



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE
SEPTEMBER 19, 2019**

SUBJECT: STATE AND FEDERAL REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE State and Federal Legislative Report.

DISCUSSION

**Executive Management Committee
Federal Remarks Prepared By Raffi Haig Hamparian
Government Relations Senior Director, Federal Affairs**

Chair Butts 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 September 5, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on September 19, 2019. Status of relevant pending legislation is monitored on the [Metro Government Relations Legislative Matrix](#), which is updated monthly.

Reauthorization/Trump Infrastructure Plan

On July 30, 2019, the U.S. Senate Committee on Environment and Public Works unanimously approved a five-year reauthorization of our nation’s highway programs. This was the first action taken by either chamber of Congress to pass a new surface transportation bill prior to the expiration of the current surface transportation bill - The FAST Act - next September. Metro staff is bringing this legislation - America’s Transportation Infrastructure Act - to the Board for your consideration this month. Beyond this effort, no other committees of jurisdiction in either the House or Senate have announced any plans with respect to reauthorizing surface transportation programs.

Federal Budget for Fiscal Year 2020

The U.S. House of Representatives has approved their Fiscal Year 2020 Transportation-HUD Appropriations Bill. The U.S. Senate has not approved a bill at the Committee level as of yet. Prior to the August recess, Congress and the White House negotiated a two-year budget deal that set spending levels, among other provisions. With an agreement on spending levels, staffs for both

Chambers have worked over the month of August to prepare their Fiscal Year 2020 Appropriations bills to adhere to the new spending levels. While the Senate never established a funding level for transportation programs, the House may need to reduce the amount of funding included in their already approved Transportation-HUD Appropriations bill. The level of cuts to various programs is unknown at this time, but Metro staff will be monitoring Congressional action closely when lawmakers return to Washington, DC in early September. Due to the limited number of working days for Congress before the current Federal Fiscal Year ends, it is likely that Congress will need to pass a short-term Continuing Resolution by the end of September to avoid a government shutdown.

INFRA and BUILD Grants for Fiscal Year 2019

As we have previously noted to Board members, Metro submitted two INFRA grant applications for the SR 57/60 Confluence Chokepoint project and the I-105 ExpressLanes project. Unfortunately - notwithstanding our strong grant applications - we did not receive funding under this last INFRA round. California received one INFRA grant award for a project in and around Temecula (Interstate 5). With regards to the BUILD program, our agency has applied for federal funding to be used for the SR-71 Project. We continue to engage a broad array of stakeholders to ensure that our grant applications have the best opportunity of being approved by the U.S. Department of Transportation.

National Defense Authorization Act

As part of the broad and ongoing “trade war” between the United States and the People’s Republic of China, Congress began last year to aggressively explore placing federal funding restrictions on rolling stock from firms based in China. Specifically, the House Committee on Appropriations, Subcommittee on Transportation, Housing and Urban Development had language in their Fiscal Year 2019 spending bill that would have barred the use of federal transit funds from being used by “entities owned, directed, or subsidized by a country identified as a priority watch list country by the United States Trade Representative (USTR) in the most recent report required under section 182 of the Trade Act of 1974 (19 U.S.C. 2242) and is subject to monitoring by the Trade Representative under section 306 of the Trade Act of 1974 (19 U.S.C. 2416).”

This language was clearly aimed towards rolling stock firms based in China, which has been identified as a priority watch list country by the USTR. Likewise, actions were taken last year in the U.S. Senate to bar the use of federal funds for rolling stock from firms based in China. Ultimately, the final spending bill passed by Congress last year did not include these rolling stock provisions.

This year, both the House and Senate have included language in their respective National Defense Authorization Acts prohibiting the use of federal funds for rolling stock from firms based in China. The Senate language is more expansive - covering both rail and bus - while the House language largely applies to rail rolling stock.

On September 4, 2019, the Office of Management and Budget sent Congress a letter expressing support for the prohibition on using federal funds to purchase rail cars and buses from firms based in China.

We are closely monitoring this issue - and will inform the Board as to how this matter is dealt with

when both the House and Senate hold a conference to craft a final version of the National Defense Authorization Act for Fiscal Year 2020.

Local Hire Pilot Program

Consistent with our Board-approved Legislative Program, Metro continues to actively support a change in federal law that will allow Local Hire programs to resume on federally funded transportation projects. This month, we are bringing forward for the Board's consideration the Build Local, Hire Local Act - introduced by Congresswoman Karen Bass (D-CA) and U.S. Senator Kirsten Gillibrand that would permit local hiring practices on federally funded transportation projects. We remain hopeful that Congress will act to reform current local hire prohibitions set by the Federal Government.

Conclusion

Chair Butts - 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 Butts 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 September 5, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on September 19, 2019. Status of relevant pending legislation is monitored on the [Metro Government <http://libraryarchives.metro.net/DB Attachments/190905_September%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf> Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/190905_September%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

California State Legislative Calendar & Budget Updates

The legislature will adjourn the first year of the two-year legislative session on September 13, 2019. Both houses have until this deadline to pass bills out of their respective houses for the Governor to consider. The Governor has until October 13, 2019 to sign or veto bills approved during the last few weeks of session. The Senate and Assembly Budget Committees will likely meet soon to approve the remaining Budget Trailer bills. The Legislature will reconvene on January 6, 2020 to commence the legislative session.

Legislative Updates

SB 664 (Allen) - Senator Ben Allen has authored SB 664, proposing policy changes that would clarify certain provisions in statute related to Metro's operations of the ExpressLanes. The 2019 State Legislative Program Goals provide staff with the direction to support legislation that enhances Metro's ability to enforce the ExpressLanes Board adopted toll policy. The Board has also directed staff, through the adoption of the 2019 State Legislative Program goals to support legislation that amends the CA Streets and Highways Code that impact Metro's interoperability with other California Toll

agencies.

The bill has faced strong opposition by the ACLU, Western Center on Law and Poverty and Consumer Privacy Attorneys. Staff and the team of State Advocates have worked through a coalition of support to address a number of the oppositions concerns through several versions of amendments. The bill was scheduled to be heard in the Assembly Committee on Appropriations suspense file, however, the Committee Chair Lorena Gonzalez approved a motion to have the bill assigned to the Rules Committee for further action. Staff is working closely with the author, Speaker of the Assembly and Committee staff to communicate Metro's strong support for the legislation.

AB 784 (Mullin) - Assemblymember Kevin Mullin has authored AB 784, legislation that would exempt certain public agencies from state sales tax on the sale, storage and use of zero emission buses. The bill includes provisions that protect revenues generated by local sales tax measures. The exemption from state sales tax would sunset in January 2024. The bill also provides that the Legislative Analyst's Office will review the effectiveness of the sales tax exemption program as it relates to transit agencies transition to zero-emission fleets. Metro supports this legislation pursuant to the 2019 Board-Approved State Legislative Program Goal #6 - LA Metro supports new and existing incentives that complement the development and subsequent implementation of Metro's Zero-Emission Bus Strategic Plan. The bill was approved by the Senate and now moves to the Assembly for a concurrence vote.

State Discretionary Grant Updates

CalSTA has released its schedule for the next round of discretionary grants for the Transit and Intercity Rail Capital Program (TIRCP). The draft 2020 Cycle 4 guidelines were released on September 5, 2019. Workshops will be held during October to solicit comments on the draft guidelines. Metro's Planning staff will be providing comments on the latest guidelines for consideration. Project applications are due in January 2020 with awards planned in April 2020. Metro was successful in the last round of TIRCP funding, with awards totaling over \$1 billion for a five-year program of projects, including:

- Gold Line Foothill Light Rail Extension to Montclair
- East San Fernando Valley Transit Corridor
- West Santa Ana Light Rail Transit Corridor
- Green Line Light Rail Extension to Torrance
- Orange/Red Line to Gold Line BRT Connector
- Vermont Transit Corridor

Staff will keep the Board apprised on the State funding opportunities as they become available to support Metro's aggressive 28 by 2028 and Measure M goals.

Also of note, in August, Metro CEO Phil Washington met with CalSTA Secretary David Kim to discuss Metro's priority capital projects and a number of transportation policy issues including zero-emission

fleet conversion, workforce development, and innovative solutions to congestion reduction.

State Legislative Delegation Update

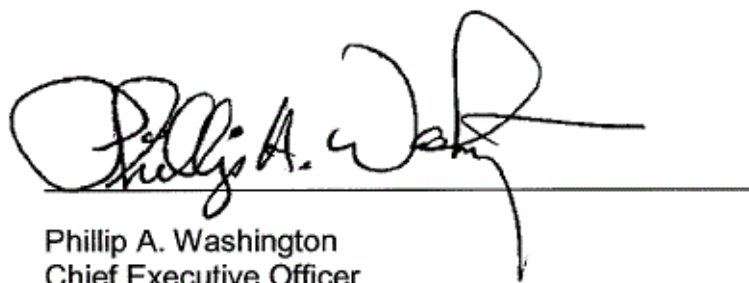
Staff hosted a number of informational briefings during the month of September with the newest members of the legislative delegation and their Capitol and District office staff on a number of Metro issues and projects. Staff will be hosting members and staff for briefings around the county in district offices during after session adjourns.

Conclusion

This report will be expanded upon at the Executive Management Committee meeting with any new developments that occur over the next several weeks.

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