



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
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Los Angeles, CA 90012-2952

Diane DuBois
Chair

September 9, 2013

The Honorable Richard Bloom
California State Assembly
State Capitol Room 3132
Sacramento, CA 95814

SUPPORT - AB 1222 (Bloom and Dickinson)

Dear Assembly Member Bloom:

The Los Angeles County Metropolitan Transportation Authority (LA Metro) is pleased to **Support AB 1222 (Bloom and Dickinson)**, legislation that will provide a path to resolve the dispute blocking federal transit grants from flowing to our agency and to other agencies around the state.

Recently, the US Department of Labor (US DOL) notified the Sacramento Regional Transit District that it is refusing to certify millions of dollars in transit grants to the district because it asserts that provisions of the California Public Employees' Pension Reform Act of 2013 (PEPRA) are incompatible with federal labor law. If this situation is not addressed by the end of this legislative year, September 13, 2013, the US DOL could begin notifying other transit agencies across the state that they will also be decertified and no longer eligible to receive federal grants.

Data compiled by the California State Transportation Agency, working with the Federal Transit Administration, indicates that decertification would result in the state's transit agencies losing up to \$1.6 billion this in vital federal grant funding for transit projects and services. These losses threaten thousands of jobs throughout the state, and would severely diminish the ability of local transit systems to provide the mobility services utilized by millions of Californians.

Metro stands to lose over \$3.5 billion if this issue is not resolved quickly. Much of this funding would come through our two full funding grant agreements for the Regional Connector and the Westside Subway Extension. These two grants alone will create over 40,000 jobs. We are on schedule to sign the FFGA's and the construction contracts for these projects in the next six months.

AB 1222 creates a fifteen month exemption from PEPRA (to January 1, 2015) for transit employees covered under the federal law. This will allow the agencies whose grants are

decertified an opportunity to maintain PEPRRA through action in federal court. If the court determines PEPRRA is in compliance with what's known colloquially as "Section 13(c)" of the Federal Transit Act, then the fifteen month exemption will sunset. On the other hand, if the court says PEPRRA is not in compliance, then the exemption will become permanent. We hope the fifteen month exemption will facilitate US DOL's ability to begin certifying the remaining federal grants otherwise owed to other transit agencies, while any litigation is proceeding.

Sincerely,

A handwritten signature in cursive script that reads "Diane DuBois".

Diane DuBois
Chair, Metro Board of Directors

CC: The Honorable Darrel Steinberg
The Honorable John Perez
The Honorable Richard Bloom
The Honorable Roger Dickinson