



September 1, 2011

Congress returns to work next week after Labor Day following its traditional August recess. September will be an extremely busy month with only eleven legislative days before the September 30 expiration of the short-term extension of the SAFETEA-LU bill and the October 1 start of the new federal fiscal year. Congress is scheduled to be on recess again the week of September 26. There are even fewer legislative days before the expiration of the short-term extension of the FAA authorization bill on September 16.

Congress must also pass all 12 FY'12 federal agency appropriations bills, including the US DOT bill which has not even been introduced in the House or Senate, or be forced to pass a government-wide Continuing Resolution (CR). It will be particularly difficult to pass individual funding bills given the severe cuts in domestic discretionary spending agreed to in the FY'12 House Budget Resolution.

In addition, the new congressionally-designated budget deficit "Supercommittee" will begin to develop its plan to cut as much as \$1.5 trillion from the federal deficit over ten years, an amount over and above the \$900B that Congress agreed to cut through discretionary spending caps in late July in the Budget Control Act of 2011. The committee must hold its first meeting by September 16 and vote on the final recommendations by November 23. The full Congress must then vote to approve the recommendations by December 23 or be forced to accept automatic across-the-board cuts of both domestic and defense programs.

White House Announcement on Transportation Reauthorization

As previously reported, yesterday morning President Obama made remarks from the White House Rose Garden regarding reauthorization of the surface transportation and FAA programs. His comments were made in advance of a broader announcement scheduled for September 8 when the President will address a joint session of Congress to unveil an economic recovery/jobs package which is anticipated to include a significant focus on infrastructure funding. The President urged Congress to quickly pass "clean" extensions of both the SAFETEA-LU and FAA bills. He particularly focused on the impact on jobs – both the creation of new jobs and the loss of jobs if either program is allowed to lapse.

On the subject of a multi-year surface transportation bill, Obama encouraged Congress to "reform the way transportation money is invested, to eliminate waste, to give states more control over the projects that are right for them and to make sure that we are getting better results for the money we spend". He criticized project earmarks and advocated speeding up permitting for projects and greater involvement of the private sector. He did not provide any specific policy recommendations or funding levels. Here is a [link](#) to the full White House statement.



In addition, late yesterday, the White House issued a [Memorandum](#) to the heads of federal agencies. The memo reiterates the importance of investing in infrastructure and urges agencies to take steps to expedite permitting and review of critical infrastructure projects. Examples provided include integrating planning and environmental reviews, coordinating multi-agency or multi-governmental reviews and approvals to run concurrently, setting clear schedules for completing steps in the environmental review and permitting process and using information technology to inform the public about the process and progress.

The memo instructs agencies to identify and work to expedite permitting and environmental reviews for high priority infrastructure projects with significant potential for job creation. Five key agencies, including US DOT, must each select up to three high priority projects for expedited review.

The memo tells these agencies to implement new measures to improve accountability, transparency and efficiency through the use of technology for each selected priority project. Within 90 days of the memo the agencies must launch the pilot phase of a centralized on-line tool to provide the public with information about the status and progress of the priority projects. Within 120 days, the federal government must deploy in one or more agencies, technology tools with significant potential to reduce the time and cost to complete permitting and environmental reviews.

Today in Dallas, the [President's Council on Jobs and Competitiveness](#) will meet to talk about jobs and infrastructure investment.

Surface Transportation Reauthorization

September will be a critical month for reauthorization of the surface transportation programs since the current short-term extension expires on September 30 and this fall may be the last window of opportunity before the 2012 elections to pass a multi-year bill. If Congress does not pass an extension by the deadline, the highway and transit programs will shut down and most of the 18.4 cents per gallon gas tax which funds the Highway Trust Fund will expire.

Senator Barbara Boxer (D-CA), chair of the Senate EPW Committee, has said she plans to hold a mark-up in her committee on September 15 on the highway title of a two-year authorization bill, although the \$12B funding gap has still not been resolved. There are rumors that a possible funding fix may be to capture revenues from repeal of a provision in the Health Care Reform Bill, but such a move would likely be very controversial.

Boxer plans to hold a separate mark-up on September 8 on a "clean", four-month short-term extension of SAFETEA-LU at "current" funding levels. Some transportation stakeholders are advocating for a longer, six-month extension.



House T&I Committee Chairman John Mica (R-FL) issued a statement this week saying he will agree to one additional highway program extension (of an undetermined length) and will be consulting with the House Republican leadership regarding a 22nd extension of the FAA authorization which expires on September 16.

Other News

On August 4, the Obama Administration issued a [Memorandum of Understanding](#) on the subject of Environmental Justice (EJ). The MOU ~~expands federal agency EJ~~ responsibilities that were originally outlined in the 1994 Environmental Justice Executive Order. EJ is the commitment by the federal government that all communities overburdened by pollution, particularly minority and low income, deserve to receive the same protection from environmental and health hazards.

On August 16, FTA issued a [Federal Register notice](#) of Guidance on New Starts/Small Starts Policies and Procedures indicating that no significant changes are proposed to the existing guidance for Major Capital Investment Projects. FTA is required by law to publish policy guidance every two years. The sense is that FTA is waiting to see what changes to current law may be included in the surface transportation reauthorization bill. This notice is separate from the pending New Starts/Small Starts ANPRM published by FTA in June 2010.

On August 17, US DOT issued a [press release](#) announcing the distribution of \$417.3M in FY'11 grants for highway discretionary projects. Since Congress did not earmark any FHWA discretionary funds in the FY'11 annual appropriations bill, on May 10 FHWA issued a [solicitation](#) for project applications for 14 discretionary programs including Interstate Maintenance, TCSP, Scenic Byways, Highways for LIFE, Public Lands Highways and Ferry Boats. FHWA received more than 1,800 applications totaling nearly \$13B from all 50 states. Here is a [link](#) to a state-by-state distribution list and a [link](#) to a chart showing the grants by program. _____

On August 18, the Office of Management and Budget (OMB) sent the heads of all federal agencies [budget guidance](#) for the development of their FY'13 budgets which will form the basis for the budget request the Administration will submit to Congress next February. OMB asked the agencies to provide FY'13 budgets based on two scenarios – a five percent cut and a ten percent from the 2011 enacted discretionary level. OMB indicated that neither scenario may be necessary, but they want to give agencies the opportunity to self-identify areas to cut in order to avoid possible across-the-board cuts.

On August 19, FTA issued a [Federal Register notice](#) proving the final policy statement on the eligibility of pedestrian and bicycle improvements under federal transit law. The purpose of the notice is to simplify the process for determining whether pedestrian or bike improvements qualify for FTA funding if they connect to transit service.



PB Washington Update

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On August 22, US DOT Secretary Ray LaHood issued a [press release](#) announcing nearly \$745M in federal high-speed and intercity passenger rail funds for major upgrades and construction along the Northeast Corridor (NEC) in an effort to improve on-time performance and reliability of Amtrak service.

On August 24, the Department of Homeland Security (DHS) issued a [press release](#) announcing the final allocations of over \$2.1B in FY'11 funding for 12 federal preparedness grant programs, including the Transit, Freight Rail, Intercity Passenger Rail, Intercity Bus and Port Security Programs. Here is a [link](#) to the list of grantees. The list of transportation-related grants begins on page A-19. _____

Additional information and materials can be found on the PB Transportation Update website at www.PBTransportationUpdate.com
