

## **General Manager's Report March 9, 2015**

### **GOVERNMENT AFFAIRS UPDATE**

#### **FEDERAL**

FY16 budget hearings continued the week of March 2, 2015 with the Senate Commerce, Science, and Transportation Full Committee conducting a hearing entitled "Examining the FY 2016 Budget Requests for the U.S. Department of Commerce and the U.S. Department of Transportation." DOT Secretary Foxx testified.

The week of February 23, 2105, Rep. Mario Diaz-Balart, the new chairman of the House Appropriations Transportation-HUD Subcommittee, said his panel would put forward a spending bill that abides by the caps put in place in the 2011 budget law. That means the FY16 spending levels would be roughly similar to the \$72.1 billion in budget authority for the Department of Transportation enacted in FY15. The Obama administration, by contrast, has proposed spending \$94.5 billion on transportation. The last time House leaders tried to pass a Transportation-HUD appropriations bill that met the sequester caps, in July 2013, they provoked a backlash among moderate Members who said the bill cut too deeply into programs that benefited their districts. That year, the House leadership ultimately had to pull the bill from the floor. A similar outcome is possible for the FY16 bill.

Senate Environmental and Public Works (EPW) Chairman Jim Inhofe is ready to draft a transportation reauthorization bill. His team is now meeting regularly with ranking member Barbara Boxer's staff, with the goal of unveiling a bill before the May 31 deadline. On February 26, 2015, Chambers of Commerce in 42 states (including California) wrote the Congressional leadership urging Congress to take action on a long-term plan (letter attached).

#### **STATE**

Mark Watts with Smith, Watts & Martinez will be here to provide an update to the Board on the legislative matters listed below.

#### **Recent Legislation of Concern**

The Legislative deadline for new 2015 bill introductions, February 27, passed with the emergence of a legislative bill of concern to the agency.

AB 906 (Cooper) would seek to declare statutorily the conclusion of an agreement between Sacramento Regional Transit and the City of Elk Grove relative to its proportionate share of contributions to the transit district's costs to provide rail and other district-wide transit services.

### **Top Four Sacramento RT Legislative Priorities:**

In the Fall of 2014, as the 2015 Legislative Session approached, staff and management at RT took on a rigorous approach to determining legislative priorities for the agency. Relying on an initial internal issue identification process, which was then followed by an additional internal prioritization process, RT management developed priority bill concepts for 2015.

From that point forward, on behalf of RT, the firm of Smith, Watts & Martinez oversaw the translation of the priority legislative concepts and had them drafted in legal form through the state's Legislative Counsel's office.

These drafts were then again reviewed by appropriate staff and management for completeness and accuracy; from this process emerged four discrete bill ideas that Smith Watts & Martinez presented to the various members of the Sacramento area legislative delegation on behalf of RT.

Three of these issues have been introduced in bill form, while the fourth, which relates to transportation grants, is intended to be pursued as a budget concept through the budget hearing process this year.

#### *Short-Term Borrowing:*

Assembly Member Kevin McCarty has introduced **AB 422** which would authorize the district to seek and receive a short term revolving line of credit for operating purposes in anticipation of receipt of operating grants.

The measure has been assigned to the Assembly Transportation Committee and the Assembly Local Government Committee; it is anticipated that it could be heard in late March.

#### *Enabling Statute Change Related to Annexation:*

Assembly member Beth Gaines has introduced **AB 738**, which revises the procedures for local entities to activate their participation as part of RT.

This bill has not yet been referred to a policy committee.

#### *Administrative Adjudication:*

Assembly Member Cooper has introduced **AB 869** which would facilitate the use of the administrative adjudication process available in current law, but not widely used, as an alternate to enforcement of fare evasion and other restricted conduct under the Penal Code.

The bill has not yet been assigned to a policy committee.

*Transportation Congestion Relief Program (TCRP), unfulfilled grants:*

No bill has been pursued to address the objective to fully fund statutory grants under the TCRP program. Smith, Watts & Martinez is working with LA Metro to develop an approach through the annual budget process to pursue additional funding for TCRP, likely over a multi-year approach.

**Additional Legislation of Interest**

*SB 9 (Beall)*

This bill would seek to restructure the new Transit and Intercity Rail (TIRC) program, funded through Cap and Trade revenues. The author's objective is to focus the program on large scale transit or rail projects and the bill addresses this by (1) eliminating any use of the funds for operations; (2) funding to be directed to major, capital improvement projects that cost in excess of \$100 million; and (3) provide a five-year programming cycle to meet the needs for projects awarded grants by the CTC.

The California Transit Association (CTA) has taken a lead in deliberations with the author who is considering reducing the minimum project threshold as a means to permit more projects to compete for grants.

*SB 508 (Beall)*

This measure would reform the so-called, "fare box" ratio requirements in state law that apply to the Transportation Development Act (TDA) and the State Transit Assistance program (STA). This is accomplished in the bill by including additional categories of expenditures that are exempt for the purpose of calculating the fare box return to meet the efficiency compliance standards.

**RT CALENDAR**

**Regional Transit Board Meeting**

March 23, 2015  
RT Auditorium  
6:00 P.M

April 13, 2015  
RT Auditorium  
6:00 P.M

April 27, 2015  
RT Auditorium  
6:00 P.M

**Mobility Advisory Council**

May 7, 2015  
RT Auditorium  
2:30 P.M

July 2, 2015  
RT Auditorium  
2:30 P.M

September 3, 2015  
RT Auditorium  
2:30 P.M

**Quarterly Retirement Board Meeting**

March 25, 2015  
RT Auditorium  
9:00 A.M

June 17, 2015  
RT Auditorium  
9:00 A.M

September 16, 2015  
RT Auditorium  
9:00 A.M

December 16, 2015  
RT Auditorium  
9:00 A.M

**Paratransit Board Meeting**

March 26, 2015  
Health for All  
2730 Florin Road  
Sacramento, CA 95822

May 28, 2015  
2501 Florin Road  
6:00 P.M

June 25, 2015  
2501 Florin Road  
6:00 P.M



February 26, 2015

The Honorable John Boehner  
Speaker  
United States House of Representatives  
H-232 U.S. Capitol  
Washington, DC 20515

The Honorable Bill Shuster  
Chairman  
House Committee on  
Transportation & Infrastructure  
2165 Rayburn House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
S-221 U.S. Capitol  
Washington, DC 20510

The Honorable James Inhofe  
Chairman  
Senate Committee on  
Environment & Public Works  
410 Dirksen Senate Office Building  
Washington, DC 20510

**Urging the 114<sup>th</sup> Congress to Make Long-Term  
Transportation Infrastructure Investment a Top Priority**

Dear Speaker Boehner, Majority Leader McConnell, Chairman Shuster, and Chairman Inhofe:

As a national business community, we urge you to make transportation infrastructure investment a top priority in the 114<sup>th</sup> Congress. We are grateful for your leadership in passing the Moving Ahead for Progress in the 21st Century Act (MAP-21) into law in 2012 after several years of short-term transportation funding authorizations. MAP-21 has led to the implementation of long overdue reforms, but its brief authorization ended just a short time ago. We urge you to avoid a succession of short-term patches and pass MAP-21's successor as soon as possible.

One of America's greatest strengths is our ability to create diverse networks of transportation infrastructure to cheaply and efficiently move goods and services around the nation. In order to compete with our economic advantage, other nations are making historic investments in their own transportation infrastructure. China, India, and Europe spend about 9%, 8%, and 5% of their gross domestic product, respectively, on infrastructure investment. Meanwhile, infrastructure investments in the United States have declined to a mere 2.4% of GDP.

In 2013, the American Society of Civil Engineers gave the United States a D+ grade on its infrastructure report card. But even more disconcerting is the staggering \$3.6 trillion ASCE estimates the United States must invest in infrastructure by 2020.

We respectfully ask that you make the long-term extension of the Highway Trust Fund and reauthorization of the surface transportation bill a top legislative priority of the 114<sup>th</sup> Congress. We understand that the difficulty in doing so largely revolves around questions of financing. However, we believe that investment in America's transportation infrastructure must be a budgetary priority for the Congress as well. The infrastructure sector of our economy desperately needs stability and growth, and millions of American families and the businesses that employ them will depend on this stability moving forward.

Our deteriorating national infrastructure is not solely a state issue or a federal issue. It is not a small business or a large business issue. It is not a Democratic or a Republican issue – it is an American issue that directly affects our ability to compete in the global marketplace and provide financial security for millions of middle-class American families. We urge you to make infrastructure investment a top priority.



Thank you for your time and attention to this important issue.

Sincerely,

William J. Canary  
President & CEO  
Business Council of Alabama

Rachael Petro  
President & CEO  
Alaska Chamber

Glenn Hamer  
President & CEO  
Arizona Chamber of Commerce and  
Industry

Randy Zook  
President & CEO  
Arkansas State Chamber of Commerce

Allan Zarembeg  
President & CEO  
California Chamber of Commerce

Joe Brennan  
President & CEO  
Connecticut Business & Industry  
Association

A. Richard Heffron  
President  
Delaware State Chamber of Commerce

Mark Wilson  
President & CEO  
Florida Chamber of Commerce

Chris Clark  
President & CEO  
Georgia Chamber of Commerce

Sherry Menor-McNamara  
President & CEO  
Chamber of Commerce Hawaii



*Alex LaBeau*  
Alex LaBeau  
President  
Idaho Association of Commerce &  
Industry

*Todd C. Maisch*  
Todd Maisch  
President & CEO  
Illinois Chamber of Commerce



*Kevin M. Brinegar*  
Kevin M. Brinegar  
President & CEO  
Indiana Chamber of Commerce

*Michael Ralston*  
Michael Ralston  
President  
Iowa Association of Business and  
Industry



*Mike O'Neal*  
Mike O'Neal  
President and CEO  
Kansas Chamber of Commerce

*Dave Adkisson*  
Dave Adkisson  
President & CEO  
Kentucky Chamber of Commerce



*Stephen Waguespack*  
Stephen Waguespack  
President  
Louisiana Association of Business and  
Industry

*Dana F. Connors*  
Dana F. Connors  
President  
Maine State Chamber of Commerce



*Brien Poffenberger*  
Brien Poffenberger  
President & CEO  
Maryland Chamber of Commerce

*Richard C. Lord*  
Richard Lord  
President & CEO  
Associated Industries of Massachusetts



*William A. Blazar*  
William A. Blazar  
Interim President  
Minnesota Chamber of Commerce

*Blake Wilson*  
Blake Wilson  
President & CEO  
Mississippi Economic Council – The State  
Chamber of Commerce





Daniel P. Mehan  
President & CEO  
Missouri Chamber of Commerce and  
Industry

Webb Scott Brown  
President & CEO  
Montana Chamber of Commerce &  
Montana Manufacturing Council



Barry L. Kennedy  
President  
Nebraska Chamber of Commerce &  
Industry

Jim Roche  
President  
Business & Industry Association of New  
Hampshire



Thomas A. Bracken  
President & CEO  
New Jersey Chamber of Commerce

Dr. Beverlee J. McClure  
President & CEO  
Association of Commerce & Industry  
New Mexico



Heather C. Briccetti  
President & CEO  
The Business Council of New York State,  
Inc.

Lew Ebert  
President & CEO  
North Carolina Chamber



Andy Peterson  
President & CEO  
Greater North Dakota Chamber

Andrew E. Doehrel  
President & CEO  
Ohio Chamber of Commerce



Fred Morgan  
President & CEO  
State Chamber of Oklahoma

Jay M. Clemens  
President & CEO  
Associated Oregon Industries





Gene Barr  
President and CEO  
Pennsylvania Chamber of Business and  
Industry

Ted Pitts  
President & CEO  
South Carolina Chamber of Commerce



Catherine Glover  
President  
Tennessee Chamber of Commerce &  
Industry and Tennessee Manufacturers  
Association

Bill Hammond  
Chief Executive Office  
Texas Association of Business



Barry E. DuVal  
President & CEO  
Virginia Chamber of Commerce

Kristofer Johnson  
President & CEO  
Association of Washington Business



Steve Roberts  
President  
West Virginia Chamber of Commerce

Kurt Bauer  
President/CEO  
Wisconsin Manufacturers & Commerce

