



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.

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Meeting Date: **MARCH 3, 2011**

Subject:

March 2011 Legislative Report

Recommendation:

Adopt Resolution No. 2011-0026, approving the March 2011 Legislative Report.

Background/Justification:

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires Authority staff to present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The March 2011 Legislative Report updates Board members on legislative activities that have taken place during the month of February. The Authority Board can give direction to staff on legislative issues contained in the attached Legislative Report (Attachment A).

State Legislative Action

February 18, 2011 was the deadline for State legislators to introduce legislation this year.

The Authority's legislative team recommends the Board adopt a Watch position on SB 49 (Strickland), legislation that would prohibit local governments from charging fees for services provided during an emergency response, and a Watch position on AB 23 (Smyth) which would prohibit members of a legislative body from convening simultaneous or serial order meetings.

Additionally, the legislative team recommends the Board adopt a Watch position on SB 186 (Kehoe). This bill would provide the State Controller with new authority to audit or investigate local government entities.

The legislative team also recommends that the Board adopt a Watch position on SB 446 (Dutton), legislation stating the intent of the Legislature to separate Ontario International Airport from the City of Los Angeles and establish the Ontario International Airport Authority.

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Federal Legislative Action

On February 17, 2011, the U.S. Senate passed S.223, a two-year Federal Aviation Administration Reauthorization bill. The House of Representatives is currently considering a four-year FAA Reauthorization bill, H.R. 658.

President Obama unveiled his Fiscal Year 2012 budget on February 14, 2011. The budget calls for a \$1.1 billion reduction in AIP funding, proposing an elimination of all AIP grants for large and medium hubs. The Administration budget proposes to offset the reduction by increasing the current \$4.50 PFC limit.

Authority staff will continue to support efforts by the American Association of Airport Executives and Airports Council International-North America to protect AIP funding and to increase the current PFC limit.

Environmental Review:

A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2011-0026

A RESOLUTION OF THE BOARD OF THE
SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY APPROVING THE MARCH 2011
LEGISLATIVE REPORT

WHEREAS, the Authority operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board gives direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board in directing staff may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions;

NOW, THEREFORE, BE IT RESOLVED that the Board of the San Diego County Regional Airport Authority hereby approves the March 2011 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is not a "project" as defined by the California Environmental Quality Act (CEQA), Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

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PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 3rd day of March, 2011 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
DIRECTOR CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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March 2011 Legislative Report**State Legislation****Legislation/Topic****AB 16 (Perea) – High Speed Rail Authority****Background/Summary**

Existing law creates the High-Speed Rail Authority with specified powers and duties relating to the development and implementation of an intercity high-speed rail system. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, authorizes \$9.95 billion in general obligation bonds for high-speed rail development and other related purposes. The Federal American Recovery and Reinvestment Act of 2009 (ARRA) provides funding for allocation nationally to high-speed rail projects.

Anticipated Impact/Discussion

This bill would require the High-Speed Rail Authority to make every effort to purchase high-speed train rolling stock and related equipment that are manufactured in California, consistent with federal and state laws. This legislation will have no direct impact to the Airport Authority.

Status: 12/6/10 – Introduced
1/24/11 – Referred to the Assembly Committee on Transportation

Position: Support (2/10/11)

Legislation/Topic**AB 31 (Beall) – High Speed Rail and Local Master Planning****Background/Summary**

This bill would establish the High-Speed Rail Local Master Plan Pilot Program, applicable to specified cities and counties, and would require each of those jurisdictions to prepare and adopt, by ordinance, a master plan for development in the areas surrounding the high-speed rail system in each jurisdiction. The master plan would be required to include incentives for encouraging investment and coherent growth in the areas surrounding the high-speed rail system in each participating jurisdiction. The bill would also require the participating jurisdictions to collaborate with the State Air Resources Board to develop incentives to encourage development while concurrently reducing greenhouse gas emissions, consistent with or pursuant to the California Global Warming Solutions Act of

2006. The bill would require the master plan to be consistent with the jurisdiction's general plan and the regional sustainable communities strategy.

Anticipated Impact/Discussion

This legislation would have no direct impact the Authority. However, by adding to the duties of local government officials, this bill would impose a state-mandated local program.

Status: 12/6/10 – Introduced
2/14/10 – Amended and re-referred to the Assembly Committee on Local Government

Position: Watch (2/10/11)

Legislation/Topic

AB 57 (Beall) – Transportation Planning

Background/Summary

Existing law requires the Department of Transportation to engage in various transportation planning activities, including long-term state highway system planning to identify future highway improvements in consultation with transportation planning agencies, county transportation commissions, counties, and cities. This bill would also require those activities to be done in consultation with metropolitan planning organizations.

Anticipated Impact/Discussion

This bill would also require those activities to be done in consultation with metropolitan planning organizations. This legislation has no direct impact to the Authority.

Status: 12/6/10 – Introduced
2/3/11 – Referred to the Assembly Committee on Transportation

Position: Watch (2/10/11)

Legislation/Topic

AB 58 (Gagliani) – High Speed Rail

Background/Summary

Existing law provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. Existing law provides for appointment of

an executive director by the authority, who is exempt from civil service and serves at the pleasure of the authority. This bill would authorize the Governor to

appoint up to 5 deputy directors exempt from civil service who would serve at the pleasure of the executive director. This bill contains other related provisions and other existing laws.

Anticipated Impact/Discussion

This bill would authorize the Governor to appoint up to 5 deputy directors exempt from civil service who would serve at the pleasure of the executive director.

Status: 12/6/10 – Introduced
1/27/11 -- Referred to the Assembly Committee on Transportation

Position: Watch (2/10/11)

Legislation/Topic

AB145 (Gagliani) – High Speed Rail Governance

Background/Summary

This bill would repeal and reenact the California High-Speed Train Act. The bill would continue the High-Speed Rail Authority "Authority" in existence to make policy decisions relative to implementation of high-speed rail consistent with Proposition 1A. The bill would create the Department of High-Speed Trains within the Business, Transportation and Housing Agency, which would implement those policies. The bill would transfer certain powers and responsibilities of the authority to the Department and would specify additional powers and duties of the Authority and department relative to implementation of the high-speed rail project. The director of the Department would be appointed by the Governor, who would serve at the pleasure of the authority, and the Governor would be authorized to appoint up to ten officers of the Department who would be exempt from civil service and serve at the pleasure of the director. The bill would provide for acquisition and disposition by the Department of rights-of-way for the high-speed rail project.

Anticipated Impact/Discussion

This legislation would have no direct impact to the Authority.

Status: 1/13/11 – Introduced
2/3/11 – Referred to the Assembly Committee on Transportation

Position: Watch (2/10/11)

Legislation/Topic

AB148 (Smyth) – Local Government Ethics Training Disclosure

Background/Summary

Existing law, for purposes of ethics training for officers and employees of a local government, defines the term "ethics laws" to include, among others, laws relating to government transparency.

Anticipated Impact/Discussion

This bill would additionally define the term "ethics laws" to include compensation setting guidelines as established by specified organizations and require ethics training records to be posted to the Authority's website within 15 days.

Status: 1/14/11 – Introduced
2/3/11 – Referred to the Assembly Committee on Local Government

Position: Watch (2/10/11)

Legislation/Topic

SB 22 (La Malfa) – High Speed Rail

Background/Summary

Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes. This bill would state the intent of the Legislature to reexamine the bond funding mechanism of the High Speed Rail Authority's project.

Anticipated Impact/Discussion

This bill would state the intent of the Legislature to reexamine the bond funding mechanism of the authority relative to the authority's high-speed rail project.

Status: 12/6/10 – Introduced
1/20/11 – Referred to the Senate Committee on Rules

Position: Watch (2/10/11)

New or Amended State Legislation

Legislation/Topic

SB 49 (Strickland) – Local Government Emergency Response Fees

Background/Summary

Existing law authorizes public agencies to hold liable any person who is under the influence of an alcoholic beverage, any drug, or the combination of an alcoholic beverage and any drug, whose negligent operation of a motor vehicle, a boat or vessel, or a civil aircraft caused by that influence proximately causes any incident resulting in an appropriate emergency response, and any person whose intentionally wrongful conduct proximately causes an incident resulting in an appropriate emergency response, for the expense of that emergency response. This bill would prohibit a city, including a charter city, county, district, municipal corporation, or public authority from charging a fee to any person, regardless of residency, for the expense of an emergency response, as specified, except where a fee is otherwise authorized.

Anticipated Impact/Discussion

Under this legislation the City and Harbor Police would be prohibited from recovering any expenses incurred in response to an incident created by an outside party.

Status: 12/15/10 – Introduced
2/10/11 – Referred to the Senate Committee on Public Safety

Position: Watch

Legislation/Topic

AB 23 (Smyth) – Prohibition of Simultaneous Local Agency Meetings

Background/Summary

The Brown Act requires each legislative body of a local agency to provide the time and place for holding regular meetings and requires that all meetings of a legislative body be open and public and all persons be permitted to attend unless a closed session is authorized.

Anticipated Impact/Discussion

This bill would prohibit the members of a legislative body, during a meeting of that legislative body, from convening simultaneous or serial order meetings of any other legislative body for which the members of the convened legislative body constitute at least a quorum.

Status: 12/6/10 – Introduced
1/24/11 – Referred to the Assembly Committee on Local Government

Position: Watch

Legislation/Topic
SB 186 (Kehoe) – State Controller Audit and Investigation Authority

Background/Summary

Existing law authorizes the Controller to appoint a qualified accountant to make an investigation and to obtain the information required for the annual report of financial transactions. This bill would authorize the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, or redevelopment agency, if necessary, to ensure compliance with state law, grant agreements, local ordinances, and to determine fiscal viability. This bill would require the Controller to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body. This bill would also provide that specified costs incurred by the Controller shall be borne by the county, city, or redevelopment agency and state that reimbursements collected, upon appropriation to the Controller, be available to offset costs of enforcing this provision.

Anticipated Impact/Discussion

This legislation was introduced in the aftermath of the City of Bell financial scandal to provide independent oversight over municipalities. Since the Authority is not considered a "special district" this legislation would have no direct impact to operations

Status: 2/8/11 – Introduced

Position: Watch

Legislation/Topic
SB 446 (Dutton) – Ontario International Airport

Background/Summary

The bill states that Ontario would become its own Airport Authority separate from the City of Los Angeles.

Anticipated Impact/Discussion

The legislation states that the operation of an independent Ontario International Airport would be the same model as our Authority, and use the same legislative mechanism used when we were transferred out of the San Diego Unified Port District. This legislation has no direct impact on the Authority.

Status: 2/16/11 – Introduced

Position: Watch

Legislation/Topic

AB 81 (Beall) – Aircraft Jet Fuel Taxes

Background/Summary

This bill would now exempt from state taxes gross receipts in excess of \$2.22 per gallon derived from the sale in this state of, and the storage, use, or other consumption in this state of, fuel and petroleum products sold to or purchased by an air common carrier for consumption or shipment in the conduct of its business on a domestic flight. This bill would also require the State Board of Equalization, beginning on January 1, 2013, and annually thereafter, to submit a report to the Legislature setting forth the state fiscal impact of the exemption.

Anticipated Impact/Discussion

This legislation would financially benefit the airlines that operate at SDIA.

Status: 1/4/11 – Introduced
1/27/11 – Referred to the Assembly Committee on Revenue and Taxation
2/16/11 – Amended and re-referred to the Assembly Committee on Revenue and Taxation

Position: Watch (2/10/11)

Federal Legislation

Legislation/Topic

S. 223 (Rockefeller)/ H.R. 658 (Mica) - FAA Reauthorization Act

Background/Summary

House Version:

The House is currently considering a four-year FAA Reauthorization Bill with the following provisions:

- Passenger Facility Charge (PFC) cap stays at \$4.50
- Airport Improvement Funding (AIP) cut from \$3.5 to \$3.17 billion in FY 2011 and \$3 billion annually for FY 2012-2014
 - Essential Air Service Program for most communities phased out over three years
- Creates a pilot program allowing up to 5 airports to use PFC revenue for intermodal ground access projects

Senate Version:

The Senate is currently considering a two-year Reauthorization Bill with the following provisions:

- Passenger Facility Charge (PFC) cap stays at \$4.50, but pilot program introduced for up to 6 airports where airports may impose a PFC without regard to dollar amount limitations if the airport collects the charge directly from passengers, and if approved by the Department of Transportation
- AIP funding at \$4 billion in FY 2010, and \$4.1 billion in FY 2011 (up from current \$3.5 billion)
- Increases minimum amount for discretionary AIP from \$148 million to \$520 million

Anticipated Impact/Discussion

Status: 2/15/11 – Considered by full Senate
2/17/11 – House Committee on Transportation and Infrastructure approved by a vote of 34 to 25 and referred to full House.

Position: House Version: Watch
Senate Version: Support

Legislation/Topic

H.R. 1 (Rogers) The Full Year Continuing Appropriations Act of 2011

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Federal Legislation

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Background/Summary

The purpose of this legislation is to fund the federal government - including the programs and operations of DOT, FAA, DHS and TSA - for the remainder of the current fiscal year (2011) that runs through the end of September

Anticipated Impact/Discussion

AIP funding is proposed at its current level of \$3.5 billion.

Status:

2/11/11 – Introduced and referred to the House Committee on Appropriations

2/16/11 – Approved by the House Committee on Appropriations and referred to the whole House for consideration

Position:

Support

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