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Metropolitan Transportation Authority

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Honorable David Dreier
Member of Congress
233 Cannon House Office Building
Washington, D.C. 20515

Dear Congressman Dreier:

Thank you for your recent letter to the Board of Directors of the Los Angeles County Metropolitan Transportation Authority (Metro) regarding local funding for the Metro Gold Line Foothill Extension. While we share your goal of making the Foothill project a reality, we believe there is a more productive route for achieving this goal than the federal New Starts approach suggested in your letter.

Over the past few months, advocates of the Foothill project have attempted to make the case that a local financial commitment of \$80 million for the Foothill extension will in turn trigger a \$320 million federal funding commitment from the Federal Transit Administration (FTA) and lead to the execution of a Full Funding Grant Agreement (FFGA) for the first phase of the extension to Azusa. It has been further represented that these major federal actions are imminent and predicated only on an immediate funding commitment at the local level. However, we must respectfully suggest that the actual status of the project in the FTA New Starts process simply does not support these representations.

First, the project has been and continues to remain at the alternatives analysis level of the New Starts evaluation and ratings process. This is the beginning stage of what has become a long, difficult and time consuming journey for all potential projects seeking New Starts funding. To date, FTA has denied the project's entry into preliminary engineering, the next major phase of the evaluation process. As such, any suggestion that a federal commitment of \$320 million will be immediately forthcoming is, regrettably, inconsistent with both FTA's actions to date and with the New Starts process. Furthermore, given the recent history of the New Starts program, it may be years before the project advances all the way to final design and construction, the last stop in the process prior to receiving an FFGA. Moreover, the execution of an FFGA would be achievable only if FTA were to ultimately determine that the Foothill project has met the highest standards of cost effectiveness and has satisfied other major milestones throughout the entire evaluation process.

Second, although there is an approved Environmental Impact Report (EIR) for the first phase of the project as part of the state's CEQA process, an Environmental Impact Statement (EIS), which is required under the federal NEPA process, is still pending. This is a prerequisite for FTA to issue a Record of Decision (ROD), which in turn is required prior to any execution of an FFGA.

Third, FTA has declined requests by the Foothill Construction Authority to reconsider the “medium-low” overall financial rating given to the Foothill project in May 2007. A “medium” rating is required in order to advance the project to preliminary engineering. FTA’s position was articulated in a December 21, 2007 letter from FTA Region IV Administrator Leslie Rogers to Foothill Construction Authority CEO Habib Balian.

Given these facts, Metro believes there is a much more promising path forward for the Foothill project. It is a path that will enable the project to commence construction in the near term without the need to contend with the uncertainty, complexities and difficulties that are an inherent part of the New Starts program.

As you know, the Metro Board has taken aggressive steps in recent weeks to place a half cent transportation sales tax measure on the November ballot that would raise \$40 billion over 30 years for much needed infrastructure improvements. Last month, the Board adopted an expenditure plan for the sales tax measure that identifies specific transit and highway projects throughout Los Angeles County that will be financed with sales tax revenue. The Foothill project will be among the biggest beneficiaries of the sales tax measure. Should the measure qualify for the ballot and if approved by Los Angeles County voters, Foothill stands to gain \$735 million for the construction of the first phase from Pasadena to Azusa. It is anticipated that sales tax revenue for this project will be available as early as 2010. This local investment would augment the \$27 million in federal earmarks obtained for the Foothill project by you and your colleagues in recent years.

There are clear and compelling advantages for Foothill in financing the first phase of the project with sales tax revenue. Such an approach would allow the Foothill Construction Authority to withdraw the project from further consideration under the federal New Starts program, thereby bringing an end to the uncertainty, bureaucracy and delay that have prevented the project from moving forward in an expeditious manner. If the goal of the Foothill Construction Authority is to begin construction on the first phase as soon as possible, the proposed sales tax measure – pending the will of the voters – will accomplish this objective much sooner than simply continuing through the unpredictability of the New Starts program. The prospect of further delay and difficulty cannot be seen as a very appealing option.

As noted above, it is likely to be many years at best before the Foothill project completes the lengthy and rigorous New Starts process, assuming the FTA allows the project to remain under consideration. Given the intense level of competition for limited federal resources among a large number of proposed projects nationwide,

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combined with uncertainty surrounding the future of the New Starts program, success is far from guaranteed and in fact may prove to be elusive. On the other hand, a successful outcome with the sales tax measure will mean the Foothill project will soon become a reality.

Thank you for your vigorous advocacy of Los Angeles County's transportation needs. We look forward to working closely with you.

Sincerely,

A handwritten signature in black ink, appearing to read "Roger Snoble". The signature is fluid and cursive, with the first name "Roger" being more prominent than the last name "Snoble".

Roger Snoble
Chief Executive Officer