and FTA Mobility on Demand Sandbox Program grants.

One last note on federal grants - in August our agency will be holding a ribbon cutting ceremony for the North Hollywood Station Underpass project - which was funded - in part - with a \$10 million

federal Bus and Bus Facilities grant. This project - which will enable safe travel between the Orange and Red Lines - is another example of the dividend we enjoy because of the confidence the USDOT has and continues to have in our agency.

Federal Appropriations for Fiscal Year 2017

Most recently, the U.S. Senate moved this May to approve the Federal Fiscal Year 2017 Transportation - HUD (THUD) Appropriations Bill. We are pleased that the bill - as drafted - includes robust funding for Metro's New Starts projects. Specifically, the bill provides \$100 million for the Regional Connector and \$100 million for the Westside Purple Line Extension (Segment 1). The bill also states that \$250 million will be available for California's three New Starts projects that are awaiting Full Funding Grant Agreements - which would include funding for the Westside Purple Line Extension (Segment 2). In the U.S. House of Representatives, the Fiscal Year 2017 Transportation-HUD Bill has been advanced through the Appropriations Committee and is waiting to be considered on the full floor of the House.

Included in the House THUD bill is \$100 million for the Regional Connector, \$100 million for Purple Line Extension (Segment 1), and \$100 million for Purple Line Extension (Section 2). The House bill diverged, albeit slightly, from the Senate bill by specifically assigning the full funding amount for Westside Purple Line Extension Section 2. We will continue to work closely with our Los Angeles County Congressional Delegation as the Federal Fiscal Year 2017 appropriations process moves forward in the month of September.

Federal Regulations

We continue to work with our colleagues in the Planning department by commenting on federal rules and regulations being issued by the Federal Transit Administration, Federal Highway Administration, Federal Aviation Administration, among other agencies. Our comments on federal rules and regulations are governed and guided by the policies outlined in our Board-approved 2016 Federal Legislative Program. Consistent with our Board-approved America Fast Forward initiative - we are continuing to work to make permanent the Local Hire reforms enacted by Congress and the Obama Administration over the last several years.

I look forward to expanding on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

This concludes my remarks before the committee. I would welcome the opportunity to answer any questions from you Mr. Chairman or from members of this committee.

**Executive Management Committee
Remarks Prepared By Michael Turner
DEO, Government Relations, State Affairs**

Chairman Fasana and members of the Executive Management Committee, I am pleased to provide an update on a number of state affairs of interest to our agency. This report was prepared on August

2, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting.

California Air Resources Board Releases Draft Regulatory Amendments to the State's Cap-and-Trade Program

The California Air Resources Board (ARB) has released its draft regulatory amendments which would extend the Cap-and-Trade Program beyond 2020, broaden the program, comply with the federal Clean Power Plan, and enhance ARB's ability to oversee and implement the Regulations. The proposed amendments were drafted in response to the aggressive benchmark set in Governor Brown's Executive Order establishing a new 40 percent reduction target for GHG emissions by 2030. The final release of the proposed amendments to the Cap-and-Trade Program regulations is set for August 2, 2016. ARB will host a public hearing and open the formal public comment period in August. These amendments will be first considered at a Board hearing in September 2016 and voted on at a second Board hearing in the spring of 2017. Members of the Legislature, primarily in the Republican Caucus, believe that the Cap-and-Trade Programs cannot be extended without a vote of the Legislature. It is anticipated that the extension of the Cap-and-Trade Program, as well as the manner in which those funds would be allocated will be considered when the Legislature returns from recess in August.

California State Legislative Calendar Update

Summer Recess began on July 1st, 2016. The Legislature will re-convene the session on August 1, 2016. The last month of session proceeds at a rapid pace as the Legislature races to dispense with over 1500 remaining pieces of legislation. The policy and fiscal committees will be working in earnest to complete their work prior to the August 12, 2016 fiscal committee deadline. A number of major issues are still pending including the resolution of the state's cap and trade program. In addition, a number of members in the Assembly have begun discussions to see if a consensus can be reached on a transportation funding package in the last month of session. Additionally, a number of bills are still pending on which Metro staff are engaged. These include AB 2690 which would authorize Metro to set aside procurements for competition amongst small businesses and AB 522 (Mendoza), which would restructure the Metro Board of Directors, is currently pending in the Assembly Rules Committee.

ATTACHMENTS

Attachment A - August 2016 - Legislative Matrix

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