

**Board Report**

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2nd REVISED
EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 19, 2015

**SUBJECT: CONSIDER GOALS AND ACTIVITIES CONTAINED IN THE
2016 LEGISLATIVE PROGRAM**

ACTION: ADOPT THE 2016 FEDERAL AND STATE LEGISLATIVE PROGRAM

RECOMMENDATION

ADOPTING the **proposed 2016 Federal and State Legislative Program.**

ISSUE

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

DISCUSSION

Each year, staff prepares a legislative program for adoption by the Board. The program is developed with input from Metro's technical staff and representatives in Sacramento and Washington, D.C. This report contains the proposed 2016 Legislative Program. The program will serve as a blueprint and guide for pursuing the authority's Board approved legislative proposals and strategies.

Federal Recap

In 2015, the agency continued to pursue our Board approved legislative priorities in Washington, DC. Among the challenges with respect to advancing our agenda on Capitol Hill was the continued gridlock between the U.S. Senate and the U.S. House of Representatives. In a welcome departure from this gridlock, on July 30, 2015 the U.S. Senate adopted the DRIVE Act - a long-term surface transportation authorization bill. Most recently, the U.S. House of Representatives adopted, on November 5, 2015, its own long-term surface transportation authorization bill, setting the stage for a conference to be held to resolve the differences between the two bills. Metro has worked closely with members of the Los Angeles County Congressional Delegation to advance our Board-approved Federal Legislative priorities with respect to the next surface transportation authorization bill.

Since 2010, at the direction of the Board of Directors, our agency began a campaign to advance legislative proposals that would address the acceleration of our transit and highway program, now

known as America Fast Forward. In 2012, Congress enacted a surface transportation bill (MAP-21) that addressed, in part, the goal of our America Fast Forward initiative. Specifically, MAP-21 included language that provided for a ten-fold expansion of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

During the course of the current 114th Congress our agency has sought, with measured success and consistent with our Board approved Legislative Program, to expand the scale and scope of our efforts in Washington, DC. These efforts have included, but are not limited to: gaining legislative support for the America Fast Forward Transportation Bond initiative, building a national coalition to support our America Fast Forward program, working to conclude two Full Funding Grant Agreements valued at over \$2 billion for our New Starts projects, securing over \$1 billion in Transportation Infrastructure Finance and Innovation Act program loans for our New Starts projects, working cooperatively with the U.S. Department of Labor on the PEPRA/13c issue to release federal grants funds for Metro projects, and building unity among the Los Angeles County Congressional Delegation on transportation issues, among other initiatives.

Our America Fast Forward initiative has and continues to be discussed and debated by many senior transportation policymakers in Washington, DC. This includes lawmakers and policymakers at the White House, the U.S. Senate, House of Representatives and Executive Agencies, including the Office of Management and Budget and the U.S. Department of Transportation.

For the remainder of the 114th Congress, we will be working to expand on our successes by addressing the broad array of federal highway and transit programs and projects that impact our agency.

State Recap

Metro again successfully moved the largest legislative program of any transportation agency in the State of California through the legislative process in 2015. We were successful in obtaining approval through SB 767 (de Leon) to place a sales tax measure on a future ballot. Not only were we successful in securing passage of the legislation we were able to accomplish a key priority of the Board, maintaining the bottoms-up process by not identifying projects and programs in the legislation. Additionally, we secured passage of legislation, AB 726 (Nazarian) authorizing Metro to operate 82' buses on the Metro Orange line which will significantly increase capacity and we were able to secure passage of a measure, AB 194 (Frazier) which reauthorizes the process at the California Transportation Commission to approve High Occupancy Toll (HOT) lanes.

The 2015 Legislative session ended without resolution to one of the major challenges faced by the Legislature this year; addressing transportation funding in the First Extraordinary Session. A number of proposals were introduced into this session including a proposal from Governor Brown which contained a number of elements for which Metro had advocated. A conference committee has been formed for the special session and this committee has conducted two hearings. It is anticipated that the committee will continue to meet into 2016 and that members will continue to discuss how a consensus can be reached in First Extraordinary Session.

One key element of the Extraordinary Session is the reauthorization of the authorization to pursue

Public Private Partnerships (P3s). The authorization expires at the end of 2016. Metro is working closely with a coalition of stakeholders in Sacramento to continue to urge the Legislature to reauthorize this important tool and Metro's state advocacy team will continue those efforts in next year's legislative session.

Also unresolved from this year is the final allocation of Cap and Trade funds. The Legislature has already set allocations for much of the Cap and Trade proceeds however, much of the program remains undefined. We will work with our delegation and the members of the Gubernatorial administration to advocate for a structure that will benefit Metro's projects and programs.

During next year's session, staff anticipates that we will be addressing a number of new challenges. We anticipate there will continue to be discussions about overall project delivery issues in the State and which level of government is best position to perform certain functions. In addition, the California Air Resources Board (CARB) is moving forward on a Mobile Source Strategy which will impact Metro in a variety of ways. We have been engaged internally to ensure that we are working in partnership with CARB and maximizing the opportunities through that partnership.

Overall, the major focus of our state legislative program will continue to be the State Budget with the goal of protecting existing resources and possibly creating new sources of funding for a sustainable transportation system.

FINANCIAL IMPACT

A number of the proposed state and federal legislative initiatives may provide additional funding for countywide transportation programs and projects.

ALTERNATIVES CONSIDERED

The Board of Directors could determine that a legislative program is unnecessary for the agency. Failure to adopt a legislative program could result in Metro being ill prepared to address the policy and legislative challenges that will arise during the coming year.

NEXT STEPS

Government Relations staff will continue to regularly sponsor briefings in Washington, D.C. and Los Angeles County for our Congressional Delegation and other key staffers on both the House and Senate Appropriations and Authorization committees. We have and will continue to place a strong emphasis on briefings for professional staff members working for House and Senate committees with primary responsibility for authorizing and appropriations bills - in addition to advancing our plan to accelerate both our transit and highway program through our America Fast Forward initiative.

In Sacramento, we will continue to develop and strategically advance our agency's Board approved State Legislative Program through maintaining support and close relationships with the Los Angeles County State Legislative Delegation, key leaders in the Senate and Assembly Transportation Committees, as well as key stakeholders including, the Governor, Caltrans, California Transportation

Commission, and the California State Transportation Agency.

Government Relations staff will initiate briefings for the Gubernatorial Administration, members of the Legislature as well as committee staff. We will also work with state legislators to author any legislative initiatives proposed by this program. At the federal level, Government Relations will keep in close contact with new and existing 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. Pursuant to the Board adopted Board Advocacy Plan we will also work closely with the Board to utilize Board member's relationships and experience in legislative matters.

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, and Southern California County transportation commissions.

In addition, Government Relations will continue to pursue state and federal legislative initiatives that promote the efficient and rapid delivery of Measure R projects as well as leverage Measure R funds for additional state and federal transportation resources, and to form a coalition to protect state revenues.

The 2015 State Legislative Session is due to reconvene in January 2016. The 2016 Federal Legislative Session with both the U.S. House of Representatives and U.S. Senate scheduled to return in January 2016 for the remainder of the 114th Congress.

ATTACHMENTS

Attachment A - 2016 Federal Legislative Program

Attachment B - 2016 State Legislative Program

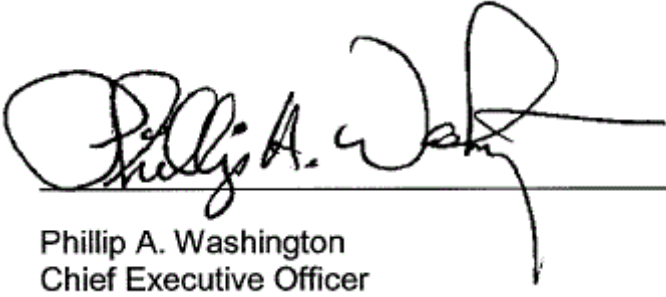
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Phillip A. Washington
Chief Executive Officer

2016 FEDERAL LEGISLATIVE PROGRAM for the 114th CONGRESS

GOAL #1: WORK TO PURSUE LEGISLATIVE INITIATIVES THAT PROMOTE THE AMERICA FAST FORWARD PROGRAM

Proposed Activities:

Seek to adopt language in any tax reform legislation that would create an America Fast Forward Transportation Bond Program. Specifically, the America Fast Forward Transportation Bonds would provide a significant interest rate subsidy for worthwhile transportation projects in Los Angeles County and across the nation. As part of the America Fast Forward initiative we will also seek to reform federal law with respect to local hire regulations. Our agency's local hire initiative would, if enacted into federal law, permit transportation agencies to hire locally, provided their share exceeds 50% of a project's total cost.

GOAL #2: WORK TO ADVANCE THE REGIONAL CONNECTOR AND THE WESTSIDE EXTENSION – THROUGH THE FEDERAL NEW STARTS PROGRAM AND TIFIA LOAN PROCESS AND ADVANCE OUR NON-NEW STARTS PROJECTS – GOLD LINE FOOTHILL EXTENSION AND CRENSHAW/LAX

Proposed Activities:

Work with our Congressional Delegation, transportation leaders in the House and Senate and the U.S. Department of Transportation to ensure the free flow of funds from Full Funding Grant Agreements and TIFIA loans for both the Regional Connector and the Westside Subway Extension. Parallel to this effort and as previously directed by our Board of Directors, we will continue to support seeking non-New Starts funds for the Gold Line Foothill Extension and Crenshaw/LAX transit projects. In addition, we will work to ensure that the Federal Transit Administration, Federal Aviation Administration, among other federal agencies, continue to work cooperatively with our agency on issues related to bringing a rail connection to LAX.

GOAL #3: PURSUE LEGISLATIVE PRIORITIES AS CONGRESS ACTS TO AUTHORIZE A NEW SURFACE TRANSPORTATION BILL PRIOR TO THE EXPIRATION OF MAP-21 ON NOVEMBER 20, 2015

Proposed Activities:

In order to increase the amount of programmatic and project funds derived by our agency through MAP-21, Government Relations has worked to advance funding and programmatic priorities in the new surface transportation authorization bills currently being considered by the U.S. Congress. The surface transportation authorization bills

adopted by the Senate and House, on July 20, 2015 and November 5, 2015 respectively, will be subject to a conference where we will work directly with conferees to ensure that provisions in the bill that benefit our agency are safeguarded and provisions that harm our agency's interests are deleted or modified.

As the new bill is ultimately instituted by the U.S. Department of Transportation we will continue to work cooperatively with local governments, local transit agencies, community leaders, business owners, organizations, trade associations like the American Public Transportation Association, 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.

GOAL #4: CONTINUE TO WORK WITH METROLINK AND REGIONAL TRANSPORTATION AGENCIES TO SUPPORT – AS NEEDED - THE APPLICATION OF FEDERAL FUNDS FOR POSITIVE TRAIN CONTROL (PTC) TO SIGNIFICANTLY IMPROVE THE SAFETY OF COMMUTER RAIL SERVICE IN LOS ANGELES COUNTY AND ADJOINING COUNTIES

Proposed Activities:

Continue to work in close cooperation with U.S. Senators Feinstein and Boxer, members of the Los Angeles County Congressional Delegation, Metrolink, APTA and other key stakeholders to ensure that any federal funding provided for Positive Train Control takes into consideration commuter rail lines that dedicated significant local funds to meet the previous PTC deadline of December 2015 (the new federally mandated deadline is December 2018).

GOAL #5: ADDITIONAL PRIORITIES

Proposed Activities:

Aggressively advocate for the renewal of the alternative fuels excise tax credit;

Work to extend the commuter tax benefit to remain at \$230 per month for transit users;

Work with Metro's regional partners to advance career education and training programs that will ensure the needed workforce to operate and maintain our transit system is ready and available.

Work to ensure that the U.S. Department of Transportation clarifies that ferryboat miles between mainland Los Angeles and Catalina Island are counted for purposes of Los Angeles County's annual apportionment from the Section 5307 Urbanized Area Formula Program (UAFP);

Work to support legislation that would allow public transit agencies to use a portion of their federal transit funding for day-to-day operating expenses;

Work to secure federal funds to advance Metro's bicycle program, including but not limited to, bike stations near our transit stations.

2016 STATE LEGISLATIVE PROGRAM

GOAL #1: ENSURE THE STATE CONTINUES TO FULLY FUND THE MAJOR TRANSPORTATION PROGRAMS IN THE STATE

Proposed Activities:

Protect Metro's key fund sources;

Communicate the importance of stable transportation funding to improve mobility in Los Angeles County, foster economic development and create jobs;

Protect the transportation funding system established by the sales tax/gas swap legislation;

Protect Public Transportation Account revenues which have been funded by the sales tax on diesel fuel;

Secure proportionate share of federal funds allocated via state mechanisms, such as CMAQ and alternative transportation programs; and

Support the funding proposals identified in the First Extraordinary Session and ensure that they are structured to support Metro's projects and programs.

GOAL #2: PURSUE LEGISLATIVE INITIATIVES AIMED AT INCREASING FUNDING FOR LOS ANGELES COUNTY TRANSPORTATION PROJECTS

Proposed Activities:

Work with statewide partners on any efforts to implement new transportation related fees or taxes and ensure these revenues are allocated in proportion to LA County's needs and at the discretion of local agencies; and

Support legislation that would enhance opportunities for Value Capture or related concepts and mechanisms to fund transportation infrastructure or promote Transit-Oriented Developments.

GOAL #3: WORK TO ENSURE IMPLEMENTATION OF METRO'S BOARD ADOPTED LRTP

Proposed Activities:

Pursue strategies and funding opportunities to implement the Highway Program in the LRTP;

Work to secure additional funds through the STIP, SHOPP and bond funds; and

Pursue Public Private Partnerships and Design Build opportunities for the highway portion of the LRTP.

GOAL #4: SUPPORT EFFORTS TO IMPROVE SAFETY ON THE REGION'S COMMUTER RAIL SYSTEM

Proposed Activities:

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; and

Support actions by the Public Utilities Commission (PUC) which would allow or approve implementation of automatic train control systems.

GOAL #5: MAXIMIZE OPPORTUNITIES FOR FUNDING LOS ANGELES COUNTY'S TRANSPORTATION PROJECTS AND PROGRAMS THROUGH IMPLEMENTATION OF PROPOSITIONS 1B

Proposed Activities:

Work with Caltrans and the CTC to ensure that Proposition 1B funds flow to Metro projects and support full allocation of these propositions in future budget actions;

Work with the Los Angeles County Delegation to ensure that bond implementation legislation allocates a fair share of funding to Los Angeles County; and

Support projects submitted through the CTC process.

GOAL #6: COORDINATE WITH OUR LOCAL AND STATE PARTNERS TO INCORPORATE THE REGION'S NEEDS IN EMERGING CLIMATE CHANGE AND SUSTAINABILITY PROGRAMS

Proposed Activities:

Monitor continued implementation of AB 32 and SB 375 (including sustainable community strategies and related initiatives/ documents);

Work in partnership with the California Air Resources Board (CARB) to support Metro's projects and programs;

Advocate the connection between transit operations funding, SB 375 and other state global warming policies, programs and initiatives;

Support initiatives that promote greenhouse gas emissions reduction strategies such as vehicle miles travelled reduction, active transportation, and operational efficiency best practices;

Support continued efforts to encourage smart growth and other connectivity and livability principles and their interaction with transit and highway investments while preserving authority of local agencies;

Support legislative efforts to include (programs affecting environmentally sensitive stakeholders and clean air programs) in our region, particularly with regards to regional transit planning, construction, and procurement efforts;

Support new initiatives that encourage the use of advanced, environmentally friendly and cost-effective strategies in the construction and retrofit of transit facilities including infrastructure related to renewable energy, low impact development, sustainable construction practices, and similar technologies;

Ensure Cap & Trade funds are allocated to transportation, that Los Angeles County receives a proportionate share; and

Advocate and secure commitment for Cap & Trade revenues to be allocated by the County Transportation Commissions when allocated to our region.

GOAL #7: ACTIVELY WORK WITH STATE, REGIONAL AND LOCAL TRANSPORTATION INTERESTS TO SECURE, PROTECT AND ENHANCE TRANSPORTATION FUNDING AND PROGRAMS STATEWIDE

Proposed Activities:

Work with Governor Brown's Administration to preserve and increase flexibility in the use of transportation funds;

Identify and pursue opportunities for additional funding for Southern California transportation projects, including, but not limited to, mechanisms to reinvigorate the State's infrastructure bank;

Support efforts to secure funding and/or obtain authority to generate additional funding for bus transit capital, operations, security needs, corridor projects, soundwalls, bike projects, 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 CTA, to secure and increase funds for transportation services, projects and programs;

Support efforts to secure new funding for regional rideshare services; and

Identify and pursue opportunities for funding and to enhance authority where necessary to improve security and safety for customers, employees and property.

GOAL #8: SUPPORT LEGISLATIVE AND REGULATORY ACTIONS THAT ENHANCE AND PROTECT METRO'S ABILITY TO DELIVER TRANSPORTATION PROJECTS AND SERVICES IN LOS ANGELES COUNTY

Proposed Activities:

Support efforts to clarify the oversight responsibilities of the PUC with respect to rail transit and improve the administration of PUC regulations;

Oppose legislation that would seek to restructure the Metro Board of Directors;

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;

Continue to advocate for California Environmental Quality Act (CEQA) reforms for transportation projects with continued collaboration of statewide stakeholders and organizations;

Monitor and work with implementation of pension reform so that Metro is able to maintain a stable work force and ensure adequate succession planning;

Support efforts to enhance the use of electronic fare payment or smart card technology; and

Explore authorizing the use of forward facing cameras on Metro's buses.

GOAL #9: Oppose any legislation that could negatively impact Metro's ability to operate the ExpressLanes program or proceed with future ExpressLanes, in close coordination with Caltrans.

Proposed Activities:

Support legislation that:

1. Encourages development and utilization of technologies that would enhance the ability to verify vehicle occupancy and toll collection/payment.
2. Enhances Metro's ability to enforce the ExpressLanes toll policy as adopted by the Board.

Vigorously oppose legislation that negatively impacts:

1. Metro's ability to manage ExpressLanes demand utilizing congestion pricing.
2. Financial viability and local control of ExpressLanes revenues.
3. Limit Metro's ability to expand the ExpressLanes network.

GOAL #10: SUPPORT EFFORTS TO IMPLEMENT HIGH SPEED RAIL (HSR) IN LOS ANGELES COUNTY

Proposed Activities:

Continue the following set of principles to guide our advocacy relating to High Speed Rail:

Metro supports the California High Speed Rail Project.

Metro is encouraged by the efforts to incorporate a blended corridor concept in its planning and to continue to evaluate and identify the need to connect the project to Los Angeles County.

We encourage the State to make specific commitments to funding the segment connecting to Los Angeles County and to maintain this segment as a high priority in future plans.

Metro supports the allocation of funding to elements of the blended corridor concept in Los Angeles County to support the ultimate completion of the High Speed Rail project.

Ensure timely implementation of Proposition 1A including allocation of connectivity funds as required by law.

GOAL #11: SECURE APPROVAL OF KEY METRO PROJECTS AT THE CALIFORNIA TRANSPORTATION COMMISSION

Proposed Activities:

Support efforts to establish local control in the LOSSAN Corridor.

GOAL #12: SPONSOR THE FOLLOWING LEGISLATION TO IMPROVE OUR ABILITY TO DELIVER QUALITY SERVICE

Proposed Activities:

Sponsor legislation to enhance the ability of small businesses to participate in Metro procurements.

Sponsor legislation to address the authority of Metro's Security Officers.

Proposed 2016 Federal and State Legislative Program



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Metro

Federal Legislative Goals

- America Fast Forward
- Federal New Starts and Non-New Starts Projects
- New Surface Transportation Authorization Bill – maximizing funding including securing freight funding
- Positive Train Control
- Additional priorities – including, but not limited to:
 - Renewal of the alternative fuels excise tax credit
 - Commuter tax benefits
 - Workforce and career education training programs
 - Funding for Metro's bicycle program

State Legislative Goals

- Full funding for major transportation programs
- Increasing funding for LA County Transportation Projects
- Implementation of Metro's Board Adopted LRTP
- Improving safety on the region's commuter rail system
- High Speed Rail Implementation
- Secure approval of key Metro projects at the CTC
- Sponsor legislation to improve our ability to deliver quality service including:
 - Enhance Small Business participation in Metro procurements
 - Clarifying the authority of Metro Transit Security Officers

State Legislative Goals (cont.)

- Maximize opportunities for funding through Proposition 1B
- Coordinate with our local and State partners on emerging climate change and sustainability
- Secure, protect and enhance transportation funding and programs statewide
- Enhance and protect Metro's ability to deliver transportation projects and services
- Oppose any legislation that could negatively impact Metro's ability to operate the ExpressLanes
 - Support legislation that encourages development of technology

Fasana Motion

- Motion by Director Fasana would amend the State Legislative program Goal #12 (Sponsor legislation to improve our ability to deliver quality service) to include:

Seek legislation similar to AB 2568 (Bloom, 2014) that would amend existing law by prohibiting a member, alternate member, or employee of the authority who has participated as a decision maker, from accepting employment within one year of leaving the authority with any vendor, company, or business entity that was awarded a contract as a result of their participation, if that participation took place within one year prior to the member, alternate member, or employee leaving the authority.



Questions?



Metro