



Washington Update

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**PARSONS
BRINCKERHOFF**

May 15, 2015

There are only four legislative days before the May 31 expiration of the MAP-21 authorization. The House is in session next week through Thursday, the Senate through Friday, then both bodies will be on recess until June 2 – after the expiration.

While all parties appear to agree that the federal highway and transit programs should not be allowed to lapse, there had been disagreement whether to extend the authorization only through July – the length of time that the Highway Trust Fund (HTF) has sufficient funds to remain solvent and right before the start of the August recess - or to do a longer-term extension through the end of the calendar year to give Congress enough time to identify a sustainable revenue source, possibly as part of a comprehensive tax reform bill. An extension through December would require Congress to identify at least \$10B in additional revenue to cover the immediate HTF short-fall.

However, as of today, House leaders have agreed to support the two-month option, in large part because they are unable to agree on a package of spending cuts or revenue increases to offset the \$10B cost of an extension through December. The House Rules Committee will meet on Monday evening on the bill, a “clean” extension through July 31. Yesterday, Senators Barbara Boxer (D-CA) and Tom Carper (D-DE) introduced a very similar bill in the Senate. The House and Senate are expected to vote on the July extension early next week.

A major concern about a July extension is that while it keeps the pressure on Congress to identify new HTF revenues, it is unlikely that two months is enough time to come to any agreement on long-term revenues. It is also very unlikely that Congress would agree on a comprehensive tax reform bill by then which many feel is the most viable legislative vehicle for a possible gas tax increase or repatriation scheme.

US DOT Secretary Foxx indicated this week that over \$2B in highway projects have been delayed around the country.

Here are links to a variety of MAP-21 reauthorization documents:

- May 11 [letter](#) from US DOT Secretary Foxx to all 50 state DOTs alerting them that, unless Congress acts, after May 31 FHWA will be unable to make any new obligations or provide new contract authority and reimbursements to states for expenses incurred will be totally halted. In addition, non-essential FHWA employees will be furloughed and therefore unable to process obligation or reimbursement requests or provide technical assistance.



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- May 11 [letter](#) from Therese McMillan, Acting FTA Administrator, to transit grantees alerting them that, unless Congress acts, after May 31 FTA will not be able to issue any contract authority for capital projects, essential maintenance or operational support. However, FTA will continue to have the ability to reimburse grantees for costs obligated prior to May 31, subject to availability of funds in the Mass Transit Account.
- May 6 [letter](#) from the Transportation Construction Coalition (TCC) to the House and Senate leadership urging that the next short-term MAP-21 extension be of limited duration and include a timeline for when Congress will act to generate the revenues needed to stabilize and grow the surface transportation programs. The letter points out that the 2015 construction season has already been severely disrupted due to congressional inaction.
- May 11 [letter](#) from the Ranking Democrats on the House T&I Committee to Chairman Bill Shuster (R-PA) urging him to work with House Ways & Means Committee Chairman, Paul Ryan (R-WI), to hold a joint hearing as soon as possible to identify a long-term, sustainable source of funding for the HTF.

FY'16 DOT Appropriations

The full House Appropriations Committee approved the FY'16 THUD (DOT) Appropriations bill on Wednesday by a party-line vote of 30 to 21. The full Committee did not restore any of the funds cut by the Subcommittee from Amtrak, the FTA Capital Investment Grant (New Starts/Small Starts/Core Capacity) program or the TIGER grant program or delete any of the controversial policy riders. However, they did agree to an amendment to restore \$25M in cuts to DC's WMATA. The next step is a floor vote which will take place sometime in June. The Senate has not yet released its FY'16 THUD bill. The Committee defeated two amendments to restore funding for Amtrak capital improvements despite meeting just hours after the fatal Amtrak accident in Philadelphia. Here is a [link](#) to the press release issued by the Appropriations Committee which includes a link to the bill and Committee Report.

Here is a [link](#) to a letter from the director of OMB to the House Appropriations Committee Chairman which raises serious concerns about locking in FY'16 sequestration funding levels for US DOT and HUD programs. OMB opposes the proposed House cuts in funding for TIGER, FTA Capital Investment Grants, and FAA's Facilities & Equipment program. The letter does not mention the cuts to Amtrak. The letter also opposes a number of policy riders including strongly objecting to the House language that would prohibit the Surface Transportation Board (STB) from taking any action to approve subsequent phases of the



California High-Speed Rail project. The letter does not mention whether OMB would recommend that the President veto the bill.

Other News

On May 11, the White House announced the nomination of Greg Nadeau, the current FHWA Deputy Administrator, to replace Victor Mendez as FHWA Administrator. Mendez is now serving as US DOT Deputy Secretary. The US Senate must confirm the nomination. Hopefully his confirmation will not take as long as Therese McMillian to be FTA Administrator. Her nomination has been pending in the Senate for over six months.

A guide to encourage more investments in “predevelopment” activities to help spur transportation and other infrastructure projects has been issued by the White House. The “Federal Resource Guide for Infrastructure Planning and Design” provides “guiding principles” to encourage more attention and resources on “predevelopment” - upfront activities such as planning, design and funding decisions - that take place early in the project development cycle. It also provides a list of federal agency resources for funding and technical assistance for predevelopment activities as well as case studies of successful efforts supported by the federal government. Here is a [link](#) to the guide and a [link](#) to a White House blog on the subject.

On May 6, the Senate Homeland Security Committee approved S. 280, the “Federal Permitting Improvement Act of 2015”. The bill provides for a streamlined process for federal environmental permits to ensure project approvals are handled in a timely and efficient manner. It builds on the streamlining provisions for highway and transit projects previously included in MAP-21 and extends them to ports and waterways, aviation, rail, energy production, electricity transmission, pipelines, broadband, etc. Here is a [link](#) to a letter signed by over 300 construction-related groups to the Committee leadership urging support for the bill and a [link](#) to the bill.

On May 12, the House passed HR 1732, the “Regulatory Integrity Protection Act”, a bill to require the US Environmental Protection Agency (EPA) and the US Army Corps of Engineers (USACE) to withdraw the proposed ‘Waters of the US’ (WOTUS) rule under the Clean Water Act (CWA). The construction industry opposes the proposed WOTUS rule because it can be interpreted to expand the types of waters that will be considered jurisdictional and subject to additional CWA regulations and could impact project development and operations for public works departments across the country. Here is a [link](#) to the text of the bill.