

**Board Report**

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**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 17, 2019****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 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 October 3, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on October 17, 2019. Status of relevant pending legislation is monitored on the [Metro Government <http://libraryarchives.metro.net/DB_Attachments/191003_October%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf> Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/191003_October%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

Surface Transportation Reauthorization

As reported to our Board of Directors through a Legislative Alert, on July 30, 2019, the U.S. Senate Committee on Environment and Public Works (EPW) unanimously approved a five-year reauthorization of our nation's highway programs. The bill, popularly referred to as the America's Transportation Improvement Act (ATIA), was authored by Chairman of the EPW Committee John Barrasso of Wyoming and Ranking Member Tom Carper of Delaware. Last month, our Board moved to adopt a work with author position on this bill.

The Senate's action on the ATIA 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. 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

As we previously shared with the Board, Congress and the White House negotiated - just prior to the August recess - 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. Due to the limited number of working days before the Federal Fiscal Year 2019 ended on September 30, 2019, a Continuing Resolution was approved by Congress and signed into law by the President last week that will keep the Federal Government open until November 21, 2019.

INFRA and BUILD Grants for Fiscal Year 2019

Metro anticipates that the next large discretionary grant program to be announced by USDOT will be the BUILD grants sometime in early November. Metro has applied for one project to receive an award of federal funding - SR-71 Freeway Conversion Project.

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.

Last month, the House and Senate named conferees for the National Defense Authorization Act for Fiscal Year 2020 - and it is these conferees who will decide the fate of whether federal funds will be restricted for the purchase of rolling stock from firms based in China.

We continue to closely monitor this issue - and will inform the Board as to how this matter is dealt with in the final version of the National Defense Authorization Act for Fiscal Year 2020.

Local Hire Pilot Program

Last month, the Board adopted a support position for 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 committed to working with Congress to reform current local hire prohibitions set by the Federal Government.

Development of the 2020 Federal Legislative Program

The Board of Directors annually adopts a legislative program for the upcoming state and federal legislative sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County. Each year, the Government Relations department solicits the suggestions and proposals from Executive staff in developing the Legislative Goals for the agency. We are now accepting proposals for the development of Metro's 2020 State and Federal Legislative Program for Board adoption.

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 October 3, 2019 and will be updated, as appropriate, at the Executive Management Committee meeting on October 17, 2019. Status of relevant pending legislation is monitored on the [Metro Government <http://libraryarchives.metro.net/DB_Attachments/191003_October%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf> Relations Legislative Matrix](http://libraryarchives.metro.net/DB_Attachments/191003_October%202019%20-%20LA%20Metro%20Legislative%20Matrix.pdf), which is updated monthly.

California State Legislative Calendar & Budget Updates

The legislature has adjourned the first year of the two-year legislative session. The Governor has until October 13, 2019 to sign or veto bills approved during the last few weeks of session. As of September 27, 2019 - the Governor has signed 375 bills and vetoed 19 bills. The Governor has over 600 bills remaining to act on before the October 13th deadline. The Legislature will reconvene on January 6, 2020 to commence the second year of the two-year legislative session.

California State 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 been referred to the Assembly Committee on Privacy and Consumer Protection and will now be a two-year bill. Metro staff is working through a coalition of toll operators around the state to address the concerns brought forward by groups in opposition as well as the Privacy and Judiciary Committees in advance of the reconvening of the Legislature in January. Staff will be working throughout the Legislative Recess with the author to refine bill language and to provide information on Metro's ExpressLanes program and commitment to protecting consumer privacy.

Staff continues to monitor the Governor's announcements regarding signatures and vetoes on legislation that the Board has taken positions on and legislation that remained on the agency's watch list throughout the legislative session. Staff will keep the Board apprised as bills are approved and/or vetoed through this last month of the legislative session.

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). Workshops will be held during October to solicit comments on the draft guidelines. Metro's Planning Department staff will be providing comments on the latest guidelines for consideration. Project applications are due in January 2020 with awards planned in April 2020. Staff is continually developing and refining a strategic approach to advocating for funding for the Board's priority projects throughout each legislative session.

State Legislative Delegation Update

Staff hosted a number of informational briefings during the month of October 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. Staff also worked with Mobility 21 on hosting a successful annual Transportation Summit on September 27th in Anaheim, CA. Staff arranged for a number of members of the Los Angeles County delegation as well as key members and staff of the State Senate and Assembly Transportation Committees to participate in the event to continue the dialogue about Los Angeles County's growing transportation needs.

Development of the 2020 State Legislative Program

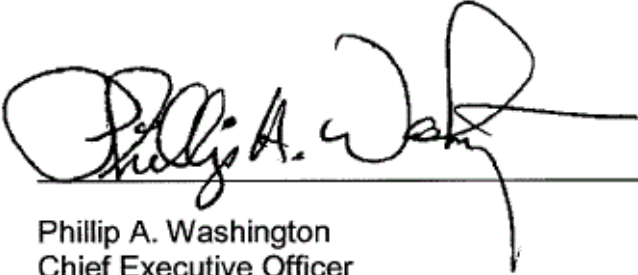
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Conclusion

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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