



Metro

Board Report

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Metropolitan Transportation
Authority
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Los Angeles, CA

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EXECUTIVE MANAGEMENT COMMITTEE SEPTEMBER 18, 2025

SUBJECT: AMERICA'S NEXT SURFACE TRANSPORTATION AUTHORIZATION LEGISLATION

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT the USA BUILD Initiative (Attachment A) as Metro's official proposal to Congress and the Executive Branch as they consider replacing the Bipartisan Infrastructure Law (BIL) (P.L 117-58) that will expire on September 30, 2026.

ISSUE

The current surface transportation authorization bill, the BIL, was signed into law by President Biden on November 15, 2021. The BIL expires in less than two years (September 30, 2026). Congress and the Executive Branch are seeking proposals for the next surface transportation authorization bill. Staff have generated the USA BUILD INITIATIVE, which provides detailed information on initiatives Metro would like incorporated into the bill set to be crafted by Congress later this year and next year.

BACKGROUND

Historically, Congress has enacted multi-year surface transportation authorization bills that detail how much and in what manner the federal government will invest in and support the nation's highway and public transportation infrastructure. The most recent surface transportation authorization legislation, the BIL, provided a historic level of investment in both highway and public transportation funding. The BIL is set to expire in September of 2026. Congress has begun the often slow and arduous process of crafting a new bill.

Several key congressional committees will play a critical role in shaping the final bill that will be sent to the President. The House Committee on Transportation and Infrastructure will play a leading role in crafting highway and transit provisions. In the Senate, the work will be primarily divided between two committees, with the Senate Banking Committee holding jurisdiction over transit matters and the Senate Environment and Public Works Committee holding jurisdiction over highway programs. The Senate Commerce Committee will also be involved, given that it has jurisdiction over rail and safety matters.

Two congressional committees will determine how the federal government will finance the next

surface transportation authorization bill. In the House, the House Committee on Ways and Means will craft the finance title for the final bill. In the Senate, the Committee on Finance will do the same. It should be noted that for nearly two decades, surface transportation authorization bills have relied on general fund transfers because the Highway Trust Fund (HTF) has become insolvent. This insolvency is directly tied to the fact that the federal gas tax of 18.4 cent per gallon has not been raised or indexed for inflation since 1993. According to a report issued by the Congressional Research Service, the BIL required “\$118 billion in general fund transfers to the HTF to keep the fund solvent over the life of the act.”

DISCUSSION

Given Metro’s strong and successful track record in providing Congress with policy and funding recommendations related to past surface transportation authorization bills, we look forward to advancing the proposals set forth in the USA BUILD INITIATIVE. These proposals, generated by various departments in the agency, are designed to enhance the mobility Metro provides across Los Angeles County. Previously, Metro launched surface transportation authorization initiatives, like the America Fast Forward and Rebuilding America, that demonstrably improved the ability to draw federal funds for the agency from the Transportation Infrastructure Finance and Innovation Act (TIFIA) program and improved the ability to advance Metro’s policy priorities, like reforming federal Local Hire rules. The USA BUILD INITIATIVE outlines the agency’s support for reforming several key federal transportation programs and is consistent with our agency’s Board approved 2025 Federal Legislative Program.

- A. The USA Build Initiative includes proposals to strengthen, reform and streamline the Federal Transit Administration’s (FTA) Capital Investment Grant (CIG) Program and the Expedited Project Delivery (EPD) Pilot Program. The FTA’s CIG and EPD Programs have been essential in funding the expansion of Metro’s transit network. In addition, the USA Build Initiative seeks to bolster the utility of the FTA’s Small Starts Program by boosting the federal share for projects from \$150 million to \$200 million.
- B. The USA Build Initiative seeks to expand opportunities for the USDOT to provide funds for the 2028 Olympic and Paralympic Games, including permitting the Secretary of Transportation to expedite funding and assistance for the Games.
- C. The USA Build Initiative seeks to safeguard the Local Hire reforms made through the Bipartisan Infrastructure Law.
- D. , the USA Build Initiative seeks to increase federal funding for federal transit workforce safety programs.
- E. Given our agency’s national leadership on Workforce Development issues, the USA Build Initiative includes a set of recommendations to bolster federal workforce technical assistance programs and a proposal to include workforce development provisions in forthcoming USDOT

grants.

- F. The USA Build Initiative, consistent with the agency's proposed Center For Transportation Excellence, seeks to secure federal support for the domestic manufacture of bus and rail rolling stock.
- G. Building on the success our agency lead in reforming the Transportation Infrastructure Finance and Innovation Act (TIFIA) program in MAP-21, the USA Build Initiative seeks to achieve further reforms, including making this federal financial tool more friendly for Transit Oriented Development projects.
- H. Given the agency's support for commuter rail services provided by Metrolink, the USA Build Initiative seeks to expand the eligibility of commuter rail providers to secure funding through the Federal Railroad Administration's Federal-State Partnership Grant Program.

Staff looks forward to working with a broad range of stakeholders to build broad and sustained support for the provisions detailed in the USA BUILD INITIATIVE.

DETERMINATION OF SAFETY IMPACT

Given that federal funding is used to enhance our agency's state of good repair programs, along with other safety initiatives (grade-crossings), the failure of Congress and the Executive Branch to adopt a new surface transportation authorization bill would have negative impacts on our agency's safety programs.

FINANCIAL IMPACT

Metro's adopted budget for Fiscal Year 2025 (July 1, 2024, to June 30, 2025) documented that federal funding constituted \$1.2 billion (13.5%) of the annual budget. The failure of Congress to adopt a new surface transportation authorization bill with funding levels at or above the authorized funding levels enacted in the BIL would have a negative impact on Metro's budget and compromise the agency's ability to advance several key work streams and meet our significant regional and local transportation objectives, including major capital projects that rely on federal funding.

Impact to Budget

Federal funding, both formula and discretionary, constitutes an important part of the agency's annual budget. The next surface transportation authorization bill is vital to ensuring the free flow of robust federal funding, both with respect to formula funding and discretionary funding. The bill will set forth the manner in which formula funding is apportioned across the United States, and it will also set the amount of funding set aside for key discretionary grant programs, like the FTA's CIG and EPD Programs

EQUITY PLATFORM

Securing high levels of federal transportation funding allows our agency to continue building capital programs that serve to enhance the mobility and quality of life for the ten million individuals who live, work and commute across Los Angeles County. Specifically, robust federal funding can serve to increase access to places of employment, healthcare centers, commercial facilities, and recreational sites, including but not limited to, community centers, sports venues, and arts and cultural centers.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* The projects in this report have mixed outcomes, but on a whole, most of the projects in this report will likely decrease VMT in LA County. Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

Under some project scenarios, an increase in VMT can occur as enhanced transit accessibility stimulates new travel demand, potentially serving as a bridge to more sustainable travel patterns. Conversely, many projects are specifically designed to curb overall vehicle dependence-by providing robust mobility options, increased accessibility, sustainability, and bolstering safety, these initiatives ultimately drive a net reduction in VMT over time.

While individual projects may show variations-a localized rise in VMT in some cases and a decline in others, the comprehensive impact supports our strategic objectives. The suite of projects serves to not only meet current mobility demands but also foster long-term behavioral shifts away from high vehicle usage. Overall, the suite of projects is aligned with our commitment to enhancing transit accessibility, advancing environmental goals, and ensuring public safety. We are confident that this multi-faceted approach will yield a beneficial net effect on VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Recommendation supports strategic plan goal #4.2: Metro will help drive mobility agendas, discussions, and policies at the state, regional, and national levels.

ALTERNATIVES CONSIDERED

Staff considered several alternatives in addition to advancing a proposal related to the federal government's next surface transportation authorization bill. Among the most prominent alternatives considered was to end the practice of advancing Metro's own proposal related to the crafting of the next surface transportation authorization bill and instead associate the agency with proposals being

advanced by others, like the American Public Transportation Association (APTA). While staff is committed to continuing our collaborative work with other entities, like APTA and the California Transit Association, staff concluded that Metro is best served by having our own proposal tied to the next surface transportation authorization bill.

NEXT STEPS

Should the Board approve the USA BUILD INITIATIVE, staff will promptly begin sharing the document with appropriate Congressional and Executive Branch officials, and key stakeholders from local, regional and national organizations.

ATTACHMENT

Attachment A - USA BUILD INITIATIVE

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★ ★ **USA** ★ ★

BUILD INITIATIVE

**Surface Transportation
Authorization Bill**



Metro[®]

Stephanie Wiggins
LA Metro, Chief Executive Officer

Working together, the 119th Congress, the U.S. Department of Transportation, and infrastructure agencies like LA Metro have an opportunity to stimulate America's economy by adopting a bold and creative surface transportation authorization bill to replace the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58).

Such a bill can help rebuild America, while smartly and efficiently creating millions of good paying construction, manufacturing and service jobs. These investments will super-charge our national economy by increasing the ability of people and goods to move safely, quickly, and efficiently into and through their hometowns, their state and across America.

In Los Angeles County, LA Metro is already aggressively advancing its work to strengthen America's economy.

Powered by Measure M¹, LA Metro is making investments that have and will continue to create over 450,000 jobs over the coming decades and will produce an economic output in excess of \$79 billion. These statistics, from the independent and well-respected Los Angeles County Economic Development Corporation, show that there is a smart and sustainable path forward to boldly have the private sector and government agencies, like LA Metro, take the lead in growing America's economic strength for the benefit of all Americans for generations to come.

Metro believes our USA Build Initiative is a practical and reform-minded blueprint for federal officials who are poised to craft our nation's next surface transportation authorization bill. LA Metro believes Congress and the Trump Administration can build on the success of the IIJA through a new surface transportation authorization bill, by maintaining its best elements and reforming other elements to make them more effective. LA Metro supports maintaining the authorized funding levels in the IIJA, with modest increases to reflect inflationary pressures that understandably have a significant impact on building and maintaining America's infrastructure.

Key elements of the USA Build Initiative:

1. Robust federal funding for infrastructure – with American made parts, American sourced materials and American labor
2. Strengthening and streamlining proven and effective federal transportation programs
3. Reforming federal financial tools to build more Transit-Oriented Development
4. Reforming grant programs to recognize the needs of major national events – like the 2028 Olympic and Paralympic Games
5. Strong backing for workforce development programs – including Local Hire programs

The attached document contains specific policy recommendations for the upcoming surface transportation reauthorization effort that would advance these principles.

We believe that the principles embedded in the USA Build Initiative will serve to jump-start efforts to bolster America's infrastructure and create a brighter path forward for all Americans by allowing them to secure their share of the American Dream.

¹Measure M was a sales tax overwhelmingly adopted by Los Angeles County voters in 2016 to provide local resources to LA Metro in order to build infrastructure across LA County, the most populous county in the United States of America. Matched with federal funding – Measure M has served as an effective and efficient resource to enhance mobility for the 10 million residents of LA County.

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Capital Investment Grants (CIG) Program and Expedited Project Delivery (EPD) Pilot Program

EPD Program Recommendation #1 – Federal Share

The Expedited Project Delivery pilot program in current law allows the Federal Transit Administration (FTA) to expedite the delivery of CIG projects. Los Angeles Metro is the only grantee that has successfully developed a project under the program and secure a full-funding grant agreement. To encourage other projects to utilize this program and expedite projects, this proposal would increase the available CIG funding share from 25% to 35% for projects in the program.

Increase in federal funding share on EPD Pilot Projects

(a) Section 3005(b)(9)(A) of Fixing America's Surface Transportation Act (P.L. 114-94) is amended by striking "25 percent" and inserting "35 percent."

(b) Section 3005(b)(9)(C) of Fixing America's Surface Transportation Act (P.L. 114-94) is amended by striking "75 percent" and inserting "65 percent."

(c) The amendment made by this Section shall apply to any application for a grant under Section 3005(b) of Fixing America's Surface Transportation Act that is submitted after the date of enactment of this Section.

CIG Program Recommendation #1 – Federal Share

Under current practice, FTA "locks in" the CIG share for a project at the time the recipient seeks approval to enter the engineering phase. This timing means that the CIG share can be fixed several months before actual engineering approval occurs, and prior to the completion of the risk analysis by FTA, which often results in higher project costs. The proposal below would "lock in" the CIG share at the time of actual approval by FTA, after the completion of the risk analysis and other intervening events that could impact project cost.

Timing for determination of New Starts Project Federal Share

(a) Section 5309(d)(2) of title 49, United States Code, is amended by adding the following new subparagraph at the end thereof:

"(C) Determination of Federal Share—The Secretary shall establish the Federal percentage share of the net project cost of a new fixed guideway capital project funded under this Section at the time of the advancement of such project into the engineering phase, following any risk analysis

conducted on the project and reflecting the results of such analysis or other intervening events.”

(b) Section 5309(e)(2) of title 49, United States Code, is amended by adding the following new subparagraph at the end thereof:

“(C) Determination of Federal Share—The Secretary shall establish the Federal percentage share of the net project cost of a new core capacity improvement project funded under this Section at the time of the advancement of such project into the engineering phase, following any risk analysis conducted on the project and reflecting the results of such analysis or other intervening events.”

CIG Program Recommendation #2 – Project Oversight

The CIG process has become an extended multiyear process at FTA, delaying the development and delivery of CIG projects. The proposal below would reduce project oversight for experienced grantees that have demonstrated success in delivering projects in the CIG program and streamline the CIG process.

Reduced project oversight for experienced grantees

(a) Section 5327(d) of title 49, United States Code, is amended by striking “and” at the end of paragraph (2) (B), by striking the period at the end of paragraph (3) and inserting “; and”, and by inserting at the end thereof the following new paragraph:

“(4) a program of reduced and less frequent regular oversight, with semiannual reviews of compliance, for any applicant for funding for a new fixed guideway capital project under Section 5309 if (A) the applicant has entered into two or more full funding grant agreements for new fixed guideway capital projects in the past ten years; (B) the Secretary determines that the applicant has successfully completed, or is in the process of successfully completing, each of such new fixed guideway capital project; and (C) the applicant demonstrates that it satisfies the requirements for expedited technical capacity review set forth in Section 5309(c)(3)(A) and (B).”

(b) The Secretary shall, within 90 days after the date of enactment of this Section, amend the regulations prescribed under Section 5327 of title 49, United States Code, for purposes of implementing the provisions of this Section.

CIG Program Recommendation #3 – Small Starts

The Small Starts program is a critical tool for LA Metro and project sponsors around the country to deliver needed public transportation projects. However, the federal share threshold for projects receiving funding under this program has only grown marginally over the period of the program’s existence. LA Metro recommends increasing the federal share threshold to maximize the utility of this key federal funding tool.

Increase federal share threshold for Small Starts projects

Section 5309(a)(6)(A) of title 49, United States Code, is amended by striking “\$150,000,000” and inserting “\$200,000,000.”

CIG Program Recommendation #4 – Local Match

LA Metro is in full support of the American Public Transportation Association’s (APTA) recommendation to allow expenditures made by project sponsors to fulfill compliance with the National Environmental Policy Act (NEPA), 42 USC 4321 et seq., made prior to projects entering project development, to be counted toward the local match for projects in the CIG Program. This would include expenditures made for NEPA compliance for small starts, new fixed guideway, expedited project delivery and core capacity projects.

Eligibility of NEPA expenditures for CIG Projects

Section 5309(d)(1) of title 49, United States Code, is amended by adding a new subparagraph (D) as follows:

(D) Eligibility of NEPA expenditures—For purposes of new fixed guideway capital projects under this subsection (d), core capacity improvement projects under subsection (e), and small start projects under subsection (h) of Section 5309, and projects under Section 3005(b) of the Fixing America’s Surface Transportation Act, as amended by the Infrastructure Investment and Jobs Act, the expedited project delivery for Capital Investment Grants pilot program, any funds expended by an Applicant prior to entrance into the project development phase shall be eligible for credit toward the local match for the project.



Olympic and Paralympic Games

The 2028 Olympic and Paralympic Games (Games) will be the largest and most spectacular sporting event held in American history. As our nation prepares to host these Games in less than four years, LA Metro is taking on the massive task of working to ensure we have a safe, secure, efficient and accessible transportation network in the Los Angeles mega-region for this global sporting event.

With 12 to 15 million ticketholders projected, these Games will be the largest sporting event held in our nation's history. Effectively delivering a safe, secure, efficient, and accessible mobility system to support these games will require the full support of the federal government, including the development of certain necessary improvements to our transportation infrastructure and the provision of essential transportation services.

While LA Metro is pursuing an ambitious mobility plan for the Games, LA Metro is fully committed, first and foremost, to its existing transit riders. LA Metro is proud to provide transit services to hundreds of thousands of LA County residents daily. It is vitally important to ensure that our work related to the Games does not diminish our current transit services. This is why it is especially important for LA Metro to secure additional federal funds to help ensure that all the efforts LA Metro makes with respect to the Games are additive in nature and do not compromise existing levels of transit services.

2028 Games Recommendation #1 – MEGA Program Eligibility

Eliminate the requirement in the National Infrastructure Project Assistance ("MEGA") Program that public transportation projects must be part of another eligible project to receive assistance under the program.

2028 Games Recommendation #2 – MEGA Program Prioritization

Prioritize funding provided under the National Infrastructure Project Assistance ("MEGA") Program to projects that will support a designated National Special Security Event.

2028 Games Recommendation #3 – Transportation Assistance for Olympic Cities

Update the dates and include S.4348 (117th Cong.), the Transportation Assistance for Olympic Cities Act of 2022, in the surface transportation reauthorization bill.



Local Hire

Traditionally, federal procurement regulations have not permitted agencies, like LA Metro, to require bidders to establish local hiring programs, or to take local hiring directly into account in the bid evaluation process. The historical rationale for this prohibition was that the federal gas tax (18.4 cents per gallon) is collected from around the nation and, therefore, all individuals and companies in the United States should have access to any given project.

LA Metro has held a longstanding policy – as adopted by successive Board-approved Federal Legislative Programs – that federal law was not considering the new reality of how transportation projects are financed, which today, is often through a majority of funds being derived from local dollars. For example, at present and into the future, over 70% of LA Metro's budget for operations and capital projects is and will be funded through tax dollars from LA County residents.

For this reason, dating back to 2011, LA Metro has been a national leader in seeking to reform federal Local Hire prohibitions. This included LA Metro working with key congressional stakeholders to support the Local Hire Act that sought to permit local hiring programs on transportation projects using federal funding. In addition, LA Metro worked successfully to embed language in the Consolidated Appropriations Bill for Fiscal Year 2015 (P.L. 113-235) that explicitly permitted Local Hiring on transportation projects using federal funding. In March

of 2015, LA Metro worked with the U.S. Department of Transportation to launch a Local Hire Pilot Program – which was subsequently extended by a notice published in the Federal Register in 2017, for a period of five years.

As a direct result of LA Metro's leadership in working with the White House and Congress, the IIJA (P.L. 117-58) authorized the use of local, geographic and economic hiring preferences for construction labor in projects funded under the federal transportation programs. Project sponsors no longer need to seek and obtain approval from the U.S. Department of Transportation on a project-by-project basis to exercise such local hiring preferences. With this federal Local Hire provision, LA Metro has moved forward to implement successful local hiring programs on its construction projects.

Local Hire Recommendation – Maintain Existing Federal Authorization for Local, Geographic, and Economic Hiring Preferences

To maintain existing policy set in the IIJA and encourage additional project sponsors across the nation to adopt local hiring preferences, we propose maintaining Section 25019 of the IIJA, as currently enacted, in the next surface transportation reauthorization bill.

Transit Worker Safety



According to data from the National Transit Database (NTD), assaults on transit workers increased more than 232% between 2014 and 2024. This trend of increasing assaults on transit workers is unacceptable and provides clear evidence of the need for additional local, state and federal actions to protect transit workers who are providing freedom of movement to millions of Americans every day. LA Metro CEO Stephanie Wiggins has consistently emphasized that all transit riders and workers in LA County and more broadly, across America, deserve a safe transit experience. To quote LA Metro's CEO, "nothing we're working on is more important than addressing public safety on our system."

LA Metro has taken decisive steps to enhance the safety of its transit system – for riders and workers. LA Metro has installed improved bus operator barriers on its entire bus fleet to protect our bus operators. Specifications for future bus procurements by LA Metro now include requirements for bus operator compartments to provide more secure, less reflective and more comfortable work areas to reduce the need for retrofitting later. LA Metro has increased law enforcement, LA Metro Transit Security, LA Metro Ambassadors and private security on our system so that people see an engaged and visible presence of uniformed personnel. LA Metro has enhanced access control by stepping up fare inspections, trespasser checks, and installation of taller fare gates and the TAP-to-Exit program. LA Metro has strengthened our partnerships to address societal issues that affect our system. As a result, our system is becoming safer, cleaner and more comfortable for both our employees and our riders.

The IIJA (P.L. 117-58) created a strong framework for transit agencies across the United States to embrace stronger safety and security practices, including mandatory performance measures for transit agencies subject to the Public Transportation Agency Safety Plan regulation to address assaults on transit workers. The FTA has made considerable progress in taking actions to increase frontline transit worker safety to reverse the troubling trend documented by the NTD figure cited above. LA Metro recommends implementing recommendations made by the Transit Advisory Committee for Safety (TRACS, 2022-2024) in its Advancing Rider and Worker Safety Report (Report22-02) on 2/1/24. TRACS report 22-01, includes published recommendations that define best practices to prevent rider and worker assaults and suggests FTA actions for implementing those recommendations. (<https://www.transit.dot.gov/regulations-and-programs/safety/advancing-rider-and-worker-safety-tracs-final-report>)

Transit Worker Safety Recommendation – Expand Federal Transit Worker Safety Provisions

LA Metro encourages Congress to dedicate additional funding (not diminishing existing funds directed towards operations) towards federal transit worker safety activities pursuant to Urbanized Area Formula Grants (Section 5307), State of Good Repair Grants (Section 5337), Grants for Buses and Bus Facilities (Section 5339), and as recommended in TRACS Report 22-01.

Workforce Development



LA Metro is a national leader on workforce development – receiving the APTA Innovation Award for its forward-thinking programs tied to current and future workforce needs. Mindful that over 50% of the transportation industry workforce will be eligible for retirement in the next 10 years – a pace double that of the nation’s entire workforce – LA Metro has invested heavily in several key initiatives designed to highlight and promote transportation as a top-tier career choice. LA Metro is proud to have been a leader to establish, in cooperation with LA County and the SEED Foundation, the SEED School of LA County. The school is the nation’s first public boarding school for grades 9-12 to focus specifically on the future workforce needs of the transportation industry. LA Metro provides students with real world learning opportunities that educate, engage, expose and employ students within the transportation and infrastructure industry. LA Metro also has received national accolades for our LA Metro Career Pathways/ Workforce Initiative Now-Los Angeles (WIN-LA) programs, which increased opportunities for LA County residents, including single parents and former foster care youth. LA Metro’s Room to Work Program provides job opportunities for those transitioning from homelessness. Most recently, LA Metro has taken decisive steps to boost female participation in the construction workforce that is powering the most ambitious transit capital construction program in the United States.

Workforce Development Recommendation #1 – Revise Federal Share for Local Technical Assistance Programs

Change the federal share for local technical assistance programs from 50% to 100% by revising 23 U.S.C. § 504(e)(2) to read as follows:

(2) Federal share—The Federal share of the cost of activities carried out in accordance with this subsection shall be 100%.

Workforce Development Recommendation #2 – Funding Eligibility

LA Metro encourages Congress to amend all federal transportation grant programs to include a permissible 5% eligibility for workforce development activities relevant to each grant program. This will allow each recipient to allocate up to 5% of each grant for critical workforce development activities related to that grant.

Workforce Development Recommendation #3 – Report

LA Metro encourages Congress to require the Secretary to submit a report to Congress that addresses the following: (1) identification of which recipients (both state and local governmental entities) have dedicated federal-aid funds to workforce development activities; (2) description of workforce development activities supported by federal-aid funds; (3) assessment of workforce needs across all aspects of the infrastructure development industry, including but not limited to the planning, design, construction, operations and technology disciplines; and (4) recommend best practices, using real-world examples, of workforce development activities that have been supported by federal-aid funds and which benefit the communities in which these activities occurred.



Center for Transportation Excellence

LA Metro is catalyzing reinvestment in domestic rail and bus car manufacturing through the development of a vehicle testing center, innovation and training center, and proving ground. The project, known as the “Metro Center for Transportation Excellence (MCTE),” will greatly improve the availability of vehicle development and testing, so transportation agencies and operators can reduce costs and accelerate bus and rail vehicle delivery across Los Angeles and the Western United States, where nearly 13,000 rail cars and 16,000 buses are expected to be procured over the next two decades. MCTE will also function to train the next generation of transit operators, mechanics, technicians and engineers, and estimates the creation of approximately 114,000 jobs directly and indirectly in LA County, with the return of full-scale rail manufacturing to the U.S.

Center for Transportation Excellence Recommendation #1 – Provide dedicated funding to support domestic rolling stock testing and manufacturing

We propose that the next surface transportation reauthorization bill include dedicated funding for the development of rollingstock testing and manufacturing facilities. Eligibility requirements to access such funds should include (1) demonstration that recipients have taken tangible steps towards the development of such facilities, such as identifying a suitable site that is viable to accommodate testing and future buildout, and committing non-federal funding, and (2) demonstration that the facility is in proximity to shipping corridors and markets of identified demand for rolling stock.

Center for Transportation Excellence Recommendation #2 – Increase federal share for procurement of domestically manufactured rolling stock

To recognize the important federal interest in the development of rolling stock testing and manufacturing facilities, we propose that the federal share payable for costs related to these activities receive a 90% federal/ 10% non-federal share, across all eligible funding sources.

Center for Transportation Excellence Recommendation #3 – Allow development of rolling stock testing and manufacturing facilities to be an eligible expense under existing transportation programs

To provide recipients of federal funding greater flexibility in the future to dedicate such funds towards the Center for Transportation Excellence and similar endeavors, we propose expanding the eligibility of existing federal transportation programs to allow for costs related to development of rolling stock testing and manufacturing facilities. Specifically, this change should be enacted in the Bus and Bus Facilities Program under 49 U.S.C. § 5339 and the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program under 49 U.S.C. § 22907. In addition, we propose that the competitive portion of the Bus and Bus Facilities Program under 49 U.S.C. § 5339(b), and the CRISI Program, include set-asides specifically for the purpose of promoting development of rolling stock testing and manufacturing facilities.

TIFIA Reforms



The Bipartisan Infrastructure Law made important reforms to the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. LA Metro has been a longstanding supporter of the TIFIA program – working in 2012 with Congress to embed its own initiative to reform the program and ultimately having that provision embedded into MAP-21 under Title 2, Section 2002 – America Fast Forward Financing Innovation Act of 2012. At that time, LA Metro was eager to make the TIFIA program an effective and efficient financial tool for transit projects. Soon thereafter, LA Metro concluded nearly \$2 billion in TIFIA agreements for a range of transit projects, from the Crenshaw/LAX transit project to the Westside Purple Line Extension and the Downtown Regional Connector transit projects.

With the nation's most ambitious Transit Oriented Development (TOD) program, LA Metro would like to see reforms included in the next surface transportation authorization bill that will make the TIFIA program a more practical and efficient tool to use when applied to TOD projects. To date, LA Metro has developed over 2,300 housing units – many of them affordable – at over 15 sites across LA County. In the coming years, LA Metro is planning to grow its portfolio to 10,000 housing units by making 20 new properties available for development – with 5,000 of these units being set aside for low-income households. To meet this ambitious goal, LA Metro would support the following reforms to make the TIFIA program more TOD-friendly.

TIFIA Recommendation #1 – Aligning Underwriting with Market Practices

To align TIFIA financing assistance with the needs of TOD projects, LA Metro proposes that the TIFIA statutory authorization and guidance allow for underwriting processes and credit rating requirements comparable to those required by the market for conventionally financed TOD and real estate development projects. As an

alternative, LA Metro proposes that the TIFIA statutory authorization permit a project sponsor's balance sheet and programmatic revenue streams to backstop a TOD project's financial assistance.

TIFIA Recommendation #2 – Streamline Process

To align TIFIA financing assistance with the needs of TOD projects and to maximize the opportunity of attracting a diverse financing stack, LA Metro proposes that the TIFIA statutory authorization and guidance provide a streamlined process for TOD projects.

TIFIA Recommendation #3 – Align with Categorical Exclusions

Because TOD projects often have environmental impacts more akin to the activities supported by the U.S. Department of Housing and Urban Development ("HUD") and the U.S. Department of Agriculture ("USDA"), we propose expanding the applicable categorical exclusions for TOD projects to include those categorical exclusions available to HUD and USDA.

TIFIA Recommendation #4 – Subsidize Underwriting Fees

To expand the utility of TIFIA financing assistance to TOD projects, we propose subsidizing the TIFIA loan underwriting fees to allow more typically sized housing projects to apply. By way of background, current TIFIA fees are an impediment to projects with fewer than 400 units.



Federal-State Partnership Program

Commuter rail plays an integral role in the delivery of seamless, cost-effective rail transportation that connects rural and suburban communities within populated regions with economic opportunity and businesses with greater access to the workforce. Commuter rail plays the key connecting system between longer-distance intercity rail and local bus and rail systems that drive ridership into the intercity system, making them more cost-effective and providing more transportation benefit for larger regions and states to leverage federal, regional and local investment. Coordinating investment in the passenger rail system for intercity and commuter service allows for cross-leveraging of funds, increased benefits for all passengers and greater opportunity generated from the investment.

In Southern California, the Metrolink (Southern California Regional Rail Authority, or SCRRA) serves five counties and is the nation's third largest commuter rail operator linking rural, suburban and urban communities along 437 route miles. Regional rail closely parallels congested freeway corridors, providing a high-quality transit alternative that reduces congestion on the freeway system, creating greater capacity and velocity for the movement of people and goods on the freeway system. Metrolink has a strong relationship with the Amtrak/Los Angeles–San Diego–San Luis Obispo Rail Corridor (LOSSAN) system, providing interlined service that connects more population and employment centers to the Intercity Rail system, providing direct benefit to the ridership and economic value of the Intercity Rail system.


The Metrolink system will also play a key role in connecting the planned southern terminus of the Brightline West system with the downtown Los Angeles area through a direct transfer in Rancho Cucamonga. In preparation for the upcoming 2026 FIFA World Cup and Los Angeles 2028 Olympic and Paralympic Games, the Metrolink system will connect the economic opportunity provided in the urban core with employees and visitors from the outlying suburban and rural cities and counties connected to LA County only by Metrolink.

Expanding funding eligibility for commuter rail systems that have direct connection to an intercity rail system will provide opportunity for ridership growth and greater economic benefit provided by existing federal investment in the Intercity Rail system and leverage more funding with state and local funds dedicated to commuter rail system improvements.

Federal-State Partnership Program Recommendation – Expand Eligibility to Commuter Rail

Amend 49 U.S.C. § 24911 to expand eligibility of the Federal-State Partnership Program to “commuter rail passenger transportation” as such term is defined in 49 U.S.C. §24102. This should include expansion of eligible applicants, eligible projects, and all other relevant and conforming changes necessary to allow commuter rail projects and providers to participate in this program.





Surface Transportation Authorization Bill

Executive Management Committee
September 18, 2025

Introduction

Working together, the 119th Congress, the U.S. Department of Transportation, and infrastructure agencies like LA Metro have an opportunity to stimulate America's economy by adopting a bold and creative surface transportation authorization bill to replace the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58).

Such a bill can help rebuild America, while smartly and efficiently creating millions of good paying construction, manufacturing and service jobs.

These investments will super-charge our national economy by increasing the ability of people and goods to move safely, quickly, and efficiently into and through their hometowns, their state and across America.



BUILD INITIATIVE





Capital Investment Grants (CIG) Program and Expedited Project Delivery (EPD) Pilot Program

- **Federal Share Increase** CIG funding share from 25% to 35% for EPD projects.
- **Federal Share Change** timing for "locking in" federal share of project cost to actual approval by FTA, after risk analysis. Ensures the federal share is set after assessing potential cost impacts.
- **Project Oversight** Reduce oversight for experienced grantees with successful project history.
- **Small Starts**
- **Local Match**
- **Allow NEPA compliance expenditures to count towards local match.**



Olympic and Paralympic Games

- **MEGA Program Eligibility**
- **MEGA Program Prioritization**
- **Transportation Assistance for Olympic Cities**

Local Hire



- **Maintain Existing Federal Authorization for Local, Geographic, and Economic Hiring Preferences**



Let's respect operators.



Injuring a transit operator is punishable by up to 3 years in prison or up to a \$10,000 fine, or both.

Lesionar a un operador de tránsito se castiga con hasta 3 años de prisión o una multa hasta de \$10,000, o ambas.

Panel Code 3542.3

Transit Worker Safety

- Expand Federal Transit Worker Safety Provisions



- **Revise Federal Share for Local Technical Assistance Programs**
- **Funding Eligibility**
- **Report**



- **Provide dedicated funding to support domestic rolling stock testing and manufacturing**
- **Increase federal share for procurement of domestically manufactured rolling stock**
- **Allow development of rolling stock testing and manufacturing facilities to be an eligible expense under existing transportation programs**



TIFIA Reforms

- **Aligning Underwriting with Market Practices**
- **Streamline Process**
- **Align with Categorical Exclusions**
- **Subsidize Underwriting Fees**

Federal – State Partnership Program



- **Expand Eligibility to Commuter Rail**



Thank You.