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## **Legal dispute prompts feds to withhold \$2 billion for transit**

By Dan Weikel

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The federal government is withholding about \$2 billion from transit agencies across California, including \$268 million earmarked for bus, rail and street projects at the Los Angeles County Metropolitan Transportation Authority.

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The money has been held back since December because the U.S. Department of Labor contends that a new state pension law violates the Federal Transit Act in the way it treats unionized workers of transportation agencies.

Labor officials say changes in retirement benefits contained in the reform law undermine the collective bargaining rights of transit workers.

If the dispute is not resolved soon, Metro officials say that \$3.2 billion in grants and federal loans could be withheld from such projects as the subway extension to the Westside and the regional rail connector in downtown Los Angeles. They added that those projects, which have the potential to employ an estimated 43,000 workers, could be delayed as a result.

"This is a timely issue and a big issue," said Marc Littman, a Metro spokesman.

Federal money also is being withheld from transit agencies in other urban areas, including Orange County, San Diego, the Bay Area and Sacramento.

Metro officials said they are using other money to cover the amount that has been held back so far. They are discussing possible solutions with the labor department, Gov. Jerry Brown, state representatives, members of Congress and transit officials.

Other states such as Wisconsin, New Jersey, Ohio and Massachusetts have passed pension reform measures for public employees but with exceptions for transportation agencies to avoid conflicts with the Federal Transit Act.

If passed, a bill pending in the California Legislature, which adjourns in September, would exempt transit workers from the pension reform act.

"Assembly Bill 160 is a possible solution," said Michael Turner, Metro's director of government affairs. "But we are looking at other solutions. Federal law can take precedent. We need to find a way to structure pension reform that will allow the transportation funds to flow."

Depending on what remedies are offered, federal officials said they could decide whether to release the withheld money as early as Aug. 16.