

## **General Manager's Report February 11, 2013**

### **GOVERNMENT AFFAIRS UPDATE**

#### **FEDERAL**

Congress and the Administration continue to spar over federal budget negotiations. The President's 2014 budget would normally have been transmitted to Congress on February 4, but instead will take several more weeks due to delays caused by negotiations late last year on the fiscal cliff.

Separate, but related, discussions are under way in both chambers about averting or delaying the sequester which could take effect on March 1. Many on Capitol Hill believe the deadline will pass without Congressional action because of the deep divisions over how to divide up alternative cuts and whether to include new tax revenue. DOT is working on minimizing the disruption caused by automatic spending cuts. DOT Deputy Secretary John Porcari sent a memo on February 5 (attached) to DOT employees that lay out what the agency is doing in preparation of a possible sequestration: "We will use any and all flexibilities we have to protect our core operations and mission. However, our ability to do so will be limited by the rigid nature of the cuts imposed by Congress.

Congressional Appropriators may be drawn into an effort to create a bill that would both address the sequester and the late March expiration of the current six-month stopgap measure (PL 112-175) for fiscal 2013. Appropriators almost certainly will wait to get the White House's request for special exceptions, or anomalies, that will be needed to address urgent needs in the federal budget, and the outcome of the sequester debate will greatly influence that list. All of this comes at the time that Appropriators would normally begin work on the FY14 budget.

We are closely monitoring developments.

#### **STATE**

##### **State Budget**

The Department of Finance has released the state budget-related language to align state programs with the new federal Transportation Action Program (TAP), which consolidated several federal programs Transportation Enhancements, Recreational Trails, Safe Routes to School, and several other discretionary programs, wrapping them into a single funding source.

The new state program will consolidate the new federal TAP funds with the Environmental Enhancement and Mitigation Program, state bike funding programs and others into a new state Active Transportation Program (ATP), as outlined in the Governor's Proposed Budget. Under the new program, funds will be distributed 40% to MPO's, 10% to small urban and rural regions awarded competitively, with the balance (50%) available for statewide competitive grants.

The CTC will develop guidelines and administer this program. Budget subcommittees will consider this new program in the coming months.

**RT CALENDAR**

**Regional Transit Board Meeting**

February 25, 2013

RT Auditorium

6:00 P.M

March 11, 2013

RT Auditorium

6:00 P.M

March 25, 2013

RT Auditorium

6:00 P.M

**Executive Committee Meetings for 2013**

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

**Mobility Advisory Council**

March 7, 2013

RT Auditorium

2:30 P.M

May 2, 2013

RT Auditorium

2:30 P.M

July 11, 2013

RT Auditorium

2:30 P.M

**Quarterly Retirement Board Meeting**

March 20, 2013

RT Auditorium

9:00 A.M

June 19, 2013

RT Auditorium

9:00 A.M

September 18, 2013

RT Auditorium

9:00 A.M

December 18, 2013

RT Auditorium

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9:00 A.M

**Paratransit Board Meeting**

March 28, 2013  
Asian Community Center  
6:00 P.M.

May 23, 2013  
2501 Florin Road  
6:00 P.M.

June 27, 2013  
2501 Florin Road  
6:00 P.M.

**From:** Message From The Deputy Secretary (OST)  
**Sent:** Tuesday, February 05, 2013 1:04 PM  
**Subject:** Preparations for Potential Sequestration on March 1

**FROM: John D. Porcari**  
**Deputy Secretary**

**SUBJECT: Preparations for Potential Sequestration on March 1**

As you are likely aware, the American Taxpayer Relief Act of 2012 delayed until March 1, 2013, the across-the-board spending cuts (also known as “sequestration”) that face all Federal agencies. The Administration remains focused on working with Congress to reach agreement on a balanced deficit reduction plan that avoids these cuts. Should these cuts occur, they would be harmful not only to the Department of Transportation, but to critical domestic and defense priorities across the government and across the country.

However, given that less than one month remains until these cuts would take effect and given that the delay enacted by Congress would give us less time in which to make the required cuts, Secretary LaHood and I, along with the rest of our senior leadership team, are engaged in extensive planning efforts to determine how we would deal with sequestration. I know many of you have questions, so I wanted to take this opportunity to provide some additional details.

In planning how to implement a possible sequestration, our guiding principle is to protect our ability to perform our mission on behalf of the American people. As public servants, this is our first and foremost responsibility.

To this end, we are carefully considering how to use the various tools at our disposal to reduce costs in order to mitigate as much as possible the disruption to our operations, our programs, and all of you. We will use any and all flexibilities we have to protect our core operations and mission. However, our ability to do so will be limited by the rigid nature of the cuts imposed by Congress. As a result, we are closely examining contracts, grants, and other forms of expenditures across the Department to determine where we can reduce costs. In many cases, this could mean making cuts to vital programs or curtailing spending on contracts. We also will take steps, wherever possible, to cut operational or administrative costs in areas such as travel, training, facilities, and supplies.

We may also have to consider placing employees on temporary furlough, or taking other personnel actions, should sequestration occur. **With respect to furloughs, should we have to pursue this unfortunate course of action, let me assure you that all affected employees would be provided at least 30 days’ notice prior to executing a furlough, or as required by collective bargaining agreements.** We also will continue to engage in discussions with employee unions as appropriate, to ensure that any furloughs are applied in a fair and appropriate manner. If you have questions on this issue, I would encourage you to go to the Office of Personnel Management website, which has helpful information and answers to frequently asked questions regarding furloughs (found at [www.opm.gov/furlough](http://www.opm.gov/furlough), under the “administrative furlough” section).

Your modal Administrator or OST Director will be following up in the near term with additional information regarding our initial plans for implementation of sequestration, and how these plans will affect the day-to-day operations of the Department.

Thank you for your patience as we navigate these difficult issues, and for all that you do for DOT and the American people.