

PB Washington Update Interim Report - December 17, 2010

This is a quick follow-up to yesterday's Update. Last night, the House passed the Senate version of the Obama/Republican massive tax cut/tax extender bill by a vote of 277 to 148 with 112 Democrats and 36 Republicans voting against it. No amendments were made to the Senate-passed version despite an effort by House Democrats to increase the estate tax rates. President Obama is expected to sign the bill later today. This is a remarkable turnaround from only a week or so ago when Democrats vowed not to support the bill. While the transit tax provisions related to the use of alternative fuels and parity for the commuter pre-tax benefit were included in the final bill, the highly popular Build America Bonds were not, despite a strong industry lobbying effort. Incoming chair of the House T&I Committee, Rep. John Mica (R-FL) indicated this morning he plans to include Build America Bonds in his version of a surface transportation reauthorization bill.

On the other hand, the Senate's effort to pass a massive \$1.2 trillion Omnibus FY'11 appropriations bill collapsed overnight. The size of the bill, its complexity, the 7,000 earmarks and the lack of time left in this session resulted in a number of Republican members pulling their support late yesterday. Majority Leader Harry Reid determined he no longer had the 60 votes to pass the bill. The two options left to avoid a shutdown of the federal government this weekend are for the Senate to agree to the House-passed version of a one-year Continuing Resolution (CR), which funds most federal agency programs at the usually lower FY'10 funding levels, or simply pass another short-term CR into early next year – perhaps February 1 or 18 and then let the new Congress decide how to proceed.

Under a 30 to 60-day CR, transportation programs would likely remain at their FY'10 funding levels, at least temporarily. Under the House's year-long CR, the highway program would lose \$650M in FY'10 General Funds and the High Speed Rail program would be reduced from the FY'10 level of \$2.5B to the President's FY'11 request of \$1B.

The House's year-long CR includes extensions of the SAFETEA-LU and FAA authorizations which expire on December 31, 2010. No word yet on whether a short-term CR would also include the full year reauthorization extensions or perhaps only an extension for as long as the CR lasts.

The House Republican leadership finalized its assignments for the House T&I Committee in the 112th Congress. The committee will go from the current 75 members to 59 members which includes 33 Republicans and 26 Democrats. Thirteen existing Republicans will remain on the committee with 20 new Freshman members added including: Lou Barletta (PA); Larry Bucshon (IN); Rick Crawford (AR); Chip Cravaack (MN); Jeff Denham (CA); Blake Farenthold (TX); Stephen Fincher (TN); Bob Gibbs (OH); Frank Guinta (NH); Richard Hanna (NY); Andy Harris (MD); Jaime Herrera (WA); Randy Hultgren (IL); Jeff Landry (LA); James Lankford (OK); Billy Long (MO); Tom Reed (NY); Jim Renacci (OH); Tom Scott (SC); and Daniel Webster (FL). Cravaack is the candidate who defeated House T&I Committee Chairman Jim Oberstar. Democrats have not yet finalized their committee assignments.

Members of the new 112th Congress will be sworn-in on January 5 and the President will give his State of the Union Address on January 25.