

PB Washington Update - September 12 - Interim Report

SAFETEA-LU and FAA Extensions - A deal has been reached between House and Senate leaders to move a joint surface transportation and FAA short-term extension bill. The bill will be free of any new policy provisions. The bill funds the highway program at an annualized level of \$39.9B, which is only slightly below the current FY'11 funding level and it funds FTA and FAA AIP grants at the current funding levels, despite speculation that the programs would be cut significantly to align with the much lower levels in the FY'12 Budget Resolution.

The FAA bill will last four months through January 31, 2012 and highway/transit programs will be extended by six months through March 31, 2012. The FAA bill does not include a provision for back pay for furloughed workers. The joint bill will be voted on this week, potentially as early as tomorrow, in advance of the September 16 expiration of the FAA authorization. The longer than expected length of the House extension raises speculation that that House will not debate a multi-year extension of the surface transportation bill this fall.

FY'12 DOT Appropriations – The House THUD Subcommittee passed the FY'12 DOT appropriations bill last week on September 8 and full committee action is expected this week. During the mark-up, an amendment was offered to increase highway and transit funding to current levels instead of the bill's proposed 30%+ cuts. The amendment was defeated on a party-line vote.

Another amendment was offered to add \$1B for high-speed rail projects. When it was defeated, an amendment to add just \$1M for high-speed rail as a placeholder to keep the program going was offered and also defeated. The Subcommittee bill does not include any project earmarks. In a policy change, the bill would prohibit FTA from signing any new FFGAs for New Start projects that have more than a 50% Federal match. It is not clear if the Senate will include a similar provision in its version of the bill. In related news, four proposed New Start FFGAs were recently sent to Congress for the required 60-day review, the last step before final approval - Houston North Corridor, Houston Southeast Corridor, Salt Lake City Draper Corridor, and the Hartford, CT Busway.