



Washington Update

PREPARED BY CATHY CONNOR
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December 2, 2013

When Congress returns to session this week from its Thanksgiving recess, the primary focus will be on reaching a budget deal to allow Congress to complete action on the long overdue FY'14 federal agency funding bills. The deadline that was set for reaching an agreement is December 13 – less than two weeks from now. If an agreement is reached, Congress will likely adjourn for the year, leaving a number of bills in limbo until next year. Budget talks continue to be primarily between the two Budget Committee chairs – Senator Patty Murray (D-WA) and Rep. Paul Ryan (R-WI), leaving most rank and file members and even many budget conferees out of the loop.

At this point, there is little hope for a wide-sweeping budget deal or a grand bargain that might include comprehensive tax reform. The goal now is simply to find a way to get the House and Senate to agree to an overall funding level that will allow the appropriations committees to complete their FY'14 funding bills. Since the current Continuing Resolution (CR) funding the government expires on January 15 and Congress does not return to session until January 7, it is likely that at least one additional short-term CR will have to be passed before there is any chance of the appropriators completing the FY'14 agency funding bills.

WRDA Conference

The conferees on the Water Resources Development Authorization Act (WRDA) bill officially met for the first time before Thanksgiving. Their goal is to finalize the bill before Congress adjourns for the year in mid-December; however, the limited number of days left in the session may make that difficult to accomplish. The WRDA bill authorizes funding for capital projects carried out by the US Army Corps of Engineers. The House and Senate versions of the bills are very similar and both House T&I Committee Chairman Bill Shuster (R-PA) and Senate EPW Chair Barbara Boxer (D-CA) have made completing this bill a top priority.

Prominent issues that the conferees discussed during the first meeting were the Harbor Maintenance Trust Fund (HMTF), streamlining the Corps of Engineers' project delivery process including reforming project reviews and approvals, common-sense reforms to NEPA, and ensuring that a system for authorizing projects exists in which Congress and the Administration share authority.

In a related water funding development, last week Rep. Earl Blumenauer (D-OR) introduced HR 3582, the Water Protection and Reinvestment Act, which would create a small, deficit-neutral source of revenue to finance a new Water Trust Fund to help states replace, repair,



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and rehab critical wastewater treatment facilities. The funding would come from voluntary contributions from private sector businesses which use significant amounts of water, such as soda and juice or which manufacture products disposed of in wastewater, such as toilet paper. Here is a [link](#) to a fact sheet about this bill and a [press release](#).

Infrastructure Funding Bills

Several infrastructure funding bills designed to begin to set the stage for debate on MAP-21 reauthorization have been introduced in recent weeks. Senators Mark Warner (D-VA) and Roy Blunt (R-MO) introduced S. 1716, a bipartisan bill known as the Building and Renewing Infrastructure for Development and Growth in Employment Act or the BRIDGE Act, which would provide loans and loan guarantees for large-scale road, bridge, rail, airport, and port projects. The bill would establish an infrastructure financing authority (IFA) which would initially be funded with \$10B in federal General Funds. The IFA would fund up to 49% of total project costs, loans would have long maturity terms of up to 35 years, and selection criteria would focus on a clear public benefit and a dedicated revenue stream. The bill is similar to the "Build Act" which Senator Warner and others introduced in the previous Congress. Here is a [link](#) to information about the BRIDGE bill.

Rep. Earl Blumenauer (D-OR), a member of the House Ways & Means tax writing committee, plans to introduce two bills this week. One, the Update Act of 2013, follows recommendations made by the Simpson-Bowles Deficit Reduction Commission calling for a phased-in, fifteen-cent federal gas tax increase indexed to inflation. The bill also recommends that the entire federal gas tax eventually be replaced with a more equitable, stable source of funding by 2024. In that regard, his second bill, the Road User Fee Pilot Project, establishes a competitive grant program to fund Vehicle Miles Traveled (VMT) pilot projects around the country to help answer questions about the viability of eventually moving to a VMT system to fund Federal-aid surface transportation infrastructure improvements. The bill authorizes \$30M for the grant program, \$2.5M to establish a working group to review the results of the pilots, and \$2.5M to produce follow-up reports. Here is a [link](#) to a one-page fact sheet on the UPDATE Act and a [link](#) to a one-page fact sheet on the VMT bill.

Rep. John Delaney (D-MD) continues to add cosponsors to his bipartisan bill, HR 2084, The Partnership to Build America Act. The bill would finance a wide variety of infrastructure projects (transportation, water, energy, education, etc.) through the creation of the American Infrastructure Fund (AIF) which would provide loans or guarantees to states or local governments. It would be funded initially through the sale of \$50B in newly created Infrastructure Bonds. US corporations would be incentivized to purchase these new bonds by allowing them to repatriate a certain amount of their overseas earnings tax free for every \$1 they invest in the bonds. Here is a [link](#) to information about the bill.



Freight Activities

On November 20 and 21, the US DOT National Freight Advisory Committee (NFAC) held internal and public meetings. Parsons Brinckerhoff's Mort Downey serves as the NFAC Co-Chair. The Committee was established in MAP-21 to provide information, advice and recommendations to US DOT on matters relating to US freight transportation. The Committee developed a series of recommendations, adopting four of them by unanimous consent and sending them on to the Secretary: support for continuation of the TIGER discretionary grant program, support for fully utilizing the income and balance in the Harbor Maintenance Trust Fund, support for the continuation of the tax exemption of municipal bonds, and support for extending the public comment period on the Primary Freight Network.

On November 19, US DOT published a notice in the Federal Register with the official "Designation of the Primary Freight Network" as required by MAP-21. The original notice provided a thirty-day comment period, but following an outcry from industry, US DOT officials have agreed to extend the deadline for comments until January 17, 2014. Here is a [link](#) to the Federal register notice and a [link](#) to additional information about the proposed network.

FHWA is holding a webinar to discuss the network designation on December 6 from 2:00pm to 3:00pm EST. Here is a [link](#) to register for the webinar.

Linking Travel and Transportation Infrastructure

Last week, the US Travel Association hosted a conference in Washington DC called "Connecting America Through Travel". The purpose of the conference was for the travel and tourism industry to collaborate with the transportation industry to push for increased funding for federal transportation investment. An impressive group of speakers addressed the group including US DOT Secretary Anthony Foxx, former DOT Secretary Ray LaHood, former Pennsylvania Governor Ed Rendell, and former Los Angeles Mayor Antonio Villaraigosa. Here is a [link](#) to the conference materials and agenda.

The travel industry is very concerned that deteriorating transportation infrastructure and the resulting air and surface congestion are having a tremendously negative impact on US tourism. They believe a strong federal role and dedicated federal funding is critical to ensuring the global competitiveness of the industry.

During the conference, several interesting studies were released including one done in conjunction with APTA entitled "A New Partnership: Rail Transit and Convention Growth" which shows that cities with airport rail links and transit systems have huge tourism advantages over other cities in terms of hotel occupancy, revenue per hotel room, etc.



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Another study done by the Eno Center for Transportation on "Addressing Future Capacity Needs in the US Aviation System" was mentioned in a USA Today front page article about airport congestion. Both studies can be accessed on the website linked above on the left hand side under "Research".

Hurricane Sandy Recovery

Related to the one-year anniversary of Hurricane Sandy, both the House and Senate held hearings on the lessons learned. The Senate Homeland Security Committee held a hearing on "One Year Later: Examining the Ongoing Recovery from Hurricane Sandy". Here is a [link](#) to information about the hearing.

At the hearing, one of the witnesses, US DOT Deputy Secretary John Porcari announced a grant program to build resilient infrastructure. Porcari told the Senate panel that US DOT will soon make available funding for infrastructure projects designed to reduce the risk of damage from extreme weather events. The new grant program will be modeled after DOT's popular Transportation Investment Generating Economic Recovery (TIGER) program. Porcari said that additional details will be forthcoming and that the goal of the new program is to ensure transportation systems continue to provide reliable service, even when they are struck by severe weather events. Here is a [link](#) to Porcari's testimony.

The House T&I Committee also held a Sandy overview hearing, "Progress Report: Hurricane Sandy Recovery – One Year Later". Here is a [link](#) to the witness testimony, background information, and a video of the hearing.

TIFIA Financing

US DOT recently announced the approval of two large TIFIA loans - a \$474M TIFIA loan for the Goethals Bridge that connects Elizabeth, NJ with Staten Island, NY. The total cost of the project is \$1.5B. US DOT also approved a \$1.6B TIFIA loan for the Tappan Zee Bridge across the Hudson River in NY. It is the largest TIFIA loan announced to date although much smaller than NY state had requested.

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