

**Executive Management Committee  
Remarks Delivered By Raffi Haig Hamparian  
Government Relations Director, Federal Affairs  
September 19, 2013**

**Federal Remarks**

Chair DuBois and members of the committee, I am pleased to provide an update on a number federal transportation issues that impact our agency.

**Continuing Resolution and Rescission:**

This week, the House, Senate and White House are engaged in a dramatic showdown regarding the fate of the funding needed to keep the Federal Government open for business.

Last night, the House of Representatives added language to their continuing resolution for Federal Fiscal Year 2014 that would defund the Affordable Healthcare Act, popularly known as Obamacare. Since such language will be rejected by the Senate and subject to a veto-threat from the President - it opens the possibility to a historic shutdown of the Federal Government.

A shutdown of the Federal Government may compromise our ongoing negotiations for two New Starts agreements and two major TIFIA loans. How exactly the U.S. Department of Transportation would operate - or more accurately - not operate under a government shutdown scenario - is unclear at this time.

We remain in close contact with senior U.S. Department of Transportation officials in order to better understand the impact of a potential government shut down on our agency.

**PEPRA 13C Issue:**

We are obviously pleased that yesterday Moody's ended their credit rating review of our agency. In short, Moody's favorably received the news that AB1222 has been adopted by the California State Legislature.

On the federal front, we are especially grateful to the outstanding leadership of officials at the U.S. Department of Transportation and leaders on Capitol Hill, especially U.S. Senator Dianne Feinstein, who worked hand in hand with us to ensure that our agency would not lose or forfeit billions of dollars in federal transportation grants and loans.

**Westside Subway Extension/Regional Connector - TIFIA Loan:**

We continue to work with the U.S. Department of Transportation and members of the Los Angeles County Congressional Delegation to advance

our roadmap to secure Full Funding Grant Agreements for the Regional Connector (November 2013) and the Westside Subway Extension (February 2014). In a meeting with the FTA Administrator last week, our Board Chair and CEO heard from a range of FTA officials who expressed confidence in our New Starts program.

**America Fast Forward Transportation Bonds:**

We continue to work with our local and national partners to advance our America Fast Forward Transportation Bond proposal. We were pleased earlier this year when the White House announced their own America Fast Forward bond proposal, which while not exactly our plan, is a tribute to our Board-approved initiative. We are also very thankful that groups, like the Los Angeles Area Chamber of Commerce and BizFed, have made our America Fast Forward Transportation Bond initiative a centerpiece of their federal priorities. Most recently, we are pleased that another 65 mayors from across America have joined the 125 mayors already backing our initiative. In short order, we anticipate dozens of Chambers of Commerce from across the United States joining our America Fast Forward initiative.

**Visits to Washington, DC:**

Lastly, our Federal Program was successfully advanced by a recent trip to Washington, DC by our Chair, Director Diane DuBois. The trip was productive on many fronts, including the favorable resolution of the PEPR/13C issue. A series of meetings - including with Senator Feinstein - were proof that our relationships on Capitol Hill are strong and enduring.

**Conclusion:**

Chair DuBois that concludes my remarks before the committee. I would welcome the opportunity to respond to any questions you or members of the committee may have.

**Executive Management Committee  
Remarks Delivered by Michael Turner  
Government Relations Director, State Affairs  
September 19, 2013**

**State Remarks**

Thank you Raffi, and good morning Madame Chair and members.

The state legislature adjourned its 2013 session into recess on August 12<sup>th</sup> and as with any final month of session this end of session saw a number of bills move quickly through the process. Most importantly we are very pleased that we do have a path forward to resolve the conflict between the state's pension reform law and Section 13c of the federal transit act that has caused the suspension of our federal funding.

The Legislature passed and the Governor is shortly expected to sign AB 1222 by Assembly Members Bloom and Dickinson. This measure will provide transit agencies with a 15 month exemption from the state's pension reform law. This measure will allow our federal funds to flow and we are pleased to hear that Moody's has announced that they will not proceed with a review and potential downgrade of transit agencies' credit rating. AB 1222 is predicated upon litigation that will now be pursued by Sacramento Regional Transit. The bill establishes contingencies for the exemption based on the decision by the courts. Should the court find that the state's pension reform law does conflict with Section 13c then the exemption will become permanent. If the court decides that the pension reform law does not violate Section 13c then the exemption will expire.

While AB 1222 does provide a path forward for resolving this issue it does not permanently resolve this matter. The court case must still proceed and we are hopeful that a decision will be rendered within the 15 month timeframe in the bill. However, if in 2014 it appears that a decision may be delayed we will need to look at legislation extending the exemption for a period of time. Generally speaking if we do not see significant progress by the spring of next year it will be necessary to begin discussions about legislation to extend the exemption.

We also now need to unravel the grants which have been held and work with USDOT and USDOL to ensure that our vital federal funding continues to flow.

The last weeks of session also saw the passage or defeat of a number of measures of concern to Metro. I am pleased to report that our advocacy team were able to move forward the measures supported by the Board in the form in which we supported them. We were also able to defeat some measures and proposals which would have been damaging to our projects and programs.

One key measure that was amended late in the session is AB 401 by Assembly Member Daly. This measure was originally sponsored by Orange County and would have authorized the use of design build on the 405 freeway. When the bill moved to the Senate, President Pro Tem Steinberg asked transportation staff in the Senate to look at the possibility of settling the design build issue in the state. Current law only authorizes a limited use of design build by Caltrans and only authorizes certain projects sponsored by local agencies to use design build. Senate staff then began circulating language in late July that would expand the use of design build to Caltrans but would also authorize local agencies to use design build on the state highway system. This second element is important because it is a significant expansion of the ability of local agencies to move important highway projects forward. Metro's advocacy team worked very closely with Senator Steinberg's office and with other transportation advocates in Sacramento on this legislation and I am pleased to report that the bill is now on the Governor's desk for his consideration.

Another measure, SB 556 by State Senator Corbett, would have required overtly conspicuous labeling of services contracted by government agencies. This measure was amended late in the session to exclude public transit and revert back to its original intent which was to address contracted services by police and fire agencies. These amendments still caused concern in that they would have affected services provided to us by the Los Angeles County Sheriff's Department. That bill was held in the Assembly and did not move this year.

We also worked very closely with the Sheriff's Department on another measure AB 179 by Assembly Member Bocanegra. This measure expands the privacy protections that apply to tolling technology to smart card technology used in public transit. We worked with the Assembly Member early in the year to structure the legislation in a manner consistent with our Board privacy policies. However, late in session the Assembly Member's staff began consideration of amendments which would have restricted the ability of the Sheriff's to access footage from video cameras on our system. We worked with the Sheriff's Department to communicate our joint concerns to the Assembly Member and we were able to work with his office on appropriate amendments.

Briefly two other measures passed the Legislature that I would like to mention. First is SB 142 by Senator DeSaulnier which updates the statutes authorizing the creation of benefit assessment districts. This is one of the value capture strategies supported by our board and the measure is now on the Governor's desk. The other measure was actually two bills that extended the sunset for certain alternative fuel vehicles to use the HOV lane system. We had previously obtained legislation that exempted our Express Lanes projects from this authorization during the federally mandated demonstration period and this provision is included in these extensions.

As we look at next year we are already working on a number of initiatives sponsored by the board including increasing the penalties for assault on operators, updating the Congestion Management Fee statute, succession planning, making our Express Lanes program permanent, continuing to look at ways to improve our ability to deliver services as well as going back and pursuing legislation to authorize triple bike racks. The issue with triple bike racks however has been that all measures which have moved through the legislature, including a measure for Sacramento this year, require a review committee which can be very problematic for our agency. We will look at alternatives to this structure as we move forward. We also expect that the state will soon begin discussions about how to allocate cap and trade revenues next year depending upon pending litigation and the ability of the state to actually produce revenue from the cap and trade auctions.

Lastly, one issue that has begun to cause concern amongst transportation agencies in California has to do with what appears to be an effort by Caltrans to condition the expenditure of local revenues. The State is clearly struggling with its ability to fund its transportation system. The gas tax has not been increased in over 20 years and the state infrastructure bond from 2006 is nearing its end. This means that the state's commitment to investing in transportation is dwindling rapidly. It's also important to remember that the total bond for the entire state only equals about one half of the projected revenues for Measure R. In other words, the investment made by Los Angeles County taxpayers through only one of our sales taxes is twice the size of the entire state commitment to transportation through the infrastructure bond. Caltrans claims to have only 25% of what they need to maintain the highway system, although they seem to be doing a better job with those resources in counties other than Los Angeles, and the state clearly has no resources to expand the system.

Caltrans is now asserting that toll revenues should be dedicated to highway maintenance projects, their posture toward our P3 projects has caused concern because their demands could affect the viability of these projects. Additionally, while the Legislature did not move the proposals to lower the vote threshold, there was discussion that these proposals should mandate a set aside for highway maintenance. This is a growing concern amongst transportation agencies and we will continue to keep the Board apprised of this issue as we begin next year's legislative session. Madame Chair and members that concludes my report.

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Los Angeles County Metropolitan Transportation Authority  
Government Relations Legislative Matrix

BILL/AUTHOR	DESCRIPTION	POSITION	STATUS
AB 8 <b>(Perea)</b>	Would extend existing funding for alternative fuels and air quality programs	<b>March 2013 – SUPPORT</b>	<b>To Enrollment</b>
AB 160 <b>(Alejo)</b>	Would exempt from the Public Employee’s Pension Reform Act employer plans whose employees’ collective bargaining rights are protected by a specific provision of federal law.	<b>February 2013 – NEUTRAL WORK WITH AUTHOR</b>	<b>Assembly Appropriations</b>
AB 179 <b>(Bocanegra)</b>	Would prohibit a transportation agency from selling or providing personally identifiable information obtained through electronic toll and fine collection.	<b>April 2013 – SUPPORT IF AMENDED</b>	<b>Enrolled</b>
AB 266 <b>(Blumenfield&amp; Bloom)</b>	Would extend the expiration date of current low emission vehicle program allowing use of HOV lanes without carrying the requisite number of passengers until the year 2018.	<b>April 2013 – OPPOSE UNLESS AMENDED</b>	<b>Enrolled</b>
AB 268 <b>(Holden)</b>	Would state the intent of the legislature to extend the Metro Gold Line Foothill Extension project to Ontario Airport with intermediate stops along the transit corridor.	<b>May 2013- WORK WITH AUTHOR</b>	<b>Assembly Rules</b>
AB 401 <b>(Daly)</b>	Would expand the authority for CalTrans to use Design Build on the State highway system and would authorize regional transportation agencies to use design-build contracting for projects on the state highway system within their jurisdictions until January 1, 2024.	<b>September 2013- SUPPORT</b>	<b>To Enrollment</b>
AB 405 <b>(Gatto)</b>	Would create a six-month demonstration project to evaluate part-time usage of HOV lanes on State Route 134 and State Route 210.	<b>March 2013- SUPPORT WORK WITH AUTHOR</b>	<b>Enrolled</b>
AB 417 <b>(Frazier)</b>	Would establish a CEQA exemption for bicycle transportation plans until 2018.	<b>April 2013 – SUPPORT</b>	<b>To Enrollment</b>
AB 466 <b>(Quirk-Silva)</b>	Would require that federal funds allocated under the Congestion Mitigation Air Quality and Improvement Program be based on a weighted formula that considers population and pollution.	<b>April 2013 – SUPPORT</b>	<b>Enrolled</b>
AB 612 <b>(Nazarian)</b>	Would require that for every intersection with a photo enforcement system, an additional one second be added to every yellow light interval.	<b>July 2013- OPPOSE</b>	<b>Senate Transportation and Housing</b>

Los Angeles County Metropolitan Transportation Authority  
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AB 756 <b>(Melendez)</b>	Would have CEQA lawsuits pertaining to Public Works Projects heard directly by the Court of Appeals.	<b>April 2013 – SUPPORT</b>	<b>Assembly Judiciary</b>
AB 1222 <b>(Bloom)</b>	Would create a 15 month exemption from the Public Employee’s Pension Reform Act employer plans whose employees’ collective bargaining rights are protected by a specific provision of federal law.	<b>September 2013- SUPPORT</b>	<b>To Enrollment</b>
AB 1257 <b>(Bocanegra)</b>	Would require the California Energy Commission to prepare a report that identifies strategies to best employ natural gas as an energy source.	<b>April 2013 – SUPPORT</b>	<b>To Enrollment</b>
AB 1290 <b>(Pérez )</b>	Would integrate land use and transportation decisions by restructuring the California Transportation Commission and form a committee and require reports to be submitted by local agencies to implement the provisions of SB 375.	<b>May 2013 – WORK WITH AUTHOR</b>	<b>Enrolled</b>
AB 1371 <b>(Bradford)</b>	Would enact the "Three Feet for Safety Act which would require a motorist passing a bicycle to slow to a reasonable speed and pass only when doing so would not endanger the safety of a bicyclist.	<b>May 2013– SUPPORT</b>	<b>Senate Floor</b>
BILL/AUTHOR	DESCRIPTION	POSITION	STATUS
SB 11 <b>(Pavley, Cannella, Hill &amp; Jackson)</b>	Would extend existing funding for alternative fuels and air quality programs	<b>March 2013 – SUPPORT</b>	<b>Assembly Transportation</b>
SB 33 <b>(Wolk &amp; Frazier)</b>	Would allow local agencies to use Infrastructure Financing Districts to pay for public works projects.	<b>March 2013 – SUPPORT WORK WITH AUTHOR</b>	<b>Assembly Inactive File</b>
SB 142 <b>(DeSaulnier)</b>	Would authorize a transit district/operator/agency to create special benefit assessment districts and issue bonds within the districts to fund rail and transit project construction.	<b>April 2013 – SUPPORT</b>	<b>Enrolled</b>
SB 286 <b>(Yee)</b>	Would extend the expiration date of current low emission vehicle program allowing use of HOV lanes without carrying the requisite number of passengers until the year 2018.	<b>April 2013 – NEUTRAL</b>	<b>Enrolled</b>

Los Angeles County Metropolitan Transportation Authority  
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SB 556 <b>(Corbett)</b>	Would require that all government agencies, who contract for services, include on the contracted personnel and equipment notifications that the personnel and equipment is not operated by a government employee. Further specify that the notice shall be in the same font size and the logo of the government agency.	<b>July 2013- OPPOSE Unless Amended</b>	<b>Assembly Inactive File</b>
SB 811 <b>(Lara)</b>	Would require the environmental impact report for the Interstate 710 project to include various mitigation measures related to bicycle and pedestrian paths and the Los Angeles river and would require the project to fund those mitigations and various job training and employment programs.	<b>May 2013 – SUPPORT</b>	<b>Enrolled</b>
<b>FEDERAL</b>			
<b>BILL/AUTHOR</b>	<b>DESCRIPTION</b>	<b>STATUS</b>	
HR 1124 <b>(Waters)</b>	<b>Tiger grants For Jobs Creation Act</b> Would provide a \$1 billion emergency supplemental appropriation for the Transportation Investment Generating Economic Recovery (TIGER) Program over the next two years	<b>March 2013 – SUPPORT</b>  <b>In House Appropriations and Budget Committees</b>	
<b><u>Moving Ahead For Progress In The 21<sup>st</sup> Century</u></b>  <b>Surface Transportation Authorization Bill</b>	MAP-21 <ul style="list-style-type: none"> <li>• 27 month bill – expires on September 30, 2014 / Extends motor fuels tax through October 1, 2015</li> <li>• <b>Total Funding:</b> \$105 Billion <ul style="list-style-type: none"> <li>○ <b>Highway Funding:</b> \$39.7 Billion in FY13 and \$40 Billion in FY14</li> <li>○ <b>Transit Funding:</b> \$10.5 Billion in FY13 and \$10.7 Billion in FY14</li> </ul> </li> <li>• Includes <b>America Fast Forward</b> Innovative Financial Provision (TIFIA) <ul style="list-style-type: none"> <li>○ Does not include Qualified Transportation Improvement Bonds (QTIB)</li> </ul> </li> </ul>	<b>July 6, 2012 Signed by President into law</b>	
House Joint Resolution 59 <b>(Rogers)</b>	A continuing resolution proposal to extend \$986 billion of federal appropriations funding for FY 2014 until December 15, 2013.  Federal budget year ends September 30, 2013.	<b>Considered in House this week</b>  <b>Senate will address after House Floor Vote</b>	





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

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September 19, 2013  
(House)

## STATEMENT OF ADMINISTRATION POLICY

### H.J. Res. 59 – Continuing Appropriations Resolution, 2014

(Rep. Rogers, R-KY)

The Administration strongly opposes House passage of H.J. Res. 59, making continuing appropriations for fiscal year 2014 and for other purposes, because it advances a narrow ideological agenda that threatens our economy and the interests of the middle class. The Resolution would defund the Affordable Care Act, denying millions of hard-working middle class families the security of affordable health coverage.

If the President were presented with H.J. Res. 59, he would veto the bill.

The Administration is willing to support a short-term continuing resolution to allow critical Government functions to operate without interruption and looks forward to working with the Congress on appropriations legislation for the remainder of the fiscal year that preserves critical national priorities, protects national security, and makes investments to spur economic growth and job creation for years to come.

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