





Metro

MARCH 4, 2011

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY 
CHIEF EXECUTIVE OFFICER

FROM: RAFFI HAMPARIAN 
GOVERNMENT RELATIONS DIRECTOR, FEDERAL AFFAIRS

**SUBJECT: CONGRESSIONAL ACTION ON A LONG-TERM CONTINUING
RESOLUTION FOR FISCAL YEAR 2011**

ISSUE

The long-term continuing resolution (H.R. 1) adopted by the U.S. House of Representatives for the remainder of Fiscal Year 2011 (FY11) included cuts and rescissions with respect to federal support for a broad array of transportation programs and projects. Our agency is working with members of the Los Angeles County Congressional Delegation to halt the cuts and rescissions being proposed in H.R. 1 for transportation projects and programs in Los Angeles County. The U.S. House of Representatives and the U.S. Senate are in the midst of considering a long-term continuing resolution that will fund the Federal government for the remainder of FY11. The current short-term continuing resolution expires on March 18, 2011.

BACKGROUND

The U.S. House of Representatives is seeking to cut \$60 billion in federal spending for the remainder of FY11. This goal is part of the broad commitment made last year by the Republican majority during the mid-term elections to address the national budget deficit.

Consistent with their goal to cut federal spending, the U.S. House of Representatives adopted H.R. 1 on February 19, 2011 which included a number of cuts in transportation programs. Specifically, the cuts in H.R. 1 included all FY11 funding for high speed rail; cuts for all money allocated for the TIGER II discretionary grant program; reduced FY11 funding for the New Starts program (by over \$400 million); cuts in Amtrak grants by \$152 million; elimination of funding for mass transit energy efficiency grants; elimination of \$150 million designated for the Washington, DC area metro system and the elimination of federal support for Positive Train Control grants.

Our agency is concerned about the potential impact the House adopted continuing resolution (H.R. 1) would have on the \$546 million of federal financial assistance proposed for the Crenshaw/LAX project through the TIGER II TIFIA program assistance. Metro has completed the Draft Environmental Impact Report/Draft

Environmental Impact Statement (Draft EIS/EIR), in compliance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) for the Crenshaw/LAX project. We are scheduled to present the project's Final EIS/EIR to the Board in June of this year. It is anticipated that the Federal Transit Administration may issue a Record of Decision (ROD) for the project in summer/fall of 2011.

The TIFIA subsidy funding for the Crenshaw/LAX project can only be obligated after the issuance of the ROD from the Federal Transit Administration.

We are also concerned about language in the continuing resolution which rescinds unobligated transportation funds, which would include the \$13.5 million our agency received in Fiscal Year 2010 for the Wilshire Bus Rapid Transit (BRT) Project. The Wilshire BRT Project also has a balance of \$9.8 million in unobligated FY09 federal funds. Metro will complete the Final Environmental Impact Report/Environmental Assessment (FEIR/EA), in compliance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA) for the Wilshire BRT Project in May of this year. We are also scheduled to present the Final EIR/EA for the project before the Board in May of this year.

It is anticipated that the Federal Transit Administration will issue a Findings of No Significant Impact (FONSI) by September 2011 for the Wilshire Bus Rapid Transit (BRT) project. Our agency can obligate the federal Small Starts funds for this project only after the issuance of the FONSI.

If adopted without modification by the U.S. Senate, H.R. 1 would result in reduced federal highway funds for our agency, as well as reductions in a broad array of other federal programs. Specifically, the legislation would reduce \$943 million nationwide from the federal highway program, which may result in a reduction of approximately \$10 to \$15 million for our agency. In total, the net discretionary funding provided by H.R. 1 for the U.S. Department of Transportation is \$16.8 billion, as compared to the FY10 level of \$21.8 billion.

NEXT STEPS

Over the next several days and weeks, the U.S. House of Representatives and U.S. Senate will be in negotiations on the shape and size of a long-term continuing resolution that will fund the Federal government through September 30, 2011. Our agency will be working with members of the Los Angeles County Congressional Delegation, the U.S. Department of Transportation and key transportation committee staffers to safeguard the Federal funds jeopardized by the language included in H.R. 1. This effort will include, but not be limited to, providing congressional aides information on the projects in jeopardy and the value of federal programs that face sharp cuts. Our agency and our federal advocates have already begun working closely with U.S. Senators Dianne Feinstein (D-CA) and Barbara Boxer (D-CA) to protect these funds and have also initiated a dialogue with regional leaders from the U.S. Department of Transportation.

Prepared by:

Raffi H. Hamparian, Government Relations Director, Federal Affairs