



June 27, 2011

The House is on recess this week until July 6. The Senate is in session this week, but on recess all next week for the July 4th holiday.

Surface Transportation Reauthorization

House T&I Committee Chairman John Mica (R-FL) had hoped to unveil his surface transportation reauthorization bill on July 6 or 7 and mark it up the following week in committee, but now that appears less likely to happen since the House Republican leadership has not made a commitment to reserve floor time before the August recess for the bill. There is speculation that Chairman Mica may simply hold a press event in early July to unveil the broad parameters of his bill rather than introduce a full blown bill during July.

A bi-partisan group of 29 House Members have communicated to Chairman Mica in a [letter](#) supporting the inclusion of a strong program of investment in projects of national and _____ regional significance to enhance goods movement. The letter was coordinated by the Coalition for America's Gateways and Trade Corridors.

The Senate Environment & Public Works Committee is currently waiting for a signal from the Senate Finance Committee on the revenue title before they introduce the highway title of the bill. Meanwhile, the Senate Finance Committee is waiting to see the outcome of the Biden budget/debt ceiling talks which are currently stalled over the issue of tax increases. These negotiations have been elevated to the level of discussions between President Obama and Speaker John Boehner. It appears more and more likely that the Senate will opt to do only a two-year bill which is easier to fund; however, there is not enough revenue in the Highway Trust Fund to fund even a two-year bill at current levels - about \$12B in additional revenues are needed to avoid program cuts over this time frame.

Twenty-four Democratic Senators, led by Senator Robert Menendez (D-NJ), sent a [letter](#) last week to the leaders of the Senate Finance Committee strongly urging the committee to "strengthen the Mass Transit Account's fair share of funding in the next surface transportation authorization to guarantee that our economic recovery continues and that we can be more self-reliant in meeting our transportation needs."

Despite the various holdups, EPW Chairwoman Barbara Boxer (D-CA) hopes to introduce a highway bill during the week of July 11, to hold hearings on it the week of July 18 and to mark the bill up in committee the week of July 25, with floor action in September.



This delay in action likely means the existing SAFETEA-LU bill will have to be extended once again. It currently expires on September 30. It is probable that any extension would include program cuts.

FTA Discretionary Grant and Allocation Notices

Friday and today, FTA released several Notices of Funding Availability (NOFAs) for FY'11 discretionary grants programs and the allocation of FY'11 News Starts/Small Starts grants. The FY'11 DOT Appropriations bill did not include any earmarks for highway or transit discretionary grant programs. Instead FHWA and FTA are soliciting grant applications and will select grantees competitively.

In the June 24 Federal Register, FTA published a NOFA for up to \$750M in discretionary Bus and Bus Facilities grants in support of its [State of Good Repair Initiative](#). Applications are due by July 29. Also in the June 24 Register, FTA published a NOFA for two separate programs in support of its environmental sustainability goals: the TIGGER III program and the Clean Fuels program. There is \$49.9M available in FY'11 funds for the TIGGER program for projects that reduce greenhouse gas and energy use and at least \$51.5M available in FY'11 funds for the Clean Fuels program. Applications for [both programs](#) are due by August 23. In the June 27 Federal Register, FTA published a [NOFA for up to \\$175M](#) in federal [Livability Initiative](#) grants to help urban, suburban and rural communities develop better transit options. The funding comes from the FY'11 Bus and Bus Facility (\$150M) and Alternative Analysis (AA) programs. The money can be used for projects that meet the existing criteria for those two programs. Applications are due by July 29.

In the June 24 Federal Register, FTA also published a notice allocating the FY'11 [Capital Investment Program](#) (New Starts/Small Starts) funds. Unlike in past years, [Congress did not earmark any of these funds](#). Although \$2B was appropriated by Congress for this program in FY'10, only \$1.58B was appropriated in FY'11 because of large reductions in discretionary programs. A complete list of the projects receiving funding allocations for 2011 can be found [here](#).

After the 1% ~~taken down for~~ administrative costs, the \$1.58B is apportioned to 26 projects plus the Denali Commission and Alaska /Hawaii Ferry program. Despite significantly reduced funding, FTA was able to fund all the projects recommended in the President's FY'11 Budget Request. The Administration's FY'11 request was \$1.82B which included \$45M for "Other" unallocated projects. After subtracting the \$200M they requested for the cancelled ARC project in New Jersey and eliminating the \$45M request for unspecified projects, there is enough money to fund all the projects at the recommended levels and still have \$1.6M left over. Those projects not in the President's FY'11 Budget Request unfortunately did not receive any funding the final FY'11 allocation.

US DOT Assistant Secretary Polly Trottenberg confirmed that the Department is expected to issue a NOFA for the FY'11 TIGER III program very shortly. US DOT has also announced



that a notice will be issued soon seeking applications for the FY'11 University Transportation Centers program. The applications will be evaluated on a totally merit based approach to select 20 Consortia with 2 or more institutions in each. All existing earmark designations have been revoked.

House Amtrak/NEC/HSR Bill

House T&I Committee Chairman John Mica was pressured into holding a hearing rather than a mark-up on his Amtrak/NEC/HSR bill last week after Democrats on the committee vigorously opposed the bill. Here is a [link](#) to information on the hearing and the text of the witness testimony. Opponents of the [bill](#) said it is unconstitutional because it violates the 5th Amendment "takings" provision and the "appointments" clause, breaks up AMTRAK before knowing whether anyone will step up to replace it, and potentially kills long-distance lines if NEC profits not available to cross-subsidize non-performing routes.

In other high-speed rail news, on June 15, an amendment was adopted to the FY'12 Energy & Water Appropriations bill rescinding high-speed rail ARRA money not obligated by the end of the fiscal year. The \$1.028 billion in funding would be reallocated to provide emergency funding to the Army Corps of Engineers to repair damage caused by recent storms and floods in the Midwest. The full House is expected to take up the bill after the July 4 break. While the Senate is likely to oppose the provision if passed by the House, it remains unknown how the rescission would fare in the final bill.

The Congressional Bicameral High-Speed & Intercity Passenger Rail Caucus has produced a [report](#) describing all ARRA-funded HSR projects across the country divided into two groups – [obligated](#) and unobligated. Many projects are at risk of having their funds rescinded if they do not obligate the money before the Energy & Water bill is passed and takes effect (no earlier than October 1).

FAA Reauthorization

Before leaving town for recess, the House passed the 20th short-term extension of the FAA bill. The Senate is expected to pass the bill this week. The current extension expires June 30. The new extension goes through July 22. However, since the House will be on recess again the week of July 18, if there is no agreement on a long-term measure, the short-term bill will effectively need to be extended again by July 15 – less than two weeks after the House returns from its July 4th recess. Labor issues, funding for the AIP program, the Essential Air Service program and long-distance flights out of DC's Reagan National Airport still need to be resolved before a longer-term bill can finally be passed.