



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 20, 2017**

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

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

DISCUSSION

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

Chairman Fasana and members of the Executive Management Committee, I am pleased to provide an update on a number of federal matters of interest to our agency. This report was prepared on March 31, 2017 and will be updated, as appropriate, at the Executive Management Committee meeting on April 20, 2017.

Trump Infrastructure Plan

Metro is continuing to work with the White House and Congressional stakeholders to ensure that our Board-approved priorities are reflected in any infrastructure plan advanced by the Trump Administration and then considered by the 115th Congress. This work will continue to evolve as the Trump Administration and Congress begin to engage on infrastructure plans this spring. With the passage of both Measure R and M, Metro is smartly positioned to benefit from most any infrastructure plan put forward by the Trump Administration and considered by Congress later this year.

Federal Budget for Fiscal Year 2018

Earlier this month, the President's Office of Management and Budget released a blueprint of the Administrations Fiscal Year 2018 Federal Budget recommendations to Congress. The blueprint specified that the Administration is proposing to eliminate funding for the Federal Transit Administration's Capital Investment Grant Program and the popular TIGER Grant Program. Metro is actively working with our Congressional Delegation, Members of Congress, and stakeholders to build

support to oppose cuts to these important programs. Movement forward on the Fiscal Year 2018 transportation funding bills is not likely to begin until May when the President's formal budget is expected to be released by the White House.

Federal Grants for Fiscal Year 2017

As reported last month - Metro looks forward to aggressively seeking federal transportation grants - as authorized under the FAST Act.

Late last year, the U.S. Department of Transportation (USDOT) announced a Notice of Funding Opportunity for the second round of the FASTLANE Grant Program which was created as part of the freight focused funding section of the FAST Act. Metro's FASTLANE grant applications were submitted prior to December 15, 2016 - consistent with the USDOT's stated deadline. Because Congress did not appropriate a full year of funding for transportation projects and programs last year - this second round of FASTLANE grant funding was put on hold. Metro's Government Relations team is continuing to work with our Planning Department to advocate for the applications that were submitted. The USDOT's announcement of FASTLANE grant awards will be made by our nation's new USDOT Secretary Elaine Chao. At this time there is no indication of when this grant will be announced by the USDOT.

Federal Appropriations for Fiscal Year 2017

As Federal Fiscal Year 2016 came to a close on September 30th, Congress was unable to agree on passing a full year funding bill and instead approved a short term Continuing Resolution that will fund the Federal Government at Fiscal Year 2016 levels until April 28, 2017.

We continue to work with staffers for both the House and Senate Appropriations Committees to make sure the final federal spending bill includes \$100 million for the Regional Connector, \$100 million for Purple Line Extension (Segment 1), and \$100 million for Purple Line Extension (Section 2). The Appropriations process for Fiscal Year 2018 is not expected to begin until May of 2017, after Fiscal Year 2017 funding is completed for the remainder of the Federal Fiscal Year.

Conclusion

Mr. Chairman - we will expand on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

**Executive Management Committee
Remarks Prepared By Michael Turner
Deputy Executive Officer, Government Relations**

Chairman Fasana and members of the Executive Management Committee, I am pleased to provide an update on a number of state matters of interest to our agency. This report was prepared on March 31, 2017 and will be updated, as appropriate, prior to the Executive Management Committee meeting on April 20, 2017.

Transportation Funding Deal Update

In late March, Governor Edmund G. Brown, Jr., Senate President pro Tempore Kevin de Leon, Assembly Speaker Anthony Rendon and many State Legislators announced a landmark road repair and transportation investment package to fix roads, freeways and bridges and to also provide funding for transit and safety projects in communities across California. This package will generate up to \$52.4 billion over a 10 year period for these transportation programs, including many of Metro's major funding priorities for transit, highway repair and local streets and roads maintenance.

Legislative language for this agreement was introduced in amendments to SB 1 (Beall) and is expected to be considered by the State Legislature before the spring recess. Staff are reviewing the contents of this proposal and will identify the benefits of this legislative initiative to Metro and more broadly - to Los Angeles County. There will be significant follow up at the State level regarding implementation of SB1.

Governor Signs AB 28 (Frazier) into law

The Governor signed AB 28 (Frazier) a bill that would extend Caltrans' NEPA assignment authority into law on March 29th, days before the March 31st Federal suspension deadline. The bill extends Caltrans' authority to provide NEPA approval to state highway projects through the year 2020.

California State Legislative Process Update

The State Legislature's Spring Recess begins April 6th. The Legislature reconvenes the 2017-2018 session on April 17th. Once back in session, each house will be quickly moving bills through the policy committee process. The deadline to get bills approved in policy committee is April 28th for fiscal bills and May 12th for non-fiscal bills. The committees will be working to hear the thousands of bills that have been introduced. During this period spot bills will continue to be amended so that they can be considered so Metro staff have been tracking amendments to identify any issues that could affect the agency.

California Legislative Analyst's Office Issues a Review of the State's Cap-and-Trade Program

The Legislative Analyst's Office (LAO) issued a review of the State's current Cap-and-Trade program. There is also legal uncertainty whether ARB has the authority to operate the cap-and-trade program beyond 2020 and whether extending the authority to auction allowances beyond 2020 would require a two-thirds vote. The Governor's budget includes provisions that propose to continue authorizing spending in Cap-and-Trade funding beyond 2020. The broader discussion about the Cap-and-Trade program will continue throughout the legislative session.

Conclusion


We will expand on this brief report at the Executive Management Committee meeting with any new developments that occur in the days ahead.

ATTACHMENTS

Attachment A - April 2017 - Legislative Matrix

Prepared by: Michael Turner, DEO, Government Relations, (213) 922-2122
Raffi Hamparian, Director, Government Relations, (213) 922-3769

Reviewed by: Pauletta Tonilas, Chief Communications Officer, (213) 922-3777



Phillip A. Washington
Chief Executive Officer