May 17, 2013

The big news this week for infrastructure investment is Senate passage of the \$12B Water Resources Development Act of 2013 (WRDA) – see more below. Attention in both bodies now turns to the FY'14 annual appropriations process. The House and Senate have been unable to agree on a joint FY'14 Budget Resolution because their separately passed Budget Resolutions are approximately \$100B (yes, that is billions) apart in their caps on discretionary spending. It appears that the House will move the FY'14 DOD, Homeland Security, and Military Construction-VA bills, but beyond that, it is increasingly likely that most other federal agencies will end up once again operating under a Continuing Resolution (CR) in FY'14, for the second year in a row.

Congress will be in session next week before leaving for the week-long Memorial Day recess.

WRDA

WRDA authorizes Corps of Engineers programs including port dredging, harbor construction and maintenance, levee and dam safety, coastal and wetlands restoration, and inland waterway infrastructure maintenance. The last time Congress passed what is supposed to be a biennial bill was in 2007. The vote to pass the bi-partisan bill was 83 to 14. The "no" votes were from one Democrat (Leahy-VT) and 13 Republicans.

The Senate-passed WRDA bill:

- Authorizes construction of Corps water projects that have a completed Chief of Engineers report. Funding for approved projects will need to be included in the annual Corps appropriations bill. In previous WRDA bills, individual projects were earmarked for funding.
- Ensures the annual Harbor Maintenance Trust Fund user fee revenues are fully spent to maintain ports and harbors. The bill authorizes funding for eligible projects at \$1B in FY'14 with \$100M annual increases each subsequent year. By 2020 all revenues into the Fund must be used annually. Currently the Trust Fund has a large unspent balance despite significant unmet needs.
- Streamlines the Corps of Engineers environmental review and approval process despite strong objections from the environmental community. The provisions include time limits for completing feasibility studies. In an effort to appease environmental concerns, the streamlining provisions will sunset after ten years.



- Creates a new Water Infrastructure Financing and Innovation Act (WIFIA) program, similar to the very popular surface transportation TIFIA financing program, to provide loans and loan guarantees for water projects.
- Authorizes shipping channel improvements including permitting federal maintenance funds to be used at 50-feet deep ports.

Action now moves to the House where T&I Committee Chairman Bill Shuster (R-PA) has indicated that WRDA is his top priority, but other than a few hearings, no formal action has been taken to date on a bill. Shuster hopes to get a bill out of the full House sometime this summer.

Unlike in previous WRDA bills, the Senate bill (S.601) does not include any project earmarks (or at least not ones that involve direct funding of specific projects). Current House rules also prohibit earmarks and that may make it difficult to get the political support needed to pass a bill in the House.

Anthony Foxx Nomination

The Senate Commerce Committee has scheduled a confirmation hearing on the nomination of Charlotte Mayor, Anthony Foxx, to be the next Secretary of Transportation for 2:30pm on Wednesday, May 22. Foxx must be approved by the Committee and then his nomination will be voted on by the full Senate which will likely not occur until after the Memorial Day recess. Commerce Committee Chairman Jay Rockefeller (D-WV) and a number of other committee members, including some Republicans, have expressed strong support for Foxx.

At this point, there do not appear to be any issues that will hold up Foxx's confirmation, however, several other Obama nominees, including those for Labor and EPA, are being opposed over various partisan concerns not related to the credentials of the nominees.

FTA Final FY'13 Apportionments

In the May 14 Federal Register, FTA published a notice regarding its FY'13 Supplemental Apportionment Tables. The original FY'13 tables were published on October 16, 2012 and covered the first six months of the fiscal year. This notice provides the final, full-year apportionments and allocations. The actual tables are located on the FTA website.

Here is a <u>link</u> to the Federal Register notice and a <u>link</u> to the FTA Apportionment Tables. See the 7th Table for the final FY'13 allocations for <u>the</u> Section 5309 Fixed Guideway Capital Improvements Grants (CIG), also known as New Starts. Following sequestration, the usual oversight takedown and a .2% rescission, the CIG program is left with only \$1.836B for FY'13. The allocations for the FY'13 CIG program were also included in FTA's Annual New Starts Report released in early April.

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Connor@pbworld.com 202.783.0241 FTA plans to publish Notices of Funding Availability (NOFAs) in the Federal Register for FY'13 discretionary grants such as the TOD Planning Pilot Program and the Passenger Ferry Program. The May 14 Federal Register notice also includes an illustrative apportionment for the new MAP-21 State Safety Oversight (SSO) program and requests comments from the public by June 12.

Other News

- FHWA will be hosting a series of webinars to help public agencies assess the vulnerability of infrastructure to climate change and extreme weather events. The webinars include:
 - o May 16 Determining Assets to Study completed
 - o May 30 System-Level Vulnerability Assessments
 - o June 12 Applying the Results
 - o June 20 Lessons Learned from Hurricane Sandy

Here is a <u>link</u> to more information on webinar times and how to register.

- US DOT held a series of webinars on the TIGER V discretionary grant application process. Applications for TIGER grants are due by June 3. Here is a <u>link</u> to the webinar recordings on Application Preparation, Benefit-Cost Analysis and <u>Port</u> Outreach.
- FTA has posted a 14-page final guidance document on the new Categorical Exclusions (CEs) that it announced in February in an effort to streamline the NEPA process. The CEs are expected to provide a more straightforward and efficient environmental review process. Here is a link to the guidance.
- On May 15, the House T&I Committee's newly created Panel on 21st Century Freight Transportation, which is chaired by Rep. Jimmy Duncan (R-TN), held a Roundtable to examine what efforts US DOT and the Army Corps of Engineers have made to coordinate freight transportation policy. US DOT Deputy Secretary John Porcari and Assistant Secretary of the Army for Civil Works Jo-Ellen Darcy participated in the panel discussion. Deputy Secretary Porcari agreed with members of the Panel that a highway-only freight network is too limiting and that it would be useful to have a federal discretionary program to address the needs of large-scale projects of regional and national significance. The T&I Panel will meet again in late May in Los Angeles to tour the ports of LA and Long Beach and in mid-June in Memphis to tour parts of the Crescent Corridor and the Port.

During the Roundtable, Porcari mentioned that the Department received 260 applications for approximately 30 to 40 slots on the new MAP-21, external Freight

Advisory Committee which will advise the internal US DOT Freight Policy Council. US DOT hopes to announce the members very soon.

- In Hurricane Sandy news, the Department of Interior has released \$475M in Emergency Relief funds for National Park Service and other DOI facilities damaged by the storm. Here is a <u>link</u> to the DOI press release and a <u>link</u> to a list of approved projects and funding amounts. In related news, last week the <u>federal</u> government approved New York City's plan to spend the \$1.77B it has been allotted to date in HUD CDBG Disaster Relief funds. Here is a <u>link</u> to the City's approved plan which includes \$360M to repair infrastructure and <u>\$294M</u> for infrastructure resiliency investments.
- Two new modal Deputy Administrators have been named at US DOT. At NHTSA, David Friedman is NHTSA's new deputy administrator. Friedman, an engineer by training, previously served as a transportation analyst at the Union of Concerned Scientists where he pushed for stricter fuel economy standards. At FAA, the White House announced that it will appoint Michael Whitaker as deputy FAA administrator. Whitaker worked for United Airlines as an executive from 1994-2009, and before that as a counsel to TWA.

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

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