



June 17, 2014

There has been a great deal of activity in Congress over the past few weeks on the FY'15 appropriations bills and various infrastructure authorization issues; however, the outlook for the rest of the summer session and into the fall is murky at best. Congress is in session only a limited number of days between now and the August recess which begins on August 1 and extends through September 8. Congress is scheduled to recess for the November mid-term elections on October 3. House Republicans are currently preoccupied with the fallout from House Majority Leader Eric Cantor's loss in his primary race and the subsequent House leadership elections to replace him which will take place this week. Cantor's loss and the upcoming November elections may make Members of Congress even more skittish about taking tough votes on such issues as solving the Highway Trust Fund crisis.

MAP-21 Reauthorization

With recent estimates showing the highway account of the Highway Trust Fund running out of money as early as mid-August, prior to the September 30 expiration of MAP-21, Congress must act on some sort of funding fix before they adjourn on August 1 for a five-week recess or critical reimbursements to the states may be substantially delayed. That gives them less than six weeks in session to come up with and pass a plan. With that limited amount of time, only a short-term fix is currently being contemplated. A longer-term solution, such as a gas tax increase, moving to a sales tax, repatriation of overseas corporate profits, a per barrel oil fee, etc., will have to wait until after the November elections, possibly in a post-election lame duck session or not until next year.

The current House Republican leadership plan is to use 10 years-worth of savings from reducing Saturday mail service to provide approximately six months of revenue into the Trust Fund. The plan is to bring this proposal directly to the House floor before the end of June. Despite the fact that "beggars can't be choosy", the transportation industry and many others are in an uproar over this very controversial proposal. Previous efforts to cut back Saturday mail service have failed and using such savings to pay for anything other than bailing out the postal service, is "a gimmick, not a pay for", according to US DOT Secretary Anthony Foxx.

As previously reported, in the Senate, the Environment & Public Works Committee has passed the highway title of a MAP-21 reauthorization bill, S. 2322, which is a welcome start, but the bill, which funds highway programs at current levels plus a bump up for inflation for six-years, does not include a funding provision. The Banking Committee, which has jurisdiction over transit programs, and the Commerce Committee, which has jurisdiction



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
BRINCKERHOFF**

over highway safety, rail and freight programs, have yet to schedule any action on their titles of the bill. And more importantly, the Senate Finance Committee, which must approve the funding title, has not determined how to proceed, other than to say that they will first focus on a short-term patch in the range of \$10B, which they hope to pass before the July 4 recess.

FY'15 Appropriations

Congress has moved more quickly than usual to debate and pass many of the FY'15 federal agency funding bills. This is due in part to last year's budget agreement which set overall spending levels for two years – FY'14 and FY'15. However, despite the progress made to date, it is unclear how many of the appropriations bills will pass as stand-alone bills rather than as one or more omnibus bills and whether any or many can be completed before the October 1 start of the new fiscal year.

The THUD (US DOT and HUD) funding bill is off to a fast start and has been passed by the full House and the Senate Appropriations Committee. The Senate will take up the bill on the floor starting today as part of a package of three bills.

Here are links to the [House bill, HR 4745](#), the [House Committee Report, H. Report 113-464](#), the [Senate bill, S. 2438](#) and the [Senate Committee Report – S. Report 113-182](#).

The House bill cuts a number of popular programs including funding for Amtrak, transit Capital Improvement Grants (New Starts/Small Starts/Core Capacity) and TIGER Discretionary Grants (as well as restricting the uses of TIGER grants to highway and freight projects only). As anticipated, the Senate restored or increased funding for those programs, as well as the Airport Improvement Program, in part because they had a larger funding allocation.

Pages 82 and 83 of the Senate Committee Report (see link above) list those FTA New Start, Small Start, and Core Capacity projects identified for specific funding in FY'15. Pages 54 and 55 of the House Committee Report (see link above) describe how the House recommends allocating funding for those types of projects but does not list specific projects. Both bills provide the Administration's recommended level of funding for all projects with existing Full Funding Grant Agreements. Final decisions on which additional Capital Improvement Grant projects are funded will be made when the House and Senate reconcile their bills in conference.

As you can see from the chart below, the Administration's FY'15 budget request includes significant new funding for most programs because it assumes passage of the Administration's surface transportation reauthorization proposal, the GROW AMERICA Act. The GROW AMERICA Act proposes to raise, in addition to the existing gas tax revenue,



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
BRINCKERHOFF**

approximately \$37.5B per year for four years, totaling \$150B, through various forms of corporate tax reform. If approved by Congress, that amount would be enough to fill the \$63B funding gap in the Trust Fund and support \$87B over four years in new funding. On the other hand, the House and Senate FY'15 funding bills provide only current funding levels (or less). Any additional funding is contingent on Congress approving a short or long-term revenue fix.

Program	FY'14 Current Funding	FY'15 US DOT Request	FY'15 Full House – Passed 229 to 192	FY'15 Senate Full Comte
Core Highway Program – Obligation Limit	\$40.25B	\$47.32B	\$40.25B	\$40.25B
Transit Formula – including Bus and Bus Facilities	\$8.6B	\$13.91B	\$8.6B	\$8.6B
Transit Capital Improvement Grants (New Starts/Small Starts/Core Capacity)	\$1.94B plus unused prior year funding = \$2.13B total	\$2.5B	\$1.69B	\$2.16B
Airport Improvement (AIP) Grants	\$3.35B	\$2.90BB	\$3.35B	\$3.48B
TIGER Discretionary Grants	\$600M	\$1.25B	\$100M	\$550M
Amtrak Total	\$1.39B	\$2.45B	\$1.19B	\$1.39B
High Speed Rail	\$0	\$0	\$0	\$0



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
BRINCKERHOFF**

Other News:

On June 10, President Obama signed into law the Water Resources and Reform Development Act (WRRDA) of 2014. Here is a [link](#) to the legislative text of the final version of the bill, a section-by-section summary, and a shorter summary of the bill. The new law authorizes funding for flood control, dredging, navigation and other capital projects carried out by the US Army Corps of Engineers. Controversy has arisen over a provision that creates a new financing program – WIFIA, modeled on the popular TIFIA program. Industry groups had pushed hard for inclusion of WIFIA, but the final language prohibits selected projects from using any other source of tax exempt bond proceeds, making use of WIFIA much less attractive to project developers.

On June 2, FHWA and FTA jointly published two important notices in the Federal Register – an NPRM on Statewide and Metropolitan Transportation Planning and Policy Guidance on Metropolitan Planning Organization (MPO) Representation. Here is a [link](#) to the NPRM. The changes proposed to the transportation planning process are mandated by MAP-21 and include a new requirement for state DOTs and MPOs to take a performance-based approach to planning and programming, a new emphasis on nonmetropolitan planning through the creation of regional planning organizations (RTPO), and revisions to the integration of the planning and environmental review process. Comments are due by September 2, 2014. Here is a [link](#) to the MPO policy guidance which also implements provisions in MAP-21. It requires that public transit providers be represented in each MPO that serves a TMA, no later than October 1, 2014.

On June 4, the Federal Transit Administration announced the availability of approximately \$100M in competitive grant funds through its new “Ladders of Opportunity Initiative.” The funds may be used to modernize and expand transit bus (but not rail) service specifically for the purpose of connecting disadvantaged and low-income individuals, veterans, seniors, youths, and others with local workforce training, employment centers, health care, and other vital services. Applications are due to FTA by August 4. Here is a [link](#) to additional information.

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