

**Board Report**

File #: 2020-0480, **File Type:** Informational Report**Agenda Number:** 37.

**EXECUTIVE MANAGEMENT COMMITTEE
AUGUST 20, 2020****SUBJECT: STATE AND FEDERAL REPORT****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE August 2020 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 several federal matters of interest to our agency. This report was prepared on July 17, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on August 20, 2020. Status of relevant pending legislation is monitored on the [Metro Government <http://libraryarchives.metro.net/DB_Attachments/200805_Aug2020-LA-Metro-Legislative-Matrix.pdf> Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200805_Aug2020-LA-Metro-Legislative-Matrix.pdf), which is updated monthly.

The HEROES Act

With only weeks before both the U.S. House of Representatives and the U.S. Senate begin their summer recess, congressional leaders and the White House are discussing a new COVID-19 aid package. As our agency did prior to the adoption of the CARES Act, our Chief Executive Officer will be communicating with members of the Los Angeles County Congressional Delegation details of the ongoing impact the pandemic is having on our agency with respect to our operations and capital projects. Specifically, our CEO is informing our U.S. Representatives and U.S. Senators that as a consequence of the pandemic and revenue shortfalls due to, among other things, a precipitous drop in sales tax revenue and renewed state-wide COVID-19 closures, we are anticipating an overall shortfall of anywhere between \$1.6 billion to \$1.9 billion for the coming fiscal year.

The HEROES Act that was adopted by the House earlier this year would, according to our best estimates, provide approximately \$725 million to our agency - primarily through two existing federal formula programs (Section 5307 and Section 5337). The Government Relations team looks forward to keeping the Board apprised of our work related to any new COVID-19 legislation that may be

considered by the U.S. Congress over the next several weeks.

Surface Transportation Reauthorization

On June 4, 2020, Chair Peter DeFazio (D-OR) of the House Transportation and Infrastructure Committee introduced H.R. 7095 (Now H.R.2) - Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act. The five-year reauthorization bill would replace the FAST Act, which will expire on September 30, 2020. The INVEST in America Act contains many of Metro's Board-approved federal priorities, such as a new freight funding program that is aimed at mega-projects. This new program brings back to life the Projects of National and Regional Significance grant program that was originally authorized under SAFETEA-LU. The bill streamlines the Federal Transit Administration's (FTA) Capital Investment Grant Program by speeding approval of projects that seek less than 60% federal funding. Also included in the proposed bill are changes to incentivize more domestic manufacturing of railcars and buses. Lastly, the bill invests in frontline transportation workforce training and brings back the Local Hire Pilot Program that Metro worked with the Obama Administration and Congresswoman Karen Bass to create. The Metro Board approved a SUPPORT position for the bill during the June Board Meeting and a letter from our CEO indicating the agency's support was sent to Chairman Peter DeFazio (D-OR) and the Los Angeles County Congressional Delegation.

The INVEST in America Act was incorporated into a larger infrastructure package - The Moving Forward Act - which passed through the House of Representatives and is awaiting action by the U.S. Senate. While the Senate Committee on Environment and Public Works has approved their highway portion of a five-year reauthorization bill, the other committees of jurisdiction have taken no action to complete their portions including transit and rail titles. The Senate and House schedules for the rest of the federal fiscal year appear to be limited on legislative workdays leading to speculation that a Continuing Resolution will be needed to keep transit and highway programs funded beyond September 30, 2020. Metro will continue to strongly advocate for a full reauthorization bill highlighting the cost of delays associated with uncertain federal funding levels.

Federal Fiscal Year 2021 Spending Bills

On July 14, 2020, the House Committee on Appropriations approved the FY21 Transportation - HUD Appropriations Bill which increases net discretionary funding for the U.S. Department of Transportation by 2.2%. The bill then also has another \$25 billion in emergency relief funding that includes line items such as \$5 billion for FTA's Capital Investment Grant program to assist new projects as well as under-construction projects with FFGA's that are being negatively impacted by the COVID-19 pandemic. The full House is expected to vote on most of the FY 2021 Appropriations bills by the end of July - prior to the August recess.

The Senate has not started their FY21 Appropriations process due to the fact that agreements between Senate leadership could not be reached on a range of matters - including the top line funding figures. At present, it is unclear how the Senate will move forward with FY21 Appropriations bills. Given the low number of legislative workdays through October, Senate leadership will need to negotiate quickly in September to avoid a Continuing Resolution starting on October 1, 2020.

National Defense Authorization Act for Fiscal Year 2021

Last year, the U.S. House and Senate negotiated the National Defense Authorization Act (NDAA) for

Fiscal Year 2020, which was signed into law by the President on December 20, 2019. The final language in the NDAA conference report mirrors legislation authored by Senator Cornyn (R-TX) and Congressman Rouda (D-CA) that limits the use of federal funds to procure rolling stock from China. The U.S. Department of Transportation recently issued an FAQ document to clarify this matter.

Both Chamber's of Congress have started to debate the FY21 NDAA bill. The Senate debate has stalled on the floor but is expected to continue before the August recess. One amendment introduced by Sen. Martha McSally (R-AZ) is focused on cutting off all federal funding for certain Chinese companies even in the case of an already executed contract. This amendment could potentially be harmful to Metro's current contract with CRRC. Metro's government relations team has and will communicate the negative impacts should this amendment be adopted into the FY21 NDAA and will continue to keep the Board apprised of any developments related to this matter.

Federal Grants

We continue to aggressively advocate for a series of federal grants being sought by our agency. Unfortunately, neither Metro, nor any other applicant in the State of California received an INFRA grant award this year. This was extremely disappointing news given the outsized role Los Angeles County and California play in the nation's freight movement. U.S. DOT is expected to announce the FTA Bus and Bus Facilities Competitive Grant in the coming weeks.

Local Hire Pilot Program

As mentioned, the House Committee on Transportation and Infrastructure recently introduced the INVEST in America Act. We are happy to share that the bill reflects the strong advocacy of our agency and Rep. Karen Bass (D-CA) and includes a mandate to bring back the Local Hire Pilot Program established during the Obama Administration. Congresswoman Bass has been a longtime champion of Metro's effort to enact federal local hiring reforms and we thank her and Chairman DeFazio for their decisive leadership on this issue.

Conclusion

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

**Executive Management Committee
State 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 state matters of interest to our agency. This report was prepared on August 4, 2020 and will be updated, as appropriate, at the Executive Management Committee meeting on August 20, 2020. Status of relevant pending legislation is monitored on the [Metro Government Relations <http://libraryarchives.metro.net/DB Attachments/200805_Aug2020-LA-Metro-Legislative-Matrix.pdf> Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/200805_Aug2020-LA-Metro-Legislative-Matrix.pdf), which is updated monthly.

California State Legislative Process Update

The California State Legislature is currently holding a shortened legislative session. The policy committees have hosted a limited number of hearings and are reviewing a very specific set of

legislative proposals to address COVID impacts and economic recovery. Assembly and Senate Committees are meeting to hear bills on a shortened and updated Legislative calendar. The Senate approved proxy voting in March in the event of an emergency and have also added sessions to be held on Saturdays. The Assembly voted on Monday, August 3, 2020 to allow for high-risk lawmakers to vote on bills without being present in the chamber via proxy. August 31, 2020 is the deadline to pass bills. There are also talks of the Governor convening a special session to deal with a number of bills that may not meet the August 31st deadline. Our process includes reviewing all introduced bills, identifying potential impacts to the agency, working with agency staff to review proposals and then bringing bills to the Board for consideration of a position.

SB 288 (Weiner) Introduced to Expand Exemptions Under the California Environmental Quality Act (CEQA)

Senator Scott Weiner introduced SB 288 which would expand the list of categorical exemptions under CEQA. Pursuant to the Board approved Legislative Program staff have worked with a number of stakeholders around the state and members of the Los Angeles County legislative delegation to communicate Metro's support to improve CEQA for our transit projects. SB 288 is consistent with that effort and could help to expedite certain Metro projects like limited transit projects, active transportation projects, bus only lanes and Metro's Express Lanes program for example. The bill is set to be heard on Thursday, August 6, 2020 in the Assembly Natural Resources Committee. Metro staff will testify in support of the measure, and urge the author to incorporate amendments that would exempt zero-emission charging infrastructure and people-mover systems from the provisions of CEQA if certain conditions are met.

Senate Bill 757 (Allen/Atkins) CEQA Streamlining Legislation

Currently, Metro staff are engaged in conversations about CEQA streamlining efforts with the authors of SB 757 (Allen) and SB 288 (Wiener), which were originally due to be heard in the Assembly Natural Resources committee on July 29, 2020 and were re-scheduled for the August 6, 2020 Committee date. Pursuant to our Board-approved State Legislative Program, Metro supports efforts to reform and streamline CEQA to support accelerated project delivery. Metro, as the bill sponsor, is engaged in ensuring the bill's passage. We have worked with the author to incorporate language that would apply the AB 900 shortened CEQA litigation provisions to Metro's Four Pillar Projects. Staff are working closely with members of the committee and the author to establish project thresholds and finalize the bill language. Staff will testify as witnesses in the upcoming committee meeting and will keep the Board informed as it moves forward through the legislative process.

California Legislature Considers Worker's Compensation Legislation

There is an effort underway by a number of legislators to pass legislation that adds additional Family Medical Leave and protections for employees affected by COVID-19. Staff will continue to follow developments regarding the legislation and evaluate impacts to Metro. Legislation that is set to be considered includes AB 3216 (Karla) which would set out new employer requirements regarding unpaid leave and would amend the California Family Rights Act (CFRA) to require employers in the state to provide unpaid leave and AB 196 (Gonzalez) which would create a "conclusive presumption" that COVID-19 infection or injury arose in the course of employment for all "essential workers" as designated by the Governor.

State Funding Update - Senate Bill 1 Grant Applications

The next round of applications for Senate Bill 1 transportation funding were submitted to the California Transportation Commission for consideration. Our agency's request included seven project applications for the 2020 Local Partnership Program (LPP), Solutions for Congested Corridors Program (SCCP) and Trade Corridor Enhancement Program (TCEP) representing a request for \$635 million to support a total project cost of \$1.57 billion. Projects are listed below:

- I-710 South Soundwalls (LPP) - \$31 million requested
- NextGen Bus Service Improvements (LPP) - \$25 million requested
- I-105 ExpressLanes (SCCP) - \$150 million requested
- SR-57/SR-60 Interchange Improvements (TCEP) - \$218 million requested
- I-710 South ICM (TCEP) - \$28 million requested
- I-605/SR91 and SR91 Improvements (TCEP) - \$118 million requested
- Link US/Malabar Yard (TCEP) - \$65 million requested

Staff will engage our delegation in support of the applications and will keep the Board informed as the applications are considered for award by the CTC.

LA County Delegation Engagement

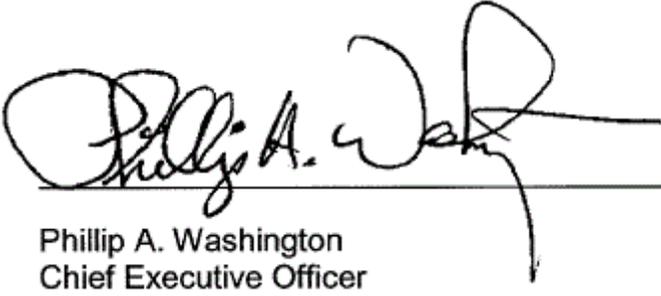
Metro will host a briefing in August, in order to update local, state, and federal offices on the status of key Metro projects and programs and the agency response to COVID-19. Staff will brief the offices on the CEO's Call to Action item that was presented to the Board of Directors in May and associated updates to Metro's budget impacts. Historically, these briefings are held in-person, seasonally, in order to have both an opportunity to brief staff from elected offices, as well as to hear comments and concerns directly from their constituents. Due to current measures in place statewide and nationwide - Government Relations staff has moved to a virtual model - hosting the updates via an online video meeting platform. These briefings, as well as district-specific briefings, will continue on a regular basis to ensure that the members of the LA delegation have access to Metro's most up-to-date project and program information on a regular basis.

Conclusion

Staff will expand on this report at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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

Reviewed by: Yvette Rapose, Chief Communications Officer, (213) 418-3154



Phillip A. Washington
Chief Executive Officer