Transportation & Goods Movement Council

February 4, 2014
10-11:30 am

1. Welcome and Self-Introductions – Maureen Hayes, Parsons Corporation

2. Federal Legislative Transportation Proposals

   Special Guest: Janet Kavinoky, Executive Director, Transportation & Infrastructure, U.S. Chamber of Commerce

3. L.A.'s 2014 Federal Transportation Policy Priorities

   Special Guest: Art Leahy, CEO, Metro

Upcoming Events:

- ACCESS DC: Los Angeles on the Hill: March 10th-12th

Next Meeting:
Tuesday, April 1st, 10-11:30 am
Art Leahy
Chief Executive Officer
Metro

Art Leahy is Chief Executive Officer for the Los Angeles County Metropolitan Transportation Authority (Metro). Mr. Leahy started his career in public transportation in 1971 as a bus operator with Metro. After working his way up to Executive Officer of Operations and laying the foundation for the Metro Red, Green, and Blue Line rail systems, he went to Minnesota where he was the General Manager of Metro Transit in Minneapolis-St. Paul.

Since January 2001, Mr. Leahy served as the CEO for the Orange County Transportation Authority (OCTA), overseeing the $550 million dollar expansion to State Route 22 and the purchase of the toll lanes from State Route 91. His leadership earned the OCTA the award for the “Outstanding Transportation System” of the year by the American Public Transportation Association in 2004. Mr. Leahy succeeded Roger Snoble as Metro CEO on April 6, 2009.
Janet Kavinoky
Executive Director
Transportation & Infrastructure U.S Chamber of Commerce

Janet F. Kavinoky is a nationally recognized expert in transportation policy, funding, and finance. As executive director in the Chamber’s Congressional and Public Affairs Division, Kavinoky leads all transportation strategy, policy, and lobbying efforts. She has expertise in developing consensus policy positions among diverse stakeholders and lobbying Congress and executive branch agencies on a wide range of legislative and regulatory matters relating to surface, air, and water transportation.

Kavinoky is vice president of the Chamber-led Americans for Transportation Mobility (ATM) Coalition, a nationwide effort by business, labor, transportation organizations, and concerned citizens to advocate for improved and increased federal investment in the nation’s aging and overburdened transportation system.

In 2012, Kavinoky was the key architect behind the effort of the Chamber and the ATM Coalition to ensure passage of surface transportation legislation, which included the “Make Transportation Job #1” nationwide campaign with TV, radio, and print ads and grassroots outreach and events with local partners.

In addition, Kavinoky developed and leads the Chamber’s Let’s Rebuild America (LRA) initiative to raise the profile of infrastructure issues, broaden stakeholder engagement, and create new opportunities for businesses to influence public policy. As part of LRA, Kavinoky guided a multidisciplinary team to develop and regularly update the groundbreaking Transportation Performance Index. The Index assesses the degree to which surface, air, and water transportation systems are meeting business and economic demands and correlates improvement and decline with economic indicators.

Kavinoky was honored by the Journal of Commerce as one of the 10 “most influential people in transportation” in 2010. She is the primary Chamber spokesperson on transportation and infrastructure issues with extensive national, regional, and local media exposure on TV and in print and social media. She is a frequent speaker and panelist at conferences and events across the country.

Before coming to the Chamber, Kavinoky served as project director for business development and transportation finance at the American Association of State Highway Transportation Officials, as a consultant at the California Department of Transportation, and as special assistant to the secretary at the U.S. Department of Transportation. She serves on the boards of the National Association of Urban Debate Leagues and the Eno Center for Transportation.

Kavinoky received her bachelor’s degree in political economy from the University of Wyoming, where she was a Harry S. Truman Scholar. She earned a master’s degree in business administration from the Stanford University Graduate School of Business.
EXECUTIVE MANAGEMENT COMMITTEE
JANUARY 16, 2014

SUBJECT: FEDERAL LEGISLATION

ACTION: ADOPT STAFF RECOMMENDED LEGISLATIVE POSITIONS

RECOMMENDATION

H.R. 3620 (Bass) – Would permit transportation agencies to consider the hiring of local workers in the evaluation of bids and proposals for highway and transit projects where federal funds are being used. SUPPORT

H.R. 3636 (Blumenauer) – Would gradually increase the federal gas tax by 15-cents, index the gas tax to inflation and seek to replace the federal gas tax with a more stable alternative by 2024. SUPPORT

S.1702 / H.R. 3486 (Lee / Graves) – Would reduce, in stages, the federal gas tax from 18.4-cents to 3.7-cents and concurrently transfer authority of federal highway and transit programs to States. OPPOSE

S.1716 (Warner) – Would seek to facilitate efficient investments and financing of infrastructure projects and new long-term job creation through the establishment of an Infrastructure Financing Authority. WORK WITH AUTHOR

ATTACHMENTS

A. H.R. 3620 (Bass) Legislative Analysis
B. H.R. 3636 (Blumenauer) Legislative Analysis
C. S.1702 (Lee) / H.R. 3486 (Graves) Legislative Analysis
D. S.1716 (Warner) Legislative Analysis

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Noelia Rodriguez  
Chief Communications Officer

Arthur T. Leahy  
Chief Executive Officer
BILL: H.R. 3620
AUTHOR: U.S. REPRESENTATIVE KAREN BASS (CALIFORNIA - 37)
SUBJECT: LOCAL HIRE BILL
STATUS: HOUSE TRANSPORTATION & INFRASTRUCTURE COMMITTEE
POSITION: SUPPORT

RECOMMENDATION

Staff recommends that the Board adopt a SUPPORT position on H.R. 3620 which would permit states and transportation agencies to consider the hiring of local workers in the evaluation of bids and proposals for transit and highway projects that are utilizing federal funds.

ISSUE

On September 15, 2011 Metro’s Board of Directors endorsed a proposal to seek a change in Federal law that would permit transportation agencies to consider local hiring programs on transit and highway projects that are using federal funds. Currently, Federal procurement regulations do not permit agencies like Metro to consider local hiring programs when evaluating bids or proposals from private firms seeking to construct our highway and transit projects.

DISCUSSION

Staff believes that the current federal prohibition on considering local hiring in the evaluation of bids and proposals is an outdated prohibition that is a product of a bygone era in which the federal government was the primary funder for highway and transit projects. The new reality, especially in Los Angeles County, is that transportation projects are often funded with dollars that are primarily generated through local sales taxes. This new reality creates a sound rationale for seeking to change federal law as it relates to local hiring. Specifically, we believe making such a change will serve to reward cities, counties and states that have taken bold steps to institute new sources of transportation funding, by giving them the ability to ensure that local workers will directly benefit from the construction of highway and transit projects.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed this proposal and has determined that the legislation will not have an impact on safety.
FINANCIAL IMPACT

Staff has reviewed this proposal and has determined that the legislation will not have a fiscal impact on our agency.

ALTERNATIVES CONSIDERED

Staff has considered two alternatives to the proposed recommendation. First, Metro could opt not to take a formal position on the legislation, second, our agency could take an oppose position on the legislation. These alternatives were rejected because it would not be consistent with our board approved Legislative Program.

NEXT STEPS

Should the Board decide to support H.R. 3620, staff will prepare a support letter for the bill, and will work with U.S. Representative Karen Bass in securing additional co-sponsors for the resolution and seek its inclusion in the next surface transportation authorization bill.
RECOMMENDATION

Staff recommends that the Board adopt a SUPPORT position on H.R. 3636 which would phase in a 15-cent increase in the federal gas tax over the next three years, index the gas tax to the rate of inflation and seek to replace the federal gas tax with a more stable alternative by 2024.

ISSUE

The federal government’s Highway Trust Fund is facing solvency issues and is increasingly reliant on general fund transfers from the U.S. Treasury. According to the Congressional Budget Office, the “trust fund will have insufficient resources to meet all of its obligations, resulting in steadily accumulating shortfalls.” According to the Institute on Taxation and Economic Policy, the purchasing power of the federal gas tax has plummeted by nearly 30% since 1997.

DISCUSSION

As the second session of the 113th Congress convenes this month, members of both the House and Senate committees with jurisdiction over transportation issues will be seeking to favorably resolve the financial crisis facing the federal Highway Trust Fund. A number of remedies have been suggested already, ranging from the potential solution provided for in H.R. 3636, to other fixes. Among the other remedies being mentioned on Capitol Hill is a proposal to eliminate the federal gas-tax and put in its place a sales tax on gasoline. Other remedies include a proposal to dramatically reduce the federal gas tax and devolve the federal transportation program back to the states.

The proposal to increase the federal gas-tax and index the tax to inflation is among the more practical solutions to addressing the deficit facing the Highway Trust Fund. Proposals to devolve the federal transportation program back to the states or eliminate the federal gas-tax and replace it with a sales tax on gas are likely to face enormous obstacles, both political in nature and also with respect to implementing a new financial architecture for how our nation finances highway and transit projects. H.R. 3636 would offer an easily implementable remedy that was used most recently in the early 1980s.
and 1990s, which is to increase the amount of tax collected per-gallon of gasoline sold to consumers. With an appreciation that gasoline consumption will remain either level or actually decline in coming years, the bill outlines a goal of repealing the federal gas tax and replacing it with a more stable source of funding by the year 2024.

The idea of increasing the federal gas tax by 15-cents has been made previously by a Presidential commission established in 2010 by President Obama: The National Commission on Fiscal Responsibility and Reform often called Simpson-Bowles Commission.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed this proposal and has determined that the legislation will not have an impact on safety.

FINANCIAL IMPACT

Staff has determined this bill will positively impact our agency. It has the potential to restore the solvency of the Highway Trust Fund. The Congressional Budget Office projects the current taxes dedicated to the Highway Trust Fund, matched with obligations increasing at the rate of inflation, will lead to cumulative shortfalls of $92 billion for the Highway Account and $34 billion for the Mass Transit Account by 2023. Enactment of this bill into law is projected to raise $170 billion over the same period. It would provide a dedicated and reliable source of federal funding for highway and transit projects for the next decade.

ALTERNATIVES CONSIDERED

Staff has considered a number of alternatives with respect to fully address the solvency issues facing the Highway Trust Fund. Among the options are to devolve the responsibilities for federal transportation system back to the states, or to switch to a sales tax on gasoline. While both of these options deserve serious consideration, it is the opinion of staff that the most practical and reasonable option is to increase the federal gas tax by 15 cents and further, to index the gas tax to inflation.

NEXT STEPS

Should the Board decide to support H.R. 3636, staff will prepare a support letter for the bill and work with U.S. Representative Earl Blumenauer to secure additional co-sponsors for the resolution. Staff will seek the inclusion of H.R. 3636 in the finance-related legislation crafted to fund the next surface transportation authorization bill.