



Metro

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

Board Report

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Agenda Number: 35

EXECUTIVE MANAGEMENT COMMITTEE JULY 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 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 June 30, 2017 and will be updated, as appropriate, at the Executive Management Committee meeting on July 20, 2017. Status of relevant pending Federal legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/Board%20Report%20Links/0468/July%202017%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/Board%20Report%20Links/0468/July%202017%20Legislative%20Matrix.pdf), which is updated monthly.

Trump Infrastructure Plan

President Trump has announced plans to make public, as early as this month, his plan to invest \$1 trillion in America's infrastructure. As shared previously with the Board last month, our agency has and will continue 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. We believe that with the passage of both Measures 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

In May, the President's Office of Management and Budget (OMB) released the Trump Administration's Fiscal Year 2018 Federal Budget recommendations to Congress. Unfortunately, the budget 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

has and will continue to work with our Congressional Delegation, Members of Congress, and stakeholders to build support to oppose cuts to these important programs. Congressional Appropriation Committees of jurisdiction have stated to hold hearings on the budget and are likely to markup FY18 Transportation-HUD Appropriation bills in late July. Metro's Government Relations will keep the Board updated on the status of the bills.

Federal Grants for Fiscal Year 2017/2018

As we reported last month, we are continuing to await the Trump Administration's decision as to how they will handle the FASTLANE Grant Program which was created as part of the freight focused funding section of the FAST Act. On June 29th, U.S. DOT released the Fiscal Year 2018 Notice of Funding Opportunity (NOFO) announcing that the grant program will be renamed from FASTLANE to Infrastructure for Rebuilding America or INFRA Grants. Included in the announcement and Federal Register notice, U.S. DOT is taking 80% of FY17's FASTLANE funding and including it in the FY18 NOFO. This makes the FY18 INFRA Grant NOFO funded at approximately \$1.5 billion. Applications are due 120 days after the Federal Register notice is published and applicants can begin submitting their respective applications as early as August 1, 2017. Metro's Government Relations will work with the Planning Department to advocate for projects that Metro submits for consideration.

Additionally, the USDOT has announced a new federal funding opportunity - through the FTA - for \$55 million in competitive grant funds through Low or No Emission (Low-No) Bus Program. According to the FTA, "the Low-No program supports projects sponsored by local transit agencies to bring advanced, American-made bus technologies such as battery electric power and hydrogen fuel cells into service nationwide." We will, as we do with all federal grant opportunities, vigorously compete for these valuable federal funds.

Federal Aviation Administration Fuel Tax Rulemaking

This issue was brought to the attention of the Board through a Board Box on February 16, 2016. To summarize, the FAA completed a rulemaking in 2014 that clarified that the term "local aviation fuel taxes" are not considered excise taxes on aviation fuel - as has been the case for the past 29 years - and instead are considered all sales taxes including voter approved sales taxes that are dedicated to specific projects and programs. Metro has been working with Congress, to find a legislative solution to ensure that taxes collected through Metro's sales tax measures are not diverted for purposes not intended by the voters who approved the sales tax measures. On June 27th, during a mark-up of the FAA Reauthorization Bill in the House Transportation and Infrastructure Committee, Congressman Alan Lowenthal (in conjunction with Congresswoman Grace Napolitano) offered an amendment that Metro supported. The Chairman of the Committee, Congressman Bill Shuster, asked Congressman Lowenthal to withdraw the amendment in the hopes that he could work on a compromise during the next phase of legislative action on the FAA bill. Congressman Lowenthal agreed and Metro will continue to work with our Congressional Delegation and other stakeholders to develop a compromise solution.

Conclusion

Mr. Chairman - 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**

Chairman 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 June 30, 2017 and will be updated, as appropriate, prior to the Executive Management Committee meeting on July 20, 2017. Status of relevant pending State legislation is monitored on the [Metro Government Relations Legislative Matrix <http://libraryarchives.metro.net/DB_Attachments/Board%20Report%20Links/0468/July%202017%20Legislative%20Matrix.pdf>](http://libraryarchives.metro.net/DB_Attachments/Board%20Report%20Links/0468/July%202017%20Legislative%20Matrix.pdf), which is updated monthly.

CTC Approves Funding under TCRP Program

Under Senate Bill 1, the Traffic Congestion Relief Program (TCRP) program was discontinued, as of June 30, 2017. The CTC, in their June meeting made certain funding allocations to complete their commitments to funding a number of projects under Metro's purview. The California Transportation Commission (CTC) allocated \$35.8 million of Traffic Congestion Relief Funds to Metro projects at their June meeting. Prior to the termination of the TCRP, staff submitted allocation requests to fund \$27 million for preliminary engineering on the East San Fernando Valley Transit Corridor and \$8.8 million to fund the design phase of the State Route 71 project and were successful. Both projects will now be able to continue project development work to position them for future consideration in state and federal discretionary funding programs matched by Measure M sales tax revenues. Staff will continue to advocate for the remaining funding for these projects under Senate Bill 1 and cap-and-trade and federal programs. Metro staff will also continue to work with the CTC and Caltrans in the implementation of Senate Bill 1 to ensure that Metro's priorities are reflected in funding allocations and guidelines.

Key State Budget Issues

There have been a number of bills relating to the State's funding allocations under Senate Bill 1 and Cap and Trade programs. Transportation budget bills were approved and signed into law by the Governor during the last week of June, 2017. The bills enact provisions that were heralded under Senate Bill 1 to fund transportation around the state. Outstanding is the legislation that would re-authorize and reform the State's Cap and Trade program.

Cap and Trade

Earlier this week, after an extensive review, the State's Supreme Court upheld rulings that validated the legality of the State's Cap and Trade program. Supporters of the program believe that this final ruling will help to stabilize positive outcomes future auction proceeds. Still under discussion is the future of the Cap and Trade program; under consideration are proposals that would extend the program beyond 2020, reform provisions related to disadvantaged communities and secure funding for the Greenhouse Gas Reduction Fund (GGRF). Staff will continue to advocate in support of increasing funding for the transit categories under Cap and Trade.

State Legislative Updates

SB 268 (Mendoza) - Senator Tony Mendoza pulled SB 268 from consideration in the Assembly Local Government Committee. Metro had worked with a number of stakeholders from across the county who were prepared to testify in opposition including representatives from local government, the business community, environmental justice community, and organized labor. The Senator indicated that he wants to continue to work on the issue and to address the opposition. Staff will continue to keep the Board apprised of any new proposals that may be introduced this legislative session. Metro's Board has adopted an oppose position on this measure.

AB 468 (Santiago) - Metro's sponsored Legislation, AB 468, a bill that would grant Metro the authority to issue prohibition orders passed the Senate Transportation and Housing Committee by a unanimous vote of 12-0. Pursuant to Board direction, Metro has sponsored and successfully advocated in support of legislation that would combat the issue of assault on bus operators. The bill now moves to the Senate Floor for consideration.

AB 695 (Bocanegra) - AB 695 was approved and will now move the Governor for signature. This measure aims to increase safety at rail crossings, by adding in rail maintenance equipment to the pedestrian crossing safety regulations. Metro's Board previously adopted a support position on this measure.

California State Legislative Process Update

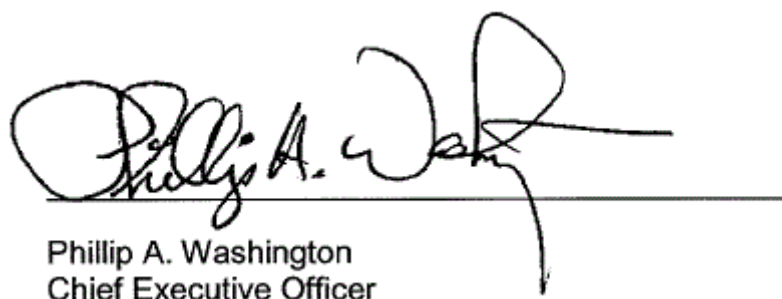
July 14th is the last day for policy committees to hear and report bills with a fiscal impact to fiscal committees. Summer recess begins on July 21st, provided the Budget has been passed.

Conclusion

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

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