



**MARCH 20, 2009**

Despite a passing flurry of calls this week for a second stimulus package, it appears Congress prefers to wait awhile to see how effective the recently passed American Recovery and Reinvestment Act (ARRA) is at creating jobs and stabilizing the economy. Recent congressional and press attention has focused primarily on the bank bailouts and related employee bonuses. The focus of attention on infrastructure funding is now at the state and local level where implementation is underway.

### Economic Recovery Act (ARRA):

The official federal government's ARRA information and tracking website [www.recovery.gov](http://www.recovery.gov) is up and running. It currently includes a variety of interesting information about the implementation of ARRA, including links to each federal agency's own economic recovery [website](#). The main site includes a map of the US where you can click on any state and be linked to the state's economic recovery website. View map [here](#). Also of note:

- For the US DOT Recovery Home Page which includes links to the modal ARRA websites, click [here](#)
- For US DOT ARRA-related press releases, click [here](#)
- For US DOT Weekly ARRA Status Reports, click [here](#)
- For the updated FTA ARRA Q&As, PowerPoint Presentation and a new major milestones timeline, click [here](#)
- For PB's ARRA website [www.pbstimulus.com](http://www.pbstimulus.com)

### FY'09 Appropriations:

Despite controversies over the size of the spending in the bill and the number of project earmarks, Congress passed the omnibus FY'09 appropriations bill and President Obama signed it. Passage comes almost six months after the start of the new fiscal year. The massive \$410B bill, which comprises what would normally be nine separate domestic funding bills, is a mixture of provisions and priorities of the previous Congress and White House and the new Administration and 111<sup>th</sup> Congress. President Obama has vowed to reform the earmarking process as part of the FY'10 appropriations debate. Transportation funding in the bill includes:

FHWA - \$40.7B for the Federal-aid highway program obligation limitation which splits the difference between the original House and Senate recommended levels. This amount is \$500M less than the SAFETEA-LU guaranteed level. The FY'08 level was somewhat higher at \$41.2B because it included an additional \$1B for the bridge program in the wake of the Minneapolis bridge collapse. The bill includes over \$592M for a variety of individual highway project earmarks, including \$161M for miscellaneous projects in the congressionally created Surface Transportation Priorities category.

FTA - \$10.23B for the total program which is \$100M less than the SAFETEA-LU authorized level but approximately \$730M more than the FY'08 level. The full authorized level of \$1.80B is provided for the Capital Investment Grants program (New Starts/Small Starts).



## PB Washington Update

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FAA - \$3.52B for the construction-related Airport Improvement Program (AIP), which is the same level as last year.

FRA - \$1.5B for Amtrak which is \$165M above the FY'08 level and \$90M for intercity passenger rail grants which is \$60M above the FY'08 level. This increase in funding continues to illustrate the priority the White House and Congress are giving passenger rail programs.

### FY'10 Appropriations:

After the initial release of a broad outline of a proposed FY'10 budget request, the Administration is working to fill in the program details with the hope of releasing a formal request to Congress the first week in April. The transportation industry and transportation leaders in Congress continue their efforts to strongly oppose the provision included in the Administration's budget outline that would eliminate binding contract authority for highway, transit and aviation programs that are funded with Trust Funds dollars. The Administration proposes to "score" these programs as discretionary funding, making them subject to annual appropriations which would severely undermine the existing "firewalls" and funding guarantees.

### T&I Committee Highway Trust Fund Letter:

House Transportation & Infrastructure Committee leaders Reps Jim Oberstar (D-MN) and Peter DeFazio (D-OR) have sent a "Dear Colleague" letter to all House members which alerts them to the dire consequences if Congress does not complete the surface transportation authorization bill on time. The current legislation, SAFETEA-LU, expires on September 30, 2009. The letter states that "recent revenue projections by the Congressional Budget Office show that the primary source of funding for highway and transit investment, the Highway Trust Fund, is facing a severe shortfall. Without taking steps to address this situation, the Trust Fund will only support a highway investment level of approximately \$20.5B in FY'10, **one-half** of the amount that we are investing this year. The federal transit program would also face a significant cut in FY'10."

### DOT/HUD Partnership to Promote Sustainable Communities:

The House THUD Appropriations Subcommittee held a hearing this week at which US DOT Secretary Ray LaHood and HUD Secretary Shaun Donovan testified in strong support of the creation of a new interagency task force to promote sustainable, livable communities – a priority issue for the Obama White House. The goal of the task force is to better coordinate housing and transportation initiatives focusing on affordable housing near employment opportunities, better coordination of transportation and land use, and transit oriented development (TOD). As part of the effort, US DOT will encourage MPOs to conduct integrated planning as part of their long range planning. More details about the task force are available [here](#).



## Other News:

- US DOT Political Appointees – This week the President nominated Joseph C. Szabo to be the Administrator of the Federal Railroad Administration. The position is subject to Senate confirmation. Szabo is currently the State Director of the Illinois Legislative Board of the United Transportation Union (UTU). He represents the UTU on the FRA's Rail Safety Advisory Committee. The FTA and FHWA Administrator positions remain vacant as well as the Deputy Secretary and several key Assistant Secretary positions.
- FAA Reauthorization Extension – Congress has passed yet another extension of the FAA authorization bill. Controversy between the House and Senate over how to finance the air traffic control system and several labor issues has repeatedly delayed reauthorization of the long-expired FAA legislation which includes funding for the Airport Improvement Program (AIP). The latest extension bill will fund FAA programs until September 30, 2009. In the meantime, the House T&I Committee approved a bill, HR 915, a full, four-year authorization bill that is more or less identical to the bill they passed in 2007, but the Senate does not seem inclined to take up the bill any time soon.
- CBO Issues Report on Congestion Pricing – The Congressional Budget Office has issued a report on congestion pricing at the request of the House Budget Committee. The report finds that congestion pricing would help curb gridlock which would decrease fuel use and air pollution. It would also help to raise additional funds to supplement or replace revenues raised from the federal gas tax. The full CBO report is available [here](#).
- Full House Passes Major Water Bill – On March 12, the full House passed HR 1262, the Water Quality Investment Act of 2009, by a vote of 317 to 101. The bill authorizes \$19.8B over five years for water and wastewater infrastructure and other clean water initiatives, including \$13.8B for the Clean Water Act State Revolving Loan Fund (SRF) program and \$2.5B for CSO projects. The bill is similar to legislation the House passed in the previous Congress, but which never made it into final law. It is unclear if the Senate plans to take up similar legislation. If the bill becomes law, the funding is still subject to annual appropriations. Details about the bill, including state by state funding allocations, a summary of the bill and other background information are available [here](#).