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House of Representatives Adopts Bill Backing Mass Transit

Earlier today, the U.S. House of Representatives approved legislation that would authorize $1.7 billion in federal funds over two years to reduce our nation's dependence on foreign oil by encouraging more people to use public transportation. H.R. 6052, the "Saving Energy Through Public Transportation Act of 2008," was approved by 322-98 margin.

The bill, sponsored by House Transportation and Infrastructure Committee Chairman Jim Oberstar (D-MN), would authorize $850 million in fiscal years 2008 and 2009 to allow public transit agencies to reduce fares and expand transit services. H.R. 6052 would also increase the federal share for transit agencies to buy clean fuel and alternative fuel transit bus or locomotive-related equipment and facilities. It would increase the federal share for additional parking facilities at end-of-line rail and commuter bus routes stations, thus increasing the number of transit commuters who have access to those stations.

It is unclear whether the U.S. Senate will consider and pass H.R. 6052 during the remainder of the 110th Congress. President Bush issued a Statement of Administration Policy (SAP) yesterday outlining his strong opposition to this legislation. In part, the SAP noted that, "The long-standing Federal role in mass transit has been to support capital infrastructure construction and maintenance, as authorized within comprehensive surface transportation legislation. Operating assistance has traditionally not been an eligible expense in larger urbanized areas under the Federal mass transit programs. While this bill may induce additional transit ridership, it would penalize efficient operations by creating a perverse incentive to incur operating deficits to trigger grant funding eligibility."

Goldman Sachs Selected to Replace UBS

Earlier this week, we appointed Goldman Sachs as our remarketing agent for our Prop C 1993A variable rate bonds. Goldman Sachs replaces UBS who recently announced that the company is exiting the public finance market. Our appointment of Goldman Sachs will ensure that our investors receive the best possible customer service and provide us with competitive interest rates.

Media at Today's Board Meeting

Numerous media outlets attended today's Board meeting focusing on stories regarding the Long Range Transportation Plan as well as the discussion on a possible half-cent sales tax on the November ballot. Those in attendance included Channel 5, 7, 11, 16, KFWB, KFI, KPCC, KNX, LA Times, Daily News, San Gabriel Valley Tribune, La Opinion, City News Service and Century City News. Stories are expected to run tonight and tomorrow.

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