

## PB Washington Update - February 17, 2012 - Interim Update

Congress leaves town this evening for a one-week recess with both the House and Senate surface transportation reauthorization bills on hold.

The House and Senate and Republican and Democrat leadership will try to regroup over the recess and find a way to revive the bills. When they return to session the week of February 27 there will only be a little over a month until the March 31 expiration of the current short-term extension. If both bodies have made significant progress by that date, e.g. have passed their respective bills and are in the process of reconciling the differences, then another short-term extension is likely. If not, it is likely a multi-year bill is dead for 2012 and Congress would then pass an extension through the end of the year or into early 2013 if the balance in the Trust Fund could support such an extension.

In the House, the Republican leadership has opted to split the bill, HR 7, into several pieces in order to increase the odds of passage. Yesterday, the House debated and passed the controversial oil drilling and exploration bill that is expected to provide some of the revenue to fund HR 7. The T&I and Ways & Means Committee bills will not be debated on the floor until after the recess. The House Rules Committee has yet to meet to determine which of the hundreds of proposed amendments will be permitted to be offered, including the Nadler-Blumenauer-LaTourette amendment to restore gas tax revenue to the Mass Transit Account.

In addition to the delay in floor action, another major setback to the House bill is the loss of \$15B of the \$40B in savings from proposed federal pension reform that was supposed to offset the General Fund transfer to the new Alternative Transportation (Mass Transit) Account. That money is instead now going to pay for the extension of unemployment benefits and the Medicare "Dr. Fix" which, along with the payroll tax cut, was passed this morning by both the House and Senate. This leaves a big hole in the House's funding plan.

This morning in the Senate, a cloture vote to cut off debate and move to consideration of an amendment offered by Senator Majority Leader Harry Reid to add the Commerce (not including the rail provisions), Banking and Finance titles to the EPW title of S. 1813 on the Senate floor failed on a party-line vote of 54 to 42 – 60 votes were required. Following the vote, Senator Reid has redrafted the amendment to strip out a number of controversial provisions including Senator Lautenberg's FREIGHT Act which would create an Office of Freight Planning and Development at US DOT and a freight discretionary grant program. The revised amendment includes the National Rail System Preservation, Expansion and Development Act, a rail title which was never reported out of committee. The revised amendment will be offered when the Senate returns after the recess. To further complicate matters in the Senate, the funding "pay fors" in the Senate Finance title continue to fluctuate as concerns are raised about many of the funding sources.

Although Congress will be on recess next week, it will be a busy week for stakeholder groups who will ramp up their various lobbying efforts while members are back in their home districts/states, for congressional staff who must sort out and negotiate the large number of proposed amendments and for the congressional leadership who will need to develop a way forward for House and Senate passage.