



January 31, 2012

Surface transportation legislation has finally started to move in both the House and the Senate. It is unclear what the end result will be given the numerous differences in the two bills related to policy, length, funding and source of revenues, but it is some much needed progress. The next few weeks will be extremely busy with action scheduled on various pieces of the surface transportation authorization bills, completion of the FAA authorization bill (hopefully) and various presidential primaries. A number of key dates are listed below:

Tuesday, January 31 – 3:00PM, House T&I Committee publically released HR 7, its five-year transportation bill (see link to bill below).

Tuesday, January 31 – 4:00PM, House and Senate conferees meet to discuss the final FAA authorization bill.

Tuesday, January 31 – Florida Presidential Primary

Wednesday, February 1 – 10:00AM, House Natural Resources Committee will markup the energy title of HR 7, the American Energy and Infrastructure Jobs Act, which includes authorization to expand oil and gas drilling with revenues used to fund the surface transportation program. It is also possible the Committee could opt to include a provision requiring the Administration to approve the very controversial Keystone XL Pipeline.

Wednesday, February 1 – 3:00PM, Deadline for House members to file amendments to offer at the Thursday T&I Committee markup of HR 7.

Thursday, February 2 - 9:00AM, full House T&I Committee will mark up HR 7.

Thursday, February 2 - 10:00AM, Senate Banking Committee will mark up the transit title of the Senate two-year transportation authorization bill.

Saturday, February 4 – Nevada Republican Presidential Caucus

Tuesday, February 7 – Minnesota and Colorado Republican Presidential Caucuses and Missouri Presidential Primary

Tuesday, February 14 – House surface transportation bill is expected to be on House floor.

Friday, February 17 – Expiration of the current short-term extension of the FAA authorization.

Monday, February 20 – Pre-applications are due to US DOT for the TIGER IV discretionary grant program.

Tuesday, February 28 – Arizona and Michigan Presidential Primaries

Monday, March 19 – Applications are due to US DOT for the TIGER IV discretionary grant program.

Saturday, March 31 – Expiration of the current short-term extension of the surface transportation authorization.



House Surface Transportation Reauthorization

House T&I Committee Chairman John Mica (R-FL) today released HR 7, the House version of a multi-year surface transportation authorization bill, entitled the American Energy and Infrastructure Jobs Act. The bill only addresses policy issues which come under the jurisdiction of the T&I Committee and does not address the critical issues of funding or revenues which are the purview of the House Ways & Means Committee. The bill was developed entirely by the Republican majority and it is possible the bill will pass out of the T&I Committee solely on a party-line vote.

The Ways & Means Committee is working to develop a revenue title, but has not yet announced when a markup might occur. They must identify at least \$50B in revenue to pay for the five-year, \$260B bill, in addition to what the Highway Trust Fund can finance. The Committee appears to be focusing on royalties and fees from expanded oil and gas drilling, however that will not raise sufficient funds to close the gap. In addition, this would be a highly controversial funding source that could lose as many Democratic votes as it gains "tea party" votes that it is designed to attract. There is also speculation that reform of medical malpractice litigation could free up federal Medicare and Medicaid funds that could be used to offset transportation spending. Potential use of this type of funding source implies a new approach to funding transportation programs using General Funds made possible through non-transportation offsets.

Here is a [link](#) to the text of the T&I Committee bill which is over 800 pages long. The bill will be marked up by the full T&I Committee on Thursday February 2 at 9:00AM. A live webcast of the markup will be available at transportation.house.gov. The goal is to get the bill to the House floor the week of February 14 and pass it that week, prior to the Presidents' Day week-long recess. Reportedly, there will be substantial opportunity to offer amendments during the floor debate.

The draft House bill would:

- Authorize highway and transit programs at existing FY'12 funding levels by extending the current short-term authorization bill through the remainder of the fiscal year and then authorizing additional current level funding for FY'13 through FY'16.
- Fund total new highway obligation authority at \$39.8B in FY'12, increasing to slightly more than \$42B in FY'13 and then gradually increasing to \$43.2B by FY'16. Fund the transit program at \$8.3B in FY'12 and then a flat \$8.4B for the remainder of the bill. This is below the current level of approximately \$10B. Fund FTA Capital Improvement Grants (New Starts) at \$1.95B per year. The breakdown for specific programs cannot be determined until the full bill and its backup data are released. The draft bill does not yet include highway formula provisions.



PB Washington Update

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- Create a new Highway Trust Fund structure with an “Alternative Transportation Account” replacing the current Mass Transit Account. In addition to transit formula programs, this account would fund CMAQ, R&D, Ferry Boats, and several other programs. How this would work and how this account would be funded is unclear.
- Add a new, very controversial provision increasing truck size and weights which railroad and safety groups will vigorously oppose.
- Expand the TIFIA program to \$1B per year with the maximum federal participation on projects increased from 33% to 49%.
- Capitalize a State Infrastructure Bank (SIB) program with new formula funding to states of \$750M per year, but not create a National Infrastructure Bank. Increase the percentage of a state’s federal formula funds that can be used to fund a SIB from 10% to 15%.
- Expand opportunities for tolling on new roads, lanes and reconstruction on the Interstate and allow some conversion of HOV lanes to toll lanes. Tolls must be collected with interoperable electronics.
- Promote use of PPPs by providing technical assistance to states and by developing model PPP contracts.
- Authorize only a modest freight program that would not include any grant funding and only encourage, not require, states to develop freight plans.
- Expedite NEPA permitting, allow design and real estate acquisition before completing NEPA, eliminate NEPA for projects under \$10M or using less than 15% Federal funds and authorize design/build projects.
- Create a single, new planning title for highways and transit. MPOs would be mandatory for all areas over 100K population with areas between 50K to 100K permitted to opt out. Create a national performance management system.
- Eliminate and consolidate numerous programs, essentially repealing all existing discretionary programs, including Projects of National & Regional Significance.
- Eliminate any new project earmarks.
- Authorize a transit program very similar to the current program.
- Authorize several programs not always included in past authorization bills such as hazardous materials transportation, railroads including provisions on Amtrak and Positive Train Control, and waterborne transportation. Language is included that would keep FRA rail development projects in their own planning/environmental



regime, but with substantial efforts to streamline and make policies similar to FHWA/FTA's.

Senate Surface Transportation Authorization

The Senate Environment & Public Works Committee and the Senate Commerce Committee marked-up their highway and safety titles last fall. Still to act are the Banking Committee (transit title) and Finance Committee (funding title). The Banking Committee is scheduled markup the transit title this Thursday, February 2 at 10:00AM.

The Finance Committee must come up with at least \$12-13B in additional revenues to pay for the two-year Senate bill. Chairman Max Baucus (D-MT) has developed a list of six or seven potential sources of revenues totally as much as \$17B and is currently vetting them with key Republicans to obtain their support. As with the House, most of the possible revenue sources are not related to transportation, including such items as revenue from anti-dumping penalties on China.

Yesterday, the Banking Committee released a bi-partisan draft of their bill, the Federal Public Transportation Act of 2012. Here is a [link](#) to a press release/summary of the bill. Here is a [link](#) to a more detailed summary of the bill which includes a funding chart.

The draft Banking Committee bill would:

- Fund the transit program at a total of \$10.458B per year for two years – FY'12 and FY'13, the same level as current appropriations.
- Maintain the basic structure of the Urbanized Area Grants and maintain the existing criteria for use of formula funds with operating expenses still ineligible in areas of over 200,000.
- Streamline the New Starts process to accelerate project delivery by eliminating duplicative steps in the approval process. Projects under \$100M would be eligible to utilize an expedited review process. Existing framework of FFGAs, ESWAs and contingent commitment authority is retained.
- Establish a new category for capital investment projects by adding core capacity projects to the current New Starts/Small Starts agenda and providing an opportunity for existing systems to make significant investments not currently eligible for funding.
- Revise and rename the FTA Rail Modernization program to focus on state of good repair with two components – a rail fixed guideway state of good repair formula



program and a high intensity bus state of good repair formula program. Funding tiers in the Rail Mod program would be replaced with a new formula-based structure. The Committee has not yet circulated tables showing the impacts, but existing recipients would be protected from sharp reductions.

- Propose a hybrid safety program with US DOT setting standards and regulations, but maintaining the authority of the State Safety Oversight agencies.
- Eliminate any new project earmarks.

In related news, the Congressional Budget Office (CBO) today released its semi-annual projection of Highway Trust Fund revenues. This latest projection indicates that the Trust Fund should be able to remain solvent through the end of FY'12 (September 30, 2012).

In an effort to urge Congress to act expeditiously on a multi-year transportation authorization bill, last week the US Chamber of Commerce, in conjunction with the Americans for Transportation Mobility (ATM) Coalition, sent a letter to Congress asking them to "Make Transportation Job #1" which over 1000 industry groups, companies and associations from all 50 states signed. Parsons Brinckerhoff, like other private sector companies, is listed under the state where it is headquartered – New York. Here is a [link](#) to the letter.

TIGER IV Discretionary Grants

In today's Federal Register, US DOT published the [FY12 TIGER IV Grant application solicitation notice](#), which announces the availability of \$500M in FY12 TIGER Grant funds. [Here is a link to Secretary LaHood's statement on TIGER](#). The current TIGER solicitation is very similar to the last round with the exception of the following significant changes:

1. The application timeframe is much shorter, to help USDOT expedite the selection process. Mandatory pre-applications are due by February 20 and applications are due by March 19, 2012. Funds must be obligated by September 30, 2013.
2. USDOT would like to encourage high-speed and intercity passenger rail (HSIPR) projects to apply for TIGER, and is therefore making up to \$100M available for these projects.
3. Applicants must submit a detailed statement of work, detailed project schedule, and detailed project budget to demonstrate project readiness.



FTA New Starts Guidance NPRM

FTA will be hosting a series of public outreach sessions and a webinar on its newly issued NPRM on New Starts/Small Starts Guidance.

Wednesday, February 15, 2012: Cityplace Conference Center, 10:00 am to 2:00 pm Central, 2711 North Haskell Avenue, Dallas Texas 75204.

Thursday, February 16, 2012: San Diego County Administration Building, 10:00 am to 2:00 pm Pacific, 1600 Pacific Highway, San Diego, California 92101.

Monday, February 23, 2012: MARTA Headquarters Atrium, 10:00 am to 2:00 pm Eastern, 2424 Piedmont Road NE, Atlanta, Georgia 30324.

FTA will also host a webinar on Tuesday, February 28, 2012. Additional information on the time the webinar will be held and instructions for obtaining access to the webinar will be posted in the near future on FTA's [website](#).

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