



## SEPTEMBER 25, 2009 – INTERIM REPORT

A more extensive Update with more information and analysis will be sent out next week.

With the September 30 expiration of the SAFETEA-LU authorization bill and the October 1 start of the new fiscal year rapidly upon us next week, Congress engaged in a flurry of activity over the past several days to pass temporary extensions to assure funding for vital programs does not lapse.

### SAFETEA-LU Reauthorization

Congress continues to disagree over the length of a temporary extension until a six-year long-term bill can be passed. House T&I Committee Chairman Jim Oberstar (D-MN) still believes it is possible to pass a six-year bill this fall and therefore he supports only a three-month extension of the current program. The Senate committee leadership continues to push for an 18-month extension since they will be too busy with health care reform and climate change legislation to work on a surface transportation bill. The House passed a three-month extension this week, HR 3617, but the full Senate has not been able to pass any extension bill because of a lack of unanimous agreement on the length of the bill.

Therefore, as of October 1 and until a stand-alone extension can be passed, the highway and transit programs will be covered by a one-month extension that has been included in the FY'10 Continuing Resolution (CR) appropriations bill (see more below).

The House three-month extension bill does not include any additional funding for the programs since there are sufficient funds in the Highway Trust Fund following the transfer of \$7B in General Funds into the Trust Fund in July. However, a six, twelve, or 18-month extension would require additional funding. The Senate Finance Committee has passed a bill to transfer over \$26B in additional General Funds to finance an 18-month extension.

Still unresolved is the issue of the \$8.7B rescission of unobligated FHWA contract authority that was included in the original SAFETEA-LU bill. Several attempts have been made to amend various bills to repeal the rescission, but so far have been unsuccessful. The biggest obstacle is the House leadership's insistence that the cost of the repeal be offset with cuts in other programs. If the rescission goes into effect it will have serious consequences for state DOTs.

### FY'10 Appropriations

Congress has not passed any of the 12 federal agency FY'10 appropriations bills. Therefore, in order to assure that government programs do not shut down on October 1, Congress will pass a one-month Continuing Resolution (CR) that funds all programs at the current FY'09 funding levels. The CR will also include a one-month reauthorization of SAFETEA-LU programs (see above). Significant progress has been made on the FY'10 DOT funding bill with the Senate passing the bill earlier this week. The House previously passed its version of the bill and the staff have already been working on resolving differences in the two bills. Since there are only a few areas of difference, such as funding for high speed rail, for a National Infrastructure Bank and for a new Senate program for high-cost projects, the hope is to finish a stand-alone DOT bill quickly in the next week or two.



A few other agency bills are expected to be passed as stand-alone bills, but a number of others will likely be lumped together in a so-called “mini-bus”. The House has passed the one-month CR and the Senate is expected to pass it on Tuesday evening when it returns to session after the Jewish holiday.

## FAA Authorization

The FAA authorization bill which includes funding for the Airport Improvement Program (AIP) and authorization of Passenger Facility Charges (PFCs) expired two years ago and has been extended numerous times by short-term bills while the House and Senate disagree over labor rules and financing options. The current extension expires on September 30. However, the House and Senate this week both passed yet another extension, HR 3607, through December 31, 2009. There is still hope that the Senate can finally pass its bill this fall and go to conference with the already-passed House bill and make this the final extension.

## Climate Change

Senator Barbara Boxer (D-CA), the chair of the Senate Environment & Public Works (EPW) Committee, along with Senator John Kerry (D-MA) will introduce a climate change bill on October 1. The House passed its version of a climate bill, HR 2454, the Waxman Markey bill, earlier this summer. Similar to Section 222 of the House bill, the Senate bill is expected to require MPOs to include greenhouse gas (GHG) emission planning in their long range plans, to set targets for GHG reductions and to develop strategies to meet those targets. The House bill authorizes up to 1% of the Cap and Trade allowances may be used for transportation purposes, mostly transit and TOD activity. The Senate bill is expected to include at least 2% to 3% of allowances eligible for transportation activities, with the definition of those activities yet to be determined. Senator Tom Carper (D-DE) and other supporters of his CLEAN-TEA bill are pushing hard to bump up the transportation percentage, although likely not as high as the 10% in the CLEAN-TEA bill.

The EPW Committee plans to hold a hearing on the bill the week of October 5 and mark it up the week of October 19. Despite this flurry of activity, the prospects for getting the bill to the Senate floor this fall are low. The EPW activity on Climate Change severely limits their ability to work on a long-term surface transportation authorization bill.

## ARRA TIGER Grant Applications

US DOT announced today that it has received nearly 1,400 applications worth \$57B for the \$1.5B in funding authorized in the ARRA economic stimulus bill for the Transportation Investment Generating Economic Recovery (TIGER) discretionary grants. Applications were received from all 50 states, DC and three territories. The program is directed primarily towards large, multimodal projects. US DOT Secretary Ray LaHood previously said he plans to make the grant announcements in January 2010, a month ahead of the statutory requirement. Here is a [link](#) to an overview of the applications. A complete list of the applications will be posted on the US DOT website next week.

## ARRA TIGGER Grants

The name may look similar, but the TIGGER program is a \$100M discretionary grant program that stands for Transit Investments for Greenhouse Gas and Energy Reduction. This week US DOT announced 43 transit projects that will receive funding under this program to pursue cutting-edge environmental technologies to help reduce global warming and create green jobs. More than \$2B in applications were received. Here is a [link](#) to a list of the winning projects.