

August Federal Legislative Update
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The HEROES Act

With only weeks before both the U.S. House of Representatives and the U.S. Senate begin their summer recess, congressional leaders and the White House are discussing a new COVID-19 aid package. As our agency did prior to the adoption of the CARES Act, our Chief Executive Officer will be communicating with members of the Los Angeles County Congressional Delegation details of the ongoing impact the pandemic is having on our agency with respect to our operations and capital projects. Specifically, our CEO is informing our U.S. Representatives and U.S. Senators that as a consequence of the pandemic and revenue shortfalls due to, among other things, a precipitous drop in sales tax revenue and renewed state-wide COVID-19 closures, we are anticipating an overall shortfall of anywhere between \$1.6 billion to \$1.9 billion for the coming fiscal year.

The HEROES Act that was adopted by the House earlier this year would, according to our best estimates, provide approximately \$725 million to our agency – primarily through two existing federal formula programs (Section 5307 and Section 5337). The Government Relations team looks forward to keeping the Board apprised of our work related to any new COVID-19 legislation that may be considered by the U.S. Congress over the next several weeks.

Surface Transportation Reauthorization

On June 4, 2020, Chair Peter DeFazio (D-OR) of the House Transportation and Infrastructure Committee introduced H.R. 7095 (Now H.R.2) – Investing in a New Vision for the Environment and Surface Transportation (INVEST) in America Act. The five-year reauthorization bill would replace the FAST Act, which will expire on September 30, 2020. The INVEST in America Act contains many of Metro's Board-approved federal priorities, such as a new freight funding program that is aimed at mega-projects. This new program brings back to life the Projects of National and Regional Significance grant program that was originally authorized under SAFETEA-LU. The bill streamlines the Federal Transit Administration's (FTA) Capital Investment Grant Program by speeding approval of projects that seek less than 60% federal funding. Also included in the proposed bill are changes to incentivize more domestic manufacturing of railcars and buses. Lastly, the bill invests in frontline transportation workforce training and brings back the Local Hire Pilot Program that Metro worked with the Obama Administration and Congresswoman Karen Bass to create. The Metro Board approved a SUPPORT position for the bill during the June Board Meeting and a letter from our CEO indicating the agency's support was sent to Chairman Peter DeFazio (D-OR) and the Los Angeles County Congressional Delegation.

The INVEST in America Act was incorporated into a larger infrastructure package – The Moving Forward Act – which passed through the House of Representatives and is awaiting action by the U.S. Senate. While the Senate Committee on Environment and

Public Works has approved their highway portion of a five-year reauthorization bill, the other committees of jurisdiction have taken no action to complete their portions including transit and rail titles. The Senate and House schedules for the rest of the federal fiscal year appear to be limited on legislative workdays leading to speculation that a Continuing Resolution will be needed to keep transit and highway programs funded beyond September 30, 2020. Metro will continue to strongly advocate for a full reauthorization bill highlighting the cost of delays associated with uncertain federal funding levels.

Federal Grants

We continue to aggressively advocate for a series of federal grants being sought by our agency. Unfortunately, neither Metro, nor any other applicant in the State of California received an INFRA grant award this year. This was extremely disappointing news given the outsized role Los Angeles County and California play in the nation's freight movement. U.S. DOT is expected to announce the FTA Bus and Bus Facilities Competitive Grant in the coming weeks.

August State Legislative Update Prepared by Michael Turner Deputy Executive Officer, Metro Government Relations

California State Legislative Process Update

The California State Legislature is currently holding a shortened legislative session. The policy committees have hosted a limited number of hearings and are reviewing a very specific set of legislative proposals to address COVID impacts and economic recovery. Assembly and Senate Committees are meeting to hear bills on a shortened and updated Legislative calendar. The Senate approved proxy voting in March in the event of an emergency and have also added sessions to be held on Saturdays. The Assembly voted on Monday, August 3, 2020 to allow for high-risk lawmakers to vote on bills without being present in the chamber via proxy. August 31, 2020 is the deadline to pass bills. There are also talks of the Governor convening a special session to deal with a number of bills that may not meet the August 31st deadline. Our process includes reviewing all introduced bills, identifying potential impacts to the agency, working with agency staff to review proposals and then bringing bills to the Board for consideration of a position.

SB 288 (Weiner) Introduced to Expand Exemptions Under the California Environmental Quality Act (CEQA)

Senator Scott Weiner introduced SB 288 which would expand the list of categorical exemptions under CEQA. Pursuant to the Board approved Legislative Program staff have worked with a number of stakeholders around the state and members of the Los Angeles County legislative delegation to communicate Metro's support to improve CEQA for our transit projects. SB 288 is consistent with that effort and could help to expedite certain Metro projects like limited transit projects, active transportation projects, bus only lanes and Metro's Express Lanes program for example. The bill is set to be heard on Thursday, August 6, 2020 in the Assembly Natural Resources Committee. Metro staff will testify in support of the measure, and urge the author to incorporate amendments that would

exempt zero-emission charging infrastructure and people-mover systems from the provisions of CEQA if certain conditions are met.

Senate Bill 757 (Allen/Atkins) CEQA Streamlining Legislation

Currently, Metro staff are engaged in conversations about CEQA streamlining efforts with the authors of SB 757 (Allen) and SB 288 (Wiener), which were originally due to be heard in the Assembly Natural Resources committee on July 29, 2020 and were re-scheduled for the August 6, 2020 Committee date. Pursuant to our Board-approved State Legislative Program, Metro supports efforts to reform and streamline CEQA to support accelerated project delivery. Metro, as the bill sponsor, is engaged in ensuring the bill's passage. We have worked with the author to incorporate language that would apply the AB 900 shortened CEQA litigation provisions to Metro's Four Pillar Projects. Staff are working closely with members of the committee and the author to establish project thresholds and finalize the bill language. Staff will testify as witnesses in the upcoming committee meeting and will keep the Board informed as it moves forward through the legislative process.