



September 13, 2016

Congress is back in session following its summer recess, but it may not be in session for very long. With the presidential election heating up and the fight for control of the Senate very much in play, Members of Congress, particularly Senators, are anxious to get back home to campaign. The Senate was expected to stay in session until the first week in October, but may now leave town as early as the end of this week until after the November 8 elections.

Although there are a number of pressing issues still on the congressional agenda, the only “must-do” legislation is to pass a Continuing Resolution (CR) to keep the government open and funded as of the October 1 start of the new fiscal year. To date, none of the 12 federal agency FY’17 funding bills have been passed by Congress. There has been ongoing disagreement among different factions in Congress over the length of the CR with some wanting a short CR lasting only into the post-election Lame Duck session, while others prefer a CR extending into 2017 to allow the new President and the new Congress to pass their own spending priorities. The Senate is expected to vote on a CR lasting until December 9 tomorrow or Thursday. The CR is expected to be “clean” meaning it will not include any extraneous policy riders. The CR will fund federal agency programs at the FY’16 funding levels. The CR would then move to the House where many far right members are pushing for a CR into 2017. However, if the Senate opts to adjourn this week, that would leave the House with few options other than to agree to the Senate CR in order to avoid a government-wide shutdown on October 1.

Other pending legislation that Congress would like to complete before the elections, but may not be able to, includes the annual defense authorization bill, expiring tax extenders, a comprehensive energy bill, WRDA authorization, and emergency funding to fight the Zika virus and for Louisiana flood relief.

Water Resources Bill

Earlier this year, the respective House and Senate authorizing committees passed separate versions of the biennial Water Resources Development Act (WRDA) which funds Corps of Engineers’ navigation, dredging, environmental restoration, and flood control construction projects. The Senate worked last week and this week to pass its WRDA bill (S. 2848) on the Senate floor. The bill authorizes almost \$8B in funding for over 30 new projects and seven project modifications. A vote on final passage is expected to occur tomorrow or Thursday and the bill is expected to pass.

However, the House does not have a schedule to bring its version of the bill to the floor. The House and Senate versions vary significantly, with the Senate bill expanding on the



traditional Corps issues to address EPA Clean Water and Safe Drinking Water Act programs, as well as authorize controversial funding to assist with the Flint, Michigan water crisis. If the House is able to pass its bill before it recesses for the election, the two bills can hopefully be reconciled and finalized in the post-election Lame Duck session.

FAST Act and Other Competitive Grant Awards

US DOT has announced the award of several FAST Act-authorized competitive grant programs and other appropriated grant awards. Two other FAST Act competitive grant programs have not yet been awarded – \$20M in Transit Oriented Development (TOD) Planning Grants and \$60M in Advanced Transportation and Congestion Management Technologies Deployment Grants (ATCMTD). Both sets of grants are expected to be announced in the next few weeks.

FTA Bus and Bus Facilities Grants – on September 8, FTA announced the award of nearly \$211M in FY'16 grants to 61 projects in 41 states and territories to replace, rehabilitate, and purchase transit buses and related equipment and to design and construct bus-related facilities such as maintenance and storage facilities and transit and intermodal centers. Here is a [link](#) to the list of selected projects. Demand exceeded available funds with FTA receiving 284 applications totaling \$1.64B.

FHWA Surface Transportation System Funding Alternatives (STSFA) – on August 30, FHWA announced the recipients of \$14.2M in FY'16 grants to seven state DOTs under a new FAST Act program to explore alternative user-based revenue mechanisms to provide long-term solvency for the Highway Trust Fund. Here is a [link](#) to the list of selected projects. The eight projects (two in Oregon) will study various options to implement Road User Charges/VMT/Mileage Based User Fee programs.

FRA Railroad Safety Infrastructure Improvements Grants – on September 12, FRA announced the award of \$25M in FY'16 funding for safety upgrades at railroad crossings and stations. Twenty-three projects in 14 states and DC received grants out of 40 eligible applications requesting \$67.5M. Here is a [link](#) to the list of selected projects.

FRA Positive Train Control (PTC) Implementation Grants – on August 16, FRA announced the award of \$25M in grants for 11 projects in six states and DC to assist in implementing PTC. FRA received 30 eligible applications requesting \$90.6M. Here is a [link](#) to the list of selected projects. PTC systems are designed to prevent train-to-train collisions and derailments. Congress extended the original PTC implementation deadline from December 2015 to December 31, 2018.



Private Activity Bonds

Legislation is expected to be introduced shortly in the House to lift the cap on Private Activity Bonds (PABs) for highway and freight projects from the current \$15B to \$20.8B. Reps. Eddie Bernice Johnson (D-TX) and Richard Hanna (R-NY) will co-sponsor the House bill.

PABs are tax-exempt bonds issued by or on behalf of local and state governments as a tool to assist with the financing of Public Private Partnership (P3) projects. PABs help lower the cost of capital for investments in P3s. A large percentage of projects using TIFIA credit assistance use PABs to help fill any financing gaps.

While Congress does not intend to pass major tax legislation this year, the hope is to set the stage for inclusion of this legislation in a comprehensive tax reform bill that Congress is expected to move in 2017.

WSP | Parsons Brinckerhoff is working along with various industry groups to support this legislation and identify co-sponsors.

Additional information and materials, including archived Washington Updates, are located on the WSP | Parsons Brinckerhoff *Federal Briefing* website at www.federalbriefing.com. This is a new URL and title for the website previously named *PB Transportation Update*. The old website URL will automatically redirect to the new website, but please bookmark this new address for future reference.