



ITEM ID: 2023-225-0

TRANSMITTAL DATE: June 16, 2023

MEETING DATE: June 23, 2023

TO: Board of Directors

FROM: Paul Hubler, Chief Strategy Officer

SUBJECT: June Legislative Update

Issue

Staff provides a regular monthly update on current legislative affairs.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Connecting and Leveraging Partnerships:** We will forge new and enhanced relationships with our public and private partners to integrate and coordinate connecting services, providing residents throughout Southern California with better, seamless, sustainable alternatives to driving. This commitment is met by sharing news, information and the Authority’s legislative priorities with elected officials.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. This commitment is met by encouraging federal, state and local support for Authority priorities.

Background

Staff continues to engage with local, state, and federal government and community relations stakeholders relating to Metrolink service and relevant policy items.

Discussion

Local

As a continuation of the virtual roundtable meeting held with City Managers, Engineers and Public Works staff of station cities and adjacent communities along the San Bernardino Line (SBL) in March, Metrolink hosted two virtual roundtable meetings on May 24, 2023; first with elected officials who represent the SBL cities and second with community organizations and residents along the SBL in both San Bernardino and Los Angeles counties. Metrolink provided up to date information on SCORE projects along the line as well as information regarding Quiet Zones, future project opportunities, Maintenance of Way issues and resolution, and sustainability efforts to enhance resident quality of life. This effort is intended to strengthen ties to the communities we serve and enhance understanding of and address community concerns. Member agency staff will be consulted to determine interest in similar outreach meetings for the other Metrolink lines. In addition, the Community Relations team will be participating in community sponsored events such as farmer's markets and similar events to distribute resident surveys of Metrolink service, to ask questions and listen to resident inputs, and to introduce Metrolink service to residents who are not currently passengers.

LCTOP Outreach

The Metrolink Community Outreach Team continues to coordinate outreach to communities that may be eligible for the 50% discount for low-income EBT cardholders funded by the state's Low-Carbon Transit Operations Program grant. In conjunction with the Department of Public and Social Service (DPSS) agencies in Los Angeles, San Bernardino, Riverside and Orange County, notices regarding the discount have been posted on each agency's social media accounts and multilingual fliers regarding the discount have been walked into several low-income housing developments in Los Angeles, San Bernardino, Riverside and Orange County. Metrolink is actively engaging with the Orange County DPSS to ensure that program information is distributed to all service recipients in the county and has reached out to Ventura County social services to distribute information to qualified service recipients in May and June.

Title VI Outreach

On May 26, 2023, the Metrolink Board initiated the public outreach effort required under Title VI for Metrolink's Low Income Fare Discount Program.

Metrolink seeks to create opportunities for inclusion and engagement with the community by inviting the public to review and provide feedback. In addition to hosting a public meeting scheduled for June 21, 2023, Metrolink staff created a survey which was posted on its website for community members to comment on the proposed fare reduction. Notices regarding the program will also be posted in multiple languages to encourage participation by all Title VI communities. All comments received will be made available to the board to review and consider at its July 28 meeting, where it will consider whether to extend, revise, or discontinue

the program.

State

May Revise

Governor Newsom released the 2023-24 May Revision to the Governor's January Budget on May 12. The updated \$306 billion balanced budget includes an escalation of the \$22.5 billion deficit by \$9.3 billion - now totaling \$31.5 billion. The state budget reflects uncertainties relating to the federal debt limit, delayed tax receipts, interest rates and a recession. Of note relating to public transportation, the Governor's May Revise retains the structure of the January budget proposal - including no additional funding or additional reductions. This includes the reduction of one-time Transit and Intercity Rail Capital Program (TIRCP) funding by \$2 billion, postponing the grade separation program, and shifting from the General Fund to other revenue sources funding for the zero-emission and other programs.

The Governor's Budget references an infrastructure streamlining proposal which is expected to benefit public transportation and updates the State Transit Assistance (STA) program projections. STA revenue projections for FY 2023-24 now total \$1.09 billion, a \$30 million increase over the January Budget estimate. The final projection for FY 2022-23 is \$1.14 billion. Staff continues to raise the need for transit operations funding assistance through the California Transit Association (CTA). Staff participate in the Transit Operations Funding Subcommittee alongside peer operators from across the state and Southern California region, including Member Agencies.

Legislative Bill Information

The House of Origin deadline for the Assembly and Senate was June 2. Bills must pass from either the Assembly or Senate by this time in order to be considered for passage and to be signed by the Governor. The Legislature has until September 14 for each legislative chamber to pass bills. Of note, the Legislature is considering a number of bills relating to public transit, planning and project delivery. A summary of relevant bills that have passed the Appropriations Committee in the Assembly and Senate are provided below.

- Assembly Bill 6 (Friedman): Provides new requirements and oversight for the California Air Resources Board (CARB); requires nominations to the Solutions to Congested Corridors Program (SCCP) to demonstrate achievements in greenhouse gas emission targets.
- Assembly Bill 7 (Friedman): Creates new requirements for projects funded by specified funding programs.
- Assembly Bill 9 (Muratsuchi): Requires that CARB meet greenhouse gas emissions reduction goals no later than December 31, 2030.
- Assembly Bill 610 (Holden): Creates a new Youth Transit Pass Pilot Grant Program.
- Assembly Bill 617 (Friedman): Creates a new Transit Transformation Task Force to identify strategies that grow public transit ridership.
- Senate Bill 617 (Newman): Expands local authority for Progressive Design Build authority.
- Senate Bill 867 (Allen): Authorizes a \$15.5 billion climate bond to be placed before voters at an unspecified future election.

California Transit Association (CTA) Spring Legislative Conference

The Chief Executive Officer and Strategy office staff met with legislators and legislative staff during the California Transit Association (CTA) Spring Legislative Conference on May 15 and

16. Meetings were held the offices identified below to advocate for the Board's adopted legislative priorities, including the need to support transit operations and grant opportunities to deploy cleaner locomotives.

- Office of Sen. Menjivar
- Office of Sen. Newman
- Office of Sen. Archuleta
- Office of Asm. Bennett
- Office of Asm. Rubio
- Office of Asm. J. Carrillo
- Office of Asm. Cervantes
- Office of Asm. Muratsuchi
- Office of Asm. Gipson
- CalSTA Undersecretary Mark Tollefson
- Senate and Assembly Committee Consultants

Metrolink affirmed its support for the agreed upon priorities of California Transit Association members statewide to seek additional transit operations funding from the 2023-24 state budget without imposing any new taxes or fees or diverting funds currently appropriated for another purpose. These include maintaining the \$4 billion committed in the 2022-23 state budget for the Transit & Intercity Rail Capital Program (TIRCP) to be allocated at \$2 billion in each of the 2023-24 and 2024-25 fiscal years, rather than the Governor's proposed 50% cut to only \$1 billion in each of those years; allocation of \$2.5 billion from the state's Cap-and-Trade program to transit operators over the next five years at \$500 million per year – this funding would come from currently unallocated Cap-and-Trade Funds and not diverted from any other purpose funded in statute; directing an estimated \$1.35 billion of the state sales tax on diesel fuel to transit operations over the next 5 years; and converting \$300 million of TIRCP capital funds to operations to provide additional operating funds in fiscal years 2026-27, and 2027-28.

Federal

Rail Safety Bill

On May 10, 2023, the Senate Committee on Commerce, Science and Transportation marked up the Railway Safety Act of 2023, S. 576 and voted 16-11 to refer the bill from Committee. The bipartisan bill follows the derailment in East Palestine, Ohio, and specifically addresses safety requirements for rail carriers and trains transporting hazardous materials, including the requirement that the Department of Transportation issue regulations providing advanced notice to first responders when trains carry hazardous materials, reduce blocked rail crossings, inspections, and standards for freight rail networks.

Of note, the bill includes a requirement for the installation of "hot box" defect detectors. The bill requires they be deployed an average of every 15 miles, and not less than a detector every 10 miles before entering urbanized areas with over 75,000 population, increasing the regulatory mandate from the current voluntary industry practice of installing defect detectors an average of 25 miles today. Metrolink shares 84.7% of its service area with freight operators. Staff estimate that an additional 11 new detectors would need to be installed and 10 existing detectors upgraded to comply with the 10-mile requirement. Each wayside detector is inspected monthly and takes about an hour to inspect. Currently, we estimate the costs to be approximately \$81,267 annually to maintain the 17 wayside detectors have on our system. The cost for the new and upgraded detectors would be \$4,245,000 for installation and \$64,028 additional in ongoing annual maintenance.

The bill as referred from the Senate Commerce Committee includes a Federal Railroad Administration (FRA) formula grant program to assist commuter railroads with installing defect detection technology when required to under a contract with a Class I railroad. The assistance program is authorized for as much funds as needed to carry out the commuter railroad formula grant program. Without funding from the federal government or freight railroads, these unfunded mandates will be placed on public passenger rail agencies.

The bill has fast-tracked through the Senate in the absence of a final National Transportation Safety Board (NTSB) report on East Palestine. In the House, the Transportation and Infrastructure Committee Chair has indicated preference for a more deliberate approach including one informed by the NTSB East Palestine report before passing regulatory legislation. However, there is significant political pressure to pass further regulation to prevent and reduce the likelihood of future such derailments and it is not certain how quickly a rail safety bill might pass to the President. Metrolink will continue to closely monitor rail safety legislative bills moving in Congress and coordinate through the CRC to ensure that commuter rail safety and operations are not negatively impacted or subject to unfunded mandates.

Budget, Community Project Funding and Debt Limit

At the time of preparation of this report, Congress and the Biden Administration were continuing discussions concerning the debt limit. The deadline to raise the nation's debt limit has been identified as between June and mid-to-late summer, depending on numerous factors related to collection of revenues. The House Appropriations Subcommittees have begun to mark-up the Fiscal Year 2024 bills for Military, Veterans Affairs, Legislative Branch, Agriculture, and Homeland Security. In the House, Members are preparing to fund bills at the Fiscal Year 2022 toplines. The budget environment could require an up-to 70 percent reduction to Community Project Funding requests. Metrolink will continue to monitor and advocate for its Board adopted priorities through the appropriations cycle, including its congressionally directed spending requests and efforts in conjunction with the CRC to expand full CRISI eligibility to commuter rail. The Senate has not yet advanced its appropriations bills.

Mobility 21

The Chief Executive Officer will join the Mobility 21 Board and Advisory Board Members in Washington, D.C. June 19-21 for advocacy meetings. Planned meetings include Senate and House leadership, committees of jurisdiction, Department of Transportation executive staff, and members of the Southern California Congressional delegation. Mobility 21 prepared priorities for the trip are provided below. A summary of the trip will be provided in the July Legislative Update.

- Ensure Southern California is receiving its fair share of IIJA funds. Ensure funding levels authorized in the IIJA are maintain in the FY 2024 THUD bill.
- Ensure implementation of Build America, Buy America is technically feasible and does not cause project delays or increase costs.
- Establish additional funding for goods movement and freight movement projects and facilities. Establish a comprehensive national freight strategy.

Prepared by: Jeffrey Dunn, Director, Government and Community Relations
Alex Davis, Senior Manager, Government Relations
Sylvia Novoa, Manager, Public Affairs
Julie Nieto, Management Analyst II

Approved by: Paul Hubler, Chief Strategy Officer

Attachment(s)

[Appendix A - June 2023 Bill Matrix](#)