General Manager's Report October 26, 2015

GOVERNMENT AFFAIRS UPDATE

FEDERAL

Congress is in session this week.

Last evening, Rep. Paul Ryan (R-WI) informed the GOP Conference that he is willing to run for Speaker of the House under these four conditions:

- "The GOP moves from an opposition party to a proposition party."
- "Update House rules so everyone can be a more effective representative."
- "Unify as a conference now, not after a divisive speaker election."
- "Avoid giving up time with his family."

If Rep. Ryan decides not to run for the position, Speaker Boehner has indicated he will continue to serve until a new Speaker is selected. Speaker Boehner had intended to resign from Congress effective October 30. Internal GOP elections for speaker will be October 28 and the floor election will be October 29.

On October 22, 2015, the House Transportation and Infrastructure Committee will markup the "Surface Transportation Reauthorization and Reform (STRR) Act of 2015." The proposal is bipartisan, having been introduced by T&I Chairman Bill Shuster (R-PA), Ranking Member Peter DeFazio (D-OR), and Highways and Transit Subcommittee Chairman Sam Graves (R-MO) and subcommittee Ranking Member Eleanor Holmes Norton (D-DC). The bill authorizes federal public transportation and highway programs for six years. While the bill does not currently have a funding title, it is expected that the finance title will provide funding for only the first three years of the authorization, much like the recently passed Senate companion bill. The committee hopes to take the bill to the Floor during the week of October 26, before the expiration of the current short-term authorization expires on October 29. Though, another short-term extension would still be needed to allow for a House-Senate Conference Committee. Beginning in FY16, funding for public transportation programs would be set at \$10.898 billion, up about \$209 million over current funding. Programs funded through the Mass Transit Account are authorized at a level of \$8.724 billion in FY16, growing to \$9.618 billion by FY21. The bill essentially provides flat funding or cost-of-living increases in out years for most existing programs, including planning, urban and rural formula programs, seniors and individuals with disabilities, and the bus formula program. The bill would create a new bus discretionary program, funded at \$90 million in FY16 and \$200 million annually in subsequent fiscal years. It provides an increase of \$32 million in FY16 for the state of good repair program, and modest increases in the out years. The bill cuts funding for capital investment grants -

new starts – by \$135 million in FY16, and it includes language requiring a 50 percent local match on new starts projects. It also contains language, almost identical to language in the Senate-passed DRIVE Act, increasing domestic content under current Buy-America law from 60 percent to 65 percent after two years, and to 70 percent in the fifth year of the bill.

On October 20, 2015, the House T&I Committee released the text of a deal reached with senators to extend the deadline for railroads to implement positive train control (PTC) until the end of 2018, with an opportunity for an additional two-year grace period. The agreement would require carriers to submit revised implementation plans to FRA within 90 days of enactment. A railroad would have to outline an alternative implementation schedule in the updated plan if needed, though it could only take until the end of 2020 to get PTC technology up and running. The revised plans would be subject to DOT review. Regulators would evaluate railroads' progress on steps like installing hardware and obtaining spectrum rights before signing off on the plans. The timing of floor action on the deal is currently unclear.

STATE

Nothing to report at this time.

SYSTEM-WIDE IMPROVEMENT INITIATIVES

Oral report by Laura Ham.

FORMING A 501(C)(3) NON-PROFIT

Oral report by Tim Spangler.

RT CALENDAR

Regional Transit Board Meeting

November 9, 2015 RT Auditorium 6:00 P.M

December 14, 2015 RT Auditorium 6:00 P.M

Mobility Advisory Council

November 5, 2015 RT Auditorium 2:30 P.M

Quarterly Retirement Board Meeting

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

Paratransit Board Meeting

November 19, 2015 Sutter Senior Care 7000 Franklin Street Sacramento, CA