

WSP Washington Update - March 22, 2018 - Interim Update - Part Two

This Update is a follow-on to the Update (http://www.federalbriefing.com/pdfs/wash_update/wu%2032218.pdf) sent out earlier this morning on the FY'18 omnibus appropriations bill. The earlier Update provided initial information about US DOT funding levels in the recently released FY'18 government-wide funding bill. This Update provides some additional details. The omnibus includes many policy provisions tucked away in its 2,232 pages in addition to agency funding levels. Earlier this afternoon, the House approved the bill by a vote of 256 to 167 with votes from both Republicans and Democrats. The Senate will vote on the bill tomorrow. As of this morning, the President has indicated that he will sign the bill despite previous veto threats.

Highways –

Unlike the original House bill, the final bill does not rescind any federal-aid highway contract authority. The bill appropriates an additional \$2.52B from the General Fund for highway programs over and above the FAST Act Highway Trust Fund authorized level of \$44.23B. Most of the additional funds will be apportioned directly to states, but \$225M is set-aside for a new competitive bridge program in low population states.

The bill permits states to transfer CMAQ money to state-supported Amtrak projects.

Transit –

A total of \$13.5B is provided for FTA – an increase of \$1.07B over FY'17.

\$2.6B is appropriated for the Capital Improvement Grant (CIG) program versus the \$2.3B that was authorized for FY'18 in the FAST Act and the \$2.41B in actual FY'17 funding.

The bill requires US DOT to obligate \$2.25B (85%) of the total CIG \$ by December 31, 2019.

Of the total CIG funds, \$1.5B is for New Starts (\$1.1B for projects with existing FFGAs and \$399M for projects anticipating an FY'18 FFGA), \$716M for Core Capacity projects (\$200M for projects with existing FFGAs and \$515M for new projects) and \$400M for Small Starts. No money is appropriated for the Expedited Project Delivery Pilot Program.

Bill language directs US DOT to “continue to administer the CIG program in accordance with the procedural and substantive requirements of Section 5309” in an effort to force US DOT to continue to sign Full Funding Grant Agreements (FFGAs).

The bill limits the CIG share of any new project to no more than 51% of the total cost.

The bill directs USDOT to give new ratings to project applicants whenever the project sponsor requests – this is an effort to assist the Gateway project.

A total of \$834M is provided from the General Fund over and above the authorized funding level of \$9.73B for the FTA Formula program which breaks down as follows:

\$400M for bus and bus facilities (\$209M in formula funds, \$161.45M for competitive discretionary grants and \$29.45M for Low and No Emission bus grants)

\$400M for State of Good Repair grants

\$30M for increasing high density state formula funds

\$4M for bus testing facilities

WMATA received the full \$150M.

Rail –

Amtrak is a big winner in the bill. The total of \$1.94B for Amtrak is \$447M (30%) more than last year and \$342M over the FAST Act authorized level.

Of the \$1.29B appropriated for Amtrak's National Network, \$50M is set-aside for Positive Train Control (PTC) installation on state-supported routes. In addition, \$250M of the \$542M identified for the CRISI discretionary grant program is set aside for PTC.

The bill makes commuter railroads eligible for CRISI discretionary grants. The original FAST Act CRISI language did not include commuter railroads as eligible recipients.

The bill provides \$25M for the RRIF innovative financing program to pay for the Credit Risk Subsidy which should make RRIF financing much more attractive.

Negative House bill language regarding the California High-Speed Rail project was dropped in the final bill.

Aviation -

The original Senate bill language increasing the Passenger Facility Charge (PFC) has been dropped.

The bill extends FAA programs and taxes for an additional six months while Congress works to draft and pass a multi-year FAA authorization bill.

The Airport Improvement Program (AIP) will receive the usual \$3.35B authorized funding level, but will also get an additional \$1B from the General Fund in the form of discretionary grants primarily for small, non-hub airports.

TIGER –

TIGER funding is tripled in size from \$500M in FY'17 to \$1.5B in FY'18.

The bill directs that US DOT must publish a Notice of Funding Opportunity (NOFO) within 60 days or by May 23.

Planning projects are once again eligible for TIGER funding – up to \$15M of the total amount.

The minimum award size for non-rural projects is \$5M and maximum award size is \$25M (this remains the same as FY17).

No state can receive more than 10 percent of total funding (this remains the same as FY17, but the size of the program has tripled.)

The bill stipulates that DOT "shall not use the Federal share as a selection criteria in awarding projects." Federal cost share can be up to 80%, except in rural areas, where the Secretary will have the discretion to increase Federal cost share over 80%.

Rural areas must receive at least 30 percent of total funds and the minimum award size for a rural project is \$1M.

Gateway –

There is no money in the bill specifically identified by name for the NY/NJ Gateway project since earmarks are not permitted, however, Gateway is eligible for funding from several transit and rail programs which received additional FY'18 funding, such as Amtrak NEC and FTA formula funds.