

AMENDED IN ASSEMBLY APRIL 25, 2011

AMENDED IN ASSEMBLY APRIL 7, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1097

Introduced by Assembly Member Skinner

February 18, 2011

An act to add Section 13985 to the Government Code, relating to transit.

LEGISLATIVE COUNSEL'S DIGEST

AB 1097, as amended, Skinner. Transit projects: domestic content.

Existing law creates the Business, Transportation and Housing Agency with various departments of state government that report to the agency secretary. Existing law provides various sources of funding for transit projects.

This bill would require the Secretary of Business, Transportation and Housing to specifically authorize a state or local agency receiving *state federal* funds for transit purposes to provide a bidding preference to a bidder if the bidder meets or exceeds Buy America requirements applicable to federally funded transit projects.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 **SECTION 1.** *The Legislature finds and declares all of the*
2 *following:*

1 (a) American manufacturing has been declining over the past
 2 several years with jobs going overseas due to tax and other
 3 policies, with predictable economic consequences. The federal
 4 “Buy America” laws were passed as one means to address this
 5 concern.

6 (b) Public transit agencies in the state and nation continue to
 7 provide critical transportation services to citizens, and remain
 8 critical components for state and national goals to alleviate
 9 highway gridlock, air pollution, and greenhouse gas emissions.

10 (c) Funding for public transit has continued to decline in difficult
 11 economic times, and it remains difficult to keep public transit
 12 systems in good repair, including maintaining and replacing rail
 13 vehicles.

14 (d) Federal “Buy America” laws applicable to rolling stock,
 15 including rail vehicles, require that the cost of components and
 16 subcomponents produced in the United States total at least 60
 17 percent of the cost of all components in the rolling stock, and that
 18 final assembly of the rolling stock occur in the United States (49
 19 U.S.C. Sec. 5323(j)(2)(C)).

20 (e) Federal “Buy America” regulations allow states to impose
 21 contracting preference provisions based on more stringent
 22 domestic content requirements than those set forth in the federal
 23 law, but the Federal Transit Administration (FTA) will not
 24 participate in the funding of state and local contracts with those
 25 preference provisions if they are not explicitly set out under state
 26 law (49 C.F.R. 661.21). The State of California currently has no
 27 such preference law.

28 (f) It is in the best interests of the State of California, as well
 29 as the manufacturers across the nation, to authorize state and
 30 local agencies to give preferences to bidders on rolling stock
 31 contracts that provide domestic content above the minimum
 32 requirements set forth in federal “Buy America” laws. Each state
 33 and local agency should have the discretion to apply those
 34 preferences.

35 **SECTION 1.**

36 **SEC. 2.** Section 13985 is added to the Government Code, to
 37 read:

38 13985. The Secretary of Business, Transportation and Housing
 39 shall authorize a state or local agency receiving ~~state~~ federal funds
 40 for transit purposes to provide a bidding preference to a bidder if

- 1 the bidder meets or exceeds Buy America requirements applicable
- 2 to federally funded transit projects.

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