



## June 30, 2016

Congress is on recess now through the July 4<sup>th</sup> holiday. After they return, Congress will only be in session a few days until July 15 when they will recess for the two party conventions and the traditional August break. When Congress reconvenes after Labor Day, there will be a short session until October 1 after which Congress will not return until following the November elections. This leaves a very limited amount of time for Congress to complete “must do” bills and other priority legislation. As a result, many issues are falling by the wayside and others will simply be extended into next year.

It appears now that Congress will not be able to complete most, or perhaps any, of the FY’17 federal agency funding bills, including the THUD appropriations bill which funds US DOT programs, by the start of the new fiscal year on October 1. Efforts by various members in both bodies to try to attach highly controversial and often unrelated amendments to the funding bills have caused the process to grind to a halt. A Continuing Resolution (CR) which funds programs at current levels is almost inevitable. The big question is how long the CR might last – into the post-election Lame Duck session, into spring or summer of 2017, or even through the full fiscal year. In addition to the usual partisan politics of a very contentious presidential election year, controversial issues related to gun control, eradication of the zika virus, gay rights, and others are holding up orderly consideration and passage of key legislation.

On the infrastructure front, two important bills that had been expected to pass this year are currently in limbo – FAA authorization and Water Resources authorization. With the current short-term extension of the FAA authorization due to expire on July 15, it is clear that a long-term bill will not be passed this year. No progress has been made on Chairman Shuster’s controversial proposal to privatize the air traffic control (ATC) system. House and Senate staff are working to draft another short-term extension which will likely last into 2017 and perhaps even extend through a full year. Unlike most short-term authorization extensions which are “clean”, efforts are underway to include some policy provisions in the bill. These could include provisions on TSA security reforms, drones, and establishing a special panel to study the issue of ATC privatization, among others.

The bi-annual Water Resources Development Act (WRDA) which funds Corps’ of Engineers projects is usually a bi-partisan effort with limited controversies. The House and Senate authorizing committees quickly and easily passed companion WRDA bills (HR 5303 and S. 2848) this spring, but neither bill has been able to get floor time. It now appears likely that this bill may slip until after the election or into next year. Fortunately, there is no immediate impact on funding for the Corps. This week, 29 Republican Senators signed a letter to the leadership calling for floor time for the WRDA bill before the summer recess.



Also stalled is a comprehensive energy reform bill, which has passed both the House and Senate, but negotiations to resolve the differences in the two bills have bogged down.

## FAST Act Implementation

On May 31, FHWA/FTA published the Final Rule on Statewide and Nonmetropolitan Transportation Planning and Metropolitan Transportation Planning in the Federal Register. Here is a [link](#) to the rulemaking. The final rule is the sixth in a series of rules that FHWA and FTA are issuing to establish the performance management framework introduced by MAP-21 and continued by the FAST Act. The rule implements certain planning and environmental provisions of MAP-21 and the FAST Act changes to the transportation planning process, including:

- requiring a performance-based approach to planning
- requiring states to have a higher level of involvement with nonmetropolitan local officials and providing a process for the creation of regional transportation planning organizations
- adding a structural change to the membership of large metropolitan planning organizations (MPOs) to include representation of transit providers
- adding a framework for voluntary scenario planning
- implementing new authority for integrating the planning and environmental review processes as well as programmatic mitigation plans

On June 6, US DOT published the Interim National Multimodal Freight Network (NMFN) in the Federal Register as required by the FAST Act. Here is a [link](#) to the notice and a [link](#) to the map. Public comments are due by September 6 in order to receive consideration by DOT with respect to the final NMFN. The final NMFN will be designated by December 4, 2016. Once finalized, the NMFN will be used to assist states in strategically directing resources towards improved system performance for the efficient movement of freight, inform freight transportation planning, assist in the prioritization of Federal investment, and assess and support Federal investments to achieve national multimodal freight policy goals and national highway freight program goals outlined in the FAST Act.

On June 8, the Senate Commerce, Science & Transportation Committee held a hearing on implementation of the FAST Act. The Committee has jurisdiction over the rail and safety provisions in the bill. US DOT Secretary Anthony Foxx was the sole witness. Here is a [link](#) to information about the hearing including Chairman Thune's (R-SD) opening statement, Foxx's testimony, and a video of the hearing.



## Other News

- On June 24, the House Republican leadership released the long awaited blueprint of a major tax reform bill. The bill is not expected to be introduced or debated until sometime in 2017. Despite a concerted lobbying effort by the transportation industry, the plan does not currently address the shortfall in the Highway Trust Fund or provide options to permanently stabilize the Fund. The plan does allow full and immediate write-offs for business investment, reduces the corporate tax rate to 20%, and reforms the taxation of overseas corporate earnings. However, unlike other repatriation proposals, this one does not direct the new revenue for infrastructure investment.
- On June 29, the Department of Homeland Security's (DHS) Federal Emergency Management Agency (FEMA) announced the recipients of a variety of FY'16 discretionary security grants, including \$100M in Port Security Grants (to 35 ports), \$87M in Transit Security Grants, and \$3M in Intercity Bus Security Grants. Here is a [link](#) to a list of the grant recipients.
- US DOT announced that it has received 585 project applications seeking \$9.3B for this year's round of TIGER discretionary grants. The FY16 available TIGER funding is \$500M. DOT hopes to announce the recipients of these and other discretionary grant programs before Labor Day and possibly as early as mid-July.
- FTA has published updated [reporting instructions and templates](#) for applicants of proposed Capital Investment Grant (CIG) projects. Applications for FY'18 funding must be submitted to FTA by September 2, 2016. In addition, FTA has published an update to the [Final Interim Policy Guidance](#) that incorporates statutory changes required in the FAST Act. It does not change any FTA policies or procedures or impose any new requirements from those outlined in the 2015 Final Interim Policy Guidance.
- On June 27, 2016, US DOT published a Notice of Proposed Rulemaking (NPRM) on Metropolitan Planning Organization (MPO) Coordination and Planning Area Reform. Here is a [link](#) to the Federal Register notice. The public comment period will close on August 26, 2016. The proposed changes to the transportation planning regulations (23 CFR Part 450) include:
  1. Changes to the definition of Metropolitan Planning Area would clarify that it must include the entire urbanized area, plus the contiguous area forecast to become urbanized within the 20-year planning horizon.
  2. Governors and MPOs would determine whether multiple MPOs are warranted within a single metropolitan planning area, based on the size and complexity of the area.



## Washington Update

PREPARED BY CATHY CONNOR  
MANAGER OF GOVERNMENT AFFAIRS



3. Multiple MPOs within a metropolitan planning area would jointly develop planning products including a single metropolitan transportation plan, transportation improvement plan, and performance targets.
- U.S. Reps Mike Kelly (R-PA) and Earl Blumenauer (D-OR) have introduced legislation (HR 5317) to add public buildings to the list of facilities that qualify for Private Activity Bonds (PABs), allowing state and local governments to raise up to \$5B to support public facility projects. PABs are currently limited to public infrastructure projects, such as wastewater plants and transportation projects. The new proposal would allow private investment funds to be used in the design and construction of schools, court houses, libraries, and other public buildings. This legislation likely will not move on its own, but rather be incorporated in a larger tax reform bill that Congress hopes to move in early 2017. Here is a [link](#) to the bill.
  - June 29 was the 60<sup>th</sup> anniversary of the day President Eisenhower signed the bill into law establishing the Interstate system.

Additional information and materials, including archived Washington Updates, are located on the WSP | Parsons Brinckerhoff *Federal Briefing* website at [www.federalbriefing.com](http://www.federalbriefing.com). This is a new URL and title for the website previously named *PB Transportation Update*. The old website URL will automatically redirect to the new website, but please bookmark this new address for future reference.