



Board Report

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**EXECUTIVE MANAGEMENT COMMITTEE  
JUNE 18, 2015**

**SUBJECT: FEDERAL LEGISLATION**

**ACTION: ADOPT STAFF RECOMMENDED POSITIONS**

**RECOMMENDATION**

ADOPTED ON CONSENT CALENDAR the following positions:

- A. **H.R. 2485 (Torres)** - The Regional Infrastructure Accelerator Act of 2015 -SUPPORT
- B. **H.R. 2495 (Waters)** - TIGER Grants for Job Creation Act - SUPPORT
- C. **H.R. 2410 (DeFazio)** - The Grow America Act - SUPPORT

**BACKGROUND**

Consistent with our Board-approved 2015 Federal Legislative Program adopted in January of 2015, we have prepared a number of Board Reports analyzing federal legislation that, if adopted in the 114<sup>th</sup> Congress, would have an impact on our agency. These bills are being brought before the Board of Directors as a means of advancing and protecting Metro's authority and the transportation interests of Los Angeles County.

**ATTACHMENTS**

- A. H.R. 2485 (Torres)
- B. H.R. 2495 (Waters)
- C. H.R. 2410 (DeFazio)

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**Bill:** H.R. 2485

**Author:** U.S. Representative Norma Torres (D-CA/35)

**Status:** Referred to the House Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment.

**Position:** Support

### **RECOMMENDATION**

**Staff recommends that the Board adopt a SUPPORT position for H.R. 2485 –The Regional Infrastructure Accelerator Act of 2015.**

### **Summary**

**H.R. 2485 (Torres)** – The Regional Infrastructure Accelerator Act of 2015 would, if enacted into federal law, create a two-tiered grant program aimed at increasing private investment in public infrastructure projects. The legislation seeks to establish and fund regional infrastructure accelerator organizations to provide regional analysis of potential Public-Private Partnership (P3) Infrastructure projects. The regional accelerators would then have the ability to provide technical expertise and funding to states, cities and public entities for pre-development activities on a potential P3 project. This legislation authorizes, subject to appropriations, funding in the amount of \$25 million for the two-tiered grant program outlined in the Regional Infrastructure Accelerator Act of 2015.

### **Issue**

Public-Private Partnerships (P3) are financial arrangements that include private investments which can, at times, lower the cost of financing public infrastructure projects. Due to the often complex nature and limited transit P3 projects to draw experiences from, states, cities and public agencies experience barriers to completing necessary pre-development analysis needed to attract private investment.

### **Discussion**

Public-Private Partnerships (P3) are a financing tool that can attract private investment in return for a gain on that investment over the span of the agreed upon terms of a given contract. P3s are believed by some supporters to be an alternative solution, or complementary to, direct funding assistance from the federal government. Staff believes that properly structured P3s can provide an alternative financing method for

transit and highway projects, but do not represent a replacement for direct investment by the federal government in public infrastructure projects. Congresswoman Torres acknowledges, in her public statements on this legislation, that P3s are not the solution to addressing and building all of America's infrastructure needs and cannot replace direct funding from the federal government.

H.R.2485 provides funding for Regional Infrastructure Accelerators, which are modeled on the organizational structure of the West Coast Infrastructure Exchange – a regional organization established by California, Oregon and Washington to spur innovation through the use of public-private partnerships and to accelerate a pipeline of infrastructure projects. If enacted into federal law, the Secretary of Transportation would provide funding to a minimum of four Regional Accelerators. The Accelerators, staffed by financial experts, would assess the region's infrastructure needs and analyze potential projects that could attract private investment. The Accelerators are also tasked with matching private investors with potential infrastructure projects. If a potential project is identified, the legislation also authorizes the Accelerators to provide sub-grants to states, cities and public entities to engage in pre-development of the P3 arrangement.

By providing funding and technical expertise to develop potential P3 projects, H.R.2485 will eliminate a barrier for public entities interested in P3 financing by providing up-front funding for pre-development activities. Pre-development of P3 contracts are necessary to advance any potential P3 project to a point where a private investor can determine if an investment in the project is prudent.

### **Determination of Safety Impact**

Staff has reviewed this legislation and determined that the legislation does not have a negative impact on safety.

### **Financial Impact**

Staff has determined that the legislation could have a positive financial impact on our agency by providing additional financing tools that could be utilized to potentially develop a P3 project in Los Angeles County.

### **Alternatives Considered**

H.R.625 authored by Congressman John Delaney (D –MD) includes language that would establish a Regional Accelerator pilot program. Staff has determined that H.R. (Torres) offers a more direct legislative route to providing P3 assistance to state, cities and public entities.

## **Next Steps**

Should the Board decide to SUPPORT H.R.2485, staff will draft a support letter and work with the Los Angeles County Congressional Delegation to advocate for The Regional Infrastructure Accelerator Act of 2015 to be included in any surface transportation authorization bill adopted by Congress and signed into law by the President.

**Bill:** H.R. 2495

**Author:** U.S. Representative Maxine Waters (D-CA/43)

**Status:** Referred to House Committee on Appropriations / House Committee on Budget

**Position:** Support

### **RECOMMENDATION**

**Staff recommends that the Board adopt a SUPPORT position on H.R. 2495 – TIGER Grants for Job Creation Act.**

### **SUMMARY**

**H.R.2495 (Waters)** – The TIGER Grants for Job Creation Act would, if enacted into federal law, provide an emergency supplemental appropriation of \$7.5 billion over the next 6 years for the Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program.

### **ISSUE**

According to the American Society of Civil Engineers, the United States has an \$846 billion funding gap for surface transportation infrastructure. Since 2012, federal funding for surface transportation programs has been flat and the current debate happening in Congress regarding the reauthorization of surface transportation programs has only focused on funding programs at current levels – as authorized by MAP-21.

### **DISCUSSION**

Greater investment in infrastructure nationwide is supported by a wide range of organizations including the U.S. Chamber of Commerce and the AFL-CIO. It is widely understood by economists, labor groups and the business community that a strong national infrastructure is needed for the United States to remain economically competitive and to provide an enhanced quality of life for all Americans.

The Transportation Investment Generating Economic Recovery (TIGER) grant program was originally created as part of the American Recovery and Reinvestment Act of 2009 to provide funding for innovative infrastructure projects that create jobs. The TIGER grant program has continued to receive funding annually through the Transportation, Housing and Urban Development Appropriations Bill. Participation in the TIGER

program has been continually oversubscribed by applicants looking for direct funding for transportation projects. Last year, Congress appropriated \$600 million for the TIGER program, but the program received 797 applications seeking more than \$9.5 billion in project funding. This fact vividly illustrates the national demand for the flexible funding provided through the TIGER discretionary grant program.

This month, our agency submitted two TIGER grant applications to the U.S. Department of Transportation (USDOT) for their review and consideration as part of the 2015 TIGER grant application program. The applications include a request of \$21.3 million in TIGER grant funds for our Rail to Rail Active Transportation Corridor Connector Project and \$10.3 million for our All-Door Bus Boarding Project.

### **DETERMINATION OF SAFETY IMPACT**

Staff has reviewed this proposal and has determined that the legislation could have a favorable impact on safety should the TIGER program fund projects in Los Angeles County that enhance the safety of pedestrians, bicycle riders, transit riders or those operating autos and trucks.

### **FINANCIAL IMPACT**

Staff has determined this bill could favorably impact our agency by providing a larger amount of federal transportation funding that Metro could apply for on a competitive basis.

### **ALTERNATIVES CONSIDERED**

The U.S. Department of Transportation has submitted the Grow America Act for consideration by Congress that would fund the TIGER Grant program at the same level as H.R. 2495 authorizes.

### **NEXT STEPS**

Should the Board decide to SUPPORT H.R.2495, staff will draft a support letter and work with the Los Angeles County Congressional Delegation to advocate for the TIGER Grants for Job Creation Act to be included in any surface transportation authorization bill adopted by Congress and signed into law by the President.

**Bill:** H.R. 2410

**Author:** U.S. Representative Peter DeFazio (D-OR)

**Status:** Jointly referred to House Committee on Transportation and Infrastructure, House Committee on Energy and Commerce, House Committee on Ways and Means, House Committee on Science, Space, and Technology, House Committee on Natural Resources, House Committee on Oversight and Government Reform, House Committee on Budget, and House Committee on Rules

**Position:** Support

### **RECOMMENDATION**

Staff recommends that the Board adopt a **SUPPORT** position on H.R. 2410 – The Grow America Act.

### **SUMMARY**

**H.R.2410 (DeFazio)** – The GROW America Act would, if enacted into federal law, authorize a six-year \$478 billion surface transportation bill. H.R. 2410 represents President Obama’s surface transportation bill that his Administration transmitted to Congress through his Fiscal Year 2016 Budget. The authorized funding level of \$478 billion in the bill is the same funding figure that the U.S. Department of Transportation has determined is needed to fund our nation’s state-of-good-repair backlog maintenance and to invest in new transportation projects required to properly address America’s future population growth.

Co-sponsors of H.R. 2410 from the Los Angeles Congressional Delegation include Congresswoman Grace Napolitano (D-32) and Congresswoman Julia Brownley (D-26).

### **ISSUE**

According to the American Society of Civil Engineers, the United States has an \$846 billion funding gap for surface transportation infrastructure. Since 2012, federal funding for surface transportation programs have been flat and the current debate happening in Congress regarding the reauthorization of surface transportation programs has only focused on funding programs at current levels, as authorized by MAP-21.

## DISCUSSION

Greater investment in infrastructure nationwide is supported by a wide range of organizations including the U.S. Chamber of Commerce and the AFL-CIO. It is widely understood by economists and the business community that a strong infrastructure is needed for the United States to remain economically competitive and provide an enhanced quality of life for all Americans.

The GROW AMERICA Act would seek to make significant investments over a six year period in:

- **Highways** – provides \$317 billion for programs under the Federal Highway Administration (FHWA), an increase of 29 percent over current levels.
- **Freight** – dedicates \$18 billion of highway funds for a new dedicated multi-modal freight program.
- **Transit** – provides \$115 billion for programs under the Federal Transit Administration (FTA), an increase of 76 percent over current levels, and significantly boosts New Starts funding.
- **Rail** – provides \$28.6 billion for programs under the Federal Rail Administration (FRA).
- **Safety** – provides \$6 billion for vehicle safety programs under the National Highway Traffic Safety Administration (NHTSA), \$4.7 billion for truck and bus safety programs under the Federal Motor Carrier Safety Administration (FMCSA), and \$16 billion for the Highway Safety Improvement Program (HSIP).
- **Competitive Grants** – provides \$7.5 billion for TIGER grants and \$6 billion for TIFIA that could support \$60 billion in loans.
- **Research and Innovation** – provides \$3.4 billion to leverage research and innovation to move people and goods more safely and efficiently, while minimizing impacts on the environment.

## DETERMINATION OF SAFETY IMPACT

Staff has reviewed this proposal and has determined that the legislation could have a favorable impact on safety by providing additional funds for federal rail, highway and other safety programs.

## FINANCIAL IMPACT

Staff has determined this bill would have a positive impact our agency by providing a larger amount of available funding for transportation projects through federal formula funding programs and other discretionary grant programs, like the TIGER grant program.



### **ALTERNATIVES CONSIDERED**

There is no other legislation currently pending in Congress that, like this bill, provides a framework for a long term surface transportation authorization bill funded at such a high level.

### **NEXT STEPS**

Should the Board decide to SUPPORT H.R.2410, staff will draft a support letter and work with the Los Angeles County Congressional Delegation to advocate for the GROW America Act to be adopted by Congress and signed into law by the President.