

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
APRIL 12, 2018****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**

Chair Garcetti 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 27, 2018 and will be updated, as appropriate, at the Executive Management Committee meeting on April 12, 2018. Status of relevant pending Federal legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/4%20-%20April%202018%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/4%20-%20April%202018%20Legislative%20Matrix.pdf), which is updated monthly.

Trump Administration Announces Tariffs On Chinese Imports

On March 23, 2018, the White House issued a Presidential Memorandum that announced that the United States will be imposing over \$50 billion in tariffs on Chinese imports. According to the Presidential Memorandum, the U.S. Trade Representative “shall publish a proposed list of products and any intended tariff increases within 15 days of the date of this memorandum.” According to administration officials, “The tariffs, which the United States trade representative will publish within 15 days, will target 1,300 lines of Chinese goods.” Pursuant to Board actions, Metro is purchasing 100 zero emission buses (including options) from BYD and 282 heavy rail cars (including options) from the China Railway Rolling Stock Corporation. A link to the Presidential Memorandum that was issued after President Trump spoke on this subject in the Diplomatic Room of the White House: [<https://www.whitehouse.gov/presidential-actions/presidential-memorandum-actions-united-states-related-section-301-investigation/>](https://www.whitehouse.gov/presidential-actions/presidential-memorandum-actions-united-states-related-section-301-investigation/). Metro staff will continue to closely track and analyze this matter and will update the Board once the specific tariffs are, consistent with the Presidential Memorandum, published in early April.

Omnibus Appropriations Bill Signed into Law

On March 23, 2018, the U.S. Senate passed H.R.1625, the Consolidated Appropriations Act, 2018 by a vote of 65 - 32. The measure was signed later that day by President Trump, averting a government shutdown slated for the end of that day. The House previously passed this bill by a vote of 256 - 167. Overall, the bill provides about \$13.5 billion in budgetary resources for the Federal Transit Administration (FTA), which is an increase of more than \$1 billion as compared to FY 2017 enacted levels. Programs funded by Mass Transit Account (MTA) of the Highway Trust Fund received \$9.733 billion, as authorized by the Fixing America's Surface Transportation (FAST) Act for FY 2018. A handful of programs traditionally funded by the MTA also received an additional \$834 million from the general fund, including \$400 million for Bus and Bus Facilities grant programs, \$400 million for State of Good Repair, and \$30 million for High Density States. Of the Bus and Bus Facilities funding, \$209.1 million is allocated to formula grants, \$161.45 for competitive grants, and \$29.45 for no or low emissions grants.

The Capital Investment Grants (CIG) program was appropriated \$2.645 billion, up from \$2.413 billion in FY 2017. This total includes more than \$1.5 billion for New Starts, almost \$716 million for Core Capacity projects, and almost \$401 million for Small Starts. The bill also contains strong, legislative language to ensure the future of the CIG program.

This bill provides \$1.9 billion for Amtrak overall. Of this, \$650 million goes to Amtrak's Northeast Corridor (NEC), which is \$322 million more than FY 2017 enacted levels, and \$1.29 billion for Amtrak's National Network. Finally, the TIGER program is funded at a level of \$1.5. billion, \$1 billion more than FY 2017 enacted levels.

Federal Grants for Fiscal Year 2017/2018

As we noted to Board members last month, Metro has applied for a number of major grants this year - including an INFRA grant and a Bus and Bus Facilities grant. We are engaging in a broad array of stakeholders to ensure that our grant applications have the best opportunity of being approved by the USDOT. Most recently, our professional staff were on Capitol Hill with the Los Angeles Area Chamber of Commerce and at the U.S. Department of Transportation (USDOT) discussing our INFRA grants with senior aides and officials. We are hopeful that Metro's INFRA grant applications will be favorably reviewed by the USDOT rumored to be announced at the end of April.

Conclusion

Chair Garcetti - I look forward to expanding on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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

Chair Garcetti and members of the Executive Management Committee, I am pleased to provide an update on a number of the state matters of interest to our agency. This report was prepared on March

29, 2018 and will be updated, as appropriate, at the Executive Management Committee meeting on April 12, 2018. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/4%20-%20April%202018%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/4%20-%20April%202018%20Legislative%20Matrix.pdf) (hyperlink same as above), which is updated monthly.

California State Legislative Process Update

The State Legislature convened from its spring recess on April 2, 2018. Policy and Fiscal Committees will continue to hear and amend bills that were introduced to date. The deadline for bills to be decided upon in Legislative and Policy Committees is April 27, 2018. Bills are being scheduled for hearings in their respective policy committees. Metro has sponsored a number of legislative proposals this session and these bills are currently in the Rules Committees, where they will be assigned to Policy Committees for hearings in the coming weeks. Staff will be working with members of the legislature and staff of policy committees to ensure that Metro's priorities and goals outlined in the 2018 State Legislative Program are met. Staff will continue to update the Board as bills move through the legislative process.

California State High Speed Rail Project Update

The State's High Speed Rail Authority has released its 2018 Draft Business Plan for public comment. Metro supports the High Speed Rail project and supports the early funding of the book-end and connectivity projects in Los Angeles County pursuant to our Board approved 2018 State Legislative Program. The Assembly Committee on Transportation has scheduled a hearing to review the 2018 High Speed Rail Business Plan on Monday, April 2, 2018. SCAG will be providing testimony at the hearing on behalf of the Southern California region. On Tuesday, April 3, 2018, there will be a joint hearing of the Senate Transportation and Housing and Budget and Fiscal Review Subcommittee No. 2 on Resources, Environmental Protection, Energy and Transportation to review the 2018 Plan. Metro staff has been invited to testify and provide remarks about Metro's LINK Union Station project. The LINK US project is included in the early-action bookend project list, and the latest Draft Business Plan outlines the State's continued commitment of \$423 million of Proposition 1A funding to the project.

Senate Bill 1 Transportation Funding Update

On March 21, 2018 the CTC adopted the five-year 2018 State Transportation Improvement Program (STIP), which includes \$482 million for Los Angeles County. The 2018 STIP provides Los Angeles and other counties the chance to fully restore projects deleted in 2016, as well as the opportunity to fund additional transportation priorities. In Los Angeles County, Metro in partnership with Caltrans is completing much needed safety improvements on the State Route (SR) 138 from Palmdale to the San Bernardino County line by widening the last three segments of the highway. Metro is also funding other major transportation priorities including the East San Fernando Valley Transit Corridor, a major Measure M capital project, and bus fleet replacement, a critical state of good repair priority. The CTC and Caltrans are set to submit their staff recommendations for the four major discretionary grant categories - the Local Partnership Program, Solutions for Congested Corridors, Trade Corridor Enhancement Program and the Transit and Intercity Rail Capital Program. The CTC will make its final recommendations and approve award funding at its May regular Commission Meeting in San Diego,

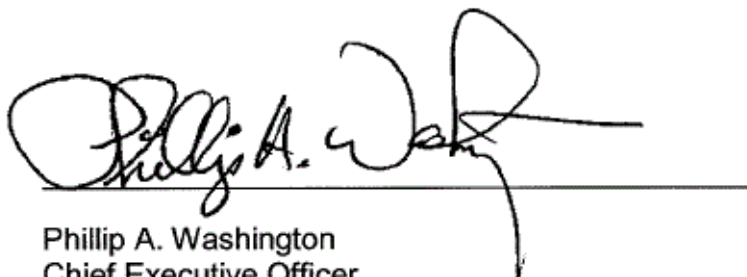
CA. Metro is advocating for funding awards for a number of projects throughout Los Angeles County. The latest information on Senate Bill 1 funding for Los Angeles County and Metro's grant applications is available to the public on Metro's "The Source" blog.

Conclusion

Chair Garcetti - I look forward to expanding on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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