Metro

Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
3rd Floor Board Room

Agenda - Final

Thursday, July 20, 2017

11:30 AM

One Gateway Plaza, Los Angeles, CA 90012,
3rd Floor, Metro Board Room

Executive Management Committee

Eric Garcetti, Chair
Sheila Kuehl, Vice Chair
James Butts, 2nd Vice Chair
Jacquelyn Dupont-Walker
John Fasana
Mark Ridley-Thomas
Carrie Bowen, non-voting member

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(ALSO APPLIES TO BOARD COMMITTEES)

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A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board should be submitted in person at the meeting to the Board Secretary. Individuals requesting to speak on more than three (3) agenda items will be allowed to speak up to a maximum of three (3) minutes per meeting. For individuals requiring translation service, time allowed will be doubled.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the public comment period, which will be held at the beginning and/or end of each meeting. Each person will be allowed to speak for up to three (3) minutes per meeting and may speak no more than once during the Public Comment period. Speakers will be called according to the order in which the speaker request forms are received. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

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a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
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NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA

CALL TO ORDER

ROLL CALL

35 SUBJECT: STATE AND FEDERAL REPORT 2017-0468

RECOMMENDATION

RECEIVE AND FILE State and Federal Legislative Report.

36 SUBJECT: FEDERAL LEGISLATION 2017-0475

RECOMMENDATION

ADOPT staff recommended positions:

HOUSE RESOLUTION BILL 3001 (LOWENTHAL) - Economy In Motion: The National Multimodal And Sustainable Freight Infrastructure Act
SUPPORT

Attachments: 2017-0475_Attachment A
2017-0475_Attachment B

37 SUBJECT: STATE LEGISLATION 2017-0483

RECOMMENDATION

ADOPT staff recommended positions:

A. ~~**AB 533 (Holden)** - State Highway Route 710 North **WORK WITH AUTHOR**~~

B. **AB 1069 (Low)** - Local Government: Taxicab Transportation Services
OPPOSE

Attachments: Attachment B - AB 1069 (Low)

38 SUBJECT: CUSTOMER EXPERIENCE TECHNOLOGY IMPROVEMENT 2017-0469

RECOMMENDATION

RECEIVE AND FILE status report on efforts underway to use technology and innovation to transform the customer experience of Metro's Bus and Rail system, and mobility in the region in general.

39 SUBJECT: MEASURE M INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE STIPEND 2017-0465

RECOMMENDATION

APPROVE stipend of $100 per meeting per committee member for the Measure M Independent Taxpayer Oversight Committee, as required by the Ordinance.

40 SUBJECT: TRANSIT POLICING 2017-0490

RECOMMENDATION

RECEIVE oral update on Transit Policing.

Adjournment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2017-0475, **File Type:** Federal Legislation / State Legislation (Position) **Agenda Number:** 36

EXECUTIVE MANAGEMENT COMMITTEE
JULY 20, 2017

SUBJECT: FEDERAL LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITION

RECOMMENDATION

ADOPT staff recommended positions:

HOUSE RESOLUTION BILL 3001 (LOWENTHAL) - Economy In Motion: The National Multimodal And Sustainable Freight Infrastructure Act **SUPPORT**

ATTACHMENTS

Attachment A - H.R. 3001 (A. Lowenthal) Legislative Analysis
Attachment B - H.R. 3001 Legislation

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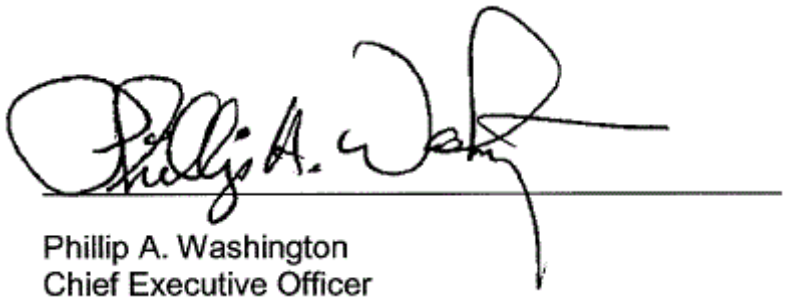

Phillip A. Washington
Chief Executive Officer

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ATTACHMENT A

BILL: **HOUSE RESOLUTION BILL 3001**

AUTHOR: **CONGRESSMAN ALAN LOWENTHAL (D-LONG BEACH)**

SUBJECT: **ECONOMY IN MOTION: THE NATIONAL MULTIMODAL AND SUSTAINABLE FREIGHT INFRASTRUCTURE ACT**

STATUS: **HOUSE - TRANSPORTATION AND INFRASTRUCTURE; WAYS AND MEANS COMMITTEES**

ACTION: **SUPPORT**

RECOMMENDATION

Staff recommends that the Board of Directors adopt a SUPPORT position on House Resolution Bill 3001 (Lowenthal) - Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act.

ISSUE

H.R. 3001(Lowenthal) - Would establish a Freight Transportation Infrastructure Trust Fund and create a freight specific formula and competitive grant program for multimodal projects. Specifically, H.R. 3001 offers a dedicated revenue source by implementing a proposed national 1% waybill fee. The entity paying for the cargo to be shipped via ground transportation within the United States would be required to pay a fee of 1% of the total cost of transportation.

DISCUSSION

In 2015, Congress passed the bipartisan Fixing America's Surface Transportation (FAST) Act, which for the first time outlined a national freight policy and set up both formula and competitive programs to invest in these systems. The FAST Act funded both of these programs through 2021, but because the Highway Trust Fund is not able to provide the amount of funding necessary to keep up with the nation's infrastructure needs, it is important to identify and support sustainable funding sources that will be dedicated to specific uses that will improve infrastructure.

Goods movement is a significant economic engine in Los Angeles County, with the Ports of Los Angeles and Long Beach handling over 40% of all cargo shipped into the United States. Communities that surround Los Angeles County's ports experience a high level of congestion and environmental impacts as a result of the large amount of cargo exiting the County's two ports as it is transported to rail yards and storage facilities across Los Angeles County and surrounding counties. Through the creation of a program aimed at improving the movement of goods, residents, commuters and businesses will benefit from less congestion and improved air quality.

Consistent with Metro's 2017 Board-approved Federal Legislative Program in support of creating a fully funded federal freight program; H.R. 3001 (Lowenthal), Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act, establishes a Freight Transportation Infrastructure Trust Fund, a formula and competitive multimodal grant program for States, Regional and Local Governments, and incorporates these programs into existing FAST Act freight programs. The program would generate funding through the collection of fees for transporting cargo nationally.

The estimated $8 billion in annual funds collected from this proposed fee would be deposited into a Freight Transportation Infrastructure Trust Fund and then be distributed equally between the existing National Multimodal Freight Funding Formula Program and the National Freight Infrastructure Multimodal Competitive Grant Program created in the FAST Act. Qualifying projects could include capital freight projects on roads, rail, intermodal connectors, including first and last mile connectors, rail grade separations, on-dock rail and landside infrastructure on ports and airports included in a State Freight Plan.

Staff believes that H.R. 3001 could be adopted in any infrastructure package offered by the President and considered by Congress. Staff recommends that the Board adopt a SUPPORT position on H.R. 3001 (Lowenthal).

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

FINANCIAL IMPACT

This bill could have a positive financial impact on our agency as it provides additional funding that Metro could utilize.

ALTERNATIVES CONSIDERED

Staff has considered adopting an oppose position on the bill. Adopting an oppose position on the bill would be counter to the advocacy efforts as outlined in the Board-approved 2017 Federal Legislative Program.

NEXT STEPS

Should the Board adopt a SUPPORT position on this measure, staff will communicate the Board’s position to the author and work with Congress to ensure its adoption into law. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.

ATTACHMENT B

.....

(Original Signature of Member)

115TH CONGRESS
1ST SESSION

H. R. _____

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. LOWENTHAL introduced the following bill; which was referred to the Committee on _____

A BILL

To amend title 49, United States Code, to establish a Multimodal Freight Funding Formula Program and a National Freight Infrastructure Competitive Grant Program to improve the efficiency and reliability of freight movement in the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act''.

SEC. 2. FREIGHT FUNDING PROGRAMS.

(a) IN GENERAL.—Chapter 701 of title 49, United States Code, is amended by adding at the end the following:

"§ 70104. Multimodal Freight Funding Formula Program

''(a) IN GENERAL.—The Secretary of Transportation shall establish a Multimodal Freight Funding Formula Program under which the Secretary shall distribute funds to States to improve the efficiency and reliability of freight movement in the United States.

''(b) FORMULA APPORTIONMENT.—Of funds made available to the Secretary for a fiscal year to carry out the Multimodal Freight Funding Formula Program under this section, the Secretary shall calculate the amount available to be apportioned to a State based on the following:

''(1) 6.25 percent in the ratio that—

''(A) the number of ports in each State; bears to

''(B) the number of ports in all States.

''(2) 6.25 percent in the ratio that—

''(A) the number of rail track-miles used for the movement of freight in each State; bears to

''(B) the number of such rail track-miles in all States.

''(3) 6.25 percent in the ratio that—

''(A) the number of cargo-handling airports in each State; bears to

''(B) the number of such airports in all States.

''(4) 6.25 percent in the ratio that—

''(A) the number of Interstate system miles in each State; bears to

''(B) the number of Interstate system miles in all States.

''(5) 37.5 percent in the ratio that—

''(A) the tonnage of rail, waterborne, highway, and airport freight moved in each State; bears to

''(B) the tonnage of such freight moved in all States.

''(6) 37.5 percent in the ratio that—

''(A) the value of rail, waterborne, highway and airport freight moved in each State; bears to

''(B) the value of such freight moved in all States.

''(c) TIER I ELIGIBILITY.—The Secretary shall provide to a State in a fiscal year 40 percent of the amount of the funds available to the State under subsection (b) for that fiscal year if the State—

''(1) has an established freight advisory committee in accordance with section 70201;

''(2) developed any analyses or plans required for the completion of a State freight plan in accordance with section 70202;

''(3) has an approved State freight plan;

''(4) has conducted a statewide analysis of freight needs and bottlenecks on all modes of transportation, including intermodal and last mile needs;

''(5) demonstrates use of the statewide analysis of freight needs in prioritizing projects in the State freight plan;

''(6) demonstrates that the State will use the funding that it is provided under this paragraph for the highest priority projects identified in the freight investment plan described under section 70202; and

''(7) demonstrates that the program of projects will use the strategies and contribute to the goals described in the State freight plan to decrease—

''(A) greenhouse gas emissions;

''(B) local air pollution, including ozone and ozone precursors, nitrogen oxides, sulfur dioxide, particulate matter, carbon monoxide, and lead;

''(C) water runoff and other adverse water impacts; and

''(D) wildlife habitat loss.

''(d) TIER II ELIGIBILITY.—The Secretary shall provide to a State in a fiscal year 60 percent of the amount of the funds available to the State under subsection (b) for that fiscal year if the State—

''(1) has met the eligibility criteria of subsection (c);

''(2) has conducted, in cooperation with at least 1 other State, a multistate analysis of freight needs and bottlenecks on all modes of transportation, including intermodal and last mile needs along a multistate freight corridor; and

''(3) has developed, in cooperation with at least one other State or a relevant entity in Canada or Mexico, a regional freight investment plan that focuses on the end-to-end investment needs of critical multistate freight corridors based on the multistate analysis of freight needs and bottlenecks on all

modes of transportation, including intermodal and last mile needs.

''(e) REDISTRIBUTION OF FUNDS.—The Secretary shall make available under the National Freight Infrastructure Competitive Grant Program under section 70105 any funds that—

''(1) the Secretary calculated under subsection (b) as available to a State for a fiscal year but did not provide to that State for that fiscal year under subsection (c) or subsection (d); or

''(2) the Secretary provided to a State under subsection (c) or subsection (d) but remain unobligated in that State at the end of the third fiscal year following the fiscal year in which they were provided to the State.

''(f) ELIGIBLE USES.—A State may use funds provided under this section only for—

''(1) the development of corridor freight plans or regional freight plans; or

''(2) one or more phases of capital projects, equipment, or operational improvements on roads, rails, landside infrastructure on ports and airports, and intermodal connectors included in a State freight plan for projects that—

''(A) maintain or improve the efficiency and reliability of freight supply chains;

''(B) demonstrate public freight benefits;

''(C) improve modal components of a multimodal corridor that is critical to a State or region;

''(D) address freight needs to facilitate a regionally or nationally significant economic development issue;

''(E) in accordance with the State freight plan, decrease—

''(i) greenhouse gas emissions;

''(ii) local air pollution, including ozone and ozone precursors, nitrogen oxides, sulfur dioxide, particulate matter, carbon monoxide, and lead;

''(iii) water runoff and other adverse water impacts; and

''(iv) wildlife habitat loss;

''(F) are multimodal, multi-jurisdictional, or corridor-based and address freight needs;

''(G) relieve freight or non-freight access, congestion, or safety issues; or

''(H) address first and last mile connectors.

''(g) EPA REPORT.—A State that receives funds under this section shall collect data and, beginning 1 year from the date of the completion of each project or project phase that receives such funds, and annually thereafter for 15 years, report to the Secretary and the Administrator of Environmental Protection Agency on progress made toward greenhouse gas emission reductions and local air pollution reductions in accordance with the State freight plan. All relevant data and reporting shall be collected and reported in accordance with guidance developed by the Administrator in consultation with the Secretary.

''(h) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost of a project carried out by a State using funds provided under this section may not be more than 80 percent.

''(2) ADDITIONAL FEDERAL SHARE.—The Federal share of the cost of a project carried out by a State using funds provided under this section may be increased by 5 percent if the such 5 percent is used for the mitigation of diesel emissions from construction activities associated with the project. The Administrator of Environmental Protection Agency, in consultation with the Secretary, shall develop guidance for eligible equipment and activities con-

sistent with existing State, local, and nonprofit clean construction guidelines.

''(i) RESERVATION OF FUNDS FOR TERRITORIES.—Before making a calculation under subsection (b), the Secretary shall withhold funds for distribution to each territory in an amount based on the freight infrastructure need of the territories, as determined by the Secretary. Such funds shall not otherwise be made available for distribution under this section.

''(j) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated from the Freight Trust Fund to carry out this section an amount equal to 50 percent of the receipts of the Freight Trust Fund for each fiscal year beginning in fiscal year 2018.

''(k) ADMINISTRATION AND OVERSIGHT COSTS.—The Secretary may retain up to one-half of 1 percent of the amounts available to carry out this section for each fiscal year for the cost of administration and oversight of projects funded under this section.

''(l) AVAILABILITY OF FUNDS.—Amounts authorized under subsection (j) shall be—

''(1) available for obligation on October 1 of the fiscal year for which they are authorized; and

''(2) available until expended.

''(m) APPLICATION OF RATE REQUIREMENTS.—The Secretary shall take such action as may be necessary to apply the requirements described under section 113 of title 23, as applicable, to any project receiving funds under this section.

''(n) DEFINITIONS.—In this section:

''(1) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and Puerto Rico.

''(2) STATE FREIGHT PLAN.—The term 'State freight plan' means the State freight plan described under section 70202.

''(3) TERRITORY.—The term 'territory' has the meaning given such term in section 165(c)(1) of title 23.

"§ 70105. National Freight Infrastructure Competitive Grant Program

''(a) ESTABLISHMENT.—The Secretary of Transportation shall establish a National Freight Infrastructure Competitive Grant Program under which the Secretary shall make grants, on a competitive basis, to designated entities for eligible projects to improve the efficiency and reliability of freight movement in the United States.

''(b) PROJECT GOALS.—In carrying out the Program, the Secretary shall prioritize projects that—

''(1) improve the efficiency and reliability of freight transportation;

''(2) reduce the cost of freight transportation;

''(3) improve the safety of freight transportation;

''(4) relieve bottlenecks in the freight transportation system;

''(5) improve the state of good repair of the freight transportation system;

''(6) contribute to the environmental goals described in the State freight plan; and

''(7) reduce the adverse impacts of freight transportation on communities traversed by freight.

''(c) GRANT APPLICATIONS.—To be eligible to receive a grant under the Program a designated entity shall submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may require.

''(d) ELIGIBLE PROJECT.—A project is eligible for a grant under the Program only if the Secretary determines that the project—

''(1) that is—

''(A) a capital investment project for a transportation infrastructure facility significantly used for the movement of freight; or

''(B) infrastructure necessary to mitigate the adverse impact of freight transportation on communities traversed by freight, including—

''(i) a road, rail, or landside air or water facility;

''(ii) an intermodal facility such as a seaport or port on the inland waterway system, an airport, or a highway and rail intermodal facility;

''(iii) a facility related to an international border crossing;

''(iv) is for an operational improvement or equipment of a facility described in this paragraph; or

''(v) railway-roadway grade separations and related improvements;

''(2) will help to achieve the goals set out in subsection (b);

''(3) has non-Federal source or sources of committed financing, along with any Federal funds, sufficient to complete the project;

''(4) has independent utility;

''(5) is included in the State freight plan; and

''(6) includes the development of project plans and analysis.

''(e) GRANT CRITERIA.—The Secretary shall select eligible projects for funding based on the following criteria:

''(1) The extent to which the project is likely to advance the goals described in subsection (b).

''(2) The likely benefits of the project relative to its costs.

''(3) The extent to which the project demonstrates the use of innovative technology, strategies, and practices.

''(4) The extent to which the project uses onroad construction vehicles and nonroad construction equipment that meet the emission standards of the Environmental Protection Agency.

''(5) The extent to which the project demonstrates effective reductions (in accordance with the State freight plan) in—

''(A) greenhouse gas emissions;

''(B) local air pollution, including ozone and ozone precursors, nitrogen oxides, sulfur dioxide, particulate matter, carbon monoxide, and lead;

''(C) water runoff and other adverse water impacts; and

''(D) wildlife habitat loss.

''(6) The likely effect of the project on increasing United States exports.

''(7) The consistency of the project with the national freight strategic plan described under section 70102.

''(8) The extent to which the project leverages Federal funds by matching State, territorial, local, tribal, or private funds to the Federal funding requested under the Program.

''(9) The extent to which funds for the project are not available from other Federal sources.

''(f) SPECIAL RULE.—A minimum of 5 percent of funds made available under the Program for a fiscal year shall be provided to zero-emission freight demonstration projects, as defined by the Secretary of Transportation, in consultation with the Administrator of the Environmental Protection Agency.

''(g) RETROSPECTIVE ANALYSIS.—A grant agreement made under the Program shall require that the recipient collect data and report to the Secretary, at an appropriate time as determined by the Secretary, on—

''(1) the actual cost of constructing the project;

''(2) the time required to complete the project and put it into service;

''(3) the level of usage of the facility built or improved by the project;

''(4) the benefits of the project, measured in a way that is consistent with the benefits that were estimated in the application for funding that was submitted to the Secretary; and

''(5) any costs resulting from the project in addition to the costs of constructing the project.

''(h) EPA REPORT.—A grant agreement made under the Program shall require that the recipient collect data and, beginning 1 year from the date of the completion of the project and annually thereafter for 15 years, report to the Secretary and the Administrator of Environmental Protection Agency on progress made toward greenhouse gas emission reductions and local air pollution reductions in accordance with the State freight plan. All relevant data and reporting shall be collected and reported in accordance with guidance developed by the Administrator in consultation with the Secretary.

''(i) PERIOD OF AVAILABILITY.—In entering into agreements under this section, the Secretary shall ensure that any funds made available for a project that are not obligated or expended before the last day of the third fiscal year following the fiscal year in which the funds are made

available are transferred back to the Secretary for making grants under the Program.

''(j) REDISTRIBUTION OF FUNDS.—If a designated entity that received a grant under this section has made no obligation of funding with respect to such grant by the end of the third fiscal year following the fiscal year in which the Secretary awarded the grant, the Secretary shall—

''(1) withdraw the grant from the designated entity; and

''(2) apply the funding to another grant under this section.

''(k) FEDERAL SHARE.—

''(1) IN GENERAL.—The Federal share of the cost of a project for which a grant is made under the Program, as estimated by the Secretary, shall be not more than 80 percent.

''(2) ADDITIONAL FEDERAL SHARE.—The Federal share of the cost of a project carried out by a State using funds provided under this section may be increased by 5 percent if the such 5 percent is used for the mitigation of diesel emissions from construction activities associated with the project. The Administrator of Environmental Protection Agency, in consultation with the Secretary, shall develop

guidance for eligible equipment and activities consistent with existing State, local, and nonprofit clean construction guidelines.

''(l) ADMINISTRATION AND OVERSIGHT COSTS.—The Secretary may retain up to one-half of 1 percent of the amounts made available to carry out this section for each fiscal year for the cost of administration and oversight of projects funded under the Program.

''(m) AUTHORIZATION AND AVAILABILITY OF FUNDS.—

''(1) AUTHORIZATION.—There is authorized to be appropriated from the Freight Trust Fund to carry out this section an amount equal to 50 percent of the receipts of the Freight Trust Fund for each fiscal year beginning in fiscal year 2018.

''(2) AVAILABILITY.—Amounts authorized under paragraph (1) shall be—

''(A) available for obligation on October 1 of the fiscal year for which they are authorized; and

''(B) available for obligation until expended.

''(n) APPLICATION OF RATE REQUIREMENTS.—The Secretary shall take such action as may be necessary to apply the requirements described under section 113 of title

23, as applicable, to any project receiving funds under this section.

''(o) DEFINITIONS.—In this section:

''(1) DESIGNATED ENTITY.—The term 'designated entity' means—

''(A) a State;

''(B) a unit of local government;

''(C) a metropolitan planning organization;

''(D) a public transportation authority (including a port authority);

''(E) a tribal government; or

''(F) or a consortium of the entities described in this paragraph.

''(2) STATE.—The term 'State' means any of the 50 States, the District of Columbia, Puerto Rico, American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, and the United States Virgin Islands.

''(3) STATE FREIGHT PLAN.—The term 'State freight plan' means the State freight plan described under section 70202.''.

(b) CONFORMING AMENDMENT.—The table of sections for chapter 701 of title 49, United States Code, is amended by adding at the end the following:

''70104. Multimodal Freight Funding Formula Program.
''70105. National Freight Infrastructure Competitive Grant Program.''.

SEC. 3. NATIONAL AND STATE FREIGHT PLANS.

(a) NATIONAL FREIGHT STRATEGIC PLAN.—Section 70102(b) of title 49, United States Code, is amended—

(1) in paragraph (10) by striking ''and'' at the end;

(2) in paragraph (11) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(12) best practices to reduce greenhouse gas emissions, local air pollution, water runoff, and wildlife habitat loss.''.

(b) STATE FREIGHT ADVISORY COMMITTEES.—Section 70201 of title 49, United States Code, is amended—

(1) in subsection (a) by striking ''representatives of ports, freight railroads,'' and all that follows through ''local governments'' and inserting the following: ''representatives of—

''(1) ports;

''(2) freight railroads;

''(3) shippers;

''(4) carriers;

''(5) freight-related associations;

''(6) third-party logistics providers;

''(7) the freight industry workforce;

''(8) the transportation department of the State;

''(9) metropolitan planning organizations;

''(10) local governments;

''(11) the environmental protection department of the State, if applicable; and

''(12) the air resources board of the State, if applicable'';

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

''(b) QUALIFICATIONS.—Each member of a freight advisory committee established under subsection (a) shall be widely recognized to have qualifications sufficient to represent the interests of such member's stakeholder group, including, as applicable—

''(1) a general business and financial experience;

''(2) experience or qualifications in the areas of freight transportation and logistics;

''(3) experience in transportation planning;

''(4) experience representing employees of the freight industry; or

''(5) experience representing a State, local government, or metropolitan planning organization.'';

(4) in subsection (b)—

(A) in paragraph (5) by inserting ", including advising on the development of the freight investment plan" after "70202"; and

(B) by adding at the end the following:

"(6) approve the State freight plan under section 70202, including the freight investment plan.".

(c) STATE FREIGHT PLANS.—Section 70202 of title 49, United States Code, is amended—

(1) in subsection (b)—

(A) in paragraph (9)—

(i) by inserting "and section 70104" after "section 167 of title 23"; and

(ii) by striking "and" at the end

(2) by redesignating paragraph (10) as paragraph (12); and

(3) by inserting after paragraph (9) the following:

"(10) strategies and goals to decrease—

"(A) greenhouse gas emissions;

"(B) local air pollution, including ozone and ozone precursors, nitrogen oxides, sulfur dioxide, particulate matter, carbon monoxide, and lead;

"(C) water runoff and other adverse water impacts; and

''(D) wildlife habitat loss;

''(11) strategies and goals to decrease the adverse impact of freight transportation on communities traversed by freight railroads; and'';

(4) by redesignating subsection (e) as subsection (f); and

(5) by inserting after subsection (d) the following:

''(e) CERTIFICATION.—The Secretary shall approve a freight plan if such plan meets the requirements of this section and is consistent with the National freight strategic plan described in section 70102. The Secretary, in consultation with the Administrator of the Environmental Protection Agency shall certify any environmental goal or strategy provisions of the plan.''.

SEC. 4. FREIGHT TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

''SEC. 9512. FREIGHT TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Freight Trust Fund' (hereinafter in this section referred to as the 'Fund') consisting of such

amounts as may be appropriated or credited to such Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO THE FUND.—There are hereby appropriated to the Fund amounts equivalent to taxes received in the Treasury under section 4286.

''(c) EXPENDITURES FROM FUND.—Amounts in the Fund shall be made available, as provided by appropriation Acts, for making expenditures to meet obligations authorized to be paid out of the Fund under section 2 of the Economy in Motion: The National Multimodal and Sustainable Freight Infrastructure Act.''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 9512. Freight Trust Fund.''.

SEC. 5. FREIGHT MOBILITY INFRASTRUCTURE TAX.

(a) IMPOSITION OF TAX.—Chapter 33 of the Internal Revenue Code of 1986 is amended by inserting after subchapter C the following new subchapter:

''Subchapter D—Ground Transportation Freight Tax

''Sec. 4286. Imposition of tax.

''SEC. 4286. IMPOSITION OF TAX.

''(a) IN GENERAL.—There is hereby imposed upon taxable ground transportation of property within the

United States a tax equal to 1 percent of the amount paid for such transportation.

''(b) BY WHOM PAID.—

''(1) IN GENERAL.—The tax imposed by subsection (a) shall be paid—

''(A) by the person making the payment subject to tax, or

''(B) in the case of transportation by a related person, by the person for whom such transportation is made.

''(2) DETERMINATIONS OF AMOUNTS PAID IN CERTAIN CASES.—For purposes of this section, rules similar to the rules of section 4271(c) shall apply.

''(c) TRANSPORTATION BY RELATED PERSONS.—In the case of transportation of property by the shipper or a person related to the shipper, the fair market value of such transportation shall be the amount which would be paid for transporting such property if such property were transported by an unrelated person, determined on an arms' length basis.

''(d) DEFINITIONS AND SPECIAL RULE.—For purposes of this subchapter—

''(1) TAXABLE GROUND TRANSPORTATION.—The term 'taxable ground transportation' means transportation of property by—

''(A) freight rail, or

''(B) truck trailer and semitrailer chassis and bodies, suitable for use with a trailer or semitrailer which has a gross vehicle weight of 26,000 pounds or more.

For purposes of subparagraph (B), the terms 'truck trailer' and 'semitrailer' have the same meanings as such terms have in section 4051.

''(2) RELATED PERSON.—A person (hereinafter in this paragraph referred to as the 'related person') is related to any person if—

''(A) the related person bears a relationship to such person specified in section 267(b) or 707(b)(1), or

''(B) the related person and such person are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52).

For purposes of the preceding sentence, in applying sections 267(b) and 707(b)(1), '10 percent' shall be substituted for '50 percent' each place it appears.

''(3) TRANSPORTATION OUTSIDE THE UNITED STATES.—In the case an amount paid for transportation any portion of which is outside the United States, the portion of such amount paid which is al-

locable to transportation within the United States shall be determined under regulations prescribed by the Secretary. Such regulations shall include rules to include transportation outside the United States the primary purpose of which is to avoid the tax imposed by this section.

''(e) EXEMPTION FOR UNITED STATES AND POSSESSIONS AND STATE AND LOCAL GOVERNMENTS.—The tax imposed by subsection (a) shall not apply to amounts paid for transportation of property purchased for the exclusive use of the United States, or any State or political subdivision thereof.''.

(b) CREDITS OR REFUNDS TO PERSONS WHO COLLECTED CERTAIN TAXES.—Section 6415 of such Code is amended by striking ''or 4271'' each place it appears and inserting ''4271, or 4286''.

(c) CLERICAL AMENDMENT.—The table of subchapters for chapter 33 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subchapter C the following new item:

''SUBCHAPTER D. GROUND TRANSPORTATION FREIGHT TAX''.

(d) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury shall issue regulations to carry out the amendments made by this section.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to transportation beginning on or after the last day of the 180-day period beginning on the date of the issuance of regulations under subsection (c).

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2017-0483, **File Type:** Federal Legislation / State Legislation (Position) **Agenda Number:** 37

..Meeting_Body

REVISED
EXECUTIVE MANAGEMENT COMMITTEE
JULY 20, 2017

SUBJECT: STATE LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED POSITIONS

RECOMMENDATION

ADOPT staff recommended positions:

~~A. **AB 533 (Holden)** - State Highway Route 710 North **WORK WITH AUTHOR**~~

B. **AB 1069 (Low)** - Local Government: Taxicab Transportation Services **OPPOSE**

ATTACHMENTS

~~Attachment A - AB 533 (Holden) Legislative Analysis~~
Attachment B - AB 1069 (Low) Legislative Analysis

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Phillip A. Washington
Chief Executive Officer

ATTACHMENT B

BILL: **ASSEMBLY BILL 1069 AS AMENDED JUNE 28, 2017**

AUTHOR: **ASSEMBLYMEMBER EVAN LOW (D-CAMPBELL)**

SUBJECT: **LOCAL GOVERNMENT: TAXICAB TRANSPORTATION SERVICES**

STATUS: **SENATE TRANSPORTATION AND HOUSING COMMITTEE**
SENATE GOVERNANCE AND FINANCE COMMITTEE - PASSED

ACTION: **OPPOSE**

RECOMMENDATION

Staff recommends that the Board of Directors adopt an OPPOSE position on Assembly Bill 1069 (Low). This bill would require regional transportation planning agencies in ten large counties in the State to establish regulations and impose fees on taxicab companies and drivers.

Specifically the bill would:

- Authorize each of 10 specified counties to regulate taxi service within the respective county by means of a countywide transportation agency, as defined;
- Prohibit an authorized county from implementing regulatory authority, if not already established by January 1, 2019;
- Require the sheriff in a county that does not regulate taxi service to administer criminal background checks and drug testing for taxicab drivers within that county;
- Require a countywide transportation agency to provide, in its policy for entry into providing taxicab service that the taxicab driver comply with a drug testing program and pass a live scan fingerprint criminal background check;
- Repeal the requirement that a countywide transportation agency set rates and fares;
- Authorize a countywide transportation agency to establish a maximum rate for transportation services;
- Authorize taxicab companies to set fares and flat rates;
- Authorize a countywide transportation agency to impose a charge on a taxicab transportation service that is limited to the reasonable regulatory costs of enforcing the program;
- Authorize a county or city that operates an airport to regulate the access to airports by taxicabs and to set access fees at the airport;

- Authorize a permitted taxicab company to use any device or technology as approved by the Division of Measurement Standards to calculate fares;
- Require a permitted taxicab company to disclose fares, fees or rates to a potential customer and to disclose rates for walkup rides and street hails;
- Authorize a city or county to limit the number of taxicab companies or vehicles that use specified areas within the city or county's jurisdiction;
- Prohibit a city or county or countywide transportation agency from limiting or prohibiting prearranged trips prearranged trips by a licensed taxicab company;
- Require a countywide transportation agency to issue an inspection sticker to a taxicab that complies with specified requirements;
- Require a countywide transportation agency to issue a photo permit to a taxicab driver that complies with specified requirements;
- Authorize a countywide transportation agency to accept a taxi permit issued by another countywide transportation agency as valid and to issue that taxicab an inspection sticker or photo permit to operate within the county; and
- Make it unlawful to operate a taxicab in a participating county without a valid permit and would make a violation of the requirement punishable by a fine.
- Establishes that any city or county operated airport would continue to be authorized to enacts its own regulations.

DISCUSSION

As amended on June 28, 2017, AB 1069 would grant countywide transportation agencies the regulatory authority over the taxicab industry in the state. Existing law provides that the authority to regulate taxicabs lies with the cities and counties. The author has stated that the intent of the bill is to provide remedies for private taxicab operators and drivers that are subject to current regulations under the jurisdiction of local cities and counties. The bill sponsor, the Taxicab Paratransit Association, argues that the regulation on the local level impacts the taxicab industry's ability to compete with transportation network companies (TNCs), like Uber and Lyft. TNCs are currently regulated by the California Public Utilities' Commission.

Metro serves as regional transportation planner and coordinator, designer, builder, funder and operator for one of the country's largest, most populous counties. More than 9.6 million people – nearly one-third of California's residents – live, work and play within its 1,433-square-mile service area. Metro currently does not have any regulatory functions. Los Angeles Metro funds projects and/or operates in LA County's 88 cities.

AB 1069 would specify that ten identified county transportation agencies would be subject to adding a new regulatory function to their current roles and responsibilities. The provision in the legislation, as currently drafted, also has a deadline for implementation. Counties that do not adopt ordinances, implement permitting and fee processes by January 2019 would no longer be able to exercise this regulatory

authority. This would mean that if the specified transportation agencies were not able to enact the full regulations and permitting process by 2019, there would be essentially no regulations on taxis in those counties.

Staff finds this bill and its many provisions to be troubling, because, unlike most counties in Northern California, Los Angeles County, and other surrounding areas in Southern California have multiple jurisdictions within their county limits.

Existing law provides that taxicabs are regulated by local cities and counties, as specified, while transportation network companies are regulated by the California Public Utilities Commission. The taxicab industry has expressed that local municipalities have made it difficult to compete with TNCs. Taxicab companies claim to be subject to an undue burden by adding a layer of regulation, operating boundaries and fees that TNCs are not currently subject to. The intent of the author and bill sponsor is clear; to give taxicab service providers some relief; however, this legislation will not meet that goal. Regulation of taxicabs is not within Metro's current scope.

The legislation would put Metro, as the county's transportation planning agency, at odds with many cities that currently operate and regulate taxis within their jurisdictions. The legislation, as written encroaches on local control, now held by the many cities that rely on taxicab regulation to provide safety and quality assurance to their residents, access to on-demand transportation services and a dedicated revenue stream.

Currently, TNCs are subject to significantly less regulation than the taxicab industry and are not subject to jurisdictional boundaries like taxicab companies. By pursuing the long-term goal of streamlining and aligning taxicab and TNC regulation, the state can ensure a level playing field, regulate safety and service provided by TNCs and taxicabs. We do not believe that this legislation achieves that goal. Metro could also alternatively benefit from future legislation that would seek to grant access to trip data collected by TNCs and taxicabs. Currently, due to privacy laws and protections, TNCs are not subject to share ridership data, which could be helpful in Metro's research into travel patterns and mobility needs.

The bill is currently opposed by the Riverside County Transportation Commission, Alameda County Transportation Commission, Sheriff's Association and the City of Santa Monica. There are on-going discussions statewide among RTPAs about the problematic provisions within the legislation as well.

Staff recommends that the Board adopt an OPPOSE position on the measure AB 1069 (Low) as amended on June 28, 2017.

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

FINANCIAL IMPACT

The estimated financial impact has yet to be determined.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a support or neutral position on the bill. A support or neutral position would be inconsistent with Metro's current role as the regional transportation planning agency in Los Angeles County.

NEXT STEPS

Should the Board decide to adopt a OPPOSE position on this legislation; staff will communicate the Board's position to the author and work to oppose the bill. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.