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 entitles 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









Business matters.

















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 Dirkson Senate Office Building Washington, DC 20510

Urging the 114th 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 114th 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 114th 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 Presient & CEO Business Council of Alabama



Glenn Hamer President & CEO Arizona Chamber of Commerce and Industry



Allan Zaremberg President & CEO California Chamber of Commerce



President
Delaware State Chamber of Commerce



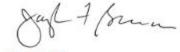
Chris Clark President & CEO Georgia Chamber of Commerce



Rachael Petro President & CEO Alaska Chamber



Randy Zook President & CEO Arkansas State Chamber of Commerce



Joe Brennan President & CEO Connecticut Business & Industry Association



Mark Wilson President & CEO Florida Chamber of Commerce

Sherry Menor-McNamara President & CEO Chamber of Commerce Hawaii



Alex LaBeau

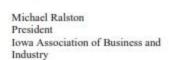
President Idaho Association of Commerce & Industry

Toda C. Maisch

Todd Maisch President & CEO Illinois Chamber of Commerce



Kevin M. Brinegar President & CEO Indiana Chamber of Commerce





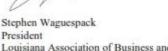


Mike O'Neal President and CEO Kansas Chamber of Commerce

Dave Adkisson

President & CEO Kentucky Chamber of Commerce

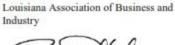






Dana F. Connors President Maine State Chamber of Commerce









Brien Poffenberger President & CEO Maryland Chamber of Commerce

Richard Lord President & CEO Associated Industries of Massachusetts





President & CEO Mississippi Economic Council - The State Chamber of Commerce

















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



Barry L. Kennedy President Nebraska Chamber of Commerce &



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



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

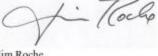


President & CEO Greater North Dakota Chamber

Fred Morgan President & CEO State Chamber of Oklahoma

I P. ML Medd Seat Brown

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



Jim Roche President Business & Industry Association of New Hampshire

Dr. Beverlee J. McClure

President & CEO Association of Commerce & Industry New Mexico

Lew Ebert President & CEO North Carolina Chamber

Arduw E. Delul

Andrew E. Doehrel President & CEO Ohio Chamber of Commerce

Jay M. Clemens President & CEO Associated Oregon Industries

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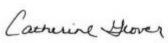




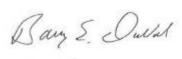


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Gene Barr President and CEO Pennsylvania Chamber of Business and Industry



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



Barry E. DuVal President & CEO Virginia Chamber of Commerce



Steve Roberts President West Virginia Chamber of Commerce

Feel PAL

Ted Pitts President & CEO South Carolina Chamber of Commerce

Bill Hammond Chief Executive Office Texas Association of Business

Kristofer Johnson President & CEO Association of Washington Business

Kurt Bauer President/CEO Wisconsin Manufacturers & Commerce