



## September 7, 2010 – Interim Report

Yesterday afternoon in Wisconsin, as part of a Labor Day celebration speech, President Obama announced a new \$50B transportation investment initiative in an effort to continue to stimulate the economy. In addition, he proposed to make permanent the R&D tax credit.

Details of the transportation proposal are still vague, but the initial plan calls for an immediate \$50B as an “upfront” investment and a “vision for the future” which will be a broad outline of the Administration’s recommendations for a six-year surface transportation authorization bill. There are currently no details on how the \$50B would be divided up among the modes.

This will be new funding, not from the Highway Trust Fund, and will be sort of a down payment on the next surface transportation authorization bill, although the \$50B will also include funding for rail and airports. The Administration’s proposal also calls for the creation of an Infrastructure Bank, integration of high-speed rail as an equal part of the surface transportation program as well as support for continued HSR funding, increased investment in transit New Starts, streamlining and consolidation of programs, a focus on performance measures, an expansion of investment in sustainability and livability programs, and funding for airport runways and the NextGen air traffic control system.

Obama suggested that the \$50B would be paid for by closing tax loopholes for oil and gas companies (which Congress would have to approve), but he did not endorse a gas tax increase.

Of course, this proposal and funding must still be approved by Congress. Congress returns from its August recess next week and is scheduled to adjourn the first week of October until after the November elections. It will likely be difficult for Congress to pass such a large funding package before the election.

Attached is the [full text of President Obama’s remarks](#) (see highlighted sections on page 5 and 6) and a copy of the [White House Fact Sheet](#).

Details about the proposal and potential congressional legislation will be posted on the PB Transportation Update website as they become available – <http://www.PBTransportationUpdate.com>