



January 18, 2013

On Sunday, President Obama will be officially sworn in for his second term of office and then again on Monday as part of the public inaugural celebration. Both the House and Senate will be in session next week, the first time they have been in session at the same time since the start of the 113th Congress on January 3. Congress has many critical issues facing it, particularly the rapidly approaching new February 28 implementation of the massive government-wide sequester, the March 27 expiration of the FY'13 funding Continuing Resolution (raising the possibility of a government-wide shutdown), and the already breached debt ceiling limit.

House Republicans, currently in Williamsburg, Virginia for a party retreat, announced this morning that they will support a stand-alone, three-month increase in the debt ceiling limit and will not insist on tying any spending cuts to it. This is a considerably shorter length of time than most observers had expected (most assumed an increase through the end of the calendar year) and may not be supported by the Senate or the Administration or looked upon favorably by the bond rating agencies. The Republicans' decision to separate the debt ceiling issue from the spending fight apparently reflects an understanding that the combination was not getting public traction or acceptance and that the President has a stronger hand in the debt ceiling negotiations.

The delay in passage of an omnibus appropriations bill covering the second six months of FY'13 and the ongoing uncertainty about the debt ceiling and sequester have resulted in the Administration opting to delay release of its FY'14 budget request, which usually occurs in early February, until sometime in early March. The first State of the Union address of President Obama's second term will occur on February 12.

Sandy Supplemental Funding Bill

Earlier this week, the House finally passed a supplemental FY'13 appropriations bill to fund disaster recovery and mitigation in the aftermath of Hurricane Sandy. Although there was never much of a question that the House would approve immediately needed disaster relief funds, it was unclear if House Republicans would agree to the full \$60B that the Administration had requested and the Senate had passed in late December which also included funding for mitigation and resiliency efforts.

However, on Tuesday, 49 House Republicans joined all but one Democrat to approve the final \$50.7B bill (\$9.7B in additional funds was approved the prior week for an extension of the federal flood insurance program). During the floor debate, members defeated an amendment to require that the funding be offset with cuts to other programs and voted 228



to 192 (including 38 mostly Northeast Republicans) to approve an amendment offered by Rep. Frelinghuysen (R-NJ) that added \$33B for mitigation efforts to the original \$17B in immediate disaster relief.

The House-passed bill now goes to the Senate for approval. The previous Senate-passed bill died at the end of the 112th Congress. The Senate will take up the House Sandy bill next week. They have the option of simply agreeing to the House bill or amending the House bill. If they agree to pass the House bill, it will then go to the President who is expected to sign it. However, if they opt to amend it to include some of the provisions from their December bill that did not make it into the House bill, the bill will then be sent back to the House for reconsideration or the Senate and House will have to convene a conference to resolve the differences in the two bills. The Senate is under tremendous pressure to simply pass the House bill in order to get the critically needed funds flowing and avoid continued delay.

Here is a [link](#) to information on HR 152, the Disaster Relief Appropriations Act.

House Committee Organization

This week, House Transportation & Infrastructure Committee Chairman Bill Shuster (R-PA) announced the highly anticipated line-up of subcommittee chairmen. Shuster will keep the existing number and jurisdiction of the current subcommittees. Rep. Jimmy Duncan (R-TN), who is actually more senior than Shuster and was passed over for Chairman, will serve as the Vice Chair of the full committee.

Subcommittee	Chairman
Aviation	Frank LoBiondo (NJ), was previously Coast Guard chair; replaces Rep. Petri who moves to Highways & Transit
Highways & Transit	Tom Petri (WI), has held this position in the past; replaces Rep. Duncan who becomes Vice Chair of the full committee; is one of the House's most moderate Republicans
Railroads, Pipelines & Haz Mat	Jeff Denham (CA), replaces Rep. Shuster, now the full committee chair; is a vocal opponent of the CAHSR project (he represents the CA Central Valley where the first MOS will be built) and is generally not a fan of Amtrak or HSR
Coast Guard & Maritime	Duncan Hunter (CA), represents the San Diego area; first time as a subcommittee chair; replaces Rep. LoBiondo who moved to Aviation



PB Washington Update

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Water Resources	Bob Gibbs (OH), a sophomore who served in this role last term as one of two freshmen subcommittee chairs
Economic Development, Public Buildings & Emergency Management	Lou Barletta (PA), a sophomore who replaces Rep. Denham who moved to Railroads

The only subcommittee leadership vacancy on the Democratic side is the Ranking Member of the Aviation Subcommittee which was previously held by Rep. Jerry Costello (IL) who retired. Rep. Rick Larsen (D-WA) appears to be the leading candidate to become the next Ranking Member. The full committee will hold its first organizational meeting on January 23. Here is a [link](#) to a list of new House T&I Republican Subcommittee Staff Directors.

The Republican leadership of the House Appropriations Committee also announced subcommittee assignments, including for the THUD subcommittee that provides funding for US DOT. The subcommittee will continue to be chaired by Rep. Tom Latham of Iowa. The House Democrats have not yet named their subcommittee members including who will be the Ranking Member following the retirement of Rep. John Olver (D-MA), but it appears likely that Rep. Ed Pastor (D-AZ) will move up to take the senior spot.

Republican THUD Subcommittee members include:

- Frank Wolf (VA) – a longtime member of the subcommittee and former subcommittee chair and ranking member
- Charlie Dent (PA)
- Kay Granger (TX) – back on the subcommittee after a several year absence
- Tom Cole (OK) – new to the subcommittee, former chair of the National Republican Campaign Committee (NRCC)
- Jaime Herrera-Beutler (WA) - a sophomore who previously served on the House T&I Committee
- David Joyce (OH) – a freshman who won the election to replace retiring Rep. Steve LaTourette who had served on the subcommittee

In addition to Rep. LaTourette who retired, Reps Carter (TX), Diaz-Balart (FL) and Womack (AR) moved off the subcommittee.



Highway Trust Funding Financing Proposal

Retiring AASHTO Executive Director John Horsley addressed the Chairman's Luncheon at the annual TRB meeting this week and presented a proposal for funding and ensuring the solvency of the Highway Trust Fund. Horsley first recommended that Congress pass legislation authorizing a \$50B Transportation Regional Infrastructure Project (TRIP) bond program that is being pushed by Senators Ron Wyden (D-OR) and John Hoeven (R-ND). Funding for the US Treasury investment would come from US customs fee revenues. Each state would receive \$1B over six years. Using custom fees to pay for transportation investments has been proposed in the past without much success.

The second component of Horsley's proposal is a recommendation to Congress to convert the current 18.4-cent gas excise tax to a sales tax on motor fuel (gas and diesel). The sales tax rate would be set at a level that restores solvency to the Highway Trust Fund. A number of transportation stakeholder groups are currently reviewing this proposal.

FTA New Starts/Small Starts Final Rule and Proposed Policy Guidance

On January 9, FTA issued the long awaited Final Rule on New Starts/Small Starts criteria in the Federal Register and also issued proposed policy guidance. The guidance describes the measures and methods for evaluating the project justification and local financial commitment criteria included in the New Starts Final Rule. The policy guidance also includes proposed breakpoints for most of the criteria. Comments on the proposed guidance are due by March 11, 2013. A proposed rule to fully implement MAP-21 will be issued later this year.

Link to Final Rule: <http://www.gpo.gov/fdsys/pkg/FR-2013-01-09/pdf/2012-31540.pdf>

Link to Guidance: <http://www.fta.dot.gov/documents/NewStartsPolicyGuidance.pdf>

PB Transportation Update Website

The MAP-21 section of the PB Transportation Update website www.PBTransportationUpdate.com has been reformatted to make it easier to find documents on specific implementation issues. In addition, several new MAP-21 items have been posted.