

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

January 21, 2009

Senator Dianne Feinstein
331 Hart Senate Office Bldg.
Washington, D.C. 20510

Senator Barbara Boxer
112 Hart Senate Office Bldg.
Washington, D.C. 20510

Representative Ken Calvert
2201 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative Gary Miller
2438 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative John Campbell
2402 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative Ed Royce
2185 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative Dana Rohrabacher
2438 Rayburn House Office Bldg.
Washington, D.C. 20515

Representative Loretta Sanchez
1230 Longworth House Office Bldg.
Washington, D.C. 20515

Dear Senator Feinstein, Senator Boxer and Members of the Orange County Congressional Delegation,

There is general agreement that one of the first tasks of the 111th Congress will be consideration of federal economic recovery legislation, including the appropriation of significant funding to invest in highways, mass transit, and other infrastructure improvements to create and preserve jobs and stimulate the economy.

While the specifics of this legislation are still being debated, we wish to raise several important policy considerations to help achieve intended results and to ensure funds can be used effectively and efficiently within Orange County.

We urge you to join us in ensuring the following points are part of the federal stimulus package.

Ensure an Adequate Share for Transportation

Investing in the nation's transportation system, which has been neglected for far too long, will create jobs in the short term and provide the foundation for economic growth and a better quality of life in the long term. The President and Congressional leaders have told the nation they intend to use the stimulus package to upgrade roads, bridges, mass transit, and other infrastructure. A sizable share of the overall stimulus package – more than the 5% in some initial proposals – should be dedicated to transportation. Orange County's unemployment rose from 72,600 in January 2008 to 100,300 in November 2008. The funding provided to Orange

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County for transportation infrastructure projects under the House stimulus bill would only create 3,300 jobs, far short of the 27,700 jobs lost.

Use Existing Formulas and Processes to Get Funds to Projects Quickly

The fastest and best way to put federal stimulus funds to work, while avoiding the pitfalls of creating new programs or squabbling over allocations, is to use, to the greatest extent possible, existing federal and state transportation funding formulas and processes. Doing so will get funds to "shovel ready" projects quickly and give certainty to implementing agencies (federal, state, regional, and local).

The federal Surface Transportation Program (STP) formula under current law (23 USC Section 133(d) (3)) should be the primary formula used to distribute funds to states, with a requirement for complete STP formula sub-allocation. Appropriate language in the federal bill will trigger existing California law to provide for the sub-allocation of STP funds to the state (37.5%) and regional transportation agencies like the Orange County Transportation Authority (OCTA) (62.5%). Federal STP funds are flexible in terms of eligibility and can be used for a wide range of highway, transit, local road, and other transportation improvements based on local priorities and project readiness. OCTA would coordinate with cities and the County to further allocate funds between countywide and local city transportation projects to ensure all funds are used quickly and not returned back to Washington.

Without the needed STP sub-allocation language for all of the highway funds, a substantial portion of funds would have to be allocated through the California Transportation Commission (CTC) or special, urgency state legislation would be required to direct funds to state and local agencies. Either of these steps would add time and risk losing funds to other states.

We urge you to support the sub-allocation of transportation economic recovery funding in accordance with the existing STP formula. For specific transit funding, existing Federal Transit Administration (FTA) funding programs (Sections 5307 and 5311) should be utilized to quickly distribute the funds directly to transit operators. Also, in order to avoid service cuts and driver layoffs due to decreased state and local tax revenues, any economic stimulus package should consider a short term transit operating assistance program.

Do Not Use Federal Stimulus Funds to Replace State Commitments

We believe federal stimulus funds should not be used by the State to replace permanently existing state commitments to transportation projects and programs. This is challenging in California as the state grapples with delayed and difficult budget choices and tightened capital markets. However, the state should not simply use federal stimulus funds to backfill voter approved Proposition 1B commitments. Any decision to use stimulus funds to keep Proposition 1B funded projects moving (and avoid further loss of jobs) should be made by OCTA, with a guarantee that the previous Proposition 1B commitments remain within the region and are not reallocated to the state or other regions.

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This issue is likely to be addressed to some degree in the federal legislation as part of a "maintenance of effort" requirement and might require state implementing legislation or other actions as well.

Cut Through the Red Tape

We urge all parties to be innovative in order to expedite regulatory approval in light of the time constraints contained within the economic stimulus program. Since the funds are likely to be provided on a "use it or lose it" basis with a limited number of days to have the funds under contract, we need the cooperation at all levels of government to enable the quickest and best use of any economic recovery funds.

For example, the federal Transportation Improvement Program (TIP) requirement alone often requires in excess of 2-3 months amendments to be processed and approved. Without some form of relief from this process, agencies could encounter "use it or lose it" deadlines before the TIP can be amended. All parties will need to work cooperatively to put these funds to work and not follow "business as usual" procedures. Utilization of self-certification procedures and pre-award authority provisions could be useful to speed up the use of these federal funds. Moreover, regional transportation agencies should be afforded the same 120-day period to obligate funds as is proposed for the state.

We greatly appreciate your consideration of these issues. As the economic recovery package moves ahead, we look forward to working with you on the successful implementation of the transportation component of the economic recovery plan to create jobs and stimulate the economy in Orange County.

Sincerely,



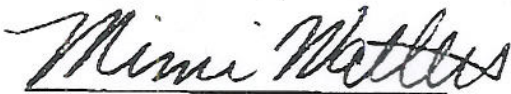
Senator Lou Correa
Senate District 34



Senator Tom Harman
Senate District 35



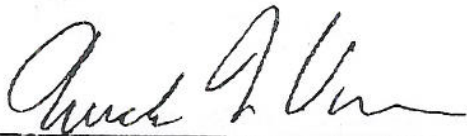
Senator Bob Huff
Senate District 29



Senator Mimi Walters
Senate District 33



Senator Mark Wyland
Senate District 38



Assembly Member Chuck Devore
Assembly District 70



Assembly Member Michael Duvall
Assembly District 72


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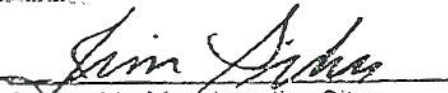
Assembly Member Curt Hagman
Assembly District 60



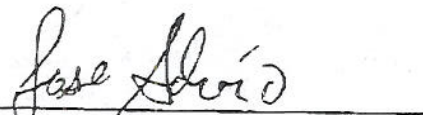
Assembly Member Diane Harkey
Assembly District 73



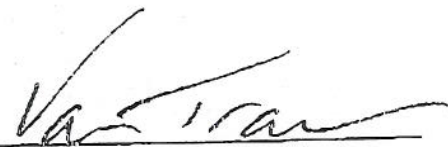
Assembly Member Jeff Miller
Assembly District 71



Assembly Member Jim Silva
Assembly District 67



Assembly Member Jose Solorio
Assembly District 69



Assembly Member Van Tran
Assembly District 68