

General Manager's Report February 13, 2012

GOVERNMENT AFFAIRS UPDATE

FEDERAL

The current extension of surface transportation reauthorization will expire on March 31, 2012 and lawmakers in Washington D.C. are focused on reexamining transportation priorities by marking up legislation for a new surface transportation measure in both the House and Senate.

The House Transportation and Infrastructure Committee advanced a \$260 billion, five-year surface transportation bill. The current House measure would consolidate programs, give states more flexibility in how they spend federal transportation funds and speed up delivery of transportation projects by streamlining environmental reviews. However, RT is not at ease with the House measure as it will not provide adequate dedicated public transit funding and has communicated the District's concerns with the Sacramento region's congressional delegation including the Chair and ranking member of the U.S. House of Representatives Ways and Means Committee. Last week, the House measure and the financing portion of the legislation were both approved with a provision that would eliminate dedicated funding for public transportation from fuel tax receipts. In addition to deleting the dedicated Mass Transit Account of the Highway Trust Fund, the financing component also would discontinue devoting 2.86 cents of the 18.4 cents per gallon tax paid by U.S. motor fuel sales that is currently placed into the Mass Transit Account, forcing public transit programs to rely entirely on appropriations from a shrinking federal general fund. The fuel tax revenue has been critical in helping to build RT's Bus and Light Rail System and that revenue is now slated to go instead toward keeping the federal account for road and bridge construction solvent. The aforementioned provision would de-link public transit from what has been a reliable funding stream, set up a new "Alternative Transportation Account" inside the Highway Trust Fund, which would house transit spending and other items. The House measures would still authorize funding in contract authority for formula transit grants, but without a dedicated funding stream and additional spending subject to politically difficult offsets. The District and our federal public transit advocates are understandably nervous about federal funding becoming unpredictable. The House surface transportation measure is essentially a five-year bill with two years of funding. The measure is moving forward at an accelerated pace and is being considered for a Floor vote the week of February 13. As the House measure moves through the legislative process, the District will continue to work with our federal advocates to express our opposition to the current House plan that puts RT's public transit projects at risk.

On February 2, in contrast to the House's surface transportation measure, the Senate Banking, Housing and Urban Affairs Committee moved to amend draft legislation that would reauthorize federal public transportation programs for two years at current funding levels. The Senate measure would also broaden the Transportation Secretary's oversight of and enforcement powers over safety at public transit agencies. The Senate is expected to combine the draft legislation with the \$109 billion two-year surface transportation reauthorization bill approved by the Senate Environment and Public Works Committee last November and expects to move the

entire surface transportation package to the Senate Floor on February 13 after voting on the pending Federal Aviation Administration measure. The Senate legislation would dedicate \$10.5 billion for public transportation and would give the Transportation secretary the authority, after notifying Congress, to impose civil penalties and withhold federal grant funding when agencies violate safety laws. Under the Senate bill, the federal government also could impose stricter reporting requirements and conditions on grants. The Senate's public transportation bill would streamline grant processes for states, allow federal funds to be spent on transit operations and establish a "State of Good Repair" program to help identify projects that need funding to keep transit systems safe.

STATE

Last week, the Legislature introduced and passed, Senate Bill 95, a measure to provide the state flexibility in its cash management activities, by expanding the pool of funds the state can tap into to include several highway accounts. On February 3, Governor Brown signed the bill, this new tool will assist the state in maintaining cash funding for ongoing contracts funded by Prop 1B and Prop 1A. In addition, the bill also provides relief for transportation projects under construction during a late budget session. The accounts designated for cash management were all highway-related and did not affect transit funds.

CEQA Reform

A strategy session on Assembly Bill 1444 was convened last week, the measure attempts to streamline the California Environmental Quality Act (CEQA) for transit capital projects by providing either administrative relief or judicial relief. This was principally a "listening" session and the author will be looking for additional CEQA issues afflicting transit projects and proposed solutions in the coming weeks.

Allowance Auction Revenues

In Governor Brown's proposed budget, he included a proposal to use \$500 million from the AB 32 Allowance Auctions to offset the general fund obligations. In addition to the use of the Auction to offset the general fund, the Governor has also proposed using the Auction revenues for high-speed rail; although no specific direction was provided. In response, Speaker John Perez introduced Assembly Bill 1532, which would create the Greenhouse Gas Reduction Account within the Air Pollution Control Fund. The bill would require moneys, as specified, collected pursuant to a market-based compliance mechanism be deposited in this account. AB 1532 would require those moneys, upon appropriation by the Legislature, be used for purposes of carrying out the California Global Warming Solutions Act of 2006. The Speaker's office began holding a number of stakeholder meetings to get interested parties together to help develop a strategy for distributing the funds.

Governor's Proposed Pension Reform Plan

Governor Brown laid out his proposed pension reform plan, which he is proposing will apply to all California state, local, school and other public employers, new public employees, and current employees as legally permissible. The Governor has stated that the reform will begin to reduce the taxpayer burden for state retiree health care costs and will put California on a more sustainable path to providing fair public retirement benefits. His proposal relies on the concepts he spelled out in November 2011.

HOLIDAY BUS CHECK PRESENTATION TO EILEEN THOMAS OF THE RIVER CITY FOOD BANK

Each year, RT operates its popular Holiday Bus on various routes throughout the Sacramento region to promote good will and cheer during the holiday season.

In the spirit of giving, RT offered passengers the opportunity to place a cash donation in the farebox, or contribute non-perishable food items in a special donation box to benefit River City Food Bank (RCFB). Numerous donation bags and barrels were also placed throughout the District to give RT employees the opportunity to contribute to the charity.

RCFB is a non-profit organization that provides nutritionally-balanced food and emergency aid to more than 40,000 clients annually in Sacramento County. The organization is in even greater need this year as their facility suffered major damage in an October 2010 fire.

In total, RT collected \$1,436.56 – the highest amount in the campaign's history – and several hundred pounds of non-perishable food items and essential personal toiletries.

STATUS OF PARATRANSIT FACILITATION

Oral Report by Michael Wiley

RT CALENDAR

Regional Transit Board Meeting

February 27, 2012
RT Auditorium
6:00 P.M

March 12, 2012
RT Auditorium
6:00 P.M

March 26, 2012
RT Auditorium
6:00 P.M

Executive Committee Meetings for 2012

Will be approved and scheduled by the Chair
on an as needed basis.

Mobility Advisory Council

March 1, 2012
RT Auditorium
2:30 P.M

April 5, 2012
RT Auditorium
2:30 P.M

May 3, 2012
RT Auditorium
2:30 P.M

Quarterly Retirement Board Meeting

March 19, 2012
RT Auditorium
9:00 A.M

June 18, 2012
RT Auditorium
9:00 A.M

September 17, 2012
RT Auditorium
9:00 A.M

December 12, 2012
RT Auditorium
9:00 A.M

ParaTransit Board Meeting

March 22, 2012
2501 Florin Road
6:00 P.M.

May 24, 2012
2501 Florin Road
6:00 P.M.

June 21, 2012
2501 Florin Road
6:00 P.M.