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**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
APRIL 16, 2009**

SUBJECT: METRO ENVIRONMENTAL POLICY

ACTION: ADOPT THE ATTACHED METRO ENVIRONMENTAL POLICY

RECOMMENDATION

Adopt the Metro Environmental Policy.

ISSUE

An adopted Metro Environmental Policy is 1) required as a part of the program to develop and implement a Federal Transit Administration (FTA) sponsored and supported Environmental Management System (EMS) and 2) provide a platform for the Los Angeles County Metropolitan Transportation Authority's (LACMTA) commitment to protecting the environment using sustainable principles and practices in our Planning, Construction, Operations, and Procurement Departments. This policy illustrates our leadership in maximizing our environmental efforts and its benefits for Los Angeles County through transportation.

POLICY IMPLICATIONS

An EMS is a set of procedures that is based on an adopted Environmental Policy that captures the LACMTA's best practices to ensure that our planning, construction, operations, and procurement are cost-effective and compliant with environmental regulations, supportive of environmental stewardship objectives and most importantly protective of the health and welfare of our employees, clients and customers. Through a Plan-Do-Check-Act process, an EMS addresses various planning, operations and management issues such as energy conservation, efficient water use, vehicle emission reduction, materials recycling, and management of hazardous materials. Once fully implemented, we will be better able to manage our environmental obligations, report cost savings over time, improve our bond rating, reduce insurance premiums and improve community relations.

This policy incorporates the intent of the Metro Energy and Sustainability Policy previously approved by our Board on June 21, 2007.

The need for a comprehensive Environmental Policy is overdue. This policy does not create new burdens to the LACMTA, but instead promotes cost-effectiveness and efficiency in our planning, construction, operations, and procurement processes that at the same time is protective of human health and the environment. The Federal and State governments clearly recognize transportation's multiple environmental benefits. In addition to supporting public transportation as a whole; grants, research, and technical assistance programs are now becoming more available to assist state and other local governmental agencies, like the LACMTA, in providing environmentally sustainable transportation solutions.

The adoption of this Environmental Policy is not only consistent with the intent of environmental and transportation legislation and regulations developed through the Federal and State government process but presents itself as a good business case for the LACMTA to be a leader in environmental stewardship.

This policy will create additional value-added to our projects and allows Metro to be at the forefront of early implementation of regulations not solely to promote environmental protection, but most importantly worker safety and welfare. Having this environmental commitment strategically puts us at a competitive advantage over others in possibly securing federal and other grants.

ALTERNATIVES CONSIDERED

The Board could decide not to approve the Metro Environmental Policy. This option is not recommended since an Environmental Policy is required to implement the FTA supported and sponsored EMS program.

FINANCIAL IMPACT

Funding of \$796,408 is included in the FY09 budget for Project No. 450001, Energy Conservation Initiative; Project No. 450002, Sustainability Design Guide; and Project No. 450003, Sustainability Environment; and Project No. 450004 Carbon Emissions Greenhouse. Three projects were funded in FY09 with Prop A Administrative funds and one (Project No. 450004) was funded with PC25%. All four projects are included in the FY10 proposed budget for a total request of \$2.1 million. A separate Board Report will be prepared seeking funding approval for these four projects as part of the FY10 budget process.

Since there are multi-year projects, the Deputy Chief Capital Management Officer will be responsible for budgeting these costs in future years.

If adopted, the policy could also impact future Metro projects due to increased requirements to meet the environmental standards set forth in the policy. However, it has been proven that improvements identified through the EMS process and required in the new policy will result in operating savings which will ultimately offset the added costs of implementation.

BACKGROUND

On August 13, 2007, the Federal Transit Administration (FTA) published an invitation to state and local transit agencies to apply for Environmental Management Systems (EMS) training and assistance, which is offered in the form of workshops, on-site technical advice, consultation and comprehensive training in the development of an International Organization for Standardization (ISO) 14001-based EMS. An EMS is a set of operational procedures, based on an adopted Environmental Policy, to ensure compliance with federal, state and local environmental regulations, as well as to facilitate environmental stewardship.

These procedures address energy conservation, efficient water use, material recycling and waste minimization, vehicle emissions reduction, improved fueling operations and hazardous material management and substitution, among other practices. Evidence shows that adoption of environmental management systems result in better regulatory compliance and fine avoidance, as well as advantages in financing, insurance, marketing, regulatory compliance, and other areas of planning, construction, operations, and procurement.

In December 2007, then FTA Administrator James Simpson approved the selection of LACMTA as one of seven participating agencies in the Second Round of FTA assisted EMS training. The EMS training is designed to help agencies develop and implement a complete EMS using the 14001 Standard of the International Organization for Standardization (ISO). The ISO 14001 Standard is a toolbox of management techniques to minimize harm to the environment.

The ISO 14001 Standard serves as the basis of the EMS development, although it will be at the discretion of the implementing agency whether to pursue ISO certification or not. FTA will assemble a final report that includes the participating transit agencies' case studies and assesses training results. The FTA will also participate in ensuring that participating agencies' EMS conform with ISO 14001 certification standards. There is no guarantee that the participating agency will achieve ISO 14001 certification.

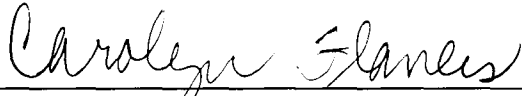
NEXT STEPS

Upon Board approval, the Metro Environmental Policy will be effective immediately and will be used to address planning, construction, operations and maintenance, management and procurement related environmental impacts.

ATTACHMENTS

A Metro Environmental Policy

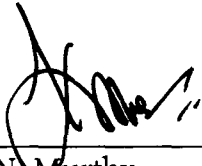
Prepared by: Cris B. Liban, Environmental Compliance and Services Department Manager



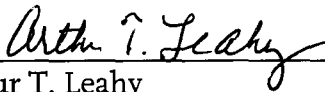
Carolyn Flowers
Chief Operations Officer



Carol Inge
Chief Planning Officer



Krishniah N. Murthy
Deputy Chief Capital Management Officer



Arthur T. Leahy
Chief Executive Officer

METRO ENVIRONMENTAL POLICY

POLICY STATEMENT

The Los Angeles County Metropolitan Transportation Authority (LACMTA) will be a leader in maximizing the environmental effort and its benefits for Los Angeles County through our core mission of moving people efficiently and effectively using an Environmental Management System as its primary tool in applying sustainable principles and practices in our planning, construction, operations, and procurement to protect the environment for present and future generations.

PURPOSE

The purpose of this policy is to provide guidance in 1) identifying potential environmental impacts generated by our development activities and developing mitigation measures to address those impacts; 2) operating and maintaining Metro vehicles and facilities to minimize negative impacts on the environment; 3) reducing our consumption of natural resources; 4) reducing or eliminating the use of hazardous materials; 5) increasing the amount of recycling and use of recycled products; and 6) reducing and/or diverting the amount of solid waste going to landfills.

COMMITMENT

Metro provides multi-modal public transit services that greatly improve the quality of the environment in the communities it serves. We are committed to planning and constructing our projects, operating and maintaining our facilities and vehicles, and procuring products and services consistent with State and federal laws and regulations and in a manner that protects human health and the environment but not neglecting the efficient delivery of quality public transit services within our financial ability.

To demonstrate our commitment, we will:

- Comply with all environmental, federal, State, and local laws and regulations;
- Restore the environment by providing mitigation and corrective action and by monitoring to ensure that environmental commitments are implemented;
- Improve our ability to manage and account for environmental liabilities and risk;
- Avoid environmental degradation by minimizing releases to air, water, and land;

- Prevent pollution and conserve resources by reducing waste, reusing materials, recycling, and preferentially procuring for environmentally-friendly products and materials;
- Encourage and support the development of standards that encourage public transit use and environmental protection;
- Conduct training to raise awareness among employees and the general public regarding environmental protection and sustainable practices;
- Ensure that the planning, design, construction, and operation of our facilities and services consider environmental protection and sustainable features;
- Periodically review and implement updated environmental protection procedures and practices to ensure that they provide effective solutions for the problems they are designed to prevent or correct;
- Recognize and encourage citizen awareness and involvement in our efforts to protect the environment and educate the public about the environmental benefits of our transit system;
- Build relationships with our contractors, vendors, consultants, and transit partners during planning, design, construction, operation and procurement to protect and enhance the environment;
- Consider alternative solutions such as promoting and tapping renewable energy sources to address energy and environmental challenges;
- Establish and maintain an Environmental Management System (EMS) with environmental objectives and targets that are measurable, meaningful and understandable; and
- Communicate the goals and progress of this Policy and the EMS to Board Members, officers, employees and the public.

