

PB Washington Update - February 10, 2012 - Interim Update

Next week will be an incredibly busy and momentous week for transportation issues. On Monday the Administration will release its FY'13 budget request and starting Tuesday both the House and Senate will debate their surface transportation bills on the floor – a highly unusual occurrence.

The House and Senate floor debate will be broadcast on TV on C-Span 1 and 2. The debates are also accessible on-line at www.c-span.org.

Senate Surface Transportation Bill, S. 1813

On Thursday, the Senate voted to invoke cloture on its version of the bill, S. 1813, by a very strong and bi-partisan vote of 85 to 11. They then voted in support of the Motion to Proceed, thereby overcoming two critical procedural hurdles. Senate Majority Leader Harry Reid first brought up the EPW highway title for debate. He then offered an amendment to add the Banking Committee transit title. The Finance title is expected to be added next at some point after they reconvene next Tuesday. There continues to be various problems with the Commerce Committee pieces of the bill related to several freight provisions and the draft rail title. Of concern to leadership is the possibility that some Senators may offer extraneous amendments such as healthcare coverage of contraception, banning aid to Egypt or line-item veto. Such amendments are often put forth on unrelated bills in order to stimulate floor debate but are seldom included in final legislation. The risk is that they can consume all the time available and cause the underlying bill to be withdrawn.

Yesterday, the Administration released its Statement of Administration Policy (SAP) on the bill in which they supported passage of S. 1813. The SAP said the Administration would continue to work with Congress to increase longer-term funding, provide funding for high-speed rail, establish a National Infrastructure Bank (currently not included in the House or Senate bills) and provide an immediate investment of \$50B to jumpstart the creation of jobs (similar to its FY'12 budget request which was DOA on the Hill). Here is a [link](#) to the SAP.

House Surface Transportation Bill, HR 7

In the House, proposed floor amendments are due to the Rules Committee on Monday and then on Tuesday at 5:00pm the House Rules Committee will approve a Rule for floor debate. There seems to be a willingness to grant an "Open Rule" that would allow all or most pre-filed amendments to be offered, however, House leadership is determined to finish the bill by COB next Friday, before their week-long recess, which may require them to limit the number of amendments. There were over 100 amendments offered during the T&I Committee markup. Here is a [link](#) to the Rules Committee site where submitted amendments are posted.

Yesterday, the House Rules Committee issued a new, substitute version of the House bill which rolls all the various titles into one massive bill, HR 7. The new bill includes the titles previously approved by the T&I Committee, Ways & Means, Natural Resources (oil and gas drilling/exploration), Energy & Commerce (Keystone XL pipeline) and Oversight & Government Reform (\$45B offset from federal pension reform to pay for the General Fund transfer to the proposed Alternative Transportation Account). Here is a [link](#) to a section-by-section analysis of HR 7 released by the Rules Committee.

Despite a potential "Open Rule", revenue titles are typically not permitted to be amended. However, three senior House members plan to offer a bi-partisan amendment that would strike the Ways & Means Committee language eliminating the Mass Transit Account and the 2.86 cents of gas taxes that is currently dedicated to public transit investment. The amendment will be offered by Reps Jerry Nadler (D-NY), Earl Blumenauer (D-OR) and Steve LaTourette (R-OH).

On Wednesday, the House identified its proposed offset to pay for the \$40B transfer from the General Fund to the proposed Alternative Transportation Account. It is a change in federal pensions which would require federal employees, including members of Congress and congressional staff, to pay an additional 1.5% contribution into their federal pension plans.

One major concern is that this would be a one-time offset that would pay for public transit, CMAQ, ferry boat, R&D and territorial highway programs for five years, but then leave them without a dedicated source of federal funding after FY'16. It would also delink transit from the gas tax user fee upsetting a 30-year precedent.

It is possible that no Democrats will vote for the House bill. On the Republican side, they could lose some votes from moderate, suburban members who don't like the Alternative Transportation Account proposal and from fiscal conservative members who don't like the offsets or the spending levels. 218 votes are needed to pass the bill.

The Administration has yet to release its SAP on the House bill and there is some speculation that the Administration may recommend a veto of the bill over any number of issues including the transfer of gas tax revenues from the Mass Transit Account to the Highway Account, the federal pension offset, the Keystone XL pipeline language and the expanded oil and gas drilling/exploration.