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Metropolitan Transportation Authority

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REVISION 2
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
November 20, 2008

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN
THE 2009 LEGISLATIVE PROGRAM**

ACTION: ADOPT THE 2009 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

Adopt the proposed 2009 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. This report contains the proposed 2009 Legislative Program. The program will serve as a blueprint and guide for pursuing the authority's legislative proposals and strategies.

In 2008, the agency faced a number of substantial challenges with the federal government, 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. 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. Government Relations staff also worked to pursue additional transportation funding options in light of dwindling state and federal funds. In addition, staff worked on other critical legislation such as SB 375 (Steinberg) and SB 974 (Lowenthal).

In the coming year, a new President and the 111th Congress will consider the agency's FY2010 transportation appropriations requests. More importantly, in 2009, Congress will begin crafting and may consider legislation designed to replace the current surface transportation bill Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy of Users (SAFETEA-LU). The previous reauthorization bill brought over \$3.8 billion to us in project and programmatic funding.

Last year, staff was successful in obtaining approval of AB 2321(Feuer) which would modify our sales tax authority, as well as SB 1422 (Ridley-Thomas) that would allow us to obtain \$210 million in federal funds to implement a pilot congestion pricing program. Looking ahead to 2009, the state budget deficit will continue to be a prominent issue. The existing budget deficit compounded by the economic downturn has created much uncertainty. We can expect that the Legislature will potentially look at suspending Proposition 42 funds to help solve the budget deficit. The situation is so dire that we can expect everything to be on the table.

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.

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 2009.

The Government Relations team will continue its outreach program with the City of Los Angeles.

NEXT STEPS

Government Relations staff plans to sponsor a number of 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 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. 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 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, Exposition Metro Line Construction Authority, and Southern California County transportation commissions.

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 2009 for the first session of the 111th Congress.

ATTACHMENT

Attachment A – Legislative Program

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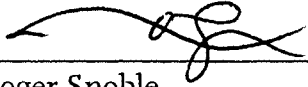
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ATTACHMENT A

2009 FEDERAL PROGRAM – 110th CONGRESS

GOAL #1: Work with METROLINK and regional transportation agencies to support legislation that would, in both the short and long term, 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 and Boxer 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.

GOAL #2: IDENTIFY LEGISLATIVE PRIORITIES AS CONGRESS ACTS TO REAUTHORIZE SAFETEA-LU

Proposed Activities:

- In order to increase the amount of programmatic and project funds derived by us through SAFETEA-LU (\$5.2 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 have has aggressively worked to build a consensus on reauthorization principles with Mobility 21 stakeholders in Orange, Riverside, San Bernardino and Ventura Counties.
- Work cooperatively with local governments, local transit agencies, community leaders, business owners, organizations, trade associations, 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.

GOAL #3: SECURE FUNDING IN THE FY 2010 TRANSPORTATION, TREASURY AND HOUSING AND URBAN DEVELOPMENT APPROPRIATIONS BILL

Proposed Activities:

- 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 appropriations for the Full Funding Grant Agreement for the Eastside Light Rail Line. Specifically, we will work to

secure funding for the Eastside Light Rail Line consistent with its Full Funding Grant Agreement;

- Secure Small Starts funding for the Wilshire Boulevard Bus Rapid Transit project, based on full funding of the U.S. Department of Transportation's Fiscal Year 2009 financial commitment.
- 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.
- (Pending Measure R) Explore opportunities to secure federal funds and legislative language to expedite the construction of our 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).
- Continue to seek federal funding for priority highway, bus and rail projects.

GOAL #4: 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 technical default.
- Pursue other legislative options as necessary to ensure that Metro and other transit properties are not adversely impacted by the credit downgrade of AIG and other insurance firms. Given the near impossibility of finding a suitable replacement for AIG and other downgraded firms in light of deteriorating conditions in the financial marketplace, transit systems that entered into lease agreements such as Metro are at great risk for substantial financial harm without federal intervention.

GOAL #5: ADVOCATE FOR THE PASSAGE OF COMPREHENSIVE CLIMATE CHANGE LEGISLATION.

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.

GOAL #4-6: 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.
- 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 #5-7: ADDITIONAL GOALS

- Aggressively advocate for a long-term extension of the alternative fuels excise tax credit, which expires on December 31, 2009.
- Work with the Southern California Regional Transit Training Consortium on its FY2010 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.

2009-2010 STATE LEGISLATIVE PROGRAM

The FY09-2010 state budget deficit is expected to be significantly worse than the FY 2008-09 budget. Although the budget was recently adopted by the Legislature, the Department of Finance is reporting approximately \$4 billion shortfall in the current year budget due to an \$814 million dip in September tax revenues. 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 continue to use transportation funds to balance its budget by seizing Public Transportation Account revenues and may utilize one of the suspensions of Proposition 42 allowed by the State Constitution. This issue will dominate the legislative session and could threaten our long-term ability to increase mobility in Los Angeles County.

Our state legislative program will be "shaped" by the continuing state budget deficits and will be oriented towards protecting existing 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 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;
- Ensure implementation of trailer bill language protecting half of Public Transportation Account Spillover revenues; and
- 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:

- Work with statewide partners on any efforts to implement a fee relating to the reduction of greenhouse gas emissions;
- Work with State and regional partners to support container fee legislation; and
- 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.

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

- Support efforts to broaden the use of design-build and public private partnerships;
- Explore legislation authorizing the use of design-build on soundwall projects in Los Angeles County;
- 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 our authority in regional transportation funding decisions including those granted through SB 45; and
- Sponsor legislation that creates efficiencies and streamlines administrative processes, such as procurement and environmental regulations.

