



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
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Congress is back in session after the July 4th recess, but only for three short weeks before leaving town again for the month-long August recess. The primary focus for the next three weeks is on passing a healthcare reform bill and getting started on the FY'18 appropriations bills. Congress is still trying to pass an FY'18 Budget Resolution, which sets the broad, government-wide spending parameters for the new fiscal year.

Usually, the House and Senate appropriation subcommittees wait for a Budget Resolution to be passed before marking up the individual federal agency funding bills. However, this year with the budget process so far behind, the subcommittees are moving ahead on their bills without guidance from the Budget Committees.

FY'18 Appropriations

Last night, the House Transportation & Housing and Urban Development (THUD) appropriations subcommittee released the draft of its FY'18 funding bill for the US Department of Transportation. The bill will be marked-up and voted out of subcommittee this evening. The bill fully funds the highway and transit formula programs that are funded through the Highway Trust Fund at the levels authorized by the FAST Act. Other programs, primarily those discretionary programs funded with general funds, did not fare as well. The bill zeros out the popular TIGER grant program. However, the House has proposed to eliminate funding for TIGER many times in the past and the Senate, where there are several key TIGER champions, always restores all or most of the funding.

FHWA – \$44.23B – the amount authorized in the FAST Act, a 2.2% increase over current funding. However, the bill also calls for an \$800M rescission of highway contract authority, similar to the \$857M rescission in FY'17.

FTA – \$1.75B for the Capital Improvement Grant (CIG) program which funds New Start/Small Start/Core Capacity projects. This is above the Administration's request of \$1.23B, but well below the current funding of \$2.41B. This appears to only be sufficient funding for New Start projects with existing FFGAs (\$1B), existing Core Capacity projects (\$145.7M) and several Small Start projects (\$182M). The remaining \$400M appears to be set aside for the NJ/NY Gateway project. This would leave no funding available for pending New Start projects that don't have an existing FFGA, such as the Maryland Purple Line and the LA Westside Section 3 projects. The bill provides \$150M (the amount authorized) for DC's WMATA system.



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FAA - \$3.35B for the Airport Improvement Program (AIP) – the same as in previous years. The pending FAA authorization bills (see below) propose to increase AIP funding.

FRA - \$1.43B for Amtrak – this is significantly above the \$760M which the Trump Administration had requested and only slightly below the \$1.49B funded in FY'17. The approximately \$60M in cuts is taken out of funding for the National Network, not the Northeast Corridor (NEC). In addition, the bill includes \$500M for a new FAST Act authorized State of Good Repair program which is currently only funded at \$25M. It appears that the majority of these new funds are to be directed to the NJ/NY Gateway project. The bill includes \$25M for the new Consolidated Rail Infrastructure & Safety Improvement (CRISI) discretionary grant program, down from the \$68M in FY'17. The usual language prohibiting federal funds from being used for the California high-speed rail project is included, however, in the past that language has always been stripped out in the final bill.

The text of this bill can be found [here](#) and a press release with a summary from the House Committee on Appropriations can be found [here](#).

The Senate has not yet released its version of the FY'18 THUD bill.

FAA Reauthorization

House and Senate committees have each passed FAA reauthorization bills, but the bills differ widely on certain key provisions and the schedule for floor debate and final passage is unclear. In the meantime, the current FAA authorization (an extension) expires on September 30.

On June 27, the House T&I Committee approved an FAA authorization bill, [HR 2997](#), the "21st Century Aviation Innovation, Reform and Reauthorization Act" (AIRR). The Committee voted 32 to 25 – mostly along party lines. All committee Democrats and one Republican voted against the bill. The bill is similar to one passed by the T&I Committee in the previous Congress which never got to the floor because of the controversy over a provision which would "privatize" the Air Traffic Control (ATC) system. An amendment, offered by Rep. Peter DeFazio (D-OR), the senior Democrat on the committee, to eliminate the ATC provision was defeated.

The Committee voted in support of an amendment to increase the proposed funding levels for the Airport Improvement Program (AIP), which funds airport construction. The



amendment would increase annual AIP funding from the current \$3.35B (which it has been stuck at for many years) to \$3.6B in FY'18 and up to \$4B by 2023.

Two days later, the Senate Commerce Committee marked-up its version of an FAA reauthorization bill, [S. 1405](#), the "FAA Reauthorization Act of 2017" and passed it by a voice vote. The Senate bill does not include the controversial ATC privatization provision. However, like the House bill, it does increase AIP funding. Neither bill includes a provision to lift the cap on the Passenger Facility Charge (PFC), which is strongly supported by the engineering and construction industry.

FASTLANE/INFRA Grants

As reported in the June 28 and 29 WSP Washington Updates, US DOT has announced that it will rename and revise the popular FASTLANE discretionary grant program. The formal Notice of Funding Opportunity (NOFO) for the FY'17/FY'18 newly named INFRA grants was published in the Federal Register on July 5. Here is a [link](#) to the NOFO. Applications are due by November 2, 2017. US DOT will hold a series of webinars to provide technical assistance on the INFRA program. The first webinar will be held on Thursday, July 13 from 2pm to 4pm ET. Here is a [link](#) to more information on the webinars and a [link](#) with additional information about the INFRA program. An announcement of the FY'17 INFRA grants under the small project set-aside, totaling about \$89M, is expected shortly. Also, expected soon is release of the NOFO for the FY'17 TIGER grants.

Other News

- The White House has announced its intent to nominate its first US DOT modal administrator. After months of his name being rumored, the Administration nominated Ron Batory as FRA Administrator. His nomination is subject to Senate confirmation. From the White House announcement – "Ronald L. Batory of New Jersey to be the Administrator of the Federal Railroad Administration, Department of Transportation. Mr. Batory has more than 45 years of diverse leadership in the railroad industry. In his last capacity with Consolidated Rail Corporation, he served as President and Chief Operating Officer. Prior to that affiliation, he was President of the Belt Railway Company of Chicago. Mr. Batory earned his B.A. from Adrian College and his M.A. from Eastern Michigan University. Mr. Batory and his wife, Barbara, reside in Mount Laurel, New Jersey."



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- Following up on passage of the FY'17 US DOT appropriations bill as part of a government-wide omnibus bill in early May, FTA has released its final FY'17 apportionment tables and new policy guidance. Of particular note, here is a [link](#) to a chart which lists the grant allocations, as designated by Congress, for the Section 5309 Capital Improvement Grant (CIG) projects – New Start, Small Start, and Core Capacity. Despite recommendations from the Administration to severely cut the CIG program and not fund any projects that did not have a signed FFGA, Congress appropriated \$2.41B for CIG projects (versus \$2.17B in FY'16) and provided significant funding for several key projects such as the Maryland Purple Line and the Caltrain electrification project. Here is a [link](#) to all the formula and discretionary apportionment tables and a [link](#) to the supplemental guidance.
- FTA has published updated 2017 reporting instructions, templates, and standard cost category (SCC) workbooks for Capital Improvement Grant (CIG) - New Starts, Small Starts, and Core Capacity - projects on its website. Here is a [link](#). These documents explain the information project sponsors must provide to FTA for evaluation and rating of their CIG projects. For any project that wishes to have an updated rating reported in the FY'19 Annual Report to Congress, submittals using the new reporting instructions, templates, and SCCs are due to FTA by Friday, September 8, 2017. Note that project sponsors must coordinate in advance of September 8 with FTA on the chosen ridership forecasting method and documentation.
- FRA published a final rule outlining how private companies can apply for an opportunity to provide passenger rail service for existing Amtrak long-distance routes, as long as they can do it for less money than the federal government currently has to pay for those services. The program, the Competitive Passenger Rail Service Pilot Program, created by the FAST Act, allows the experiment for up to three routes for four-year periods - which can be renewed at the discretion of the US DOT secretary for another four years. The final rule establishes a 180 day petition window. Here is a [link](#) to the Federal Register notice.
- Here is a [link](#) to the US DOT/FAA press release announcing \$230M in FY'17 AIP grants to 104 airports and a [link](#) to the list of AIP grants listed by state and airport.

Additional information and materials, including archived Washington Updates, are located on the WSP *Federal Briefing* website at www.federalbriefing.com.