EXECUTIVE COMMITTEE AGENDA

Friday, October 9, 2015
9 to 10 a.m.
SANDAG, 7th Floor Conference Room
401 B Street
San Diego

AGENDA HIGHLIGHTS

• LEGISLATIVE STATUS REPORT

PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING

MISSION STATEMENT
The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region’s quality of life.

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(619) 699-1900 · Fax (619) 699-1905 · sandag.org
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Public comments regarding the agenda can be sent to SANDAG via comment@sandag.org. Please include the agenda item, your name, and your organization. Email comments should be received no later than 12 noon, two working days prior to the Executive Committee meeting. Any handouts, presentations, or other materials from the public intended for distribution at the Executive Committee meeting should be received by the Committee Clerk no later than 12 noon, two working days prior to the meeting.

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EXECUTIVE COMMITTEE

Friday, October 9, 2015

ITEM NO.  RECOMMENDATION

1. APPROVAL OF MEETING MINUTES  APPROVE
   The Executive Committee is asked to review and approve the minutes from its
   September 11, 2015, meeting.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS
   Public comments under this agenda item will be limited to five public speakers.
   Members of the public shall have the opportunity to address the Executive
   Committee on any issue within the jurisdiction of the Committee that is not on this
   agenda. Other public comments will be heard during the items under the heading
   “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to
   Speak” form and giving it to the Clerk prior to speaking. Public speakers should
   notify the Clerk if they have a handout for distribution to Committee members.
   Public speakers are limited to three minutes or less per person. Committee
   members also may provide information and announcements under this agenda
   item.

REPTS

3. REVIEW OF DRAFT BOARD AGENDAS (Kim Kawada)  APPROVE
   +3A. Draft Board Business Agenda - October 23, 2015
   +3B. Draft Board Policy Agenda - November 6, 2015

4. LEGISLATIVE STATUS REPORT (Victoria Stackwick; Peter Peyser, Peyser
   Associates LLC; Brooks Ellison, Ellison Wilson Advocacy, LLC)  INFORMATION
   Representatives from Peyser Associates LLC and Ellison Wilson Advocacy, LLC will
   provide status reports regarding legislative activities at the federal and state level.

5. CONTINUED PUBLIC COMMENTS
   If the five speaker limit for public comments was exceeded at the beginning of this
   agenda, other public comments will be taken at this time. Subjects of previous
   agenda items may not again be addressed under public comment.

6. UPCOMING MEETINGS  INFORMATION
   The next meeting of the Executive Committee is scheduled for Friday, November 6,
   2015, at 9 a.m. (Please note, this meeting will be held on the first Friday of the
   month due to the holiday schedule.)

7. ADJOURNMENT

+ next to an agenda item indicates an attachment
EXECUTIVE COMMITTEE DISCUSSION AND ACTIONS

SEPTEMBER 11, 2015

Chair Jack Dale (East County) called the meeting of the SANDAG Executive Committee to order at 9 a.m. The attendance sheet for the meeting is attached.

1. MEETING MINUTES (APPROVE)

Action: Upon a motion by Mayor Jim Wood (North County Coastal) and a second by Councilmember Todd Gloria (City of San Diego), the minutes of the July 10, 2015, Executive Committee meeting were approved. Yes – Chair Dale, Vice Chair Ron Roberts (County of San Diego), Mayor Wood, Councilmember Gloria. No - None. Abstain – None. Absent – North County Inland and South County.

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS (INFORMATION)

There were no public/member comments.

REPORTS

3. REVIEW OF DRAFT BOARD AGENDAS (APPROVE)

The Executive Committee was asked to approve the draft agendas for the September 25, 2015, Board Business meeting, and the October 9, 2015, Board Policy meeting.

Victoria Stackwick, Principal Legislative Analyst, presented the item.

Action: Upon a motion by Councilmember Gloria and a second by Mayor Wood, the Executive Committee approved the draft agendas for the September 25, 2015, Board Business meeting, as amended, and the October 9, 2015, Board Policy meeting. Yes – Chair Dale, Vice Chair Roberts, Mayor Wood, Councilmember Gloria. No - None. Abstain – None. Absent – North County Inland and South County.

4. PROPOSED FY 2016 PROGRAM BUDGET AMENDMENT: BORDER WAIT TIMES STUDY (RECOMMEND)

The Executive Committee was asked to recommend that the Board of Directors approve an amendment to the FY 2016 Program Budget to: (1) accept $670,000 in Caltrans State Planning and Research and Coordinated Border Infrastructure grant funds to conduct the Border Wait Times
Study (Overall Work Program Project No. 2301600); and (2) transfer $100,000 in matching funds carried over from the FY 2015 Program Budget.

Jim Miller, Senior Regional Economist, presented the item.

**Action:** Upon a motion by Vice Chair Roberts and a second by Councilmember Chris Orlando (North County Inland), the Executive Committee recommended that the Board of Directors approve an amendment to the FY 2016 Program Budget to: (1) accept $670,000 in Caltrans State Planning and Research and Coordinated Border Infrastructure grant funds to conduct the Border Wait Times Study (Overall Work Program Project No. 2301600); and (2) transfer $100,000 in matching funds carried over from the FY 2015 Program Budget. Yes – Chair Dale, Vice Chair Roberts, Councilmember Orlando, Mayor Wood, and Councilmember Gloria. No - None. Abstain – None. Absent – South County.

5. **LEGISLATIVE STATUS REPORT (INFORMATION)**

Periodic status reports on legislative activities are reported to the Executive Committee throughout the year. This report provided a summary of the various state and federal activities.

Ms. Stackwick presented the federal update.

Robyn Wapner, Senior Legislative Analyst, presented the state update.

**Action:** This item was presented for information.

6. **MATTERS TO BE COMMUNICATED IN ACCORDANCE WITH AUDITING STANDARDS (INFORMATION)**

In accordance with the Statement of Auditing Standards 114 (SAS 114), the auditor will communicate with those charged with governance: (a) the auditor’s responsibilities under generally accepted auditing standards; (b) an overview of the planned scope and timing of the audit; and (c) significant findings from the audit.

Leeanne Wallace, Finance Manager, introduced the item.

Jennifer Farr, Davis Farr, LLP, presented the item.

**Action:** This item was presented for information.

7. **CONTINUED PUBLIC COMMENTS**

There were no continued public comments.

8. **UPCOMING MEETINGS**

The next meeting of the Executive Committee is scheduled for Friday, October 9, 2015, at 9 a.m.

9. **ADJOURNMENT**

Chair Dale adjourned the meeting at 9:25 a.m.
## CONFIRMED ATTENDANCE
### SANDAG EXECUTIVE COMMITTEE MEETING
### SEPTEMBER 11, 2015

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REVIEW OF THE OCTOBER 23, 2015, DRAFT BOARD BUSINESS AGENDA

ITEM NO.  RECOMMENDATION
+1. APPROVAL OF MEETING MINUTES  APPROVE
   +1A. September 11, 2015, Board Policy Meeting Minutes
   +1B. September 25, 2015, Board Business Meeting Minutes

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS
   Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

+3. ACTIONS FROM POLICY ADVISORY COMMITTEES (Victoria Stackwick)  APPROVE
   This item summarizes the actions taken by the Policy Advisory Committees since the last Board Business Meeting. The Board of Directors is asked to ratify these actions.

CONSENT

+4. APPROVAL OF PROPOSED SOLICITATIONS AND CONTRACT AWARDS  APPROVE
   (Laura Coté)
   The Board of Directors is asked to review and approve the proposed solicitations and contract awards summarized in the attached reports.
   +4A. Solicitations
   +4B. Contract Awards

+5. 2016 BOARD OF DIRECTORS AND POLICY ADVISORY COMMITTEE ANNUAL MEETING CALENDAR (Victoria Stackwick)  APPROVE
   The Board of Directors is asked to approve the calendar of meetings of the Board and Policy Advisory Committees for the upcoming year.
+6. REPORT SUMMARIZING DELEGATED ACTIONS TAKEN BY THE EXECUTIVE DIRECTOR (André Douzdjian)*
   In accordance with various SANDAG Board Policies, this report summarizes certain delegated actions taken by the Executive Director since the last Board of Directors Business meeting.

+7. REPORT ON MEETINGS AND EVENTS ATTENDED ON BEHALF OF SANDAG (Victoria Stackwick)
   Board members will provide brief reports orally or in writing on external meetings and events attended on behalf of SANDAG since the last Board of Directors Business meeting.

**REPORTS**

+8. REGIONAL ACTIVE TRANSPORTATION PROGRAM FUNDING RECOMMENDATIONS (San Diego Councilmember Todd Gloria, Transportation Committee Chair; Jenny Russo)*
   On April 24, 2015, the Board of Directors authorized the call for projects for the Active Transportation Program (ATP) regional competitive funding process. The Transportation Committee recommends that the Board of Directors approve the list of recommended projects for submission to the California Transportation Commission, and the proposed exchange of ATP funds for TransNet Program funds.

9. LIVE WELL SAN DIEGO PARTNERSHIP WITH THE COUNTY OF SAN DIEGO (Vice Chair Ron Roberts)
   SANDAG has been working collaboratively with the County of San Diego Health and Human Services Agency for more than a decade to address public health considerations in regional planning efforts. This collaboration has resulted in SANDAG receiving more than $4 million and technical support to advance plans and projects that promote a healthy region.

10. CONTINUED PUBLIC COMMENTS
    If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

11. UPCOMING MEETINGS
    The next Board Policy meeting is scheduled for Friday, November 6, 2015, at 10 a.m. The next Board Business meeting is scheduled for Friday, November 20, 2015, at 9 a.m. (Please note, these meetings are scheduled for the first and third Fridays, respectively, due to the holiday schedule.)

12. ADJOURNMENT

+ next to an agenda item indicates an attachment
* next to an agenda item indicates that the Board of Directors also is acting as the San Diego Regional Transportation Commission for that item
REVIEW OF THE NOVEMBER 6, 2015, DRAFT BOARD POLICY AGENDA

ITEM NO.                      RECOMMENDATION

1. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the Board on any issue within the jurisdiction of SANDAG that is not on this agenda. Other public comments will be heard during the items under the heading “Reports.” Anyone desiring to speak shall reserve time by completing a “Request to Speak” form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board members. Public speakers are limited to three minutes or less per person. Board members also may provide information and announcements under this agenda item.

REPORTS

+2. POTENTIAL REGIONAL FUNDING MEASURE (Vice Chair Ron Roberts; Rob Rundle)*

SANDAG has been conducting research to determine the feasibility of placing a funding measure on the November 2016 ballot to meet the TransNet obligation to fund habitat conservation plans and other regional needs. Staff will provide an overview of the latest research results and discuss next steps for moving forward.

3. CONTINUED PUBLIC COMMENTS

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

4. UPCOMING MEETINGS

The next Board Business meeting is scheduled for Friday, November 20, 2015, at 9 a.m. (Please note, this meeting will be held on the third Friday of the month due to the holiday schedule.)

5. ADJOURNMENT

+ next to an agenda item indicates an attachment

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LEGISLATIVE STATUS REPORT

Introduction

Monthly status reports on legislative activities are provided to the Executive Committee. Attachments 1 and 2 respectively include summaries from Ellison Wilson Advocacy, LLC on state legislative activity and from Peyser Associates LLC on federal legislative activity related to SANDAG.

VICTORIA STACKWICK
Principal Legislative Analyst

Attachments: 1. Report from Ellison Wilson Advocacy, LLC
2. Report from Peyser Associates LLC

Key Staff Contact: Victoria Stackwick, (619) 699-6926, victoria.stackwick@sandag.org
Robyn Wapner, (619) 699-1994, robyn.wapner@sandag.org
TO: SANDAG BOARD OF DIRECTORS  
FROM: ELLISON WILSON ADVOCACY, LLC  
SUBJECT: SANDAG LEGISLATIVE ACTIVITY REPORT – SEPTEMBER 2015

LEGISLATIVE UPDATE

2015 Legislation

The Legislature adjourned for the first year of the 2015-2016 Legislative Session on September 11. The Governor has until October 11 to sign or veto bills (per Art. IV, Sec. 10(b)(1)). The Legislature will reconvene formally on January 4, 2016.

The following SANDAG-supported bills were successfully passed by the Legislature.

Senate Bill 374 (SB 374) (Hueso/Atkins), which clarified that SANDAG may utilize its existing design-build authority for transit capital and development projects adjacent or related to transit facilities, was passed by the Assembly Local Government Committee on September 8, 9-0; passed off the Assembly Floor on September 10, 80-0; passed by the Senate Transportation and Housing Committee on September 11, 9-0; and finally off the Senate Floor on September 11, 40-0. In addition to SANDAG, the bill received widespread support from the labor community, the San Diego Regional Chamber of Commerce, San Diego City Councilmember Todd Gloria, the San Diego Metropolitan Transit System, and the Downtown San Diego Partnership. SB 374 was sent to the Governor on September 16 and is awaiting his signature. If signed, it would go into effect on January 1, 2016.

Senate Bill 249 (SB 249) (Hueso), which would authorize the Department of Motor Vehicles to issue enhanced driver’s licenses, successfully advanced off the Assembly Appropriations Committee’s suspense file on August 27, 17-0. In addition to SANDAG support, the bill is being supported by a wide range of stakeholders, including those from the San Diego business and governmental communities. SB 249 was sent to the Governor on September 17 and is awaiting his signature. If signed, it would go into effect on January 1, 2016.

Assembly Bill 914 (AB 914) (Brown), which grants the San Bernardino County Transportation Commission authority to develop High Occupancy Toll (HOT) Lanes and other facilities under certain conditions, was passed off both the Assembly and Senate Floors on September 11, 73-5 and 33-4, respectively. In addition to SANDAG, the bill was supported by a number of transportation groups, the local government community, and the American Council of Engineering Companies of
California. AB 914 was sent to the Governor on September 23 and is awaiting his signature. If signed, it would go into effect on January 1, 2016.

**Senate Bill 9** (SB 9) (Beall), which modifies the Transit and Intercity Rail Capital Program to focus on “transformative” capital rail and transit system improvements, was passed off the Assembly Floor on September 3, 74-1, and off the Senate Floor on September 4, 39-0. The bill was sent to the Governor on September 11 and is awaiting his signature. If signed, it would go into effect on January 1, 2016.

Two SANDAG-supported bills ultimately were held by the author prior to the end of the year.

**Senate Bill 321** (SB 321) (Beall), which would amend the method used to adjust the excise tax on fuel by requiring the Board of Equalization to adjust the excise tax rate based on a five-year average, was passed off the Assembly Floor on September 10, 80-0, but ultimately was placed on the inactive file by the author prior to a Senate vote to continue working on the bill with stakeholders.

**Assembly Bill 516** (AB 516) (Mullin), which requires vehicles sold or leased without a permanent license plate to be affixed with a temporary license plate, was placed on the inactive file on September 10 by the author in order to continue to work on addressing concerns raised by the Governor’s office, namely the idea of consumers paying an increased document fee to pay for the temporary tags.

**Extraordinary Session – Transportation Funding**

On June 16, Governor Brown announced that he was calling two special sessions to fix how California funds roads, highways, and other infrastructure and Medi-Cal. Since this announcement, both the Senate and Assembly each formally convened a special session Transportation and Infrastructure Committee, which met on several occasions to discuss the merits of the special session bills introduced and related topics.

Ultimately, 38 special session bills were introduced prior to the end of the legislative year on a wide ranging series of transportation-related topics.

Democrat proposals included $3.9 billion in new road funding from an increase in gas and diesel taxes and a new registration fee; $1 billion in restored weight fees; $700 million in transit funding; and the redirection of $125 million to the Active Transportation Program from the State Highway Account.

Republican proposals included the redirection of cap-and-trade money, weight fees, General Fund, and capital outlay to fund roads; a reduction in the Caltrans workforce, a ballot initiative to protect revenues, the elimination of the sunset on public-private partnership (P3) authority, California Environmental Quality Act (CEQA) reforms; the creation of an Inspector General, and the removal of the California Transportation Commission from the California State Transportation Agency.

On September 3, the Governor released his transportation proposal, which would raise approximately $3.6 billion in new annual funding through:

- $500 million from consumer price index (CPI) adjustments to the gas excise tax
• $300 million from $0.11 diesel tax increase
• $2 billion from $65 per year vehicle fee
• $100 million in Caltrans efficiencies
• $500 million in cap-and-trade funding (from 40% allocation currently not appropriated)
• $879 million in accelerated loan repayments from the General Fund

Under the Governor’s proposal, this money would be split equally with $1.8 billion for state programs, including $1.6 billion to the State Highway Operation and Protection Program and $200 million to the Trade Corridor Improvement Fund, and $1.8 billion for local programs, including $1.05 billion to local streets and roads, $250 million to the Local Partnership Program, $400 million for transit grants, and $100 million to a local complete streets program.

Additionally, the Governor’s proposal contained the following reforms:

• Ballot initiative to protect revenues
•Indexes gas and diesel tax rates to CPI
• Eliminates fuel tax swap, restores pre-swap $0.18 excise rate
• CEQA exemption for repairs in the right-of-way
• P3 extension for ten years
• Construction Manager/General Contractor authority for Caltrans extended to 12 projects
• Caltrans efficiencies
• Advanced mitigation

Because the proposed tax increases required the support of two-thirds of the Legislature, the Democrats needed several votes from the Republicans (1 in the Senate, 2 in the Assembly). However, in the final days of the legislative year when it became apparent that Republicans were reluctant to raise the gas tax for the first time in more than two decades, Speaker Toni Atkins and Senate President pro Tem Kevin De León announced that they would call a conference committee on transportation, which will meet this fall after the regular session. The conference committee is expected to begin a series of hearings by mid-October and includes the following members:

Assembly

Jimmy Gomez, co-chair (D-Los Angeles)

Autumn Burke (D-Inglewood)

Kevin Mullin (D-South San Francisco)
Jay Obernolte (R-Big Bear Lake)
Melissa Melendez (R-Lake Elsinore)

**Senate**

Jim Beall, co-chair (D-San Jose)
Ben Allen (D-Santa Monica)
Connie Leyva (D-Chino)
Anthony Cannella (R-Ceres)
Ted Gaines (R-El Dorado Hills)

**ACTIVITY REPORT**

9/1: Met with Speaker’s office, Legislative Counsel, and stakeholders regarding SB 374; attended/monitored Assembly Floor session for SB 249; reviewed and analyzed amendments to Assembly Bill 194 (AB 194) (Frazier) regarding HOT Lanes and new Assembly Republican transportation proposals; provided subsequent updates to SANDAG staff.

9/2: Met with Assembly Member Maienschein’s office regarding request to present SB 374 on Assembly Floor; reviewed and analyzed amendments to Senate Bill First Extraordinary Session 1 (Beall); reviewed SB 374 background materials; provided subsequent updates to SANDAG staff, including overview of potential timeline for SB 374.

9/3: Reviewed and analyzed SB 374 amendments from Legislative Counsel; provided subsequent updates to SANDAG staff.

9/4: Attended/monitored Assembly Floor session for SB 374 amendments; met with Members and consultants of Assembly Local Government Committee regarding SB 374; reviewed and analyzed Governor’s transportation funding proposal; reviewed and analyzed amendments to AB 914; provided subsequent updates to SANDAG staff, including Floor updates on SB 9 and Senate Bill 741 (Hill) regarding cellular communications interception technology.

9/8: Attended/monitored Assembly Local Government Committee hearing on SB 374 with SANDAG staff; met with Members and consultants of Assembly Local Government Committee, Senate Transportation and Housing Committee, Members of San Diego delegation, and stakeholders regarding SB 374 with SANDAG staff; attended/monitored special session Senate Transportation and Infrastructure Development Committee hearing.

9/9: Met with Senate Transportation and Housing Committee staff and San Diego delegation regarding SB 374; provided overview to SANDAG staff on special session Senate Transportation and Infrastructure Development Committee hearing; reviewed and analyzed amendments to Assembly Bill 2 (Alejo), SB 249, and AB 194.
9/10: Attended/monitored Assembly Floor for SB 374; reviewed and analyzed amendments to SB 249; met with Senate Transportation and Housing Committee staff at Capitol regarding SB 374 with SANDAG staff.

9/11: Attended/monitored Senate Transportation and Housing Committee hearing and Senate Floor for SB 374 with SANDAG staff; met with San Diego delegation and stakeholders regarding SB 374.

9/14: Provided SANDAG staff with updates regarding AB 516 and SB 321.

9/15: Contacted Governor's office regarding SB 374; provided SANDAG staff with updated SANDAG bill tracking list.

9/18: Met with stakeholders regarding SB 374.

9/23: Provided SANDAG staff with updates on Governor's actions on redevelopment legislation and update on transportation Conference Committee members.

9/25: Met with Speaker's office, Governor's office, and stakeholders regarding SB 374.
Congress Returns Next Week

Congress returns next week and the first order of business in both chambers will be a resolution disapproving the Iran nuclear deal. However, President Obama has the necessary support to prevent Congress from overriding his expected veto of such a resolution. The House originally had planned for debate on the issue later in the month, but Republican leaders said this week that debate will start on September 9.

Now that the outcome of the debate on the resolution of disapproval appears to be known, House and Senate Republican leaders are reported to be developing options for legislative maneuvers designed to thwart implementation of the deal. Among the options they are considering are a vote on re-imposing sanctions and a vote to approve the Iran deal. Both of these options primarily are designed to create uncomfortable votes for Democrats in both the House and the Senate. Neither one has any prospects of final enactment.

With this contentious issue kicking off the fall session of Congress, the atmosphere likely is to be even less conducive to cooperation on legislative matters than it was before the August break. This bodes ill for good outcomes on FY 2016 appropriations bills and a multi-year surface transportation bill.

FY 2016 appropriations will need to see action quickly once Congress returns and it is possible we may see text of a continuing resolution (CR) as early as next week. As a reminder, the current surface transportation reauthorization patch runs until October 29, but most expect to see that date slide to the end of the year as transportation supporters continue to push for the House to follow the Senate and take action on a long-term bill.

The Federal Transit Administration – Expedited Public Transportation Improvement Initiative

The Federal Transit Administration (FTA) announced a new initiative and the kickoff of an online dialogue on the subject. The Expedited Public Transportation Improvement Initiative (“XPEDITE”) will seek to assist the transit industry in implementing technologies that improve service and maintenance; methods to speed up planning, development, and delivery of FTA-supported capital investments; and the use of innovative financing methods, including public-private partnerships that support capital investments.

High Speed Rail in America – NEC Future

The Federal Railroad Administration (FRA) continues to push forward with NEC Future as it looks at potential upgrades and changes to the Northeast Corridor (NEC). At the end of August, the FRA released the Tier 1 Environmental Impact Statement (EIS) Alternatives Report, fully describing all of
the alternatives that will be analyzed as part of the Tier 1 Draft EIS. There are three alternatives, along with a No-Action Alternative. They are described in the report as follows:

- **Alternative 1** maintains the role of rail with sufficient service to keep pace with population and employment growth. For this alternative, the FRA used the projected service plans of NEC service operators as a starting point, and made adjustments to meet projected increases in travel demand. To keep pace with demand, Alternative 1 includes new rail services and investment to expand capacity, add tracks, and relieve key chokepoints, particularly through New Jersey, New York, and Connecticut. Intercity service grows south of New York City through the addition of one Intercity-Express train and one Intercity-Corridor train during periods of peak demand. North of New York City, the intercity schedule is expanded and the capacity of regional rail service is increased, especially along the lines feeding New York City.

- **Alternative 2** grows the role of rail with service to new markets and to accommodate a greater portion of the population. South of New Haven, service and infrastructure improvements are focused generally on the existing NEC, while north of New Haven, a new supplemental two-track route is added between New Haven, Hartford, and Providence. Alternative 2 includes a new rail route to serve Philadelphia International Airport.

- **Alternative 3** transforms the role of rail by becoming a dominant mode choice for travel in the Northeast. Service and infrastructure improvements include upgrades on the NEC and the addition of a two-track, second-spine that operates adjacent to the NEC south of New York City and extends the reach of NEC rail to new markets north of New York City. Alternative 3 supports a wide variety of new intercity and regional rail services, tailored to the needs of specific markets, including non-stop express trains, high-speed zone express trains serving the long-distance commute market, and new services to markets off the existing NEC.

**September 10, 2015**

**Reauthorization Watch**

The House Committee on Transportation and Infrastructure is expected to consider a six-year surface transportation reauthorization bill on September 17. We are hearing that there will be some similarities with the Senate-passed bill, but a number of differences. In addition, U.S. Department of Transportation (U.S. DOT) Secretary Anthony Foxx indicated that the House bill likely will include a higher funding number than the Senate. (You will recall that the Senate bill was a $350 billion, six-year bill, but included funding only for the first three years.)

It remains unclear when the House Committee on Ways and Means will act on a revenue title to the bill. Committee Chair Paul Ryan (R-WI) has indicated numerous times that he is amenable to using taxation of repatriated foreign corporate profits as a funding source. Depending on what approach he uses, Ryan could certainly find enough money to support six years of funding at levels above those in the Senate bill.

Prospects for consideration of the long-term bill before the October 29 expiration of the current authorization still are cloudy. The House is delayed in turning its attention to the Iran nuclear deal, and no clear path forward has emerged on how to deal with the appropriations process before the October 1 start of the new fiscal year (see below). Even if the House were to get to the surface
transportation bill early in October, the Senate’s opposition to the use of repatriated foreign profits taxation as a funding source is a significant obstacle to an ultimate agreement between the two bodies. Given all of that, we still expect another extension will be needed in October to prevent the lapse of the programs.

The sense of urgency around the need for a long-term reauthorization may have taken a hit this week, with release of a new study indicating that the Highway Trust Fund potentially could stay solvent into June 2016. This is different from the originally held view that the current transfer of money Congress gave the trust fund over the summer would last until the end of the calendar year. However, this date is viewed as fluid and numbers likely are to fall below the safety cushion levels that the U.S. DOT wants to keep well before that date.

FY 2016 Appropriations

With the September 30 end of the fiscal year looming, House and Senate leaders do not have a clear path forward to ensure the government keeps running into the new fiscal year. The key obstacle to moving forward is the desire of a number of conservative Members of the House and Senate to use a CR as a means of “defunding” Planned Parenthood. While House Appropriations Committee Chair Hal Rogers (R-KY) has stated his preference for starting work next week on a “clean” CR, Speaker John Boehner is treading carefully on the topic and holding meetings with conservative Members of his caucus to find a path of least resistance. On the Senate side, Senator Ted Cruz (R-TX) has threatened to tie-up action on any appropriations bill that would allow funding of Planned Parenthood.

September 18, 2015

Reauthorization Watch

After building expectations that a long-term authorization would start moving in the House, House Transportation and Infrastructure Committee Chair Bill Shuster (R-PA) was forced to admit this week that he does not yet have agreement from Democrats on the Committee on how to advance a bill. Foremost amongst the obstacles among Committee Members is a disagreement of funding levels – Republican leaders are suggesting sticking to the Congressional Budget Office baseline (current levels plus inflation), while Democrats are pushing for more significant increases.

We also are hearing that House Ways and Means Committee Chair Ryan is running into some stiff headwinds in his effort to find six years’ worth of funding through taxation of repatriated foreign profits of U.S. corporations. Apparently, the option of coming up with only three years of funding – as the Senate did – is gaining some favor.

Chair Shuster said he would try to get a bill before his committee in October, but admitted it is likely that an extension will be needed to ensure there is no lapse in funding when the current programs expire on October 29.

On the Senate side, the dispute over spending in annual appropriations bills is affecting the drive towards a reauthorization bill. Senate Democrats, in their effort to build the case for lifting the spending caps agreed to in 2011, are looking at the idea of using revenue offsets now being used to support the Senate’s transportation measure to instead offset general domestic spending increases. Senator Chuck Schumer (D-NY), in line to become the Senate Democratic Leader in 2017, publicly
discussed the idea this week. Such a move would significantly diminish chances for the transportation measure. Each passing week without progress diminishes the potential for a long-term bill to be enacted this year.

**Fiscal 2016 Appropriations**

We await House action on a CR for FY 2016. House Appropriations Committee Chair Rogers has said he is ready to go with a clean CR that funds Planned Parenthood. Reports indicate that Speaker Boehner still is determining how he wants to proceed with this issue and how to handle the most conservative wing of his party. If Boehner proceeds with a clean CR, he will need the support of Democrats to pass the bill off the floor. Rogers apparently also is awaiting word from Boehner as to how long he wants the CR to run.

Senate Majority Leader Mitch McConnell (R-KY) said this week that the Senate will wait for the House to move first on FY 2016 appropriations, so all eyes really are on Boehner’s next move.

**Positive Train Control/Federal Railroad Administration**

As the December 31 Positive Train Control (PTC) deadline approaches, railroads are working hard to convince Congress that an extension is necessary in order to prevent major disruption within the industry. The Government Accountability Office (GAO) also released its report on the issue which confirmed that 20 of 29 freight and passenger railroad providers would miss the December deadline to install PTC.

Railroads, who have the support of Senate Commerce Chair John Thune (R-SD) in pushing for an extension, have become more public in recent weeks with the consequences they foresee from Congress not providing an extension and forcing providers to stop service. Union Pacific Railroad wrote on its website, “Without an extension of the PTC deadline ... neither passenger traffic nor chemicals Americans need and use every day, such as chlorine for drinking water, will move on the Union Pacific system by the end of 2015.” Union Pacific estimates it will have PTC implemented by 2018. BNSF Railway has issued a similar statement.

Aside from stating that the agency will enforce the deadline through “significant fines” and additional safety requirements, the FRA has not said specifically what they will do to railroads that are not in compliance effective January 1, 2016, and continue to operate. Thune continues to press for an extension to be included in the must-pass CR. However, some in Congress, such as Senator Richard Blumenthal (D-CT), oppose a blanket extension and believe railroads should be given a limited extension of the deadline on a case-by-case basis.

One item coming out of the GAO report was that PTC will not be fully operational on the NEC by the deadline. This was a goal Amtrak indicated it would meet following the May train derailment in Philadelphia. However, Amtrak does not own the entire track along the corridor. “The interconnected nature of host and tenant railroads and the need to ensure interoperability among PTC systems poses challenges for railroads’ implementation of PTC,” the GAO report stated. “Tenant railroads cannot operate their locomotives with PTC until the host railroad has equipped the track.”

The issue was much discussed at the Senate Commerce confirmation hearing for FRA Administrator nominee Sarah Feinberg (currently in the Acting Administrator role). As she has done in the past, Feinberg said she deferred to Congress on what they should do about the deadline. She did indicate
some concern with FRA being given the authority to negotiate on a case-by-case basis with individual railroad providers. Feinberg also was questioned about the agency’s crude-by-rail rules.

**High Speed Rail in America: Las Vegas – Los Angeles Rail Gets Big Boost**

XpressWest, the organization that has been planning a 220-mph high speed link from Las Vegas to Victorville, CA, achieved a major breakthrough on September 17 when they announced they have formed a joint venture with China Railway International USA to develop, finance, build, and operate the service.

China Railway International USA is a newly-formed Nevada limited liability company owned by a consortium, including China Railway International Co., Ltd, China Railway Group Limited, CRRC Qingdao Sifang Co., Ltd, China Construction America, Inc., CREEC USA, and CRSC International Co., Ltd.

It is unclear how this announcement affects the XpressWest effort to obtain a Railroad Rehabilitation and Improvement Financing loan from the federal government. Financial terms of the joint venture have not been announced, so it is not yet clear how much additional equity the Chinese consortium is bringing to the table, if any.

In order for the XpressWest project to gain access to the Los Angeles basin, it will need new authority to operate West of Victorville, CA. It also will need to link with the MetroLink system, and eventually the California High Speed Rail network.

**Federal Transit Administration Webinar - Public Transportation Safety Program Notice of Proposed Rulemaking**

The FTA hosted a webinar on September 17 reviewing the recent publication of the proposed rulemaking for the Public Transportation Safety Program and requesting comments in advance of the October 13 comment deadline. The FTA requested that commenters not only state what problems/issues they have with the proposed rule, but also components that the rule does right. The Advanced Notice of Proposed Rulemaking generated 146 comments and over 2,500 pages of comments.

For much of its existence, the FTA has been prohibited by law from having authority over safety issues. With the Moving Ahead for Progress in the 21st Century Act making a change in this area, the proposed rule would formally adopt Safety Management Systems as the basis for the FTA’s new Public Transportation Safety Program. In addition, the proposed rule also outlines proposed content for the National Public Transportation Safety Plan, which the FTA hopes to publish in the Federal Register within the next few weeks. The timeframe for publication of a Final Rule for the Public Transportation Safety Program is expected to be summer 2016.

**September 25, 2015**

**Speaker Boehner’s Resignation**

On September 25 Speaker Boehner announced that he is resigning the Speakership and his seat in Congress as of October 31.
It appears Boehner’s decision was spurred by the threat of 30 renegade Members of his own caucus, who vowed this week to force a “no confidence” vote on Boehner continuing in the job. If that many Republican Members voted not to stick with Boehner as Speaker, he would have needed help from Democrats to stay in power. Apparently, that was a bridge he was not willing to cross to retain his leadership position.

It appears Majority Leader Kevin McCarthy (R-CA) is well positioned to become Speaker as he enjoys support from most of the more conservative Members of the Republican caucus. It is unclear how the elections for Majority Leader and Majority Whip will shake out, but battles are expected.

Whoever steps into leadership will do so in the middle of a heated dispute over funding for Planned Parenthood. While Boehner’s resignation reduces the potential for a government shutdown in the short term, that specter likely is to rise again when the CR is considered.

**FY 2016 Appropriations**

As noted above, Speaker Boehner’s resignation makes it likely a “clean” CR (i.e., one that does not de-fund Planned Parenthood) can pass before September 30. It appears Speaker Boehner will lay such a resolution before the House and let it pass with a relatively small number of Republican votes. In the turmoil caused by the Speaker’s announcement, it is unclear the span of time the CR will cover. When it expires, the Planned Parenthood battle will be on again.

The Senate had intended to move ahead on a clean CR in the absence of a House plan. Now that there is a House plan, the Senate may decide to wait and follow the regular order, which calls for the House to initiate spending bills.

**Positive Train Control Deadline**

Since the Senate version of a CR did not contain an extension to the December 31 PTC implementation deadline, the railroad industry continues to push the message of the crisis that will come on January 1 when many passenger and freight rail will be forced to stop service. These stakeholders are heavily supported by Commerce Committee Chair Thune who is helping the group get its message out by posting over 30 letters on the Commerce Committee website from passenger and freight railroads, stressing the need for an extension.

Thune has indicated that he remains hopeful that the House and Senate are able to make progress on a long-term surface transportation reauthorization bill before the end of the year and that this can be the vehicle for a PTC extension. While we are not as hopeful as Senator Thune about the ability for Congress to pass a long-term bill over the next three months, we do believe that a PTC extension will find a vehicle before the end of the year.
<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
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<tbody>
<tr>
<td>9/3</td>
<td>Prepare weekly transportation update and send to SANDAG and Metropolitan Transit System (MTS).</td>
</tr>
<tr>
<td>9/4</td>
<td>Teleconference with V. Stackwick on U.S. Customs and Border Protection issues relating to Otay Mesa East.</td>
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<tr>
<td>9/8</td>
<td>Email exchange with V. Stackwick on use of Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for binational facility.</td>
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<tr>
<td>9/10</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS.</td>
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<tr>
<td>9/15</td>
<td>Phone calls with V. Stackwick to discuss San Diego Chamber visit; Mid-Coast; teleconference with R. Wapner; teleconference with R. Steinmann (FTA) regarding Mid-Coast funding lock-in; teleconference with V. Stackwick and J. Linthicum on same topic.</td>
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<tr>
<td>9/17</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS.</td>
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<tr>
<td>9/23</td>
<td>Email exchanges with D. Callendar (TIFIA office at DOT) to facilitate meeting with G. Gallegos, R. Roberts, and V. Stackwick; email exchange with T. Casgar regarding Build America Transportation Investment Center (BATIC).</td>
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<tr>
<td>9/24</td>
<td>Prepare weekly transportation update and send to SANDAG and MTS.</td>
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<tr>
<td>9/28</td>
<td>Emails with J. Flores at Department of Homeland Security (DHS) to facilitate private meeting for G. Gallegos and R. Roberts with DHS Assistant Secretary Alan Bersin.</td>
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<tr>
<td>9/29</td>
<td>Meeting with representatives of DOT; BATIC, and TIFIA offices with G. Gallegos, R. Roberts, and V. Stackwick; dinner meeting with G. Gallegos, R. Roberts, V. Stackwick.</td>
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<tr>
<td>9/30</td>
<td>Prepare draft of weekly transportation update.</td>
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