

Daily Brief

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CEO Roger Snoble

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Infrastructure Bond Update

Staff has learned that it is possible that the State Senate could vote on an Infrastructure Bond package as early as tomorrow. Initial indications show that the transportation component of the bond will contain funding levels similar to AB 134 which was considered in the Senate earlier this year. Government Relations staff and our advocacy team in Sacramento are closely monitoring developments in the State Capitol.

Senators Seek to Temporarily Suspend Federal Gas Tax

In response to skyrocketing gas prices, legislation was recently introduced in the U.S. Senate that would temporarily suspend the 18.4 cents per gallon federal gas tax through September 30. Senator John Thune (R-SD), lead sponsor of the "Gas Tax Reduction Act of 2006" (S. 2673), asserted the need for immediate and short-term relief for consumers during the upcoming summer travel season. Thune's measure proposes to replace the lost revenue from the Highway Trust Fund by temporarily suspending a number of tax credits and royalty waivers currently enjoyed by oil companies. He also indicated that the suspension of these tax credits would remain in place until the Highway Trust Fund is reimbursed "dollar for dollar".

Despite the provisions in S. 2673 to backfill the Highway Trust Fund, transportation stakeholders are growing increasingly concerned about the possible suspension of the federal gas tax since it could negatively impact federal highway and transit programs. With the highway account of the Highway Trust Fund projected to run out of funds in 2009, the proposed legislation could

have the effect of accelerating this situation. According to several transportation organizations, a two-month suspension of the gas tax would drain \$6 billion from the Highway Trust Fund, and a temporary suspension would benefit the average driver only \$18.00 over two months.

In addition, a similar proposal was offered as an amendment to the emergency supplemental appropriations bill by Senator Robert Menendez (D-NJ), but it was ruled out of order and therefore ineligible for consideration by the entire Senate.

Although the Senate is working to develop an overall legislative package to address high fuel prices, it is unclear whether Senator Thune's measure will eventually become a part of the effort. Metro's federal advocates will keep a close eye on this issue in the weeks ahead.

I-405 San Diego Freeway HOV Grand Opening

Caltrans has rescheduled the grand opening ceremony for the I-405 San Diego Freeway HOV from the SR-90 to I-105 for 1 p.m. on Tuesday May 23 at the Howard Hughes Promenade at 6081 Center Drive. An event flyer is attached. Metro programmed about \$40 million through the Call for Projects for this 4.8 mile HOV extension that will increase freeway capacity, reduce congestion and improve traffic flow.

Metro Board Meeting Coverage

The Los Angeles Times, Daily News and City News Service covered today's Metro Board meeting. Stories are expected on the Long Range Transportation Plan update, Board opposition to SB 1507 (Margett) and funding increase to rebuild Ramona Opportunity High School.

Rail Safety Advertising Spots to Run in Albertson's Grocery Stores

Starting May 29, 11 area Albertsons supermarkets will feature Metro Rail safety advertising on televisions at their checkout stands. The ads are meant to increase rail safety awareness. The 15-second ads feature six different spots and will run 10 times an hour, all day, from the end of May through December. Approximately 2.6 million viewers will be reached during the run. The Albertsons stores that are running the advertisements are all within a two-mile radius of the Metro Blue, Gold or Green Lines, or of the Exposition Line or the Eastside Extension.

I-710 Executive Steering Committee

The I-710 Executive Committee met for the first time today in the Metro Board Room. This committee has been charged with the responsibility to coordinate the appropriate aspects of the project, including policy assistance, guidance, identification of a funding plan with funding sources from multiple partners, and

identification and monitoring the schedule of implementation of strategies for achieving near-term improvements to the Corridor's air quality. Representations on the committee are Metro, Caltrans, Southern California Association of Governments, County of Los Angeles, Gateway Cities Council of Governments, Port of Long Beach, Port of Los Angeles, and Co-Chairs of the I-710 Project Advisory Committee. The committee expects to meet quarterly.

Of Note

On this date in 1939, Union Station opened to passenger service. After a construction period of six years and \$11 million spent, the last great train station built in the U.S. attracted over a half a million visitors to its three-day long grand opening celebration. After a long period of declining passenger train travel, Union Station now stands revived, and serves as Southern California's largest multi-modal transportation hub.

Also on this date in 1924, Pacific Electric held a groundbreaking ceremony at First Street and Glendale Boulevard for Los Angeles' first subway, a mile long tunnel from Glendale and Beverly Boulevard to 4th and Hill downtown.

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Los Angeles County Metropolitan Transportation Authority 1 Gateway Plaza Los Angeles, California 90012-2952 Phone: 213-922-6888 Fax: 213-922-7447