

## Parsons Brinckerhoff Washington Update - February 10, 2015 - Interim Report

- The Federal Transit Administration (FTA) has issued its Annual Report on Funding Recommendations for the FY'16 Capital Investment Grant (CIG) Program, also referred to by some as the Annual New Starts Report or the "3J" Report. The report supports and expands on FTA's FY'16 budget request for New Start, Small Start and Core Capacity projects. Here is a [link](#) to the report, FTA press release and the individual project profiles. The total FY'16 request for the CIG program is \$3.25B, a significant increase over the \$2.12B current program, but that amount assumes a large influx of new revenue into the Highway Trust Fund (HTF) through corporate tax reform which Congress may or may not support.

The recommended funding is for 25 rail, BRT and streetcar projects in 13 states, including ongoing funding for nine transit projects that have already received construction grant agreements (FFGAs) from FTA and are under construction. Existing projects are located in Boston, Charlotte, Denver, Honolulu, Los Angeles, Portland, San Francisco and San Jose.

The President's budget proposal also includes an additional \$320M for Accelerated Project Delivery and Development—a new category of funding that would provide an opportunity for other projects in the pipeline to move forward if they become ready for a construction grant prior to the end of the fiscal year. If approved by Congress, at least \$75M of these funds would be reserved specifically to help small urban and rural communities implement new bus service with premium features. The budget also reserves an additional \$351M for Core Capacity improvements. These funds are available for fixed guideway projects in transit corridors that are already at or above capacity, or are expected to be within five years.

- In addition, yesterday FTA published a notice in the Federal Register of its FY'15 Apportionments, Allocations and Program Information. Here is a [link](#) to the Federal Register notice, a [link](#) to the FY'15 apportionment tables on the FTA website, a [link](#) to a summary of the apportionments, and a [link](#) to the allocations for the FY'15 Capital Improvement Grants program - New Starts and Small Starts. Although the FY'15 fiscal year began on October 1, 2014, FTA is just now issuing the FY'15 apportionments and allocations because Congress only passed a full-year US DOT appropriations bill on December 11 as part of the massive "CRomnibus" funding bill. The President signed the bill on December 16.

The FTA notice includes a full year's allocation for those programs funded with General Funds, such as the Capital Improvement Grants. Other programs, such as the Formula, State of Good Repair, and Bus and Bus Facilities programs, which are funded through the Transit Account of the Highway Trust Fund only receive pro-rated apportionments through May 31, 2015 – the first eight months of the fiscal year - because that is when the budget authority for all HTF programs expires. Congress will hopefully pass another MAP-21 authorization bill before May 31 – preferably a long-term, multi-year bill or at a minimum another short-term extension which will allow FTA to apportion the remaining four months of FY'15 funding.

- Last week, the House T&I Committee reintroduced the bi-partisan Passenger Rail Reform & Investment Act of 2015 (PRRIA) reauthorization bill, HR 749. Here is a [link](#) to the bill text and a [link](#) to background on the bill.

The new bill is essentially the same bill that the committee leadership introduced last fall and quickly passed through the full T&I Committee before they recessed for the elections. The bill was never brought to the House floor and therefore died when the 113<sup>th</sup> Congress adjourned. The bill has now been reintroduced in the new Congress and will be marked up in full committee this Thursday, February 12 at 10:30am. The original PRRIA authorization expired on September 30, 2013. The fact that committee Democrats signed onto the bill was a surprise to many observers, but many Democrats feel this bill is the best they can expect to achieve in a Republican controlled Congress.

It was originally predicted that the Republican-drafted bill would slash funding for Amtrak, possibly even eliminating all federal funding for long distance routes. However, the bill authorizes approximately the same level of funding as the current FY'15 appropriated level, although less than what was authorized (but never funded) in the original 2008 PRRIA bill and much less than Amtrak has requested. The bill proposes to keep Northeast Corridor operating profits on the Corridor, streamline environmental reviews, accelerate project delivery, encourage private sector involvement, put more responsibility on states to fund local routes, expedite RRIF loans, and accelerate private development around stations. The bill does not authorize any funding for non-Northeast Corridor high-speed rail projects. To date, the Senate Commerce Committee has not introduced a companion rail authorization bill.

Chairman Shuster has indicated he wants to move the PRRIA bill this spring (at least out of the House) before he starts to deal with the MAP-21 reauthorization bill which expires on May 31, 2015. The T&I committee is not able to begin substantive work on MAP-21 until adequate revenues are identified by the tax writing committees. General supposition is that another short-term extension of MAP-21 is likely.

- Tomorrow at 10:00am, the full House T&I Committee will hold its first MAP-21 reauthorization hearing of the year. US DOT Secretary Anthony Foxx will be the sole witness. Here is a [link](#) to the T&I Committee website where a live webcast of the hearing will be available for viewing and a [link](#) to a hearing background document.