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REVISED
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
November 19, 2009

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN
THE 2010 LEGISLATIVE PROGRAM**

ACTION: ADOPT THE 2010 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

Adopt the proposed 2010 Federal and State Legislative Program.

ISSUE

The Board of Directors annually adopts a legislative program for the upcoming legislative and congressional sessions, which provides guidance to staff on legislative issues and policy as a means of advancing and protecting the agency's authority and the transportation interests of Los Angeles County.

POLICY IMPLICATIONS

The role of the legislative program is to fulfill the agency's goals and objectives by securing necessary legislative authority, program funding and regulatory actions needed at the state and federal levels. To achieve these important goals, Government Relations staff will implement a legislative strategy of consensus building and coordination with transportation stakeholders throughout the City of Los Angeles, the additional 87 cities in the County, Los Angeles County, the State of California and with Federal officials.

OPTIONS

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

FINANCIAL IMPACT

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

BACKGROUND

Each year, staff prepares a legislative program for adoption by the Board. The program is developed with input from the agency's technical staff and representatives in Sacramento and Washington, D.C. This report contains the proposed 2010 Legislative Program. The program will serve as a blueprint and guide for pursuing the authority's legislative proposals and strategies.

In 2009, the agency faced a number of substantial challenges and positive opportunities with the federal government. The challenges included a deteriorating economy, the faltering highway trust fund and a new hostility towards earmarks. These challenges made it increasingly difficult to secure federal transportation funds for Los Angeles County. The positive opportunity was the adoption of the American Recovery and Reinvestment Act of 2009, which provided our agency and county with over \$1 billion for worthwhile transportation projects and programs. The new Obama Administration has expressed a strong interest in bolstering our nation's investment in infrastructure, including for transit projects and highway improvements.

At the State level, our efforts were shaped by the enormous state budget deficit. Government Relations staff worked with the Legislature and our statewide partners to protect transportation funds. In addition, staff worked on critical legislation such as AB 672 (Bass) to establish a Letter of No Prejudice process for Proposition 1B projects and AB 1471 (Eng) that helped to streamline our procurement process. Government Relations staff also worked to successfully obtain from the State a lion share of the American Reinvestment & Recovery Act Funds (ARRA). Metro allocated a majority of these funds to the local cities and is currently working to ensure that we are meeting the federal requirements.

In the coming year, President Obama and the 111th Congress will consider the agency's FY2011 transportation appropriations requests. In 2010, Congress may consider legislation designed to replace the surface transportation bill, Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy of Users (SAFETEA-LU) that formally expired on September 30, 2009. The previous reauthorization bill brought over \$3.8 billion to us in project and programmatic funding. At present, several congressional leaders are seeking to adopt a \$450 billion authorization bill, which is nearly double that of SAFETEA-LU.

Last year, the Legislature focused primarily on addressing the growing budget deficit. The Legislature made extensive cuts to critical safety, education, health and social services. Transportation also experienced severe cuts including the elimination of the State Transit Assistance program. Metro along with other transportation interest lobbied

to preserve Proposition 42. The Legislature did not suspend Proposition 42 however we can expect that it will be on the table for budget negotiations next year.

In addition, we anticipate that the State may have difficulty selling bonds in the current market. However, we are geared to work closely with the California Transportation Commission (CTC), Caltrans and the Legislature to ensure that our transportation bonded projects continue to receive funding.

Also, the California Transit Association (CTA) was victorious in its legal action against the State. The Supreme Court denied the State's petition to appeal and reinforced the Appeals court decision in favor of the CTA. The CTA is now involved in negotiations with the State to discuss compliance with the Court ruling.

In the coming year, we expect the budget deficit to continue to dominate the legislative agenda. However, with the passage of Proposition 1A, there are new opportunities for funding with the California High Speed Rail Authority.

The Government Relations team will continue its outreach program with the City of Los Angeles. Staff will continue to cultivate relationships with the members of the Los Angeles City Council. Staff will continue to monitor significant policy matters that move through the City's legislative process. ~~In addition,~~ **We will continue to take proactive steps to minimize impacts and exposure to us and ensure that our interests are considered and protected. In addition, Government Relations will continue to work with the subregions in the County of Los Angeles. We will work with Planning and Board Members representing the corridor to address concerns of the cities in the subregions.**

The agency regularly interacts with other transportation commissions and organizations representing transportation stakeholders throughout the region to coordinate services and regional transportation improvements. Regular interaction with these groups allows for coordinated policy development at the federal and state levels. Staff also interacts with business and other organizations to build support and alliances for the agency's initiatives. This effort has been enhanced through the Mobility 21 program. The Legislative Program assumes that this coordination will continue and expand during 2010.

NEXT STEPS

Government Relations staff plans to sponsor a number of briefings in Washington, D.C. and Los Angeles for Los Angeles County's Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We will place an especially strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authoring a new surface transportation bill to replace SAFETEA-LU.

In Sacramento, Government Relations staff will initiate briefings for members of the Legislature as well as personal and committee staff. Government Relations staff will

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 members of our Congressional delegation and key Authorizing and Appropriations staff to keep our projects at the forefront. Staff will continue to monitor and track legislative efforts sponsored by other transportation interests and inform the Board of that legislation.

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

The 2009-2010 State Legislative Session is due to reconvene in January. The U.S. House of Representatives and U.S. Senate are scheduled to return in January 2010 for the second session of the 111th Congress.

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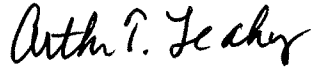
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Attachment A – Legislative Program



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2010 FEDERAL PROGRAM – 111th CONGRESS**GOAL #1: WORK TO ADVANCE THE REGIONAL CONNECTOR AND THE WESTSIDE EXTENSION – THROUGH THE FEDERAL NEW STARTS PROGRAM WHILE CONCURRENTLY AND CONSISTENT WITH BOARD POLICY, ENDEAVOR TO IDENTIFY NON-NEW STARTS FEDERAL FUNDING TO CLOSE THE FUNDING GAPS ON THE GOLD LINE FOOTHILL EXTENSION AND CRENSHAW/LAX TRANSIT CORRIDOR.**

Proposed Activities: Work with our Congressional Delegation, transportation leaders in the House and Senate and the U.S. Department of Transportation to move the Regional Connector and the Westside Extension formally into the New Starts program. We are seeking Preliminary Engineering funds in the Fiscal Year 2011 appropriations bill, then our goal will be to secure an Early Systems Work Agreement for both projects by September of 2011. Parallel to this effort, we will aggressively seek non-New Starts federal funding including, but not limited to funds made available through a prospective climate change bill, second stimulus package, or surface transportation authorization bill.

GOAL #2: PURSUE LEGISLATIVE PRIORITIES AS CONGRESS ACTS TO AUTHORIZE A NEW SURFACE TRANSPORTATION BILL FOLLOWING THE EXPIRATION OF SAFETEA-LU

Proposed Activities: In order to increase the amount of programmatic and project funds derived by us through SAFETEA-LU (\$3.8 billion), Government Relations has worked to generate a preliminary set of consensus principles that will be used as a guide as members of California's Congressional Delegation and members of House and Senate authorizing committees begin consideration of a new surface transportation bill. We will aggressively encourage authorizers in the House and Senate to adopt a bill that includes robust funding increases, particularly for the New Starts program, the Congestion Mitigation and Air Quality Program, reform of the rail modernization program, a strong goods movement program, high speed rail, and other federal programs that benefit our agency. We will regularly visit Capitol Hill to encourage members of the Los Angeles County Congressional Delegation who serve on transportation authorization committees to advance our specific project and programmatic priorities. We will continue to strengthen the consensus on reauthorization principles we have generated with Mobility 21 stakeholders in Orange, Riverside, San Bernardino and Ventura Counties. We will continue to work cooperatively with local governments, local transit agencies, community leaders, business owners, organizations, trade associations like the American Public Transportation Association, transit rider groups, as well as with other transportation agencies throughout the United States to secure funding for transportation projects and operations in Los Angeles County in the next reauthorization bill. Work to support the

inclusion of a provision in the authorization bill that would allow public transit agencies to use a portion of their federal transit funding for day-to-day operating expenses.

GOAL #3: WORK WITH METROLINK AND REGIONAL TRANSPORTATION AGENCIES TO SUPPORT THE APPLICATION OF FEDERAL FUNDS FOR POSITIVE TRAIN CONTROL TO SIGNIFICANTLY IMPROVE THE SAFETY OF COMMUTER RAIL SERVICE IN LOS ANGELES COUNTY AND ADJOINING COUNTIES.

Proposed Activities:

Work in close cooperation with U.S. Senators Feinstein, Boxer, members of the Los Angeles County Congressional Delegation and others key congressional stakeholders to ensure that rail safety provisions included in H.R. 2095 (which was signed into law on October 16, 2008) are aggressively implemented by the U.S. Department of Transportation. Among the important provisions in this new law is a mandate to implement Positive Train Control on all commuter and freight rail providers by, at the very latest, 2015. The law also provides an authorization of \$50 million annually to fund the implementation of Positive Train Control systems nationwide.

GOAL #4: ADVOCATE FOR THE PASSAGE OF COMPREHENSIVE CLIMATE CHANGE LEGISLATION WITH A SET-ASIDE FOR TRANSIT AND OTHER GREEN TRANSPORTATION PROGRAMS

Proposed Activities:

Ensure that any climate change legislation that establishes a "cap and trade" program to encourage the reduction of greenhouse gas emissions include a substantial set-aside of cap and trade proceeds for transit and transportation investments. We will continue to urge the House and Senate to include language similar to H.R. 1329/S.575, "The Clean Low-Emissions Affordable New Transportation Equity Act" (CLEAN-TEA) in any climate change legislation adopted by Congress and signed into law by the President. Under CLEAN TEA, ten percent of the revenue from a climate change bill would be used to create a more efficient transportation system and lower greenhouse gas emissions through strategies including funding new or expanded transit or passenger rail; supporting development around transit stops; and making neighborhoods safer for bikes and pedestrians.

GOAL #5: SECURE FUNDING IN THE FY 2011 TRANSPORTATION, TREASURY AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL

Proposed Activities:

Work in close coordination with officials at the U.S. Department of Transportation, Members of Congress, California State Legislators, Board Members, local officials, and all other interested parties to secure preliminary engineering funds for the Regional Connector and the Westside Extension;

Work to identify non-New Starts funding to close the funding gaps on the Gold Line Foothill Extension and Crenshaw/LAX Transit Corridor;

Work to ensure that the Los Angeles-Anaheim High Speed Rail segment receives substantial funding in the final bill;

Work to secure Transportation Investment Generating Economic Recovery (TIGER) grants be allocated to worthwhile transportation grants in Los Angeles County should they be funded through the FY 2011 Transportation, Treasury and Housing and Urban Development appropriations bill;

Work to explore opportunities to secure Small Starts/Very Small Starts funding for our agency;

Secure \$10 million in funding for bus maintenance facilities improvements, support funding for Los Angeles County Municipal Operators; and secure federal funding through the Housing & Urban Development Department's Economic Development Initiative program for enhancements to our existing bus and rail network; and

Continue to seek federal funding for priority highway, bus and rail projects.

GOAL #6: CONTINUE TO WORK TO ASSURE THAT THE LOS ANGELES-ANAHEIM HIGH SPEED RAIL (HSR) LINE SECURE ROBUST FUNDING FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 AND THE THE FY 2011 TRANSPORTATION, TREASURY AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL

Proposed Activities:

Work to ensure that the federal government provides funding to the LA-Anaheim HSR segment in both the allocation of ARRA and through the annual appropriations process. This work will involve close cooperation with the HSR Authority, local, state and federal officials in Los Angeles County, the Orange County Transportation Authority and the local communities that will be impacted by this proposed project.

GOAL #7: VIGOROUSLY PURSUE LEGISLATIVE OPTIONS TO PROTECT METRO AND OTHER TRANSIT AGENCIES FROM FINANCIAL HARM IN CONNECTION WITH LEVERAGED LEASE TRANSACTIONS

Proposed Activities:

Obtain legislative language directing the Department of the Treasury and/or Federal Reserve to serve as replacement guarantor for remaining lease transactions, thereby preventing any possibility of triggering a technical default.

GOAL #8: SECURE POSSIBLE HOMELAND SAFETY AND SECURITY FUNDING FROM THE DEPARTMENT OF HOMELAND SECURITY.

Proposed Activities:

Support increased funding for improved safety and security systems on Metro bus and rail facilities and Municipal Bus Operators' bus facilities. These funds are available through competitive grants issued by the U.S. Department of Homeland Security; and

Work to encourage Congress to provide robust funding for federal transportation security grants to be allocated by the Federal Transit Administration and not the Transportation Security Administration.

GOAL #9: ADDITIONAL GOALS

Aggressively advocate for a long-term extension of the alternative fuels excise tax credit, which expires on December 31, 2009;

Work to ensure implementation of Metro's Board adopted Long Range Transportation Plan (LRTP);

Pursue strategies and funding opportunities to implement the Highway Program in the LRTP;

Work with the Southern California Regional Transit Training Consortium on its FY2011 legislative efforts to obtain federal funds to streamline bus maintenance training for alternative fuel buses;

Work to support initiatives in Congress that seek to strengthen our commitment to a Drug and Alcohol Free Workplace Program; and

Work to ensure that the upcoming transportation authorization bill, or any other relevant legislation, clarifies that ferryboat miles between mainland Los Angeles and Catalina Island are counted for purposes of Los Angeles County's annual apportionment from the Section 5307 Urbanized Area Formula Program (UAFP).

Work to support the creation of a National Infrastructure Bank (H.R.2521/DeLauro) that will permit our agency to leverage Measure R dollars.

Work to support legislation (H.R. 2746/Carnahan) that would allow public transit agencies to use a portion of their federal transit funding for day-to-day operating expenses.

2010 STATE LEGISLATIVE PROGRAM

The FY10-2011 State Budget deficit is expected to be significantly worse than the FY 2009-10 budget. Last year, the Legislature had to modify the budget several times to reflect the growing budget deficit. Given the economic downturn coupled with the State's mounting deficit, we can expect that such budget deficits will continue into the future. It is further anticipated that the State will consider suspensions of Proposition 42 allowed by the State Constitution to address the budget deficit. This issue will dominate the legislative agenda and could threaten our long-term ability to increase mobility in Los Angeles County. The chronic budget deficits will continue to plague the State's ability to sell bonds. Metro's projects and programs may be impacted if the State cannot allocate bond dollars for Proposition 1B.

Our state legislative program will be "shaped" by the continuing state budget deficits and will be oriented towards protecting existing local resources and to create new sources of funding for a sustainable transportation system.

GOAL #1: MINIMIZE IMPACTS OF THE EXPECTED STATE BUDGET DEFICIT ON TRANSPORTATION FUNDING

Vigorously oppose the continued use of transportation funds to balance the state budget;

Communicate the message that continued use of transportation funds to balance the state budget adversely impacts our long-term ability to improve mobility in Los Angeles;

Pursue opportunities to seek repayment of any transportation funds used to offset the state budget deficit including as part of the CTA lawsuit negotiations;

Ensure implementation of trailer bill language protecting half of Public Transportation Account Spillover revenues;

Explore legislative protections for all Public Transportation Account revenues; and

Protect Prop. 42 from suspension by the Governor and Legislature

GOAL #2: PURSUE LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS

These measures include but are not limited to:

Work with statewide partners on any efforts to implement a pollution fee relating to the reduction of greenhouse gas emissions;

Work with state and regional partners to support container fee legislation;

Oppose any legislation that would redirect local fees or funds to other jurisdictions in the State, such as container fees imposed by the San Pedro Bay ports, or greenhouse gas fees; and

Support legislation that would enhance opportunities for Infrastructure Financing Districts;

Work to ensure implementation of Metro's Board adopted Long Range Transportation Plan (LRTP); and

Pursue strategies and funding opportunities to implement the Highway Program in the LRTP.

GOAL #3: SUPPORT EFFORTS TO IMPROVE SAFETY ON THE REGION'S COMMUTER RAIL SYSTEM

Advocate for additional state funding to increase the safety of the commuter rail system in Los Angeles County and the entire Metrolink service area;

Support additional funding for enhanced commuter rail safety, especially for automatic train stop/positive train control systems, grade separations, and double tracking single track portions of Metrolink's service area;

Support legislation requiring the railroad industry to implement enhanced safety measures on the nation's commuter rail and freight network; and

Support actions by the Public Utilities Commission which would allow or approve implementation of automatic train control systems.

GOAL #4: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF PROPOSITIONS 1B AND 1C

Work with Caltrans and the California Transportation Commission to ensure that Proposition 1B funds flow to Metro projects;

Work with the Los Angeles County Delegation to ensure that bond implementation legislation allocates a fair share of funding to Los Angeles County;

Support projects submitted through the California Transportation Commission process; and

Support full allocation of Propositions 1B and 1C in future budget actions.

GOAL #5: COORDINATE WITH OUR LOCAL AND STATE PARTNERS TO INCORPORATE THE REGION'S NEEDS IN EMERGING CLIMATE CHANGE AND SUSTAINABILITY PROGRAMS

Monitor implementation of AB 32 and SB 375;

Advocate the connection between transit operations funding, SB 375 and other state global warming policies;

Support initiatives that promote demand management and other greenhouse gas reduction strategies;

Support efforts to encourage smart growth and transit oriented developments, which also preserve the authority of local agencies;

Support legislative efforts to include environmentally sensitive and clean air programs in our region, particularly with regards to regional transit planning efforts; and

Support new initiatives that encourage the use of advanced, environmentally friendly technologies in new transit facility development, such as upgrading existing facilities with solar power and building new facilities to high environmental and clean air standards.

GOAL #6: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS TO SECURE, PROTECT AND ENHANCE TRANSPORTATION FUNDING AND PROGRAMS STATEWIDE

Work with the Schwarzenegger Administration to preserve and increase flexibility in the use of transportation funds;

Identify and pursue opportunities for additional funding for Southern California transportation projects;

Support efforts to secure funding and/or obtain authority to generate additional funding for bus transit capital, operations, security needs, corridor projects, soundwalls, Service Authority for Freeway Emergencies (SAFE), Freeway Service Patrol (FSP), and other important transportation projects and programs.

Work cooperatively with other transit agencies throughout the state, including the California Transit Association (CTA), to secure and increase funds for transportation services, projects and programs;

Work with the Schwarzenegger Administration, the Legislature and other transit agencies on any workers' compensation reform efforts to ensure that administrative reforms and cost saving measures are included in such proposals;

Support efforts to secure new funding for regional rideshare services; and

Identify and pursue opportunities for funding and to enhance authority where necessary to improve security and safety for customers, employees and property.

GOAL #7: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE THE ABILITY TO DELIVER TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY

Support efforts to clarify the oversight responsibilities of the Public Utilities Commission with respect to rail transit and improve the administration of PUC regulations.

Support efforts to broaden the use of design-build and public private partnerships; Work with the Administration, CTC and Caltrans to advocate for correction of northern and Southern California transportation funding inequities through legislative proposals introduced in the Legislature and through administrative actions at the California Transportation Commission;

Explore legislation authorizing the use of design-build on soundwall projects in Los Angeles County;

Oppose legislation that would seek to restructure the Metro Board of Directors;

Oppose legislation that would preempt collective bargaining, impose benefits in collective bargaining agreements or restrict the rights of local agencies in the collective bargaining process;

Preserve our authority in regional transportation funding decisions including those granted through SB 45;

Sponsor legislation that creates efficiencies and streamlines administrative processes, such as procurement and environmental regulations; and

Pursue legislation to implement a Small Business Enterprise (SBE) program on competitively bid contracts.

GOAL #8: SUPPORT EFFORTS TO IMPLEMENT HIGH SPEED RAIL (HSR) IN LOS ANGELES COUNTY

Ensure timely implementation of Proposition 1A;

Support actions necessary to construct the Los Angeles to Anaheim segment; and

Maximize HSR funding opportunities.