

**Metro**

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Metropolitan Transportation Authority

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REVISED
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
November 15, 2007

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN
THE 2008 LEGISLATIVE PROGRAM**

ACTION: ADOPT THE 2008 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

Adopt the proposed 2008 Federal and State Legislative Program.

ISSUE

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

POLICY IMPLICATIONS

The role of the legislative program is to fulfill Metro's goals and objectives by securing necessary legislative authority, program and project funding and regulatory actions needed at the state and federal levels. To achieve these 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 Metro. 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 legislative program is developed with input from Metro's technical staff and representatives in Sacramento and Washington. This report contains the proposed 2008 Legislative Program. The program will serve as a blueprint and guide for pursuing Metro's legislative proposals and strategies.

In 2007, Metro faced a number of critical legislative challenges and opportunities. At the state level, the budget deficit and the implementation of Proposition 1B dominated our legislative efforts to maximize the level of bond proceeds for Los Angeles County and the Southern California region. In addition, Metro staff worked with legislators to maximize Proposition 42 funds for Los Angeles County through formula changes. At the federal level, growing budgetary pressures, combined with newly-imposed limits on and heightened scrutiny of congressional earmarks, represented challenges for the entire transportation community.

Looking ahead to 2008, the state budget deficit – which is projected to exceed \$8 billion dollars – will once again be the dominant issue in Sacramento. As such, Metro staff will continue to aggressively engage the Legislature to find ways to protect state transportation funding. Metro's Board of Directors has adopted an advocacy plan which outlines general opportunities for Board involvement. Pursuant to this plan, Metro staff will organize a Metro Lobby in Sacramento in coordination with the Board Chair. Metro staff will also work on obtaining authorization for innovative revenue generating tools that can provide alternative sources of revenue for the agency. In addition, coordinating Metro's programs with the implementation of AB 32 will be an area of focus. At the federal level, staff will undergo efforts to ensure that looming shortfalls in the Highway Trust Fund do not impact funding for Metro's ongoing projects, including the Eastside Light Rail Line and CMAQ funded carpool lanes. In the coming year, the U.S. Congress and the Executive Branch will consider Metro's FY 2009 transportation appropriations requests. Additionally, work has already begun on generating an action plan with respect to the reauthorization of SAFETEA-LU, which expires on September 30, 2009.

Earlier this year, Metro Government Relations implemented an advocacy program for the City of Los Angeles within its scope of responsibilities. Metro Government Relations is poised to start its second year of a comprehensive and proactive government relations outreach program to the Los Angeles City Council. The local government relations team continues to cultivate long term relationships with members of the LA City Council. In particular, the effort is focused on identifying issues of common concern to the City of Los Angeles and Metro with the goal of developing and executing strategies that achieve successful resolution of these

issues. These strategies could involve legislative remedies at the federal, state and/or local levels of government as well as recommended changes in policies and procedures on a regional and/or agency level. Metro staff will also work toward creating partnerships with the City of Los Angeles to pursue local revenue generation initiatives.

Metro 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 local, state and federal levels. Staff also interacts with business and other organizations to build support and alliances for the agency's initiatives.

NEXT STEPS

Government Relations staff will continue the practice of sponsoring briefings in Washington, DC and Los Angeles for Los Angeles County's Congressional Delegation and other key staffers on both the House and Senate appropriations and authorizing committees. In Sacramento, Government Relations staff will continue to initiate briefings for members of the Legislature as well as personal and committee staff. Government Relations staff will continue to seek input from members and staff on the best strategy to achieve the goals outlined in Metro's 2008 Legislative Program. 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 keep in close contact with members of the Los Angeles County Congressional delegation and key authorizing and appropriations staff to build support for Metro's legislative agenda. Staff will monitor and track legislative efforts sponsored by other transportation stakeholders across the nation and inform the Board of that legislation.

Government Relations will continue to ensure that Metro's 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.

The 2007-2008 State Legislative Session is due to reconvene on January 7, 2008. The U.S. House of Representatives and U.S. Senate are scheduled to return on January 15, 2008 for the second session of the 110th Congress.

ATTACHMENT

Attachment A – Legislative Program

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2008 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 obtain appropriations for priority projects and programs, in particular the Metro Gold Line Eastside Light Rail Extension. This effort includes:

GOAL #1: SECURE FUNDING IN THE FY 2009 TRANSPORTATION, HOUSING AND URBAN DEVELOPMENT AND RELATED AGENCIES APPROPRIATIONS BILL

Proposed Activities:

- Secure funding for the following projects and programs: 1) \$80 million in New Starts funds for continued construction of the Metro Gold Line Eastside Light Rail Extension; 2) \$10 million in bus and bus facilities discretionary funding for clean fuel buses and for bus maintenance facilities improvements, along with supporting funding requests by Los Angeles County Municipal Transit Operators Coalition for similar improvements; 3) funding from the “Very Small Starts” program for Metro’s Very Small Starts proposal (consisting of the Wilshire Boulevard Bus-Only Lane Project, Sepulveda Corridor Bus-Only Lane Project and the Van Nuys Corridor Bus Speed Improvement Project); and 4) funding for Metro’s environmental sustainability measures recommended by the Ad-Hoc Sustainability Committee.
- 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). Should legislation making technical corrections to SAFETEA-LU be considered during the second session of the 110th Congress, Metro will seek to insert “local match” language that clearly defines the federal government’s responsibility to fund the second phase of the Expo project.
- Consistent with Board-adopted policy and the work of the Ad-Hoc Congestion Pricing Committee, pursue federal funds through the U.S. Department of Transportation’s Urban Partnership program.
- Continue to seek federal funding for priority highway, bus and rail projects.
- Seek new revenue generating opportunities to enhance Metro’s ability to fund or operate capital projects.

- Consistent with Board adopted policy, staff will continue its effort to end, through language in an appropriations measure or as a stand alone bill, the current federal prohibition on funding subway tunneling in areas of the City of Los Angeles.
- Provided they do not conflict with goals and aims of our legislative program, Metro will support funding requests from municipal operators in Los Angeles County.

GOAL #2: IDENTIFY FUNDING AND PROGRAMMATIC POLICY OPPORTUNITIES IN SAFETEA-LU REAUTHORIZATION PROPOSALS

Proposed Activities:

- To ensure that Metro is prepared well in advance of the expiration of SAFETEA-LU with a reauthorization program that will be presented to Congress and the Executive Branch, Government Relations will lead the creation of a Reauthorization Working Group. The working group will be tasked with generating an action plan to maximize funds received by Metro from the next transportation authorization bill. The group will be responsible for completing the reauthorization plan of action that will include programmatic and project-based proposals consistent with Metro's Board-established priorities. The plan of action developed by this working group will be brought before the Board of Directors for consideration and approval.

GOAL #3: OBTAIN TRANSIT SECURITY FUNDING FROM THE DEPARTMENT OF HOMELAND SECURITY.

Proposed Activities:

- Continue to support efforts to increase 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.
- Work 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 #4: ADDITIONAL GOALS

- Continue to educate Congress about Metro's sustainability policies designed to reduce the agency's carbon footprint and simultaneously seek federal dollars to support Metro's sustainability programs.
- Work to ensure that federal law continues to allow the Federal Highway Administration to permit the use of CMAQ funds for operating assistance on New Starts projects for up to three years. Using CMAQ funds for operational purposes during the first three years of a transit capital project is an important part of Metro's overall strategy to mitigate congestion and improve air quality in Los Angeles County.
- Advocate for the solvency of the federal Highway Trust Fund, which is expected to face a multi-billion shortfall by 2009.
- Support legislative and regulatory actions that enhance the ability to deliver transportation services in Los Angeles County. For example, a comprehensive streamlining of the Section 5309 New Starts Program will save significant time and resources as well as ensure that Metro's project proposals are promptly considered by the Federal Transit Administration.
- Support the legislative efforts of the Southern California Regional Transit Training Consortium 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.

2008 STATE LEGISLATIVE PROGRAM

Next year's state budget deficit is expected to be significantly worse than the FY 2008 budget. Current projections indicate that next year's deficit could exceed \$8 billion, and it is anticipated that such deficits will continue into the future. It is further anticipated that the state will continue to use transportation funds to balance its budget by seizing Public Transportation Account revenues and may even utilize one of the suspensions of Proposition 42 allowed by the State Constitution. This issue will dominate the legislative session and could threaten the long term ability of Metro to increase mobility in Los Angeles County.

Metro's legislative program will be "shaped" by the continuing state budget deficits and will be oriented towards developing local resources to create a viable and sustainable transportation system.

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

- Convey vigorous opposition to 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 impacts Metro's 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.
- Ensure implementation of trailer bill language protecting ½ of Public Transportation Account Spillover revenues.
- Explore legislative protections for all Public Transportation Account revenues.

GOAL #2: PURSUE LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS. THESE MEASURES INCLUDE BUT ARE NOT LIMITED TO:

- Modification of Metro's current authority to place a transportation sales tax on the ballot.
- Authorization for Metro to implement congestion pricing.
- Authorization for Metro to implement a regional gas tax.
- Authorization for Metro to implement a fee relating to the reduction of greenhouse gas emissions.
- Reduction of the vote thresholds for local transportation funding measures.
- Support legislation implementing a cargo or container related fee at the Ports of Los Angeles and Long Beach.

GOAL #3: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF PROPOSITIONS 1B AND 1C.

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

GOAL #4 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.
- 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.
- 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 #5: 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.

- In cooperation with 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.
- 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, 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.
- 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 clarify the oversight responsibilities of the Public Utilities Commission with respect to rail transit and improve the administration of PUC regulations.

GOAL #6: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE THE ABILITY TO DELIVER TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY

- Sponsor legislation that creates efficiencies and streamlines Metro's administrative processes.
- 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 Metro's authority in regional transportation funding decisions including those granted through SB 45.

- Initiate legislation to allow the use of longer length transit vehicles on certain Metro services.