



March 19, 2012

Both the House and Senate are in session this week; however, despite the huge victory in the Senate last week with passage of a surface transportation authorization bill, it appears the House will not bring a reauthorization bill to the floor until the week of April 16, at the earliest. This is very disappointing and disconcerting news, particularly since the current short-term extension expires in less than two weeks on March 31, 2012.

Surface Transportation Authorization

On March 14, the US Senate passed S. 1813, a two-year, \$109B authorization bill, by a very large, bi-partisan vote of 74 to 22. All members of the Democratic caucus supported the Senate bill except for Senator Lautenberg (NJ) who was absent to attend the funeral of Rep. Donald Payne. The 22 Republicans who voted for passage are: Lamar Alexander (TN), Roy Blunt (MO), John Boozman (AR), Scott Brown (MA), Saxby Chambliss (GA), Thad Cochran (MS), Susan Collins (ME), Chuck Grassley (IA), Dean Heller (NV), John Hoeven (ND), Kay Bailey Hutchison (TX), Jim Inhofe (OK), Johnny Isakson (GA), Jerry Moran (KS), Lisa Murkowski (AK), Pat Roberts (KS), Jeff Sessions (AL), Richard Shelby (AL), Olympia Snowe (ME), John Thune (SD), David Vitter(LA) and Roger Wicker (MS).

Here is a [link](#) to the Senate vote tally to see the complete roll call. Details about the provisions in the final bill, including the approved floor amendments, will be distributed shortly.

According to comments made by House T&I Committee Chairman John Mica late last week, the House will not consider the Senate version of the bill; rather it will continue to work to revise its five-year bill, HR 7, to gain the necessary 218 votes for passage. However, the House will not bring a revamped bill to the floor until mid-April after the House and Senate return from their two-week Easter recess. House leaders say they need the extra time to identify additional sources of funding and because floor time during the last two weeks in March will be devoted to debating the FY'13 Budget Resolution (see more below). There is considerable concern that this delay will seriously slow momentum on the bill.

As a result, the highway and transit programs will need to be extended beyond the March 31 expiration of the current extension. It is likely that the House will propose a new short-term extension through the end of May. Any proposed extension must originate in the House.

On March 15, Senate EPW Committee Chairman Barbara Boxer and Senate Banking Committee Chairman Tim Johnson wrote a joint letter to House Speaker John Boehner and



Majority Leader Eric Cantor asking them to immediately take up and pass the Senate's version of the bill. Here is a [link](#) to the letter and to a chart they included showing a state by state breakdown of the jobs supported by the Senate MAP-21 bill. There is no official word yet from the Senate on a plan to pass another extension, but they are likely to oppose such an effort now that they have passed their version of the bill.

Further complicating the situation is action this week in the House on the FY'13 Budget Resolution, a non-binding blueprint for the annual appropriations process. Last year's FY'12 House Budget Resolution, the so-called "Ryan Budget", cut highway and transit funding by close to 30%. The initial version of the House surface transportation authorization bill incorporated those extreme funding cuts until it became clear that there were not enough votes to pass such a bill and the House funding levels were revised up to current levels, pleasing transportation stakeholders, but angering many fiscal conservatives, particularly many House freshman tea party members.

It is expected that this year's House Budget Resolution will again cut transportation programs to a level that can be supported solely by the dwindling revenues in the Highway Trust Fund, possibly even lower than last year. However, the Resolution will likely include a "reserve fund" that will permit funding levels to increase if additional funding and offsets are identified, such as the energy exploration and drilling provisions that Speaker Boehner is championing. Such a "reserve fund" was not included in last year's House Budget Resolution. The Senate is not expected to adopt a Budget Resolution this year, so any House-passed measure will apply only in the House.

Other News

In the March 12 Federal Register, FTA published the FY'12 Alternatives Analysis Discretionary Grant application solicitation notice, which announces the availability of \$25M in FY'12 Alternatives Analysis (AA) Grant funds (Section 5339). Applications are due by April 19, 2012, with award announcements anticipated in August 2012. Here is a [link](#) to the NOFA.

In the March 15 Federal Register, FHWA and FTA published a joint Notice of Proposed Rulemaking (NPRM) that details proposed changes to the current FTA/FHWA regulations on NEPA. The most significant change would be to expand the list of projects that can meet NEPA requirements with a categorical exclusion (CE). The list of projects qualifying for CEs, if adopted in the final rule, would include busway and streetcar projects within existing transportation rights-of-way. In addition, certain qualified projects would be permitted to submit less intensive NEPA evaluations and to consider environmental impacts earlier in the planning process. FTA claims in the NPRM that processing time on affected projects will be reduced by 85%. Comments must be submitted by May 14. Here is a [link](#) to the NPRM.



PB Washington Update

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As previously reported, comments on the FTA New Starts/Small Starts NPRM and associated policy guidance are due to FTA by March 26. The proposed changes to the New Starts and Small Starts criteria are substantial and will affect all New Starts/Small Starts projects that have not been approved into Preliminary Engineering or Project Development on the effective date of the rule. FTA's goal is to finalize the rule this year.

US DOT has released its latest Conditions and Performance Report (C&P), a biennial report prepared by the Department on the status of the nation's transportation infrastructure. Here is a [link](#) to the 2010 Report along with an Executive Summary. As usual, the report shows a large gap between current spending and projected levels of investment needed. This latest report projects that \$101B, plus increases for inflation, would be needed annually over the next 20 years from all levels of government – local, state and federal – just to keep the highway system in its current state. In addition, between \$20.8B and \$24.5B will be needed annually to attain a state of good repair for the nation's transit systems. The information in the report is based on 2008 data.

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