

Parsons Brinckerhoff Washington Update - July 24, 2015 – Interim Update

Earlier this morning, the Senate voted 51 to 26 to approve the Motion to Proceed to start the debate on the DRIVE Act. Only a simple majority was needed. Despite the vote to proceed, by late morning, the Senate opted to adjourn for the day. Majority Leader McConnell had previously threatened to keep the Senate in session over the weekend, but now there will not be a Saturday session. They may begin debate on Sunday evening, but most likely debate will begin on Monday morning.

Late yesterday, one more Senate “payfor” was dropped – an unrelated provision regarding TARP funding for the Hardest Hit Fund. That means a loss of \$1.8B in expected revenue for the Highway Trust Fund. It appears the revenue loss will result in a \$1.8B reduction in the proposed freight formula program. This is a popular new program that would have originally provided \$13.5B over six years for highway-related freight projects. Funding for the program was reduced earlier this week to \$12.4B, and now is down to \$11.65B. The proposed FY’16 funding level will be reduced from \$2B down to only \$1B. Other “payfors”, particularly the sell-off of part of the Strategic Petroleum Reserve, continue to face opposition.

There also continues to be a strong push to attach the Export-Import Bank reauthorization to the DRIVE Act.

Here is a [link](#) to C-Span’s live broadcast of the Senate floor debate.

Here is a [link](#) to a variety of information about the DRIVE Act produced by the Senate Environment & Public Works Committee.

Here is a [link](#) to a summary of the changes to the DRIVE Act that have been agreed to as of this morning. Many of the changes are designed to fix concerns raised by Senate Democrats. The changes include the transfer of \$100M in annual funding from the highway program (\$50M from TIFIA and \$50M from the new AMPP program) to the transit program in order to maintain an 80/20 funding split between the two modes. See page 2 for the most recent changes.

Also, the DRIVE Act funding chart in yesterday’s PB Washington Update was incorrect. TIFIA funding is now down to \$300M a year, not \$625M a year. The Environment & Public Works Committee (EPW) had originally authorized TIFIA at \$675M per year, but by the time Majority Leader McConnell introduced the combined bill, TIFIA was down to \$500M and then the latest agreement knocked it down to \$300M

Here is the corrected chart.

Program	Current Appropriated Funding	EPW Comte Approved FY’16 Funding	HR 22 DRIVE FY’16 Funding	EPW Comte Approved FY’17 Funding	HR 22 DRIVE FY’17 Funding	EPW Comte Approved FY’18 Funding	HR 22 DRIVE FY’18 Funding
Base Highway Program – Ob Limit	\$40.25B	\$43.1B	\$40.0B	\$44.0B	\$41.0B	\$45.0B	\$42.1B
TIFIA	\$1B	\$675M	\$300M	\$675M	\$300M	\$675M	\$300M
AMPP*	N/A	\$300M	\$250M	\$350M	\$300M	\$400M	\$350M

*The EPW Committee created the Assistance for Major Projects Program (AMPP), a new program to provide funding for large, mega-projects, including freight.