

## PB Washington Update - May 16, 2012 - Interim Update

Just a few minutes ago, US DOT Secretary Ray LaHood released a copy of a letter he has sent to Senator Barbara Boxer, chair of the surface transportation authorization conference, outlining the Department's positions on various issues under review by the conference. Here is a [link](#) to the letter. The letter reiterates the potential veto threat regarding the Keystone XL pipeline project. It also raises opposition to many of the House's project delivery and environmental streamlining provisions. The letter also addresses safety issues, program consolidation, ITS programs, Buy America, Transit New Starts, TIFIA, Private Activity Bonds and so on.

The House and Senate conferees on the surface transportation authorization bill met last week for an initial formal session. Other than naming Senator Barbara Boxer (D-CA) as chair of the conference and Rep. John Mica (R-FL) as the vice-chair, the remainder of the meeting was a series of short opening statements by most of the 47 House (33) and Senate (14) conferees. Since then, the conference deliberations have moved behind closed doors. While we know that the staff is working to sort out the various issues, there have been very few leaks about details or progress. The immediate task to prepare a "side by side" comparing each Senate and House provision. This is usually a tedious, but relatively easy task, except that this time the House bill is essentially a "shell" bill that simply extends existing law for another 90 days. Still to be determined is how many, if any, of the original provisions included in HR 7, the House five-year bill which was never passed, will be included in the final bill despite being outside the official "scope" of the conference.

Other potential sticking issues include reaching agreement on how to fund even the modest, \$106B Senate bill because of concerns about the "pay fors" which use ten years worth of offsets to pay for only a two year program and which rely on a variety of non-transportation related revenue sources such as pension stabilization, levies on Medicare providers, taxing roll-your-own-tobacco, etc.

Another issue being watch closely is the role of the numerous Republican freshmen who were selected to serve as conferees. Many have never previously served as elected officials, none have ever served on a US Congress conference committee and many, while generally supportive of transportation programs, have strong opinions about the appropriate role of the federal government and deficit spending.

Chairman Boxer has committed to weekly press conferences to apprise stakeholders on progress. This week she pointed to the staff work underway to parse out key issues into sub-areas. She also indicated that she would be meeting privately with Chairman Mica tomorrow (Thursday May 17.) Other meetings that have occurred include one between Chairman Fred Upton (R-MI) of House Energy and Commerce, a strong Keystone proponent, and the Republican Senators on the conference committee. Also, it is being reported that the House Republicans have designated certain T&I members as leads on various aspects of the bill, but that all Democratic conferees will participate in all aspects of the bill.

The next potential formal meeting of the conference committee will not take place until the week of June 4 because after this week, either the House or Senate will be in recess for the following two weeks. However, the staffs will be working diligently to resolve as many non-controversial issues as possible.

The goal is still to complete the conference and produce a final bill that both the House and Senate can approve by June 30 or shortly after. It is possible that the transportation issues may be worked out, but other unrelated issues such as the controversial Keystone XL Pipeline and coal ash could be sticking points to a final deal.