



# Metro

February 22, 2010

The Honorable Senator Darrell Steinberg  
President Pro Tempore  
California State Senate  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Karen Bass  
Speaker, California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814

The Honorable John A. Pèrez  
Speaker-elect, California State Assembly  
State Capitol, Room 3160  
Sacramento, CA 95814

Dear Senate pro Tem Steinberg, Speaker Bass and Speaker-elect Pèrez:

The Los Angeles County Metropolitan Transportation Authority (Metro) last month adopted an oppose position to the Governor's gas tax/excise tax budget proposal because it would eliminate the state sales tax on motor vehicle fuel, which will permanently eliminate the funding sources for Proposition 42, including for public transit. We appreciate Legislative efforts to restore some of the transit funding however we remain concerned with the dismantling of historical funding sources for public transit and the long-term financial impacts that will lead to reductions in service and potential job losses.

Your offices have crafted an alternate transportation funding proposal that is significantly better for public transit. We urge members of the Legislature to support a budget package that includes all of the following elements:

- The infusion of \$400 million in one-time funding for the State Transit Assistance (STA) program.
- An annual allocation of a minimum of \$350 million with a 75%/25% split in favor of STA.
- To the greatest extent possible, we urge Legislative leaders to protect the (\$400 million in one-time funding and the \$350 million in ongoing funding) from being reduced through line-item veto.
- Establish a regional fee for transit. Specifically, we support that in the Southern California Association of Governments (SCAG) region, the county transportation commission should be authorized to impose the fee, place the regional fee on the ballot and be responsible for the distribution of the revenues and selection of projects.
- Contingency language to restore the current funding structure if all or part of the tax swap or regional fee revenue is declared invalid or otherwise unenforceable.

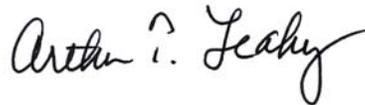
We would like to underscore the need to include contingency language in any budget package that is adopted. We believe it is extremely critical to include language that will restore the current funding structure in the event of a referendum, lawsuit or other action to invalidate the “tax swap” or the regional fee. Without such a provision, all of us who rely on state transportation funding could find ourselves in a scenario where transportation projects around the State might have to put projects on hold while the State scrambles to adopt a new bill to restore the revenue. We believe that there is a real risk of legal challenge to the tax swap and urge the Legislature to include contingency language now to insure against such a scenario.

Like the State, Metro is also facing growing deficits and funding challenges. We are concerned that the loss of funding from the State will lead to service cuts and loss of jobs. We remain concerned that the ongoing funding for transit is not protected and may be diverted to meet General Fund obligations. We look forward to partnering with you to find solutions to the budget that will help restore transportation funding to meet our immediate and long-term needs.

Sincerely,



Honorable Ara Najarian  
Chairman



Arthur T. Leahy  
Chief Executive Officer

cc: Senator Alan Lowenthal, Chair, Senate Transportation and Housing Committee  
Assemblyman Mike Eng, Chair, Assembly Transportation Committee  
Assemblyman Bob Blumenfield, Chair Assembly Budget Subcommittee #5  
Los Angeles County Legislative Delegation