



Metro

Board Report

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2016-0653, **File Type:** Informational Report

Agenda Number: 30.

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 15, 2016

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 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 August 30, 2016 and will be updated, as appropriate, at the Executive Management Committee meeting on September 15, 2016.

Federal Grants for Fiscal Year 2016

As you are well aware Chairman Fasana, earlier this month Metro celebrated three mobility enhancing projects that received federal funding.

On August 15th, at an event led by you, Metro celebrated the opening of the North Hollywood Station Underpass project - which was funded - in part - with a \$10 million federal Bus and Bus Facilities grant. This fantastic project will increase the safety of thousands upon thousands of our customers - who will no longer have to navigate crossing a very busy Lankershim Boulevard in the San Fernando Valley. We were very pleased to have a number of distinguished guests at this event - including Congressman Tony Cardenas.

On August 24, Chairman Fasana and Director Ridley-Thomas joined with Senator Boxer to mark the successful use of a \$546 million TIFIA loan for the Crenshaw/LAX Transit Corridor project. At an event held at the Green Line's Aviation Station - Senator Boxer expressed her confidence in our agency and her appreciation that our agency worked with her to embed the America Fast Forward

Innovative Finance initiative into MAP-21. This America Fast Forward section of MAP-21 helped to ensure that the TIFIA program was fully funded - which later gave the program the ability to offer a \$856 million TIFIA loan for our Westside Purple Line Extension (Section 1), a \$160 million TIFIA loan for the Regional Connector and a \$307 million TIFIA that we are currently finalizing for Westside Purple Line Extension (Section 2).

On August 25, at another event led by you Mr. Chairman, Metro celebrated the award of \$15 million through the U.S. Department of Transportation's TIGER Grant program for the Rosecrans/Marquardt Grade Separation Project. This marked the fifth out of eight rounds of TIGER Grant funding that Metro has received funding. Impressively - over the last three years we have secured the largest TIGER grant awards in the entire State of California. We were very pleased that Congresswoman Linda Sanchez - a strong advocate for this project - was present for this gathering celebrating a \$15 million TIGER grant for the Rosecrans-Marquardt grade crossing.

We are very appreciative of the strong partnership and confidence that U.S. Department of Transportation has had and continues to have in our agency to delivery these and other critical federally funded 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 grant and a FTA Mobility on Demand Sandbox Program grants.

Federal Appropriations for Fiscal Year 2017

Since Congress has been in recess - there is not much new to report on the appropriations front. I do want to note that - 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. Congressional Members have expressed interest in a number of possible paths forward on passing an Appropriations Bill which include a short term continuing resolution that would allow Congress an opportunity to negotiate the remainder of FY17 funding levels after the election in November, and another option of a continuing resolution that would stretch into early next year.

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

CalSTA issues notice of Cap-and-Trade funding for Airport Metro Connector and Red/Purple Line Core Capacity Improvements project

The California State Transportation Agency (CalSTA) formally announced that Metro was awarded \$109.2 million in Cap-and-Trade funds under the Transit and Intercity Rail Capital Program for the Airport Metro Connector/96th Street Station and the Red/Purple Line Core Capacity Improvements projects. Metro received the largest share of the \$390 million that was available statewide.

Frazier/Beall Funding Package Update

Assemblymember Jim Frazier and Senator Jim Beall have released the language of a \$7.4 billion comprehensive transportation funding package. The package would rely on revenues from increases in sales and excise taxes on diesel and gasoline, vehicle registration fees, truck weight fees and cap and trade proceeds. Staff has prepared a legislative analysis and will be asking the Board of Directors to adopt a position on the measure as it relates to significant investments in transportation statewide.

California State Senate Introduces Passes Legislation to allocate Cap-and-Trade dollars

The California State Assembly Budget Committee held a hearing on SB 830 and SB 859 (Committee on Budget and Fiscal Review), two bills that would allocate \$900 million of the \$1.4 billion in unspent

Cap-and-Trade dollars to projects and programs aimed at reducing Greenhouse Gas Emissions. The proposed expenditure plan for the unallocated Cap-and-Trade funds received wide support from Governor Jerry Brown, Speaker of the Assembly Anthony Rendon and Senate Pro Tempore Kevin de Leon. The bill is aligned with the Governor's climate change plan and targets disadvantaged communities by increasing investment in technology, clean air programs, and increasing outreach and access to low-income households for rebates for clean air vehicles.

Metro's Sponsored Legislation AB 2690 (Ridley-Thomas) Update

Governor Jerry Brown signed AB 2690 (Ridley-Thomas), codifying Metro's small business set-aside program into law. We would like to thank the Metro Board of Directors and the author, Assemblymember Ridley-Thomas, for their vision, leadership and efforts in advocating in support of this bill.

Senator Mendoza SB 1472 Board Restructuring Bill Update

The bill was set to be heard in the Assembly Local Government Committee; however, prior to the Committee meeting, the author requested that the bill be pulled from consideration. Senator Mendoza issued a statement to suspend his efforts for the remainder of this legislative session. In the published statement, Senator Mendoza noted, "My office is working diligently with interested parties, including the Los Angeles Division of the League of Cities, to craft a bill that would improve the make-up and representation on the board."

California State Legislative Key Updates Calendar Update

The final day of the Legislative Session is August 31st. The Legislature adjourned the 2016 session at the end of August after processing a flurry of bills. The legislature heard thousands of legislative proposals over the two-year legislative session. Amongst those bills were a number of key issues for Metro including the passage of AB 1889 (Mullin) which clarifies the requirements for allocating High Speed Rail bond funds to the bookend projects, SB 824 (Beall) which will create flexibility in the management of Cap-and-Trade funds allocated to public transit. The Legislature also passed SB 32 (Pavley) an extension of the AB 32 (Pavley) greenhouse gas emissions reduction targets which is one element of stabilizing the cap and trade program. However, the existence of litigation regarding cap and trade still threatens its long term stability. Because of these issues the August auction of Cap-and-Trade revenues was very low and will not generate significant long term revenue for cap and trade.

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.

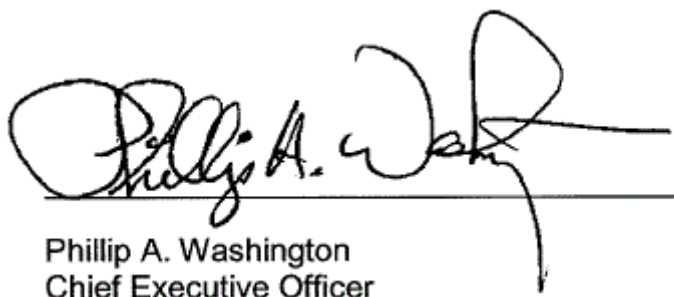
This concludes my remarks before the committee. I would welcome the opportunity to answer any questions from you Mr. Chairman or from members of this committee.

ATTACHMENTS

Attachment A - September 2016 - 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