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July/August 2009 Monthly Report for MTC

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From: Tom Bulger, President
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Re: Monthly Report for July/August 2009

Date: September 2nd, 2009

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1. Transportation Authorization Update

As Congress adjourned for the August recess, the fate of transportation authorization legislation was unknown. In July, the Highways & Transit Subcommittee of the House Transportation & Infrastructure Committee took action on the framework unveiled in June by Chairman Jim Oberstar (D-MN) of the House Transportation & Infrastructure Committee (see June report for summary). The legislation introduced did not include specific programmatic funding amounts or a breakdown of how each state would fare under the legislation, nor did it include earmarks. Chairman Oberstar indicated that these figures would be added once the House Ways & Means Committee works out a way to fund his transportation bill, which as introduced, is expected to be \$500 billion over the next six years (\$450 billion for highways & transit, and \$50 billion for high-speed rail).

At a hearing of the House Ways & Means Committee in July, it seemed apparent that swift action was not anticipated. With the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) expiring at the end of September and with the highway trust fund receiving a second infusion of general trust fund dollars in July, some action in the near future is required. However, in order to increase overall spending to the amount requested by Chairman Oberstar, Congress would have to double the gas tax or raise an equivalent amount. Given the current debate on the deficit, health care, and climate change, neither Congress nor the White House seem willing to take on such a venture at this point. Nevertheless, Chairman Oberstar has repeatedly called for immediate action on transportation legislation, stating publicly that he is opposed to any effort which would extend existing legislation.

President Obama has indicated that he would like to see Congress enact an 18-month extension of current law, which would give his administration time to work with Congress on a robust long term vision. In his proposal, President Obama called on Congress to include several policy initiatives that he believes would provide state and local governments with the resources to prepare for needed long term transportation reform. The President's call for an 18-month extension is supported by the Senate. The Senate Environment & Public Works Committee, led by Senator Barbara Boxer (D-CA) took action on an 18-month extension as requested by the President; however, none of the policy requests made by the White House were included in the extension. Other Senate committees followed suit and marked up their versions of an 18-month extension. It is expected that the full Senate will take action when they return following the August recess.

At this time, we do not believe that Congress will pass a full term transportation bill by the end of September. The question is whether Congress will turn to short extensions lasting weeks or months, or if they will enact a longer extension which would give all parties time to work on a larger bill. We will continue to monitor the situation.

We are working with MTC staff on developing a full analysis of the House bill introduced by Chairman Oberstar and we are working on developing legislative suggestions per those discussions. Additionally, we have been working with the Intelligent Transportation Society of America (ITS America) on their efforts to improve the Oberstar bill on behalf of MTC. It should be noted that the version introduced by Chairman Oberstar did not include a research title as of yet and, it did not include much reference to operations and management in either the highway or transit titles. We are working with ITS America to remedy this situation.

In addition, we helped organize and participate in a conference call between three commissions that were created to look at the future of transportation policy. These commissions are the National Surface Transportation Revenue & Policy Study Commission (Executive Director Steve Heminger served on this commission), the National Transportation Financing Commission, and the National Transportation Policy Project. The purpose of the meeting was to discuss collective ways these groups could work with Congress to secure a transportation bill that includes realistic reforms. Currently, this group is developing a set of mutually agreed upon principles and discussing how a collaborative effort can be launched.

2. Senate Climate Change Legislation Update

In July, the Senate began to hold hearings on climate change legislation. The purpose of many of these hearings focused on if and how transportation related carbon emissions should be dealt with. This issue was left largely untouched by the House-passed bill. The only language in the House bill related to transportation carbon emissions and vehicle miles traveled (VMT) was a section on planning language which requires states and metropolitan planning organizations (MPOs) to consider VMT reduction and greenhouse gas (GHG) reduction in their transportation improvement plans (TIPs) and long-range plans.

Senator Tom Carper (D-DE) has introduced legislation, the Clean, Low-Emission, Affordable, New Transportation Efficiency Act (CLEAN-TEA, S. 575), that would set aside 10 percent of any proceeds generated from cap-and-trade legislation for VMT reduction strategies. In July, both the Senate Banking and Senate Environment & Public Works Committees held hearings where this legislation was discussed. We have attended and participated in numerous meetings supporting this legislation and are developing strategy to see that some proceeds are set aside for transportation. Currently, one of the hang-ups appears to be an internal quarrel.

Some transit advocates are asking for a dedication of the set-aside just for transit, while others are asking for the set-aside for transit operating assistance. The sponsors of this legislation believe that creating separate set-asides and dedications will hamper efforts to get any funding set-aside for transportation. We agree with their assessment and are working to develop final language that is palatable to all parties.

Also in July, we participated in the unveiling of the ‘Moving Cooler’ report in Union Station. The report highlights approaches that can be taken to reduce emission in the transportation sector. Speakers at the event included Congressman Oberstar (D-MN), Congressman Earl Blumenauer (D-OR), Senator Carper (D-DE), and Federal Transit (FTA) Administrator, Peter Rogoff.

The Senate Environment & Public Works Committee announced plans to introduce the Senate version of climate change legislation at the end of September.

3. FY10 DOT Appropriations Update

House Action

In July, the House passed the Fiscal Year 2010 Transportation-Housing & Urban Development (THUD) Appropriations bill (H.R. 3288); this is a bill to fund Department of Transportation (DOT) and Housing & Urban Development (HUD) programs. THUD sponsor, John Olver (D-MA), had a difficult time crafting the DOT bill given that currently there is no new authorization in place for the surface transportation programs or the Federal Aviation Administration (FAA) programs as of October 1. He was also in the difficult position of trying to fund programs out of a Trust Fund that is expected to be insolvent even before the start of the new fiscal year. Below is a brief overall summary, followed by Bay Area earmarks included in the bill:

Federal Highway Administration (FHWA) — the bill provides \$41.1 billion for the highway program, the same as the President’s request and a modest increase over the \$40.7 billion FY09 funding level. The bill funds the highway and transit programs from the Highway Trust Fund even though the Fund cannot currently support that level of expenditure. The subcommittee did not address the Administration’s recommendation that \$36.1 billion of the FY10 highway funding come from the General Fund.

FTA — the bill provides \$10.5 billion for transit programs, a \$352 million increase over FY09 and an increase of \$148 million over the Administration’s request primarily to support \$150 million in special funding for D.C.’s Washington Metropolitan Area Transit Authority (WMATA) following the recent accident that killed nine people. The Formula and Bus Grant program would receive \$8.34 billion versus \$8.26 billion in FY09, all from the Trust Fund, as opposed to \$5 billion of the total from the General Fund as proposed by the Administration. New Starts/Small Starts would be funded at \$1.82 billion, a \$200 million increase over FY09.

Federal Railroad Administration (FRA) — Amtrak is slated to receive approximately the same \$1.5 billion as in FY09. High-speed rail is once again the big winner with \$4 billion versus the \$1 billion requested by President Obama. This funding is an add-on to the \$8 billion appropriation in the American Recovery and Reinvestment Act (ARRA). However, the bill directs that \$2 billion of the \$4 billion may be transferred to a National Infrastructure Bank (NIB) if and when Congress authorizes such a bank. A White House proposal to create a NIB has been delayed and is now expected to apply only to transportation projects, not a broader range of infrastructure projects.

BAY AREA EARMARKS IN THE HOUSE T-HUD APPROPRIATIONS BILL			
Agency	Program	Project	Amount
FRA	Grade Crossings on Designated High Speed Rail Corridors	Altamont Corridor Express Alignment Project	\$300,000
FRA	Rail Line Relocation & Improvement Program	Transbay Terminal Center	\$750,000
		Total FRA	\$1.050 million

BAY AREA EARMARKS IN THE HOUSE T-HUD APPROPRIATIONS BILL			
Agency	Program	Project	Amount
DOT-OST	Transportation, Planning, Research, and Development	Positive Train Control System (Included by Eshoo; Speier)	\$1,000,000
		Total DOT-OST	\$1.0 million
Agency	Program	Project	Amount
FTA	Capital Investment Grants	Livermore-Amador Route 10 BRT, Livermore, CA	\$79,900
FTA	Capital Investment Grants	Berkeley-Oakland-San Leandro Bus Rapid Transit Corridor Improvements Project	\$1,000,000
FTA	Capital Investment Grants	Third Street Light Rail Central Subway Project	\$4,000,000
FTA	Bus & Bus Facilities	Alternative Fuel Solano Express Bus Replacement	\$500,000
FTA	Bus & Bus Facilities	Ed Roberts Campus bus/bus facilities	\$250,000
FTA	Bus & Bus Facilities	San Jose High Volume Bus Stop Upgrades	\$600,000
FTA	Bus & Bus Facilities	Union City Intermodal Station, Phases 1C and 2	\$500,000
FTA	Bus & Bus Facilities	Vacaville Intermodal Station	\$500,000
FTA	Bus & Bus Facilities	VTA Renewable Energy Conservation Program	\$750,000
		Total FTA	\$8.180 million
Agency	Program	Project	Amount
FHWA	Ferry Boats & Terminal Facilities	Berkeley/Albany to San Francisco Ferry Service	\$1,000,000
FHWA	Federal Lands	Doyle Drive Replacement	\$2,000,000
FHWA	Federal Lands	Fort Baker Transportation Improvements	\$750,000
FHWA	Federal Lands	Golden Gate National Parks – Park Access, Transit and Trails	\$500,000
FHWA	Interstate Maintenance	I-580 Corridor Improvements	\$1,000,000
FHWA	Transportation & Community & System Preservation (TCSP)	Park Street Pedestrian Safety Improvements, Alameda	\$300,000
FHWA	Transportation & Community & System Preservation (TCSP)	Rutherford Cross Road Roundabout	\$600,000
FHWA	Transportation & Community & System Preservation (TCSP)	SfGo, San Francisco	\$255,000
		Total FHWA	\$6.405 million
Total FY10 House THUD Appropriations = \$16.635 million			

Senate Action

The Senate Appropriations Committee unanimously approved its DOT funding bill on July 30, which provides a total of \$122 billion. FHWA is slated to receive \$42.5 billion; \$11.1 billion is for transit, and \$1.8 billion to FRA. Floor action and a conference with the House to resolve differences in the bills will not occur until after the August recess. Below is a brief overall summary, followed by Bay Area earmarks included in the bill:

FHWA Total — Senate \$42.57 billion; House \$41.1 billion. The Senate funding level includes \$1.56 billion in general funds (\$900 million for the formula program, \$500 million for the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program, and \$165 million for earmarked projects).

FTA New Starts/Small Starts — Senate \$2.31 billion; House \$1.83 billion

FTA Formula and Bus Grants — Senate \$8.34 billion; House \$8.34 billion

FRA High Speed/Intercity Rail — Senate \$1.20 billion; House \$4.00 billion

Amtrak — Senate \$1.55 billion; House \$1.48 billion

The Senate bill also includes \$1.1 billion for discretionary grants to support surface transportation projects. The program is structured very similarly to the Transportation Investment Generating Economic Recovery (TIGER) discretionary grants program.

<i>BAY AREA EARMARKS IN THE SENATE T-HUD APPROPRIATIONS BILL</i>			
Agency	Program	Project	Amount
FTA	Capital Investment Grants	Livermore-Amador Route 10 BRT, Livermore, CA	\$79,900
FTA	Capital Investment Grants	AC Transit BRT Coridor	\$2,000,000
FTA	Capital Investment Grants	Third Street Light Rail Central Subway Project	\$2,000,000
FTA	Capital Investment Grants	Sonoma-Marin Area Rail Transit	\$1,000,000
		<i>TOTAL FTA</i>	<i>\$5.08 million</i>
Agency	Program	Project	Amount
FHWA	Transportation & Community & System Preservation (TCSP)	Autumn Street Parkway, San Jose	\$1,000,000
FHWA	Surface Transportation Priorities	Golden Gate Bridge Seismic Retrofit	\$2,000,000
FHWA	Federal Lands	South Access to the Golden Gate Bridge, Doyle Drive, City and County of San Francisco	\$2,750,000
		<i>TOTAL FHWA</i>	<i>\$5.750 million</i>
Total FY10 Senate THUD Appropriations = \$10.83 million			

4. Senator Dodd Introduces ‘Livable Communities Act’

In August, Senator Christopher J. Dodd (D-CT) introduced the Livable Communities Act of 2009 (S. 1619); this legislation would improve the coordination of housing, community development, transportation, energy, and environmental policy in the United States. Additionally, the legislation will coordinate federal policies and investments to promote sustainable development; and it will encourage comprehensive regional planning for livable communities and the adoption of sustainable development.

The Livable Communities Act authorizes \$400 million over four years for competitive grants to help communities develop comprehensive regional plans that incorporate transportation, housing, community development, economic development, energy, and environmental needs and goals. Grantees must demonstrate a commitment to integrated planning and implementing sustainable development. Communities may also use funds to develop goals and concrete strategies for carrying out their regional plans, and to make zoning and other code changes necessary to facilitate sustainable development.

Finally, the Livable Communities Act authorizes \$3.75 billion over three years for competitive grants to assist communities in carrying out sustainable development projects outlined in their comprehensive regional plans. Eligible activities include:

- investment in transit-oriented development;
- affordable housing;
- short-term operating funds to initiate a demonstration of new public transportation services;
- promotion of employer-based commuter benefit programs to increase public transportation ridership; and
- promotion of trip reduction programs and the use of transportation alternatives.

5. Maine’s Nadeau Named as Deputy Administrator of Federal Highway Administration

Gregory Nadeau joined the FHWA as Deputy Administrator on July 8. “Greg’s background is ideal for the Federal Highway Administration,” said FHWA’s Executive Director Jeffrey F. Paniati. “He brings a unique combination of transportation and legislative experience. His strong background in economic development will be a valuable asset as we work to support our economic recovery.”

Since 2002, Nadeau served as Maine’s Department of Transportation Deputy Commissioner for Policy, Planning and Communications. In this role, he managed the state’s transportation planning, freight and business services. He also served on the Maine Turnpike Authority’s Board of Directors, and was the state transportation department’s liaison to Maine’s congressional delegation. He has also been very involved in numerous statewide economic growth initiatives.

Nadeau served as Governor Angus King’s senior policy advisor from 1995 to 2002, where he focused on issues ranging from transportation and economic development, to international trade and public safety. From 1978 to 1990, Nadeau represented Lewiston in the Maine House of Representatives, including a stint as House Chairman of the Joint Standing Committee on Housing and Economic Development.