



## Washington Update

PREPARED BY CATHY CONNOR  
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS  
BRINCKERHOFF**

### July 26, 2013

Congress has one more week in session before they adjourn for the August recess. The members will not return to Capitol Hill until the week of September 9, a full week after Labor Day. At that point there will only be between 9 and 14 legislative days before the end of the fiscal year. Therefore, it is now clear that Congress will not be able to pass most, if any, of the FY'14 annual federal agency funding bills by the October 1 start of the new fiscal year. This means funding for most agencies, including US DOT, will be provided through a Continuing Resolution (CR) which usually funds programs at their current levels, which in this case would be the equivalent of FY'12 funding since no new appropriations bills were passed in FY'13. Given the significant cuts that many of the pending House appropriations bills propose for FY'14, a CR could actually be good news for some programs.

An initial CR, potentially a government-wide one, will likely last through the end of the 2013 calendar year while Congress grapples with finding agreement on an overall budget deal, an increase in the debt ceiling, and potentially a major tax overhaul.

While things have been moving relatively quickly on the appropriations front – at least in the short term – activity on infrastructure authorization issues has slowed down considerably. Following quick passage of a Water Resources Development Act (WRDA) bill in the Senate, it appears unlikely that a companion bill will be introduced in the House before September. One key issue holding up the House bill is how to write a bill whose purpose is to authorize Corps of Engineers' water projects without including project earmarks. Even further behind is the introduction in either the House or Senate of a rail reauthorization bill. The current Passenger Rail Investment & Improvement Act of 2008 (PRIIA) expires on September 30, 2013. The House T&I Committee has held a number of recent hearings on rail authorization issues, but consideration of a bill is currently second in priority behind action on the WRDA bill. Here is a [link](#) to information about recent House PRIIA hearings.

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Following WRDA and PRIIA, Congress must address the reauthorization of MAP-21 which expires on September 30, 2014, a little over a year away. MAP-21 cannot be reauthorized or even extended even for a short period of time without additional revenues. Despite discussions of VMT, P3s, tolling, etc, a gas tax increase is still the most logical method of keeping the Highway Trust Fund (HTF) solvent – at least in the short term. There is some hope that if Congress is successful in passing a major reform of the tax code, a gas tax increase could be included as part of such an overall package. Yesterday, Senators Boxer (D-CA), Rockefeller (D-WV) and Johnson (D-SD), the chairs of the three Senate Committees with jurisdiction over MAP-21, issued a "Dear Colleague" letter to their fellow Senators urging them to work together in a bi-partisan way to solve this crisis. The letter includes a state by state listing of the number of jobs that would be lost and the decrease in funding in FY'15 if the HTF shortfall is not resolved. Here are links to the [letter](#) and [chart](#).

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## FY'14 DOT Appropriations Bill

Both the House and Senate appropriations committees made quick work of the FY'14 THUD (DOT) annual funding bills and both bills are currently pending a floor vote. The House bill ([HR 2610](#), House Report [113-136](#)) was on a fast track for floor consideration after the Rules Committee approved a rule for debate earlier this week, but now the bill will not come to the House floor until next week and may not be completed until after the August recess. The Senate version of the THUD bill ([S. 1243](#), Senate Report [113-45](#)) is currently being debated on the Senate floor – the first of the FY'14 funding bills to be considered and the first time the Senate has actually debated a THUD bill on the floor since the FY'10 bill - with passage likely early next week.

Following floor passage, all bets are off. The funding in the House bill is approximately \$10B less than in the Senate bill, reflecting the broader budget assumptions of the two bodies. As a result, the House bill severely cuts many popular programs such as TIGER grants, Amtrak, FAA's NextGen program, transit New Starts, etc. The Senate is strongly supporting its funding levels, rejecting a floor amendment yesterday to go back to committee and adopt the House top-line number. It will be very difficult to reconcile the large differences in the House and Senate funding levels. As mentioned above, most likely funding for US DOT will be included in a multi-agency CR for at least the first three months of the new fiscal year and possibly, as in FY'13, for the full year.

Program	FY 2013 Enacted	FY 2014 House	FY 2014 Senate
Core Highway Program	\$39.7B	\$40.3B	\$40.3B
Supplemental Bridge Program	\$0	\$0	\$0.5 B
Transit Formula Programs (including Bus and Bus Facilities)	\$8.5B	\$8.6B	\$8.6B
Transit Capital Grants (New Starts/Small Starts)	\$1.85B	\$1.8B	\$1.94B
Airport Improvement Program (AIP) Grants	\$3.1B	\$3.35B	\$3.35B
Amtrak – Total	\$1.5B	\$0.95B	\$1.45B
TIGER Discretionary Grants	\$0.474B	\$0	\$0.55B
High Speed Rail	\$0	\$0	\$100M

This week the White House issued a Statement of Administration Policy (SAP) for both appropriations bills. The [SAP for the House bill](#) strongly criticizes the funding cuts in key programs and says that staff would recommend to the President that he veto it. In



contrast, the [Senate SAP](#) is very supportive of the “important investments in transportation infrastructure”.

## TIFIA

On Thursday, newly sworn-in US DOT Secretary Anthony Foxx testified before the Senate Environment & Public Works Committee on the TIFIA financing program. Foxx testified that the department plans to approve several new projects before the end of the year. “This year (calendar year 2013) we expect to obligate funds for seven or more projects—a record number—and fiscal 2014 promises to be even busier,” Foxx told lawmakers. There are currently 25 projects in the pipeline. In addition, Foxx indicated that DOT is adding approximately 16 staff members to the TIFIA office to speed up project approvals. EPW Chair, Senator Barbara Boxer (D-CA), has been critical of the amount of time it is taking US DOT to approve new TIFIA projects following passage of MAP-21 which significantly increased funding for TIFIA. Foxx also indicated that the TIFIA Joint Program Office will now come under the jurisdiction of the Office of Secretary rather than being housed in FHWA.

Following the hearing, the TIFIA Program Office released updated TIFIA program guidance and loan document templates that further reflect the enactment of MAP-21. These documents can be found on the DOT TIFIA [website](#). Here is a [link](#) to the list of pending TIFIA applications and their current status ~~in the process~~. The TIFIA Letter of Interest and Application forms remain open for review and public comment until August 5, 2013.

Here is a [link](#) to a webcast of the hearing and the witness testimony. Here is a [link](#) directly to Foxx’s testimony.

## Congressional Committee Leadership

There have been several recent leadership changes in congressional committees with jurisdiction over infrastructure programs. Following the death of Senator Frank Lautenberg (D-NJ), Senator Mark Warner (D-VA) has taken over as Chairman of the Senate Commerce Committee’s Subcommittee on Surface Transportation and Merchant Marine Infrastructure Safety and Security which has jurisdiction over rail and Amtrak, among other issues.

In the House, the recent special election of Rep. Ed Markey (D) to the vacant US Senate seat in Massachusetts opened up his position as the Ranking Democrat on the House Natural Resources Committee. Rep. Peter DeFazio (D-OR) opted to take over that spot, leaving vacant his position as the senior Democrat on the House T&I’s Subcommittee on Highways & Transit, one of the so-called “Big Four” who historically have managed the development and passage of the major surface transportation bills. Yesterday, the House Democratic Steering Committee voted to select Rep. Eleanor Holmes Norton (D-DC), to replace DeFazio. Defazio will still remain a general member of the T&I Committee. Holmes



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Norton currently chairs the T&I Subcommittee on Economic Development, Public Buildings and Emergency Management.

Additional information and materials can be found on the Parsons Brinckerhoff Transportation Update website at [www.PBTransportationUpdate.com](http://www.PBTransportationUpdate.com)