



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
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July 15, 2014

This afternoon, the House passed HR 5021, the "Highway and Transportation Funding Act of 2014", by an overwhelming vote of 367 to 55. Of the 55 votes in opposition, 45 were Republicans and 10 were Democrats. The bill was debated under a closed rule which did not permit floor amendments to be offered.

The bill would transfer approximately \$10.8B from the General Fund into the Highway Trust Fund (HTF) - \$8.8B into the Highway Account and \$2.0B into the Mass Transit Account - to keep the HTF solvent and provide funding for highway and transit programs at current levels through May 31, 2015. During the floor debate, Rep. Earl Blumenauer (D-OR) offered a motion to recommit the bill to the Ways & Means Committee with instructions to change the date from May 31, 2015 to December 31, 2014 in an effort to force Congress to act sooner rather than later on a long-term funding solution, but the motion did not pass (193 – 227).

The cost to the General Fund would be offset by various "pay-fors", all of which are unrelated to transportation and most of which extend over 10 years. They include "pension smoothing", an extension of custom duties, and a transfer of \$1B from the Leaking Underground Storage Tank Trust Fund (LUST).

The bill also includes an extension of the MAP-21 authorization through May 31, 2015 at current funding levels, pro-rated for the eight-month length of the extension - October 1, 2014 to May 31, 2015.

Questions have been raised about whether \$10.8B is a sufficient patch to extend HTF solvency through May 31 since the Congressional Budget Office (CBO) recently estimated that \$8B was needed to avoid slowdowns in federal reimbursements through December 31 alone. The House-passed bill only provides an additional \$2.8B to cover all of January through May 2015, even considering that HTF expenditures typically slow down during the winter months.

In advance of the House vote, the White House issued a Statement of Administration Policy (SAP) in support of the bill, much to the dismay of many industry stakeholders and the Democratic leadership of the Senate EPW Committee who continue to push for a shorter extension, only through December 2014, in order to keep the pressure on Congress to act on a longer-term funding solution, possibly during the post-election Lame Duck session. Here is a [link](#) to the SAP.

Both the conservative Heritage Action and the Club for Growth groups issued a "key-vote" alert urging House members to vote against the bill. Heritage said that "an inability to control spending combined with costly regulations that inflate the cost of projects has rendered the HTF model functionally obsolete." The Club said that "this bill uses budget



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gimmicks and fee increases to bail out a wasteful and inefficient program that shouldn't even exist."

Last week the Senate Finance Committee passed its own version of a short-term HTF funding bill. The Senate bill also transfers \$10.8B into the HTF with similar offsets, but it does not currently include an extension of the MAP-21 authorization and it is silent on how long the funding fix would last.

Now that the House has passed its bill, the Senate has several options. It can simply vote to approve the House version of the bill, it can take up the House bill, amend it and send it back to the House for consideration, or it can vote on the bill passed by the Senate Finance Committee. No schedule has been announced yet for Senate action. Congress leaves for its August recess on Friday, August 1.

Parsons Brinckerhoff employees around the country have joined with other industry stakeholders in a grassroots effort to contact their Members of Congress in strong support of both short-term and long-term solutions to the HTF insolvency.

Other News

- On July 11, the Federal Railroad Administration (FRA) published a Notice of Funding Availability (NOFA) in the Federal Register for intercity passenger rail grade crossing improvement projects, positive train control implementation projects and Passenger Rail Corridor Investment Plan projects. Applications for funding are due to FRA by September 15, 2014. Approximately \$58.3M is available in already appropriated funding - \$41.8M is available in FY'14 funding from previously unobligated mag lev funding originally authorized in SAFETEA-LU and at least \$16.5M is available from unobligated funds previously appropriated for High-Speed Rail Intercity Passenger Rail Program (HSIPR) projects that came in under budget or were not completed. The notice is also intended to establish a pool of applications that could receive any additional funding that may become available under similar circumstances. Here is a [link](#) to the FR notice.
- The Federal Transit Administration (FTA) has issued the FY'16 Reporting Instructions for [New Starts](#) and [Small Starts](#) as well as updated New Starts and Small Starts templates ([Part 1](#) and [Part 2](#)) and [SCC workbooks](#) to be used for the FY'16 reporting cycle. Of note, New Starts and Small Starts project sponsors who are seeking an FTA funding recommendation for FY'16 funds or whose project has had significant changes since last year's evaluation should submit their updated information to FTA by September 10, 2014.



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- Yesterday, the White House released a new report from the Council of Economic Advisers and National Economic Council on the long-term economic benefits of transportation investment and why conditions in the infrastructure sector are ripe for innovation, with new technologies and approaches promising significant gains in productivity, efficiency, and resilience. In addition to the report, the White House released an interactive transportation map detailing the condition of and consequences for each state's roads and bridges as well as the jobs that would be put at risk, if Congress fails to act. Here is a [link](#) to the report and a [link](#) to the map.
- The Senate Commerce Committee met in an informal session today and voted to approve the nomination of Victor Mendez to be US DOT Deputy Secretary and Peter Rogoff to be Undersecretary for Policy. The hope is that the full Senate will vote to approve the nominations before the August recess.