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Metropolitan Transportation Authority

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21

REVISED
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
November 16, 2006

SUBJECT: THE 2007 LEGISLATIVE PROGRAM GOALS AND ACTIVITIES

ACTION: ADOPT THE 2007 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

Adopt the proposed 2007 Federal and State Legislative Program.

ISSUE

The Board of Directors annually adopts a legislative program for the upcoming session of the State Legislature and U.S. Congress, 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

Some of the proposed 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 of Directors. The program is developed with input from the agency's technical staff and representatives in Sacramento and Washington. This report contains the proposed 2007 Legislative Program. The program will serve as a blueprint and guide for pursuing the authority's legislative proposals and strategies.

In 2006, the agency faced a number of critical legislative challenges. All levels of government are currently working to address the severe economic challenges resulting from federal, state and local government shortfalls. This economic shortfall will likely color discussion and debate on almost every other issue facing the agency in 2007.

In the coming year, the U.S. Congress and the Executive Branch will consider the agency's FY 2008 transportation appropriations requests. In addition, relevant authorizing committees may begin the process of examining key policy issues pertaining to the reauthorization of the current surface transportation bill (SAFETEA-LU), which expires in 2009.

Last year, the State Legislature put forth a bond package that will go before the voters on November 7, 2006. Specifically, voters will consider Proposition 1A, a measure that would enhance protections for existing transportation funds, as well as Proposition 1B, which would provide \$19.9 billion in general obligation bonds for transportation improvements. Should both measures pass, implementation of the bonds will become a major focus of the upcoming legislative session.

Assuming the passage of the infrastructure bonds, the agency will be required to undertake a series of actions by January 15, 2007, in order to qualify and compete for funding in the Corridor Mobility Improvement Account. In addition, the Legislature will consider implementing legislation to more clearly define other bond categories. It will be a priority for the agency to ensure that Los Angeles County is well positioned to maximize resources available from the bond. Although these measures will help reestablish transportation funding, it is anticipated that the State will continue to seek to utilize other transportation funds to balance the budget. This continued volatility could impact other transportation revenues and will affect the ability of the state to fully implement the bond program.

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 state and federal 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 2007.

NEXT STEPS

Government Relations staff plans to sponsor comprehensive briefings in Washington, D.C. and Los Angeles for the Los Angeles County Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. In Sacramento, Government Relations staff will initiate briefings for members of the Legislature as well as personal and committee staff. As always, Government Relations staff will continue to seek input from board members and staff on the best strategy to achieve these goals. In addition, Government Relations staff will contact state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will maintain close contact with members of the local congressional delegation and key authorizing and appropriations staff to keep agency's 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 the agency's legislative priorities and efforts are coordinated with Metro's regional transportation partners, including METROLINK, Southern California Associations of Governments (SCAG), Municipal Operators, Exposition Metro Line Construction Authority, and Southern California County transportation commissions.

The 2007-2008 session of the California Legislature is due to reconvene on December 4, 2006. The U.S. House of Representatives and U.S. Senate are scheduled to return on January 3, 2007 for the first session of the 110th Congress.

ATTACHMENT

Attachment A – Legislative Program

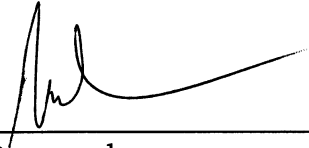
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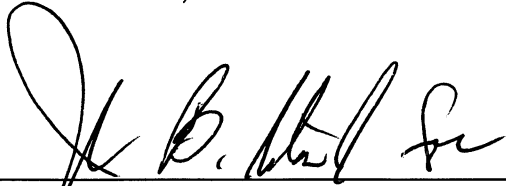
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2007 FEDERAL PROGRAM – 110th CONGRESS

PRIORITY ITEM: Continue to 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 federal New Starts funding for the Metro Gold Line Eastside Extension. This effort includes:

GOAL #1: SECURE FUNDING IN THE FY 2008 TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT APPROPRIATIONS BILL

Proposed Activities:

- Secure \$80 million in New Starts funding for the Metro Gold Line Eastside Extension, consistent with the Eastside Full Funding Grant Agreement executed in June 2004; \$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 Metro's existing bus and rail network.
- Explore opportunities to secure federal funds and legislative language to expedite the construction of Metro's next rail priority, the Mid-City/Exposition Light Rail Project. Funding sources may be derived from federal bus and rail accounts in the annual transportation appropriations bill and/or funding sources made available in SAFETEA-LU (P.L. 109-59).
- Pursue congressional funding through the newly-created "Small Starts" program to enhance and expand the Metro Rapid Program.
- Continue to seek federal funding for priority highway, bus and rail projects.

GOAL #2: IDENTIFY LEGISLATIVE PRIORITIES AS A NATIONAL DIALOGUE BEGINS ON THE REAUTHORIZATION OF SAFETEA-LU

Proposed Activities:

- In order to increase the amount of funds derived by Metro through SAFETEA-LU (\$5.2 billion), Government Relations will generate a preliminary set of principles that will be used as a guide as members of California's Congressional Delegation and House and Senate authorizing committees begin consideration of a new surface transportation bill.
- Work cooperatively with local governments, local transit agencies, community leaders, business owners, organizations, trade associations, residents and riders groups, as well as with other transportation agencies throughout the United States, to secure funding for transportation projects and operations in Los Angeles County to ensure that transit and highway interests are well represented.

GOAL #3 WORK WITH THE NATIONAL SURFACE TRANSPORTATION POLICY AND REVENUE STUDY COMMISSION (1909 COMMISSION) TO ENSURE THE SOLVENCY OF THE NATIONAL HIGHWAY TRUST FUND WHICH PROVIDES HUNDREDS OF MILLIONS OF DOLLARS TO METRO ANNUALLY

Proposed Activities:

Continue actively working with the 1909 Commission to ensure that members of that body have the necessary information to provide a report to the U.S. Congress in 2007 that includes policy proposals designed to strengthen the support Metro receives from the Federal Government (federal funds presently constitute, on average, 12% of Metro's budget).

Continue to work with the Commission to ensure that its planned hearing in Los Angeles County in February 2007 appropriately addresses Metro's concerns with respect to federal programs and policies.

GOAL #4: 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 Metro Rail facilities and Municipal Bus Operators' bus facilities. These funds are available through competitive grants issued by the U.S. Department of Homeland Security.

- Undertake efforts to encourage Congress to provide robust funding for federal transportation security grants to be allocated directly to local transportation agencies, thereby eliminating the need to go through the State.

GOAL #45: ADDITIONAL GOALS

- Work with the Southern California Regional Transit Training Consortium on its FY08 legislative efforts to obtain federal funds to streamline bus maintenance training for alternative fuel buses.
- Work with intercity, commuter and urban passenger rail operators to support improved funding for rail rehabilitation and modernization funds.
- Work to support initiatives in Congress that seek to strengthen Metro's commitment to a Drug and Alcohol Free Workplace Program.

2007-2008 STATE PROGRAM

With the passage of Propositions 1A and 1B and 1C, implementation of the bonds will dominate the 2007-2008 Legislative Session. In addition, the traditional goals of the legislative program will still be maintained. Proposed activities reflect those issues anticipated to come before the State, as well as general principles guiding legislative actions.

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

- Work with the Los Angeles County Delegation to ensure that implementing legislation allocates a fair share of funding to Los Angeles County.
- Support projects submitted through the California Transportation Commission process.
- In cooperation with the Southern California Transportation Commissions and statewide transportation interests, initiate an innovative project delivery program to more widely implement the use of design build and public private partnerships.

GOAL #2: ENSURE IMPLEMENTATION OF PROPOSITIONS 1A, 1B AND 1C THROUGH FUTURE STATE BUDGET ACTIONS

- Support full issuance of bonds to support Propositions 1A, 1B and 1C in future budget actions.
- Continue to monitor the ongoing structural deficit and volatility of state finances for any possible impacts on transportation funding.
- Support full repayment of Proposition 42 in future budget actions as required by Proposition 1A.
- Support comprehensive reform of Public Transportation Account Spillover revenues to ensure continued support of transit operations funding.

GOAL #3: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS TO SECURE, PROTECT AND ENHANCE TRANSPORTATION FUNDING AND PROGRAMS STATEWIDE

Proposed Activities:

- 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.
- Work with the Los Angeles County delegation and local stakeholders to support legislation implementing a cargo or container-related fee at the Ports of Los Angeles and Long Beach.
- Initiate 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 as well as the California Transit Association (CTA) to 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.
- Identify and pursue opportunities for funding and to enhance authority where necessary to improve security for customers, employees and property.
- Support efforts to encourage the interoperability of smart card technology while protecting the privacy of our customers.
- Support efforts to encourage smart growth and transit-oriented development while preserving the authority of local agencies.
- Support efforts to clarify oversight responsibilities of the Public Utilities Commission with respect to rail transit, as well as improving the administration of PUC regulations.

GOAL #4: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE THE ABILITY TO DELIVER TRANSPORTATION SERVICES IN LOS ANGELES COUNTY

Proposed Activities:

- Sponsor legislation that revises and streamlines Metro's procurement processes and policies.
- 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.
- 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 the authority of the agency in regional transportation funding decisions.
- Protect and enhance the authority of local agencies granted through SB 45.
- Work with the California Air Resources Board, the Southern California Air Quality Management District and other clean air partners in the development of progressive environmental policies.

- Support legislative efforts to include environmentally sensitive and clean air programs in our region, particularly in regard to regional transit planning efforts (e.g. efficient goods movement).
- Support new initiatives that encourage use of advanced, environmentally friendly technologies in new transit facility development, such as including solar power in existing facilities, and building new facilities to high environmental and clean air standards.
- Initiate legislation to allow the use of longer length vehicles on certain Metro services.