

Parsons Brinckerhoff Washington Update - June 10, 2015 - Interim Update

Very late last night, the full House voted to approve its version of the FY'16 THUD (US DOT/HUD) annual appropriation bill – HR 2577. It was a very close vote - passing with a margin of only six votes - 216-210. The tight vote reflected opposition by Democrats, Republicans, and the Administration. Only three Democrats voted for the bill. Democrats opposed funding cuts to such popular programs as TIGER, Amtrak and transit New Starts. They plan to oppose any appropriation bills, such as the THUD bill, which adhere to the reduced spending levels imposed by sequestration.

On the other hand, the conservative Heritage Action for America also opposed the bill and said it would “score” the vote. The influential group wants even deeper spending cuts and believes the bill implies that another bail-out of the Highway Trust Fund using deficit spending will be required in order meet the proposed highway and transit funding levels. Thirty-one Republicans voted against the bill.

The Administration has threatened to veto the bill because it locks in sequestration funding levels, cuts specific programs, and includes policy riders related to travel to Cuba, restrictions on funding for the California high-speed rail project and increases in truck size and weight, as well as other concerns.

The Senate has not yet introduced its version of the FY'16 THUD bill. Typically, the Senate (at least in the past while under Democratic control) restores most of the House cuts to TIGER, Amtrak, New Starts, etc. However, Senate Minority Leader Harry Reid (D-NV) is threatening to filibuster any appropriation bills, such as the THUD bill, which are funded at reduced, sequestered levels. It is therefore possible that as of October 1, US DOT programs could end up being funded under a short-term Continuing Resolution (CR) for some period of time.

Program	Final FY'14 Funding Level	Final FY'15 Funding Level	Final House-Passed Bill – HR 2577
Core Highway Program – Obligation Limit	\$40.25B	\$40.25B	\$40.25B
Transit Formula – including Bus and Bus Facilities	\$8.6B	\$8.6B	\$8.6B
Transit Capital Improvement Grants (New Starts/Small Starts/Core Capacity)	\$1.94B plus prior year funding = \$2.13B total	\$2.12B	\$1.921B
Airport Improvement (AIP) Grants	\$3.35B	\$3.35B	\$3.35B
TIGER Discretionary Grants	\$600M	\$500M	\$100M
Amtrak Total	\$1.39B	\$1.39B	\$1.13B