

Parsons Brinckerhoff Washington Update - June 23, 2015 - Part II - Interim Update

As reported earlier today in the original Parsons Brinckerhoff Washington Update, this morning the Senate THUD (DOT/HUD) Appropriations Subcommittee marked up its version of the FY'16 US DOT annual funding bill and the Senate Environment & Public Works Committee held a press conference to unveil details of the highway title of a MAP-21 reauthorization bill that it will mark up tomorrow morning.

Here is information about those two activities.

Senate THUD Appropriations

This morning, the Senate THUD Appropriations Subcommittee marked up its version of the FY'16 US DOT annual funding bill. The bill will go to full committee on Thursday. After that, it is unclear what will happen since Senate Democrats are threatening to filibuster all Senate appropriations bills which are funded at reduced, sequester levels, such as the THUD bill. Here is a [link](#) to a summary of the bill. As hoped, the Senate restored funding for Amtrak, TIGER and DC's WMATA, but they cut the funding level for FTA Capital Investment Grants (CIG) (New Starts/Small Starts/Core Capacity) below the already reduced House level.

In addition to the chart below, WMATA is funded at the full \$150M authorized level versus the House level of \$100M. Within the FTA's CIG grants:

- Existing FFGAs are fully funded at the Administration's requested level - \$1.25B
- Proposed FFGAs are fully funded at the Administration's requested - \$250M
- Small Starts are funded at \$30M (reduced from \$353M in House)
- Core Capacity projects are funded at \$75M (increased from \$40M in House)

Program	Final FY'14 Funding Level	Final FY'15 Funding Level	Final House-Passed Bill – HR 2577	Senate Subcommittee Funding
Core Highway Program – Obligation Limit	\$40.25B	\$40.25B	\$40.25B	\$40.25B
Transit Formula – including Bus and Bus Facilities	\$8.6B	\$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	\$1.61B - \$316M less than the House
Airport Improvement (AIP) Grants	\$3.35B	\$3.35B	\$3.35B	??

TIGER Discretionary Grants	\$600M	\$500M	\$100M	\$500M
Amtrak Total	\$1.39B	\$1.39B	\$1.13B	\$1.68B - \$289M for operations, \$1.1B for capital grants, +\$17M for the NEC

Senate EPW Highway Title – DRIVE Act

This morning, the bi-partisan leadership of the Senate Environment & Public Works Committee (EPW) held a press conference to unveil their six-year highway reauthorization bill. The Committee does not have jurisdiction over transit or highway safety programs. The bill will be marked up tomorrow at 9:30am in full committee. The bill is called the “Developing a Reliable and Innovative Vision for the Economy Act” (DRIVE Act). Here is a [link](#) to the bill text. Here is a [link](#) to a summary of the bill. Here is a [link](#) to the Committee website where you can watch a webcast of tomorrow’s mark-up. The bill provides increased funding levels for existing and new highway programs, but does not include any new revenue, leaving that up to the Senate Finance Committee.

The bill increases total annual contract authority for FHWA programs from \$37.8B under MAP-21 to \$45.5B by year 2021. Over six-years, \$257.5B is apportioned to the states. The programs are divided up as follows:

National Highway Performance Program	56.1%
Surface Transportation Program	25.0%
Congestion Mitigation/Air Quality Program	5.7%
National Freight Program	5.2%
Highway Safety Improvement Program	4.7%
Transportation Alternatives	2.0%
Metropolitan Planning	.8%
Railroad Highway Grade Crossing Program	.5%

The total annual budgetary cap on highway spending rises from MAP-21 levels (\$40.3B in 2014) as follows:

2015 - \$43.1B
2016 - \$44.0B
2017 - \$45.0B
2018 - \$46.0B
2019 - \$47.2B
2020 - \$48.3B

The bill also addresses a number of important issues including additional improvements to the MAP-21 streamlining provisions, planning reforms, and funding for research. A major new initiative in the bill is the creation of a new core National Freight Program. Dedicated bridge funding is increased and states are incentivized to take a risk-based asset management approach to bridge projects. The TIFIA program

is cut from \$1B in FY'14 to \$675M for each of the fiscal years 2016 through 2021. The tolling portion of the bill does not appear to increase the number (3) of Interstates that can be converted to toll roads, but does add a "use-it-or-lose-it" provision that could shift authorization for tolling from one state to another state when the conversion stalls or fails.

Here is a summary of the bill's freight program and the new "Assistance for Major Projects Program" (AMPP) which is a mega-projects program very similar to the Projects of National and Regional Significance (PNRS).

National Freight Program (Title I, Subtitle A, Sec. 1014, page 60)

- Mandates creation of State Freight Plans and State Freight Advisory Committees
- Provides between \$2B and \$2.5B annually for investment in Title 23 freight projects, distributed to states via formula program. Up to 10% of a state's freight formula dollars may be used for multimodal/intermodal freight projects
- Increases mileage on the Primary Freight Network – now named "Primary Highway Freight Network" – to 30,000 centerline miles (MAP-21 capped at 27,000 centerline miles) plus all NHS freight intermodal connectors
- Calls for US DOT to complete a study of multimodal freight projects that do not qualify for funding under Title 23

Assistance for Major Projects Program – "AMPP" (Title I, Subtitle A, Sec. 1015, page 89)

- This program is a megaprojects competitive grant program authorized at a total of \$2.4B over six years. Applicant eligibility has been expanded and the program adopts a joint decision making process for project selection. Other details:
 - Minimum project threshold of \$350M
 - Minimum project award of \$50M, except in the instance of rural projects
 - Rural projects must receive 20% of available funding
 - Transit projects are capped at 20% of available funds
 - Any single state is capped at 20% of available funds
 - Money awarded through this program can be used to pay a project's TIFIA subsidy