



**APRIL 2, 2010**

Congress is currently on a two-week recess returning on April 12. Most Members of Congress are home in their districts trying to justify their healthcare reform votes to their constituents.

## **Surface Transportation Reauthorization:**

On March 18, President Obama signed the HIRE Act which, among other things, extends the existing SAFETEA-LU authorization through December 31, 2010. However, Congress did not complete action on a related bill that includes an amendment to the HIRE Act requested by House T&I Committee Chairman Jim Oberstar (D-MN). The amendment requires that FY'10 funding for SAFETEA-LU Projects of National and Regional Significance and National Corridor projects be distributed to **all** states in the ratio which states receive **total** highway funds rather than only to those few states (such as CA, IL and WA) that received the bulk of the original SAFETEA-LU funding for these discretionary programs. The change was passed by the House, but got held up in the Senate.

This week Chairman Oberstar floated an informal proposal to increase the federal gas tax after the economy rebounds, but permit use of the projected revenues right away. His plan would have the Treasury deposit \$130B in bonds into the Highway Trust Fund. The loans would not have to be repaid for at least four years using revenue from a 10 to 15-cent gas tax increase imposed sometime in 2014 or 2015, after the economy is hopefully in better shape. Oberstar plans to refine his proposal after the recess.

## **FAA Reauthorization:**

President Obama has signed a one-month extension (HR 4957) of the existing FAA authorization which extends funding for FAA programs and the collection of jet fuel taxes through **April 30, 2010**. It is the 12<sup>th</sup> short-term extension since the FAA authorization bill originally expired on September 30, 2007. A separate effort (HR 4915) to pass a longer, three-month extension through July 3, 2010 passed the House, but did not make it through the Senate before they adjourned for the two-week Spring recess.

Both the House and Senate have passed multi-year reauthorization bills, but there was not enough time to reconcile the two bills before the previous extension expired on March 31. The full Senate passed a two-year authorization bill on March 22 by a vote of 93 to 0. The House passed its version of a multi-year bill in May 2009. The House and Senate bills vary in many ways and resolving those differences will likely take longer than the latest 30-day extension, necessitating yet another extension.

## **Additional FRA High Speed Rail Funding Available:**

The Federal Railroad Administration this week issued three Federal Register notices regarding the availability of \$115M in planning and construction funds for high-speed intercity passenger rail projects. Applications and proposals are due to FRA by **May 19**. There were three separate notices published on March 31 – one for the \$65M in remaining FY'09 funding for Final Design and Construction grants located [here](#), one for the up to \$50M in FY'10 funding for Planning grants located [here](#) and a third for



Multi-State Planning proposals located [here](#). These funds are in addition to the \$8B in ARRA funds for high-speed rail which were allocated in January.

The \$65M in FY'09 funding requires a 50% non-Federal match. The \$50M in FY'10 planning funding requires a 20% non-Federal match and is part of the \$2.5B that Congress appropriated for high-speed rail for the current fiscal year. Information about funding availability for the remaining FY'10 money will be issued in the next few months. The third notice seeks proposals from groups of states interested in participating in an FRA-led demonstration project that would be funded and managed by FRA resulting in a "passenger rail corridor investment plan".

## **New Fuel Economy and Greenhouse Gas Emission Standards:**

On April 1, US DOT (NHTSA) and EPA jointly issued Final Rules on national standards for fuel economy. The rules establish increasingly stringent fuel economy standards under NHTSA's Corporate Average Fuel Economy (CAFE) and greenhouse gas emissions standards under the Clean Air Act for 2012 through 2016 model-year vehicles.

Starting with 2012 model-year vehicles, the rules together require automakers to improve fleet-wide fuel economy and reduce fleet-wide greenhouse gas emissions by approximately five percent every year, reaching an estimated 34.1 mpg for the combined industry-wide fleet by model-year 2016. Additional information is located [here](#).

## **Other News:**

- On March 30, FHWA issued a Federal Register notice requesting comments on a **livability initiative** as part of the US DOT/HUD/EPA partnership on sustainable communities. The goal is to coordinate the Federal-aid highway program with grant programs administered by HUD and EPA. Under this initiative, FHWA intends to utilize SEP-14 to permit the application of HUD requirements on certain highway projects that may otherwise conflict with FHWA requirements, for instance; HUD criteria on job training opportunities in economically-distressed areas could take precedence over FHWA regulations that require that no projects be subject to "geographical preferences". The notice is located [here](#). Comments are due by **May 14**.
- On March 29, FRA published a Federal Register notice on the availability of funding for the new **Rail Safety Technology Program (RSTP)** as authorized by the Rail Safety Improvement Act of 2008. A copy of the notice is located [here](#). The Act makes available \$50M for FY'10 and requires a minimum 20% grantee cost share match. Grant requests are due by **July 1**. Eligible entities include passenger and freight rail carriers, railroad suppliers, and state and local governments. Preference will be given to entities that have a FRA-approved Positive Train Control Implementation Plan (PTCIP).