

Board Report

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

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Agenda Number: 38.

EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 21, 2019

SUBJECT: 2020 LEGISLATIVE PROGRAM

ACTION: APPROVE STAFF RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. RECEIVING the State and Federal Legislative Report;
- B. ADOPTING the proposed 2020 Federal Legislative Program as outlined in Attachment A; and
- C. ADOPTING the proposed 2020 State Legislative Program as outlined in Attachment B.

ISSUE

The Board of Directors adopts, on an annual basis, a legislative program for the upcoming state legislative and federal congressional 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. Pursuant to the Vision 2028 Plan, we will continue to evaluate and consider long term goals for the agency as outlined in the plan. Specific activities related to the longer term Vision 2028 plan are incorporated into the goals and activities for the upcoming state and federal legislative sessions. We will continue to work with the implementing departments within Metro to develop the broader objectives and will bring to the Board authorization to pursue additional specific measures as they become sufficiently developed and ready for pursuit through legislative processes.

DISCUSSION

Policy Implications

The role of the legislative program is to clearly define Metro's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. The program provides policy direction to our advocacy activities in Sacramento and

Washington, D.C. To achieve these important goals, Government Relations staff will implement a long-term legislative strategy of consensus building and coordination with transportation stakeholders throughout Los Angeles County, the State of California and with Federal officials. The Legislative Program directs staff to monitor and engage in a number of legislative and advocacy efforts. The Government Relations Legislative Matrix, (Attachment C) which is updated and presented to the Board monthly, highlights a number of bills of interest to the agency.

Federal Recap

In 2019, our agency continued to pursue our Board-approved federal legislative priorities in Washington, DC. Federal transportation programs continued to be administered under the latest surface transportation authorization bill, the Fixing America's Surface Transportation Act (FAST Act), which was signed into law on December 4, 2015. While the FAST Act is authorized through September 30, 2020, the White House and the U.S. Congress had hoped last year to craft and adopt into law a bold new national infrastructure proposal that would serve to modernize America's surface transportation networks - both rail and highways. Much of this effort followed the framework set out in 2018 by the White House to inject over \$1 trillion in funding into infrastructure investments that also included infrastructure outside of the scope of surface transportation investments. The political barriers that largely prevented a deal between the White House and Congress in 2018 also remained the primary reason an infrastructure package agreement was not reached in 2019. Notwithstanding the ongoing gridlock on a new infrastructure package, we are encouraged by the fact that in the twoyear budget deal struck by Congress and the White House that set spending levels for domestic and non-domestic spending, funding for U.S. Department of Transportation programs received a boost above what was authorized in the FAST Act. This welcome development resulted in additional funding being distributed nationwide through formula grant programs that directed additional resources to priorities such as state of good repair and bus infrastructure.

On the topic of the surface transportation reauthorization legislation, the Chair of the House Transportation and Infrastructure Committee - Peter DeFazio (D-OR), took over the Committee at the beginning of 2019 with the goal of working with the White House on an agreement for a revenue source to fund a large increase in transportation infrastructure investments. Since no agreement has been reached with the White House, Chairman DeFazio has not yet started a detailed discussion with respect to reauthorizing the current surface transportation bill, the FAST Act. On the Senate side, one committee, the Environment and Public Works Committee, has approved a five-year authorization bill for federal highway spending that largely leaves in place the same programs currently authorized under the FAST Act. The remaining three Senate Committees with jurisdiction over the next surface transportation bill - Banking, Commerce, and Finance - have yet to begin work on their sections of a reauthorization bill. Many in Washington, DC believe that if Congress does not move to pass a reauthorization bill in the first few months of 2020, the issue will likely be put on the "back burner" until after the 2020 Presidential Election. If Congress is unable to approve a new reauthorization bill, it is likely that a continuing resolution of the FAST Act will be approved for a period that allows lawmakers to revisit the issue sometime in 2021. Adopting a continuing resolution is viewed by some as an undesirable outcome and one that is counter to the primary messaging

points made to Congress by transit agencies - that by not approving long-term authorization bills, Congress and the Administration are increasing uncertainty that negatively impacts the delivery of large transportation projects that require multi-year funding and planning.

Among the challenges that have carried over from the previous year, the U.S. House of Representatives and U.S. Senate continued to disagree on annual appropriation bills to fund the various federal agencies and programs. Despite the two-year budget deal that many had hoped would smooth the path to passage of annual appropriations bills, Congressional action on spending measures has been inconsistent. While the U.S. House of Representatives did approve all twelve of their annual appropriations bills, the U.S. Senate was only able to move a few bills through the Senate Appropriations Committee by the end of the Federal Fiscal Year 2019. As of the writing of this report, the Federal Government is operating on a Continuing Resolution through November 21, 2019. Metro continues to work closely with our Los Angeles County Congressional Delegation to advocate for the priorities included in the House and Senate Appropriations bills that would benefit our agency.

Lastly, Metro worked hard in Washington, DC to successfully advance our capital projects through discretionary federal grant programs. With regards to Section 3 of the Westside Purple Line Extension, we continue to be engaged directly with the Federal Transit Administration (FTA) and the U.S. Congress to ensure that the project remains on a timeline that will allow for revenue service before the 2028 Olympic Games. Metro will continue to work closely with the FTA and Congress to gain final approval of a Full Funding Grant Agreement for the Westside Purple Line Extension (Section 3).

In January 2020, Congress will begin the second session of the 116th Congress. Metro will continue to work closely with the Trump Administration, USDOT and Congress to leverage our local funding to advance transit, highway and other effective mobility projects across Los Angeles County. (The complete 2019 Federal Legislative Plan is outlined in Attachment A.)

State Recap

During the first year of the 2019-2020 State Legislative Session, the California Legislature and Governor Newsom faced a number of legislative proposals that focused on that state's climate change goals, transportation projects and funding. A number of proposals focused on revisiting the implementation of Senate Bill 1 funding programs. Senate Bill 1 was passed in 2017 after years of work and compromise to bring over \$5 billion in new transportation funding to the state. California's highway system, its local streets and road system and its public transit system have suffered from the inability of the state to address basic state of good repair needs, and SB 1 is the legislature's commitment to prioritizing these growing needs. The California Transportation Commission (CTC)

and California State Transportation Agency (CalSTA) are each charged with allocating and programming SB 1 funding throughout the state.

This legislative session, our advocacy efforts focused heavily on a number of proposals that would have negatively impacted a number of Metro's programs and projects. One proposal was introduced to change how the state's Active Transportation Program was administered. Senate Bill 152 (Beall) was introduced in an effort to shift Active Transportation discretionary funding from a competitive to a formula based program. Pursuant to the 2019 State Legislative Program the Board communicated the need to preserve the funding programs established under SB 1 and ensure that Los Angeles County received its fair share of funding. Los Angeles County has a disproportionate share of disadvantaged communities as well as an immense need for investments in active transportation. Supporters of SB 152 (Beall) intended to shift the programming authority away from the CTC in response to the CTC prioritizing funding for a number of projects in disadvantaged communities. Metro staff communicated the Board's proposed amendments to SB 152 and ultimately the bill was held in the Appropriations Committee and did not move forward.

One key priority for Metro's ongoing advocacy efforts was and continues to be privacy issues related to Metro's tolling authority and Express Lanes program implementation. Privacy issues will continue to be of central concern to the Legislature overall and this issue will continue to be a cross-cutting concern across Metro's services and programs.

Senator Ben Allen authored SB 664, proposing policy changes that would clarify certain provisions in statute related to Metro's operations of the ExpressLanes. These policy changes sought to create stronger privacy protections for toll customer data, clarify provisions related to interoperability among toll operators, and improve certain aspects related to citations and toll collection. The 2019 State Legislative Program Goals provided 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 was amended significantly by the Assembly Transportation Committee and Committee on Privacy and Consumer Protection. The bill has been assigned to be heard by the Committee on Privacy and Consumer Protection and the Judiciary Committee. We will continue to work to advance this measure. In doing so we will work with the all of the tolling agencies in California, the Chairs of the respective committees, leadership and the Los Angeles County Delegation to ensure that accurate information is available to decision makers and to ensure that we are able to maintain interoperable programs while protecting travelers' personally identifiable information.

Our work with the Los Angeles County Legislative Delegation has borne fruit with the Governor's appointment of two new Los Angeles-based Commissioners to the California Transportation

Commission (CTC). We will continue to work with the delegation to ensure that Los Angeles County receives a proportionate share of state transportation funds.

SB 277 (Beall) - Senator Jim Beall authored SB 277, which included provisions that would change how the state administers the Local Partnership Program. This program funds road maintenance, rehabilitation and other transportation improvement projects. In 2018, Metro received \$80 million in SB 1 funds through the competitive process of the Local Partnership Program for Soundwalls in La Cañada-Flintridge and for the Metro Orange Line Improvements Project. SB 277 would have shifted program funding from a competitive and formula split to a majority formula allocation. The Self Help Counties Coalition proposed amendments related to the funding formula and submitted a letter of support for the legislation. Pursuant to the Board-adopted 2019 State Legislative program goals - staff will work to ensure that SB 1 funding for Los Angeles County is preserved. The bill was vetoed by the Governor.

AB 752 (Gabriel) - Assemblymember Jesse Gabriel introduced AB 752, legislation that would require that lactation rooms be made available for patrons at certain transit facilities throughout the state. Pursuant to Board direction, staff has worked with the author and the coalition of California Transit Association members to prepare amendments to the legislation to ensure for safety, security and minimal operational impacts. LA Union Station has been identified as a station that would be required to have a lactation facility on the premise. The bill was signed into law by the Governor.

AB 784 (Mullin) - Assemblymember Kevin Mullin 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 successfully advocated for the bill's passage. The bill was signed into law by the Governor.

AB 1560 (Friedman) - Assemblymember Laura Friedman authored AB 1560, legislation that would clarify the definition of "bus rapid transit" and "major transit stop" in the statute that outlines the state's CEQA process and protections. Staff worked with the author and bill supporters to provide technical feedback on the provisions outlined in the bill. The bill was signed into law by the Governor.

An additional priority for Metro's ongoing advocacy efforts include the need to provide certainty and stability to our power supply as we work to meet the agency's ambitious Zero-emission Bus Plan.

During next year's legislative session, we will continue to monitor efforts to jeopardize funding authorized under SB 1. We will also be working to ensure that the gubernatorial administration addresses the need for critical transportation infrastructure and housing policies that help LA County to address our long term sustainability goals.

As in previous years, our State Advocacy strategy continues to include a robust outreach and communications plan to inform and engage the members of the Los Angeles County State Assembly and Senate delegation in support of the Board-adopted Legislative program, Vision 2028, 28 by 2028, Zero-Emission Bus Plan and LRTP goals. State advocacy efforts will also continue to support Metro's Planning Department policies and programs to secure discretionary and formula funding under Senate Bill 1 for Los Angeles County as administered by the CTC.

In addition to the above, staff will be working to address a variety of other specific policy issues in the Legislative process, budget process as well as in various administrative processes in Sacramento (the entire 2020 State Legislative Program is outlined in Attachment B). These include but are not limited to:

Clarifying Metro's procurement statutes;

Expanding Metro's authority to install forward-facing cameras on its bus fleet to enforce bus-only lanes;

Clarifying the process by which CEQA is implemented with respect to Metro's transit and affordable housing development projects;

Clarifying statutes related to Metro's Express Lanes program implementation and tolling authority;

Exploring how Enhanced Infrastructure Financing District authorization and other value capture strategies can be leveraged as a funding tool for Metro's projects;

Implementation of AB 5 (Gonzalez) and evaluating its potential impacts on Metro's programs;

Working with the California Public Utilities Commission and the California Air Resources Board to advance Metro's Zero Emission Bus Program;

Working with the Gubernatorial Administration and key leadership in ensuring that the Governor's Executive Order on Sustainability and the federal SAFE Vehicle Rule do not jeopardize funding for Metro's projects; and

Supporting the allocation of cap and trade funds to Los Angeles County.

DETERMINATION OF SAFETY IMPACT

Approval of this item will not have an impact on safety.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

<u>ALTERNATIVES CONSIDERED</u>

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

NEXT STEPS

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills. Metro looks forward to continuing to be an active stakeholder as Congress takes action on reauthorizing surface transportation programs beyond 2020, when the FAST Act is set to expire. Metro has played an active role in shaping

preliminary discussions on a new surface transportation bill and will forcefully advocate for our Boardapproved Rebuilding America initiative to be embedded in any new transportation bill or infrastructure stimulus measure.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, new Caltrans Director, California Transportation Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to engage in strategic advocacy and legislative efforts related to a number of transportation issues and inform the Board of those efforts. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

Government Relations will continue to ensure that our legislative priorities and efforts are coordinated with our regional transportation partners, including Metrolink, Southern California Associations of Governments (SCAG), Municipal Operators, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R and Measure M projects as well as leverage Measure R and Measure M funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The second year of the 2019-2020 State Legislative Session will commence on January 6, 2020. The U.S. House of Representatives and U.S. Senate are scheduled to return from their winter recess in January 2020 to convene the final year of the 116th Congress.

ATTACHMENTS

Attachment A - 2020 Federal Legislative Program Attachment B - 2020 State Legislative Program

Attachment C - Legislative Matrix

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