



PB Washington Update

PREPARED BY CATHY CONNOR
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November 29, 2010

Congress returns to work today following the Thanksgiving break. During the one, short week that it was in session following the November elections, Congress accomplished very little except to hold a number of party leadership elections. At one point, the expectation was that Congress would adjourn for the year this Friday. However, with many issues still on their plate, Congress may stay in session as late as December 17th. Still to be addressed in the Lame Duck session are all the FY'11 agency funding bills (the current Continuing Resolution (CR) runs out on December 3), the expiring Bush tax cuts, the expiring SAFETEA-LU and FAA short-term authorization extensions and possibly a tax extenders bill that would hopefully include an extension of the expiring Build America Bonds, the expiring higher level transit pre-tax benefit, and the expired R&D tax benefit. Numerous other issues and bills may be taken up including the new START treaty, the DREAM Immigration Act, Don't Ask, Don't Tell, earmark reform, etc.

Several important events occur this week including the formal release of the final report of the President's bi-partisan National Commission on Fiscal Responsibility and Reform. The previously released draft chairmen's report on reducing the deficit included a recommendation to increase the Federal gas tax by 15 cents in phases beginning in 2013. The draft calls for cuts to many popular federal programs such as defense spending, Social Security and Medicare. It is unclear if the required 14 of 18 Commission members will vote to formally approve the report or if Congress is willing to act on the controversial recommendations.

On November 30 congressional leaders will finally hold their much delayed meeting at the White House with the President to negotiate an agreement on extending (or not) the Bush tax cuts and other pending and expiring tax cuts.

House T&I Committee Leadership and Direction

Although committee leadership appointments and committee member assignments will generally not take place until after January 5 when the new 112th Congress begins, a number of chair positions are reasonably assured including that of Rep. John Mica (R-FL) who is expected to chair the House Transportation & Infrastructure Committee which has jurisdiction over surface transportation authorization legislation.

Rep. Mica has provided a number of signals about what direction he intends to take in developing a surface transportation bill which he says he would like to pass in the first six months of 2011 before presidential politics monopolize the agenda. Mica's main goals for reauthorization are: stabilizing the Highway Trust Fund (HTF), better leveraging of existing revenue, and streamlining project delivery.



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Some ideas Mica is considering regarding streamlining project delivery include: combining approval of the FEIS and ROD, requiring hard deadlines for agency approvals, expanding the list of categorical exclusions, adding to the list of activities that can be undertaken prior to NEPA clearance such as ROW acquisition, and allowing states to take more responsibility for the NEPA process. Mica calls these ideas his "437 Day" plan referring to the expedited construction of the I-35 bridge replacement in Minneapolis which took only 437 days.

On leveraging existing resources, Mica wants to facilitate PPPs, to maximize tolling but not on existing Interstate lanes, to expand State Infrastructure Banks (SIBs), and to expand and encourage Private Activity Bonds, Build America Bonds and a new class of qualified tax credit bonds. Mica does not support current chairman Rep. Oberstar's plan for a US DOT Office of Public Benefit and he is not generally supportive of a National Infrastructure Bank, particularly if it primarily makes grants versus loans. Mica thinks a better approach is to expand and enhance the existing TIFIA and RRIF innovative financing loan programs.

Mica does not support a gas tax increase at this time, although he has mentioned the possibility of moving to a gas "sales tax" which would in effect "index" the revenues. Instead he is looking to reprogram unused and underutilized money, to focus primarily on funding programs of federal and national interest and to increase accountability and transparency in part through greater use of performance measures. He is also considering the option of bringing surface transportation programs in line with existing revenues which would mean a federal highway program in the range of a \$35B per year (down \$7B to \$8B from the current program) and a \$5B transit program (plus approximately \$2B from the General Fund), down from the current \$10B program.

SAFETEA-LU Extension

On November 17, a group of state and local organizations including the National Governors Association (NGA), the US Conference of Mayors (USCM), the National League of Cities (NLC) and the National Association of Counties (NACO) sent a letter to the congressional leadership urging them to pass a long-term extension of the surface transportation programs during the Lame Duck session. The letter did not indicate a specific length of time. Although some industry and congressional leaders are pushing for a year-long extension or at least through the end of the fiscal year (September 30, 2011), presumptive House T&I Committee chair Rep. John Mica (R-FL) has indicated he wants only a six-month extension in order to keep the pressure on to pass a longer-term bill.



Transition News

A number of party and political organization leadership positions have been made or reaffirmed recently including:

House Republican Leadership – actual elections will not take place until January, but it is apparent that Rep. John Boehner (R-OH) will be elected as House Speaker, Rep. Eric Cantor (R-VA) as House Majority Leader and Rep. Kevin McCarthy (R-CA) as Majority Whip

House Democratic Leadership – Rep. Nancy Pelosi (D-CA) – Minority Leader, Rep. Steny Hoyer (D-MD) – Minority Whip and Rep. Jim Clyburn – Assistant Minority Leader, a new position

Senate Republican Leadership – Sen. Mitch McConnell (R-KY) - Minority Leader, Sen. Jon Kyl (R-AZ) – Minority Whip

Senate Democratic Leadership – Sen. Harry Reid (D-NV) – Majority Leader, Sen. Dick Durbin (D-IL) Majority Whip, Sen. Chuck Schumer (D-NY) – Vice Chair Democratic Conference

National Governors' Association Chairman– Governor Christine Gregoire – Democrat, Washington state

Republican Governors' Association Chairman– Governor Rick Perry - Texas

Democratic Governors' Association Chairman– Governor Martin O'Malley - Maryland

National Republican Congressional Committee Chairman- Rep. Pete Sessions (R-TX) – second term

National Republican Senatorial Committee Chairman– Sen. John Cornyn (R-TX) – second term

Democratic Congressional Campaign Committee Chairman– Rep. Steve Israel (D-NY)

Democratic Senatorial Campaign Committee Chairman – still undecided

Other News

- On November 19 FRA announced the recipients of \$50M in Railroad Safety Technology Grants. The funds will be used to test and develop Positive Train Control (PTC) technologies. FRA received 41 applications totaling \$228M. A list of the recipients can be found [here](#).



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- FTA published a Federal Register notice on November 19 soliciting applications for \$3M from the Transit Asset Management (TAM) Pilot Program to demonstrate effective TAM systems and best practices. Proposals are due by January 18 and awards are expected to be made in late February. The notice can be accessed [here](#).
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