



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
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December 13, 2013

Following passage yesterday of the budget deal by a vote of 332 to 94, the House will recess today until after the first of the year. However, the Senate will remain in session for one more week. The Senate will vote on and is expected to pass the budget agreement early next week. Both bodies will return to session the week of January 6. On their way out the door, the House also voted to approve a one-month farm bill extension (including funding for food stamps), a three-month Medicare "doc fix", and the annual DOD National Defense Authorization Act.

The joint House-Senate Budget Conference led by Senator Patty Murray (D-WA) and Rep. Paul Ryan (R-WI) reached agreement this week on a two-year budget deal covering both FY'14 and FY'15, thereby avoiding the potential of another government shutdown. The agreement reduces the government-wide sequestration cuts by \$63B over the next two years which will permit overall discretionary spending to increase from the current \$967B to \$1.012T in FY'14 and to \$1.014T in FY'15. House and Senate appropriators will now work over the holidays to finalize the individual FY'14 federal agency funding bills. Those bills will likely be lumped together into a government-wide omnibus appropriations bill and will hopefully be passed quickly and easily, now that the top line numbers have been agreed to. The temporary Continuing Resolution (CR), which is currently funding the government, runs out on January 15. Another short-term CR lasting a week or two could be necessary in order to complete the agency funding bills.

At this point, it is unclear what impact the budget deal will have on transportation and other infrastructure programs for FY'14. The increased domestic discretionary funding levels will be divided up among the various appropriations subcommittees and will primarily impact programs funded with General Funds such as transit New Starts, rail, some aviation, and safety programs. The sequester cuts and budget caps do not directly impact highway and transit programs funded through the Highway Trust Fund and the budget deal does not address the dramatic revenue shortfall facing the Trust Fund at the end of FY'14.

The budget agreement accepts a provision from the House budget proposal that requires any General Fund transfers into the Highway Trust Fund be fully offset during the year in which the transfer occurs, either by new revenues or by spending reductions elsewhere in the federal budget. This will severely limit the ability of Congress to deal with the looming Highway Trust Fund solvency crisis by simply transferring additional money from the General Fund.

The budget deal should hopefully make the upcoming FY'15 annual appropriations process flow smoothly and quickly since the top line funding levels have already been agreed to,



which will be very helpful in an election year when the process often becomes more politicized than usual.

WRDA Reauthorization

Despite the best efforts of House T&I Committee Chairman Bill Shuster (R-PA) and Senate EPW Committee Chair Barbara Boxer (D-CA), the conferees negotiating the differences in the House and Senate versions of the Water Resources Development Act (WRDA) bills, were not able to complete their deliberations before the end of the year. They will continue their efforts in January. Sticking points continue to be how to deal with authorizing specific projects in the absence of earmarks, how to resolve the build up of taxes in the Harbor Maintenance Trust Fund, and how to fund a controversial flood control project in Louisiana. Other issues that have yet to be resolved include whether to include a new WIFIA financing program, whether to streamline certain environmental review provisions, and whether to extend the port maintenance dredging cost share point from 45 to 50 feet.

Here is a [link](#) to a letter from the Assistant Secretary of the Army for Civil Works to the conferees ~~with~~ the Administration's positions on various WRDA issues.

House T&I Committee Hearings

The House T&I Committee held two important hearings this week on transit New Start projects and on the state of the aviation industry. A third planned hearing on the California High-Speed Rail project has been postponed until January. The Committee will hold a Roundtable policy discussion on P3s in federal real estate on December 16.

The Highways & Transit Subcommittee, chaired by Rep. Tom Petri (R-WI), held a hearing on December 11 on "Examining the Current and Future Demands on FTA's Capital Investment Grants". FTA Administrator Peter Rogoff, representatives of the UTA and CTA transit systems, the mayor of St Paul, and long-time transit opponent Randal O'Toole testified. Despite the presence of O'Toole, the overall tone of the hearing was very supportive of a strong federal role in transit. The major concern was how to assure sufficient, stable, long-term federal funding to meet the enormous needs of new construction, core capacity, and state of good repair. Here is a [link](#) to additional materials from the hearing including the witness testimony, background information, and a webcast of the hearing.

The Aviation Subcommittee, chaired by Rep. Frank LoBiondo (R-NJ), held a hearing on December 12 on the "State of American Aviation", which examined the economic health of aviation industry and issues or policy areas that should be considered in the next FAA



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reauthorization bill. The current FAA authorization bill expires at the end of FY'15 on September 30, 2015. Here is a [link](#) to additional materials from the hearing including the witness testimony, background information, and a webcast of the hearing. The hearing followed a major speech by T&I Chairman Bill Shuster outlining his priorities for FAA reauthorization, including an openness towards consideration of a new organizational structure for air traffic control. Here is a [link](#) to the full text of Chairman Shuster's speech.

The Economic Development, Public Buildings, and Emergency Management Subcommittee, chaired by Rep. Lou Barletta (R-PA), will hold a policy roundtable with industry experts in New York City on December 16 to discuss Public-Private Partnerships and Federal Real Estate. Greg Kelly, Global COO of Parsons Brinckerhoff, will participate in the roundtable along with T&I Chairman Bill Shuster, GSA Administrator Dan Tangherlini, and four other industry representatives. Here is a [link](#) to more information about the event which is open to the public.

Other News

- US DOT Deputy Secretary John Porcari has announced that he is resigning after five years of serving in the Obama Administration. He will be replaced on an acting basis, until a new Deputy Secretary is nominated by the White House, by Victor Mendez, the current FHWA Administrator. Parsons Brinckerhoff is very pleased to announce that Deputy Secretary Porcari will be joining our firm in our Washington, DC office as Senior Vice President and National Director of Strategic Consulting.

In addition, David Strickland, Administrator of the National Highway Traffic Safety Administration (NHTSA), has announced he will be leaving US DOT. He has not indicated what his future plans are. Deputy NHTSA Administrator David Friedman will serve as Acting Administrator.

- US DOT has announced another TIFIA loan, this one for \$275M to Georgia DOT to build new, reversible lanes along I-75 and I- 575 in the Atlanta area. The total cost of the Northwest Corridor Project is \$833.7M. Here is a [link](#) to a US DOT press release with more details about the loan. The clock is still running against the April 1, 2014 deadline by which excess unused TIFIA authority must be reallocated to the states under the highway formulas.
- FTA issued a Federal Register notice on December 11 on the availability of draft guidance and a request for comments on the application of US Code to corridor preservation for future transit projects. Comments are due by January 10. Section 20016 of MAP-21 permits FTA, under certain circumstances, to assist in the acquisition of right-of-way (ROW) for corridor preservation before the environmental



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review process, and permit corridor preservation with local funds, under certain circumstances, for transit projects that may later receive FTA funding. Here is a [link](#) to the Federal Register notice and a [link](#) to the actual draft guidance. —

- FHWA issued a Federal Register notice on December 10 regarding information collection to prepare its report to Congress on Projects of National and Regional Significance (PNRS) as required by Section 1120 of MAP-21. Although MAP-21 calls for only state DOT's to be consulted in the information collection, US DOT is announcing that all eligible applicants will be surveyed. This expands the group to include state DOTs, a group of state DOTs, transit agencies, tribal governments, and combinations of these groups. The notice states that FHWA expects State DOTs to consult with project developers such as MPOs, seaports, railroads, economic development organizations, and entities which have responsibility for planning and/or implementing transportation infrastructure projects. Here is a [link](#) to the Federal Register notice. —

Additional information and materials can be found on the Parsons Brinckerhoff Transportation Update website at www.PBTransportationUpdate.com
