



## November 4, 2011

This has been a busy week for transportation news in Washington, DC, only some of it positive. The House will once again be on recess next week. The deficit reduction SuperCommittee continues to meet in an effort to find a way to cut at least \$1.2 trillion from the federal deficit over ten years. Their deadline is November 23. There appears to be some movement to put revenue increases on the table, in addition to entitlement reform and program cuts, despite previous strong opposition by Republicans. There is also growing pressure on the committee to think big, be bold and produce a true game changing proposal. Some optimists even think it might be possible that such an overarching plan could include a robust, multi-year surface transportation bill and the necessary revenues to fund it.

## FY'12 Appropriations

Earlier this week the full Senate passed the FY'12 appropriations "minibus" bill which includes the annual FY'12 funding for US DOT programs. House and Senate conferees held an initial, formal meeting to resolve the differences in the two bills last night. This is despite the fact that the House THUD (DOT) appropriations bill has never been passed by the full House or even the full Appropriations Committee. However, the legislative vehicle for the "minibus" is the FY'12 Agriculture bill which has passed the full House. The bill is moving quickly because Congress wants to use the "minibus" as the vehicle for another Continuing Resolution (CR). The current FY'12 CR runs out on November 18. With the House on recess next week, Congress is running out of time to pass another government-wide funding bill to avoid a government shutdown. The new CR is expected to extend until mid-December or into mid to late January.

The House and Senate versions of the FY'12 DOT appropriations bill differ greatly with the Senate bill funding most DOT programs at significantly higher levels than the House bill.

Program	FY'11 Funding	FY'12 House Subcommittee	FY'12 Senate Full committee
FHWA Ob Limit	\$41.1B	\$27B	\$41.1B
FHWA ER	\$0	\$0	\$1.5B



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FTA Formula/Bus	\$8.3B	\$5.2B	\$8.3B
FTA New Starts	\$1.59B	\$1.55B	\$1.95B
TIGER	\$527M	\$0	\$550M
Nat'l Infrast Bank	\$0	\$0	\$0
High Speed Rail	\$0	\$0	\$100M
Amtrak Operating	\$562M	\$227M	\$544M
Amtrak Capital/Debt	\$922M	\$899M	\$937M
Airport Improvement Program	\$3.5B	\$3.3B	\$3.5B

The Senate plans to start debate on a second "minibus" appropriations bill which would combine the Energy & Water (funding for the Corps of Engineers), Financial Services, and State-Foreign Operations bills.

## Surface Transportation Authorization

Yesterday, the full Senate defeated two transportation bills, but neither had been expected to pass. Both bills required 60 votes to pass and there were problems with the offsets to pay for both bills. The first bill was the \$60B transportation piece of the President's American Jobs Act (AJA). It was defeated 51 to 49. The offset to pay for the bill was a surtax on millionaires which Republicans strongly oppose. Last week the Senate defeated AJA funding for teachers and first responders for the same reason. The second bill was a Republican response to the AJA, a hastily introduced bill by Senator Orin Hatch (R-UT), which was defeated 47 to 53. The bill included an unusual mix of issues with the centerpiece being an extension of the existing short-term SAFETEA-LU bill (which expires on March 31, 2012) until September 30, 2013 – essentially a "two-year" reauthorization at



current funding levels without any program reforms. However, the bill also included the EPA Regulatory Relief Act, the Cement Regulatory Relief Act and a Senator Rand Paul (R-KY) regulatory relief bill which would require Congress to affirmatively approve all proposed Administration regulations. The Republican bill also included \$40B in offsets by delegating power to OMB to rescind that amount from any domestic discretionary programs across the federal government.

The Senate EPW Committee is scheduled to mark-up the committee's two-year highway authorization bill next week on November 9. A copy of the bill is expected to be made public shortly. There is still no word from the Finance Committee on offsets to pay for the \$12B gap in funding and the bill is reportedly drafted with a fallback provision allowing for program cuts if needed to stay within existing resources. The EPW bill is expected to include substantial program reforms. Assuming EPW proceeds with the mark-up next week, it is expected that the Banking (transit) and Commerce (safety and rail) Committees will act soon after on their titles of the authorization bill.

Yesterday, House Speaker John Boehner (R-OH) made a statement that he plans to introduce a transportation/energy authorization bill which he expects the House to pass before the end of 2011. He proposes to fund a "current level" (as yet undefined), multi-year surface transportation authorization bill by closing the gap in Trust Fund revenue with revenue from new domestic oil and gas exploration. This is a highly controversial issue which many Democrats and the environmental community strongly oppose. Senator Boxer has already spoken out against this idea. Also, such a proposal would move Trust Fund financing even further away from the traditional user fee concept. In addition, much of the potential new revenue would not flow immediately which might require the federal government to have to bond against future revenue.

## President Obama Transportation Directive

President Obama held a press conference on Wednesday in DC on the subject of transportation. It took place at Key Bridge in Georgetown. At the event he announced that:

- 1) US DOT will award \$527M in competitive TIGER grants by the end of 2011 – months ahead of schedule.
- 2) US DOT will shorten the application process for the 2012 round of TIFIA innovative financing. The annual funding level of \$110M in TIFIA funds is estimated to support projects totaling up to \$3B in construction.
- 3) US DOT will establish a Transportation Rapid Response Team to expedite reviews of surface transportation projects. Co-chaired by the Council on Environmental Quality



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and US DOT, the team will identify and implement best practices to improve the transparency, efficiency and effectiveness of environmental review and permit decisions for transportation projects, protect public health and put Americans back to work.

The White House also released a 20 page report titled "Recent Examples of the Economic Benefits from Investing in Infrastructure," which includes the Woodrow Wilson Bridge in Maryland, Virginia, and D.C.; the O'Callaghan-Tillman Memorial Bridge and Hoover Dam Bypass in Arizona and Nevada; the I-10 Twin Span Bridge replacement in New Orleans, La.; the Ocean City Causeway in New Jersey; the Manchester Airport Access Road in New Hampshire; the "Fort to Port" corridor in Indiana and Ohio; the J.F.K. Airport Runway Reconstruction in New York; the Big I project in Jacksonville, FL.; U.S. Route 17 in South Carolina; the Green Line light rail extension in Portland, OR.; the Mid-Jordan Transit Corridor Light Rail Project in Salt Lake City, Utah; the light rail extension in Dallas, TX; I-77 rehabilitation in North Carolina; runway rehabilitation in Nashville, TN; the Heartland Corridor Clearance Project; the CREATE program in Chicago, IL; and light rail projects in Seattle, WA. To read the report, click [here](#).

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