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**April 2010 Monthly Report for MTC**

**To: Steve Heminger, Executive Director  
MTC**

**From: Tom Bulger, President  
Georgia Gann, Legislative Associate  
GRI**

**Re: Monthly Report for April 2010**

- **Transportation Authorization Updates**
  - **Climate Legislation Update**
  - **Funding Opportunities**
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## **Transportation Authorization Updates**

### ***Administration's Transportation Authorization Principles***

In March, the Obama Administration announced their intent to release their principles for the multi-year authorization within the next 90 days. Transportation officials reiterated this statement throughout April. In an ongoing authorization effort, the Department of Transportation (DOT) has been holding a series of public outreach meetings with panels from various transportation stakeholders in New Orleans, Minneapolis, Los Angeles and Houston.

### ***Senate Environment and Public Works (EPW) Committee Focuses on Transportation Authorization***

Last month, Senate EPW Chair Barbara Boxer (D-CA) voiced her commitment to authorizing a new transportation bill — Moving Ahead for Progress in the 21<sup>st</sup> Century, or MAP-21 — this year. Throughout April, EPW committee staff also reiterated this commitment. EPW continues to hold full committee hearings as the committee develops the next transportation bill. The title of the April hearing was Opportunities to Improve Transportation Safety.

### ***Authorization Funding Discussions***

Both Congress and the Administration are moving forward in crafting policy for the transportation authorization bill; however, there is still no accepted proposal for an underlying mechanism that would fund such policy. The Administration remains opposed to a gas tax increase. On the other hand, Chairman Jim Oberstar (D-MN) of the House Transportation and Infrastructure (T&I) Committee restated his support for funding the upcoming bill through a series of immediate General Fund loans, followed by a gas tax increase and indexing to pay off these loans. The Senate has not officially endorsed a funding mechanism, but they continue to raise the question at their hearings.

## **Climate Legislation Update**

Climate legislation crafted by Senators John Kerry (D-MA), Joe Lieberman (I-CT), and Lindsey Graham (R-SC) was set to be introduced in the last days of April. One of the goals of this legislation is to curb carbon emissions in the transportation sector. Furthermore, oil companies will be subject to pollution allowances that will be retired over time — rather than the previously-considered linked fee. In an effort to counter criticism that any sort of carbon limits on fuel sales constitutes a gas tax (which could hinder the transportation sector's ability to eventually implement a gas tax increase), the Congressional Budget Office will issue a document stating that this provision will not constitute a tax. An estimated \$8 billion in annual diesel oil fuel revenues will be set aside and directed to the Highway Trust Fund.

Days before the introduction of the legislation, Senator Graham repealed his support of the bill, citing concerns over immigration legislation, thus, delaying the bill's introduction. Combined with concerns over the April 20 massive Gulf of Mexico oil spill, movement on the climate change legislation is at a standstill.

## Funding Opportunities

In the past few weeks, DOT and the Department of Housing and Urban Development (HUD) announced the availability of a number of funding opportunities. These discretionary funds are available for transit, planning, and intermodal projects that broadly advance the Administration's sustainability and livability initiatives. More specifically, the funds are available for bus and bus facilities maintenance repair, intermodal national infrastructure investments, coordination of transportation and land use planning, and intermodal sustainability projects that reduce greenhouse gas (GHG) and carbon emissions. More specific information about these funding opportunities is below:

### ***Discretionary Bus and Bus Facilities Program (\$775 million)***

The Federal Transit Administration (FTA) proposed a \$2.9 billion Bus and Rail State of Good Repair (SGR) formula program in the President's Fiscal Year (FY) 2011 budget. In advance of this program, FTA is making available \$775 million for a discretionary SGR Bus and Bus Facilities Initiative.

**Grant:** *SGR Bus and Bus Facilities initiative*

FTA announced availability of discretionary Section 5309 Bus and Bus Facilities funding to grant funds in support of its SGR initiative. The SGR initiative will make funds available to replace, rehabilitate, and purchase buses and related equipment and to construct/rehabilitate bus-related facilities.

**Funding:** \$775 million in unallocated FY 2010 discretionary Bus and Bus Facilities Program funds

Eligible proposers include states and direct recipients under the Section 5307 Urbanized Area Formula program. Proposals shall contain projects to be implemented by the recipient or subrecipient. Eligible subrecipients include public agencies. Direct recipients may submit consolidated proposals.

Eligible projects include:

- Capital projects — such as replacement or rehabilitation of vehicles and related equipment (for example, Intelligent Transportation Systems, fare equipment or communication devices)
- Replacement or modernization of bus maintenance and revenue service facilities
- Development and implementation of transit asset management systems.

**Dates:** Completed proposals must be submitted by June 18, 2010

For more information, the Notice of Funding Availability (NOFA) is available at <http://www.gpo.gov/fdsys/pkg/FR-2010-05-04/pdf/2010-10430.pdf>

### ***National Infrastructure Investments (up to \$640 million)***

**Grant:** *TIGER II Discretionary Grants*

DOT announced funding for National Infrastructure Investments referred to in the FY 2010 Appropriations Act as TIGER II Discretionary Grants. Funds will be awarded on a competitive basis for projects that will “have a significant impact on the nation, a metropolitan area or a region.” The guidelines and criteria are very similar, but not identical to the TIGER program in the American Recovery and Reinvestment Act (ARRA).

Within the TIGER II Discretionary Grant program, some funding is directed to planning: TIGER II Planning Grant and HUD’s \$40 million Community Challenge Grant funds will be combined under a joint planning grant program to be administered by DOT under the TIGER II program.

**TIGER II Funding:**

Total Appropriation:	\$600 million
Administration:	\$25 million
Planning Grants (max):	\$35 million
Available for Capital Grants:	\$540 million
Rural Grants (min.):	\$140 million
TIFIA Subsidies (max):	\$150 million

**Planning Program Funding:**

Tiger II Planning Grants:	\$35 million
HUD Community Challenge Planning Grants:	\$40 million
Joint HUD/DOT Planning Grants:	\$75 million

**Dates:** Requests for Comments due by May 7, 2010  
 Pre-applications due July 16, 2010  
 Final applications due by August 23, 2010

***Discretionary Sustainability Funding Opportunity (\$156.2 million)***

**Grant:** *Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) Program  
 Clean Fuels Grant Program  
 Discretionary Bus and Bus Facilities Program*

These grants are focused on reducing dependence on oil/GHG emissions.

**Funding:**

Total*:	\$156.2 million in FY 2009 and 2010 resources
TIGGER:	\$75 million FY 2010 discretionary TIGGER funds
Clean Fuels Grant:	\$81.2 million FY 2009 and 2010 Clean Fuels Grant program funds

\* Augmented with FY 2010 Section 5309 Bus and Bus Facilities program funds

**Dates:** Proposals for Clean Fuels/Bus and Bus Facilities grants must be submitted by June 14, 2010. TIGGER proposals must be submitted by August 11, 2010.

### ***Sustainable Communities Initiative (\$100 million)***

**Grant:** *Sustainable Communities Planning Grant Program/Regional Integrated Planning Grants*

These Grants are made available through HUD's Sustainable Communities Initiative to support multi-jurisdictional regional efforts that integrate housing, economic development, and transportation decision-making in a manner that considers the interdependent challenges of economic growth, social equity and environmental impact sustainability. More specific information will be available after the NOFA is released.

**Funding:** \$100 million in 2010 HUD appropriations

**Dates:** Request for Comments due March 12, 2010 — MTC submitted comments  
April 14, 2010 — Pre-application registration  
NOFA to be released by HUD by May 30, 2010

### **Commuter Benefit**

This month we have been actively working to build support for legislation that will create permanence, or at the very least, extend parity between the parking and transit portions of the transportation fringe benefit. In the first stimulus package (ARRA), we succeeded in securing the cap allowed for transit commute benefits equal to that of parking, \$230 per month. This provision — like all tax provisions in ARRA — will sunset on December 31, 2010. If the provision expires, the transit portion of the benefit will revert to a cap at \$120 per month, creating a *de facto* tax on those whose transit costs exceed \$120 per month, as well as an incentive for commuters to drive alone to work. Earlier in this session of Congress, Senator Charles E. Schumer (D-NY) and Congressman Jim McGovern (D-MA) introduced legislation — S. 322 and H.R. 891: The Commuter Benefit Equity Act — that would make parity permanent. We have been working to garner cosponsors. Currently, S.322 has 14 cosponsors and H.R. 891 has 45 cosponsors.

### **April Meetings**

#### *Department of Transportation (DOT)*

On April 20, we joined a conference call with DOT and MTC staff, discussing performance measures. DOT talked about the need for an overarching vision for the national surface transportation system, complete with specific measurable objectives — citing MTC's history in the field and requesting feedback. We referenced MTC's Performance Counts: Setting Targets and Testing Investment in the Bay Area Long Range Plan.

#### *Speaker Nancy Pelosi*

Throughout the month of April we had numerous meetings and phone calls with Speaker Nancy Pelosi's staff regarding the BART to San Jose extension. The Speaker's staff has indicated support for delegation support for the project.

*Congressman George Miller*

We met with Congressman George Miller's staff regarding the BART to San Jose extension.

*Congresswoman Zoe Lofgren*

In early April we met with Congresswoman Zoe Lofgren's transportation staff, as well as Alexis Marks, Democratic Caucus staff, to discuss the BART to San Jose extension. We coordinated with Alexis, Speaker Pelosi's staff and Congressman Honda's staff around best options for showing support from the Bay Area Delegation.

*Congressman Mike Honda*

Also in April, we worked closely with Congressman Mike Honda's staff to garner support for federal funding for the BART to San Jose extension. We are continuing to work with the Congressman's staff to set up a briefing for the Bay Area Delegation to update them on the BART to San Jose project and refresh them on MTC's regional rail plan as detailed in MTC Resolution No. 3434.

*Department of Housing and Urban Development (HUD)*

Throughout the month of April we were in close contact with HUD representatives regarding funding opportunities made available through HUD's Sustainable Communities Initiative. We have transmitted program details to MTC staff.

*Federal Transit Administration FTA*

Lastly, we were asked to unlock FY 2010 FTA funding apportionments that are long overdue. This activity is still in progress.