

WSP Washington Update - July 27, 2017 - Interim Update

This morning, the Senate Appropriations Committee marked up and approved the FY'18 THUD (US DOT) annual appropriations bill by a vote of 31 to 0. The committee made only minor changes to the bill that was approved by the Senate THUD Subcommittee earlier this week. Both the House and Senate Appropriations Committees have now approved FY'18 funding bills for US DOT, but neither bill will get floor time until sometime in September - after the August recess. With the start of the new fiscal year on October 1, it is likely that a short-term Continuing Resolution (CR) will be required to keep the programs funded.

The Senate bill provides more money than the House bill for a number of popular programs including FTA's Capital Improvement Grant (CIG) program which funds transit New Start, Small Start, and Core Capacity projects. The Senate bill provides \$2.13B versus the House level of \$1.75B, although less than the current funding of \$2.4B. The Senate funding level, should it prevail in the final bill, is sufficient to fund FY'18 grants to all 13 CIG projects (New Starts and Core Capacity) with existing FFGAs and well as approximately \$600M in funding for New Start and Core Capacity projects which expect to sign FFGAs during FY'18. These projects potentially include the Maryland Purple Line, Santa Ana, CA Streetcar, Seattle Lynwood Link Extension, and two projects in Minneapolis. The Administration had not requested any funding for projects without an existing FFGA. \$150M is provided for existing Small Start projects and \$168.4M for new Small Starts. The Senate included language similar to that in the House report which directs the US DOT Secretary to continue to advance eligible projects through the CIG rating and approval process.

As expected, the Senate bill funds the TIGER program at \$550M compared with the House which zeroed out the program as did the Administration in its FY'18 budget request. Current funding is \$500M.

The Senate bill appropriates the full FY'18 FAST Act authorized funding levels for highway and transit formula programs – as does the House bill.

And in encouraging news, the Senate bill funds Amtrak at the full amount authorized in the FAST Act – approximately \$1.6B which includes funding for both the Northeast Corridor and the National Network (long distance lines). The Administration had proposed to eliminate funding for the long distance lines.

In a surprising but welcome move, the Senate included language increasing the FAA's Passenger Facility Charge (PFC) cap from the current \$4.50 up to \$8.50 for originating airports. However, neither the pending House nor the Senate FAA authorization bills include such an increase. The Senate bill also increases funding for the construction-related Airport Improvement Program (AIP) from the current \$3.35B up to \$3.6B.

<u>Program</u>	<u>Current Funding</u>	<u>Administration FY'18 Request</u>	<u>Pending House FY'18 Bill</u>	<u>Pending Senate FY'18 Bill</u>
Highway Programs	\$43.26B	\$44.23B	\$44.23B	\$44.23B
TIGER	\$500M	\$0	\$0	\$550M
FTA CIG Grants	\$2.41B	\$1.23B	\$1.75B	\$2.13B
FTA Formula Grants	\$9.73B	\$9.73B	\$9.73B	\$9.73B

FAA Airport Improvement Program (AIP)	\$3.35B	\$3.35B	\$3.35B	\$3.60B
Amtrak	\$1.49B	\$760M	\$1.428B	\$1.60B