



Washington Update

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**PARSONS
BRINCKERHOFF**

May 7, 2014

This morning, the House THUD Appropriations Subcommittee marked-up and approved the FY'15 US DOT funding bill. It was a short, non-controversial session with no amendments offered. The bill was passed by voice vote. The full House Appropriations Committee is expected to act on the bill during the week of May 19.

Despite the unusually early action by the House on the THUD bill, there is speculation that the bill may be one of the last appropriations bills to be passed by Congress since there is not enough revenue in the Highway Trust Fund to fully fund highway and transit programs for the entire fiscal year and authorization for the surface transportation programs, through MAP-21, expires prior to the start of FY'15. There is also the thought that the THUD bill may be used as a legislative vehicle for a short-term transfer of General Funds to keep the Trust Fund solvent for some period of time, likely beyond the November elections.

Here is a [link](#) to a Subcommittee press release and summary of the bill and a [link](#) to the bill text as released by the Subcommittee.

Highways – the House bill includes \$40.25B for the core highway program obligation limitation – the same as in FY'14. However, funding is contingent upon enactment of new surface transportation authorization legislation.

Transit – the bill includes \$8.6B for the FTA formula programs, which include the bus and bus facilities program – the same as in FY'14. However, the discretionary Capital Improvement Grant program (New Starts/Small Starts/Core Capacity) is reduced to \$1.69B. The CIG program is currently funded at \$2.13B which includes \$1.94B in new FY'14 funding plus additional unused prior year funding. The bill does not include specific funding for any projects. The funding level appears to be sufficient to honor the existing Full Funding Grant Agreements and Small Starts Grant Agreements, but leaves little room for new projects. The bill includes language lowering the maximum federal share for new FFGAs from 60% to 50%.

Rail – the bill does not include any funding for high-speed rail – consistent with previous House appropriations bills. There was no funding appropriated for high-speed rail in FY'14. Funding for Amtrak operations is the same as in FY'14 - \$340M, but funding for Amtrak Capital Grants is reduced from \$1.05B to \$850M. The Senate is likely to restore much of the funding for Amtrak. The bill includes several provisions related to RRIF loans, the Surface Transportation Board, and TIFIA credit assistance that would negatively impact the California high-speed rail project.

Aviation – the House bill includes \$3.35B for the construction-related Airport Improvement Program (AIP) – the same as in FY'14.



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TIGER – the bill includes \$100M for the popular TIGER program which is less than the \$600M in current FY'14 funding, but more money than in previous House bills which zeroed out the program. The general assumption is that the Senate will include more funding for TIGER in its version of the DOT appropriations bill. The House bill includes language restricting TIGER funds to highway, bridge, and port and freight rail intermodal projects. Transit, passenger rail, bike and pedestrian paths, and street-scaping projects, as well as planning projects would no longer be eligible.

Program	FY 2014 Funding	House Subcomte FY'15
Core Highway Program – Obligation Limit	\$40.25B	\$40.25B
Transit Formula Programs (including Bus and Bus Facilities)	\$8.6B	\$8.6B
Transit Capital Grants (New Starts/Small Starts/Core Capacity))	\$1.94B plus unused prior year funding for a total of \$2.13B	\$1.69B
Airport Improvement Program (AIP) Grants	\$3.35B	\$3.35B
Amtrak – Operating	\$340M	\$340M
Amtrak - Capital	\$1.05B	\$850M
TIGER Discretionary Grants	\$600M	\$100M
Washington DC WMATA	\$150M	\$150M
High Speed Rail	\$0	\$0

The Senate Appropriations Committee has not yet announced the schedule for introducing and acting on its version of the FY'15 DOT funding bill.