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December 2009 Monthly Report for MTC

**To: Steve Heminger, Executive Director
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**From: Tom Bulger, President
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Re: Monthly Report for December 2009

Date: December 31, 2009

- **FY 2010 Transportation Appropriations Update**
- **Jobs Bill Update**
- **Secretary LaHood Proposes Federal Transit Safety Legislation**
- **Monthly Meeting Update**

FY 2010 Transportation Appropriations Update

In December, Congress approved the remaining of the FY 2010 appropriations bills, including the FY 2010 transportation appropriations bill. The transportation appropriations bill was used as a vehicle to pass all of the remaining appropriations bills, with the exception of the Defense appropriations bill. The defense appropriations bill was passed separately and includes a temporary extension of SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) until February 28, 2010.

The transportation division includes \$41 billion for federal highways, \$10.7 billion for the Federal Transit Administration and \$1.6 billion for Amtrak, all roughly in line with the President's request. The transportation section also included an additional \$2.5 billion for development of a nationwide high-speed rail network, but passed on providing the seed money the House requested to launch a national infrastructure bank.

FTA spending includes \$8.3 billion for transit formula grants, and it also provides \$75 million to help transit agencies make capital investments that will reduce energy consumption or greenhouse gas emissions by such means as replacing buses with electric hybrids or powering facilities with alternative energy.

Below is a list of earmarks for the Bay Area in the transportation bill:

Bay Area FY 2010 Transportation Earmarks:			
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	\$1.05 million
DOT-OST	Transportation, Planning, Research, and Development	Positive Train Control System (Included by Eshoo; Speier)	\$1,250,000
		TOTAL OST	\$1.25 million
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	\$6,000,000
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

Bay Area FY 2010 Transportation Earmarks:			
Agency	Program	Project	Amount
FTA	Bus & Bus Facilities	VTA Renewable Energy Conservation Program	\$750,000
FTA	Capital Investment Grants	Sonoma-Marin Area Rail Transit	\$2,500,000
		TOTAL FTA	\$12.68 million
FHWA	Ferry Boats & Terminal Facilities	Berkeley/Albany to San Francisco Ferry Service	\$1,000,000
FHWA	Federal Lands	Doyle Drive Replacement	\$3,704,500
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	Surface Transportation Priorities	Lake Merritt Improvement Project	\$827,900
FHWA	Surface Transportation Priorities	Golden Gate Bridge Seismic Retrofit	\$1,948,000
FHWA	Transportation & Community & System Preservation	Park Street Pedestrian Safety Improvements, Alameda	\$300,000
FHWA	Transportation & Community & System Preservation	Autumn Street Parkway, San Jose	\$974,400
FHWA	Transportation & Community & System Preservation	Rutherford Cross Road Roundabout	\$600,000
FHWA	Transportation & Community & System Preservation	SfGo, San Francisco	\$255,000
FHWA	Transportation & Community & System Preservation	Ashland/Cherryland FHWA	\$600,000
		TOTAL FHWA	\$12.46 million
TOTAL FY 2010 House THUD =			\$27.44 million

Jobs Bills Update

Before adjourning for 2009, the House passed an abbreviated jobs bill that included funding for transportation, local government priorities, and unemployment assistance.

Below is a summary of that legislation:

\$48.3 billion to infrastructure, including

- **Highway Infrastructure:** \$27.5 billion to make additional highway infrastructure investments.
- **Transit:** \$8.4 billion for public transportation investments, including \$6.15 billion for urban and rural formula grants, \$500 million for capital investment grants for new or expanded fixed guideway projects, and \$1.75 billion in formula funds to address repair needs of existing subway.

- **Amtrak:** \$800 million for capital grants to Amtrak for the acquisition and rehabilitation of rolling stock and passenger equipment to improve the speed and capacity of intercity passenger rail service.

As with the Recovery Act, highway projects will be funded at 100 percent, instead of the traditional 80-20 federal-local split. The bill also includes provisions to stabilize the Highway Trust Fund. The legislation allows up to 10 percent of funding to be used for operating assistance. It also restores \$19.5 billion in interest payments foregone on the Trust Fund's previous cash balances, and lifts the ban on the Trust Fund receiving interest payments in the future. This will increase the Trust Fund's balance by an estimated \$500 million to \$1 billion annually, in the near-term.

Finally, the bill calls for the General Fund, rather than the Highway Trust Fund, to support long-standing fuel tax exemptions, such as those provided to state and local governments. This provision will increase Trust Fund balances by about \$1.7 billion annually, for a total of \$9.8 billion over six years.

The House bill is widely viewed as a marker bill. The real action will take place in the Senate, then the House and Senate will work out any differences in a conference or behind closed doors. To date, there has been no clear indication by Senate leadership as to what will be included in their jobs package. As part of their discussions, Senate leaders have offered a variety of proposals including a business tax credit for new hires, state fiscal aid, extended unemployment and COBRA benefits, a "work share" program, aid to homeowners facing foreclosure and increased loans for small businesses as well as increased transportation spending.

Additionally, there has been no signal as to when this legislation will move forward. A consensus has developed around the idea of using unspent TARP (Trouble Asset Relief Program) or stimulus money to pay for the bill. This is the tactic that the House used in preparing its bill.

Secretary LaHood Proposes Federal Transit Safety Legislation

On September 8, 2009, we attended a House Transportation & Infrastructure Committee hearing entitled "Public Transit Safety: Examining the Federal Role." At the hearing, Secretary of Transportation Ray LaHood announced a proposal from the Obama Administration that would increase the Federal government's role in transit safety. Below is the brief summary provided by the Secretary:

Public Transportation Safety Program Act of 2009

- The proposed legislation would authorize the Secretary to establish and enforce minimum federal safety standards for rail transit systems — effectively breaking through the 1965 prohibition. The bill would also provide the Secretary the option to establish a safety program for public transportation bus systems. Secretary LaHood also announced the formation of a Transit Rail Advisory Committee on Safety (TRACS) that will help guide the Department's rail transit safety regulations.
- The bill would authorize the Secretary to allow states to receive federal transit assistance to staff and train state oversight personnel to enforce new federal regulations. State programs would have to be well-staffed and adequately empowered by state governments to fully enforce federal regulations in order to be eligible for federal funds.

- The bill would require the state agencies conducting oversight to be fully financially independent from the transit systems they oversee. The Federal Transit Administration (FTA) would enforce all federal regulations where states choose not to participate in the program or where the state program is found to lack the necessary enforcement tools.

Under the Administration's proposal, FTA and state agencies participating in federal transit safety enforcement would be authorized to conduct inspections, investigations, audits, and examinations, as well as test public transportation systems' equipment, facilities, rolling stock, operations, and persons engaged in the business of a public transportation system. They would also have the authority to issue reports and subpoenas, require the production of documents, take depositions, and prescribe recordkeeping and reporting requirements. For a text of the bill, go to <http://testimony.ost.dot.gov/final/default.htm>

Others who testified at the hearing included Kate Siggerud of the U.S. Government Accountability Office, Robert J. Chipkevich of the National Transportation Safety Board, Richard W. Clark of the California Public Utilities Commission, and William W. Millar of the American Public Transportation Association.

Monthly Meeting Update

On December 3-4, 2009 we participated in a series of meetings with White House and USDOT political appointees concerning increased funding for the largest and oldest transit systems. On December 3rd, we met with John Porcari, Deputy Secretary, Roy Kienitz, Under Secretary, Polly Trottenberg, Assistant Secretary for Policy, and Peter Rogoff, FTA Administrator. On December 4th, we met with Adolfo Carrion, Jr., White House Director of Urban Affairs, and Xavier Briggs, Program Associate Director, Office of Management and Budget. The following organizations also participated: Chicago-RTA-CTA, METRA and PACE, New York-MTA, Boston-MBTA, Washington-Metro, Atlanta-MTA, Philadelphia-SPTA, New Jersey Transit, Cleveland-RTA, BART and S.F. MUNI.

Meetings with Rep. John Garamendi (D-CA)

On December 9 and 15, we met with new Congressman John Garamendi (D-CA) where we discussed the role of MTC and major project funding in the Congressman's district. We recommended a longer briefing for the Congressman in the Bay Area in the near future.

Meeting with Chairman James Oberstar (D-MN)

On December 15, Steve Heminger met with Rep. Jim Oberstar (D-MN), Chairman of the House Transportation and Infrastructure Committee. The meeting focused on how to streamline project delivery in the House Jobs Bill. Chairman Oberstar is committed to a project award deadline of 90 days. Mr. Heminger submitted streamlining ideas to the Chairman and his committee staff.

APTA Legislative Committee meeting

On December 4, we attended the APTA Legislative Committee meeting. This meeting was the day after Mr. Heminger attended President Obama's Economic and Jobs Summit at the White House regarding the jobs bill.

Meeting with RITA Administrator

On December 3rd, we had an opportunity to meet with the new RITA Administrator, Peter H. Appel, during an ITSA luncheon on Capitol Hill.

Brooking Institute: Infrastructure Investment, Economic Growth and Jobs Forum

On December 10, we attended a Brookings Institution Forum on infrastructure financing. The main focus of the event was the discussion of the merits of a federal capital budget and national infrastructure bank concepts. Congressman Keith Ellison (D-MN) offered opening remarks. Secretary Ray LaHood outlined current reform efforts. The Economist's Charlotte Howard moderated a panel discussion on reforming federal investment in infrastructure.

MTC Washington March activities

In December, we began planning for the Commission's annual visit to Washington, D.C. The annual Congressional meetings will take place the week of March 15, 2010.