

**Board Report**

File #: 2017-0734, **File Type:** Informational Report**Agenda Number:** 11.

**EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 16, 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**

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 November 2, 2017 and will be updated, as appropriate, at the Executive Management Committee meeting on November 16, 2017. Status of relevant pending Federal legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

Tax Reform Legislation

Earlier today, the Chairman of the House Ways and Means Committee, Chairman Kevin Brady (R-TX), released the legislative text as well as a section-by-section summary of the "Tax Cuts and Jobs Act" tax reform bill. The Committee is expected to begin hearings on the legislation next week. The Senate is expected to release its version of tax reform in the near future as well. With regards to important tax benefits that support Metro's - we are deeply concerned that the legislative text released earlier today does not include an extension of the Alternative Fuels Tax Credit for Compressed Natural Gas used in Metro's bus fleet. The Alternative Fuels Tax Credit is worth approximately \$18 million annually to our agency.

We are also concerned that the legislation released today compromises the Commuter Tax Benefit, which allows tax-free transportation fringe benefits of up to \$255 per month per employee for transit expenses. It is our hope that the Commuter Tax Benefit and the Alternative Fuel Tax Credit will be maintained in any tax reform measure adopted by the House and Senate. The "Tax Cuts and Jobs Act" also repeals two important infrastructure bond programs - Tax Credit Bonds and Private Activity Bonds. Tax Credit Bonds and Private Activity Bonds play an important role in building infrastructure

projects and can be a critical piece of innovative infrastructure financing and delivery models. Metro will continue to work with our Congressional Delegation, the Administration and stakeholders to advocate for the important tax benefits I have just addressed.

Trump Infrastructure Plan

While the timing of any infrastructure plan remains highly uncertain, we are continuing our work with the White House, U.S. Department of Transportation (USDOT) and Capitol Hill on any future infrastructure package. It is our hope that any future infrastructure bill achieves three main goals - more federal money for transportation; increased streamlining with respect to federal rules and regulations; and new financing techniques to leverage local funds dedicated for highway, transit and other mobility projects and programs.

Federal Budget for Fiscal Year 2018

As previously reported, Congress approved a Continuing Resolution to fund the Government at Fiscal Year 2017 levels through December 8, 2017. We continue to work closely with leaders in both the House and Senate to ensure that any final transportation appropriations bill for Fiscal Year 2018 reflects our Board-approved Federal Legislative priorities.

Federal Grants

We are very pleased that our agency submitted a number of INFRA grants before the U.S. Department of Transportation's November 2nd deadline. We will - as we always do - engage a broad array of stakeholders to ensure that our grant applications - including the INFRA grant requests - have the best chance of being approved by the Federal Government.

Local Hire Pilot Program

We are deeply disappointed that the Trump Administration - through the U.S. Department of Transportation - moved to end the Obama Administration's Local Hire Pilot Program. At present, we are working with Congresswoman Karen Bass and our two U.S. Senators to seek a legislative remedy to bring back the Local Hire program. We are also engaged with the U.S. Department of Transportation on what steps we could possibly take with them to bring back a Local Hire program that would be acceptable to the current Administration.

Autonomous Vehicles

Congress has been considering a number of pieces of legislation related to autonomous vehicles - most notably the Safely Ensuring Lives Future Deployment and Research In Vehicle Evolution Act, or the SELF DRIVE Act in the House and the American Vision for Safer Transportation through Advancement of Revolutionary Technologies Act, or the AV START Act in the Senate. We believe these bills are promising with respect to providing a broad federal framework for autonomous vehicles - though there are some federal preemption issues in these bills that we believe still need to be resolved in order to assure that State and local governments can guarantee public safety on the roads and highways they maintain responsibility over. We will continue to monitor these bills to ensure that our agency's interests are safeguarded in any final autonomous vehicle legislation passed by Congress and sent to the White House.

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 state matters of interest to our agency. This report was prepared on November 2, 2017 and will be updated, as appropriate, at the Executive Management Committee meeting on November 16, 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>](http://libraryarchives.metro.net/DB_Attachments/Board%20Report%20Links/0468/July%202017%20Legislative%20Matrix.pdf), which is updated monthly.

California State Legislative Process Update

The State Legislature is currently on recess. The Legislature is set to reconvene on January 3, 2018.

California Senate Bill 1 Repeal Effort Update

Two separate efforts are underway to repeal Senate Bill 1 (Beall & Frazier). On May 4, 2017, Assemblymember Travis Allen filed the first initiative, which aims to repeal most sections of Senate Bill 1 (SB 1) of 2017, which increased the gas tax and diesel tax and created two new fees. The initiative sponsored by Assemblymember is currently in circulation and needs to collect the necessary signatures by January 8, 2018. The second measure, filed would amend California's constitution to state that the imposition, increase or extension of any tax on motor vehicle gasoline or diesel fuel, or on the privilege of a resident of California to operate on public highways is invalid, unless that proposed tax approved by a majority vote. This measure is backed by anti-tax coalitions and several Republican members of California's Congressional delegation. The second measure is awaiting assignment of a Title and Summary to begin collecting signatures. Each of the proposed initiatives need to collect over 365,000 signatures to qualify for the November 2018 ballot.

California Senate Bill 1 Support Update

The broad coalition of supporters of Senate Bill 1 has initiated a pro-Senate Bill 1 effort in response to the repeal initiatives. California State Leadership, including the Governor and the State's Fix Our Roads Coalition, and labor have hosted press conferences around the State communicating the benefits of Senate Bill 1 and highlighting local needs, projects and programs to be funded under the transportation funding mechanisms outlined in the legislation.

CTC Awards Funding for Active Transportation Projects

On October 18, 2017, the California Transportation Commission (CTC) awarded \$10 million of Active Transportation Program (ATP) funds to bicycle and pedestrian projects in Los Angeles County. This funding was made possible by Senate Bill 1, the Road Repair and Accountability Act of 2017 (SB 1) which was signed by the Governor earlier this year. The action also advanced \$17 million to enable earlier delivery of projects that were slated to receive ATP funds in later years.

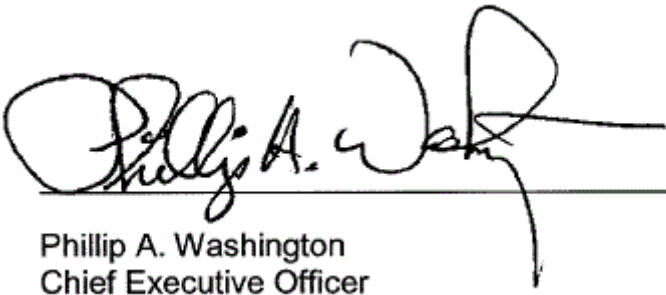
Conclusion

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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