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June 2010 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 June 2010

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- **Livability Agenda/Partnership for Sustainable Communities**
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Transportation Authorization/SAFTEA-LU Extension Update

Comprehensive six-year transportation authorization legislation is moving forward slowly in Congress and with the Obama Administration:

Administration

The Administration has held a number of workshops regarding authorization and has committed to releasing a set of principles that would guide their authorization recommendations. Additionally, the U.S. Department of Transportation (DOT) recently made available for comment their five-year strategic plan, and in the following months, DOT will presumably use the feedback from various transportation stakeholders to guide the Administration's policy recommendations.

Congress

Legislative language was introduced in the House by the Transportation and Infrastructure (T&I) Committee, but without a proposed funding mechanism to pay for the \$450 billion bill there has been no movement forward. The Senate Environment and Public Works Committee (EPW) has held a number of hearings dedicated to the transportation authorization and is working on language behind closed doors. The Senate Banking, Housing, and Urban Affairs Committee, which has jurisdiction over transit, is also working on developing legislative language.

It is rumored that there will be either a mark-up of the EPW's bill or at least a release of overall policy principles in September 2010; however, without more active movement on policy principles and legislative language, there is little chance that a comprehensive six-year authorization bill will be ready by the time the extension of the current transportation legislation (Safe, Accountable, Flexible, Efficient Transportation Equity Act or SAFTEA-LU) expires on December 31, 2010. Perhaps an even larger, or at least as important obstacle, is the absence of an agreed-upon funding mechanism that would pay for the comprehensive bill. Both Congress and the Administration are hesitant to impose a gas tax increase and other options such as bonding or per barrel oil fees, have yet to gain sufficient support. Inaction could result in a fifth extension of SAFTEA-LU.

Livability Agenda/Partnership for Sustainable Communities

In the absence of a six-year surface transportation authorization bill, the DOT has emphasized safety policy and the Administration's livability agenda. The Department of Housing and Urban Development (HUD), the Environmental Protection Agency (EPA), and DOT have formed a Partnership for Sustainable Communities to promote livable communities. Jointly, they established six "livability principles" that will act as a foundation for interagency coordination. The principles are to:

1. Provide more transportation choices;
2. Promote equitable, affordable housing;
3. Enhance economic competitiveness;
4. Support existing communities;
5. Coordinate policies and leverage investment; and
6. Value communities and neighborhoods.

These principles and the idea of interagency coordination have been embraced by the Administration and are referenced in discussions ranging from grant guidelines for HUD's Program Grants funded from the Sustainable Communities Initiative to guidelines for the Federal Transit Administration's (FTA) New Starts and Small Starts program.

Earlier this month the Partnership for Sustainable Communities released a Notice of Funding Availability (NOFA) announcing two funding opportunities — outline below — through HUD, and jointly through HUD and DOT.

1. Sustainable Communities Regional Planning Grant Program
 - Available Funds: \$98 million
 - Award: Award size is determined by the population range within the applicant's region. Large metropolitan regions (pop. 500,000 or more) have a minimum grant of \$500,000 and maximum of \$5,000,000.
 - Deadline: August 23, 2010

2. TIGER II/Sustainable Community Challenge Planning Grants
 - Available Funds: \$75 million (\$35 TIGER II, and \$40 HUD Sustainable Community Challenge Planning Grants)
 - Award: No minimum award size. Maximum award size of \$3,000,000.
 - Deadline: July 26, 2010 — pre-application
August 23, 2010 — final application

In Congress, Senator Christopher Dodd (D-CT) introduced the Livable Communities Act of 2009 (S. 1619), which would officially authorize the DOT-HUD-EPA Partnership for Sustainable Communities as well as a number of Sustainable Communities Grants. Senator Dodd began pressing for the passage of this legislation in the past few weeks. He is currently the Chair of the Senate Banking, Housing, and Urban Affairs committee. As such, he has held a hearing on S. 1619 and has been working with his committee staff to advance the bill. Staff is hoping to get this bill through this Congress, as Senator Dodd will be retiring at the end of the year — there has been talk of attaching the bill to a larger vehicle (possibly energy legislation) in July. Two pieces of complementary legislation were introduced in the House: H.R. 4287, the Enhancing Livability for All Americans Act of 2009 by Rep. Steve Cohen (D-TN), and H.R. 4690, the Livable Communities Act of 2010 by Rep. Ed Perlmutter (D-CO).

FTA New Starts and Small Starts Evaluation Criteria

Earlier this year, the Federal Transit Administration (FTA) announced a policy shift toward a more comprehensive focus on evaluation criteria for New Starts projects. Building on that policy shift, FTA is asking for public input on ways to improve the current rating and evaluation process. The request for public comment focuses on how best to evaluate transit infrastructure investments by looking for ways to measure cost-effectiveness, including broad public benefits such as economic development, and land use and environmental impacts. FTA hosted a webinar on June 24 to explain the Advance Notice of Proposed Rulemaking and is hosting six

information outreach seminars to answer any questions and encourage public comment, including one in San Francisco on June 30. The Deadline to submit comments is August 2.

Energy and Climate Change Legislation Update

In recent weeks, the President announced support for comprehensive climate and energy legislation; however, he has not specified any specific legislative vehicle. It is rumored that behind the scenes, the Administration is packaging energy-only legislation, which Senate committee staffers indicate may be taken up as early as July. This legislation would likely involve mandates increasing renewable energy and clean technology development, and steers away from economy-wide carbon caps. In response to the oil spill, any bill that passes will likely contain provisions overhauling offshore-drilling rules and federal regulations. Climate legislation may be incorporated or may be left out for a later date.

Legislative possibilities

In May, Senators John Kerry (D-MA) and Joe Lieberman (I-CT) introduced their comprehensive climate and energy legislation, the American Power Act. This legislation includes comprehensive energy and climate change measures, funded by carbon caps across the energy and transportation sectors. Transportation sector emissions are addressed through fuel efficiency and vehicle technology, as well as through increases in infrastructure and planning efficiency, and policies that would decrease vehicle miles traveled (VMT). Senator Lindsay Graham (R-SC), who pulled his support from the Kerry-Lieberman bill at the last minute, placed his support behind Senator Richard Lugar's (R-IN) Practical Energy and Climate Plan Act of 2010, which focuses on increasing energy efficiency, but does not include mandatory greenhouse gas (GHG) emissions cuts, nor does it focus on VMT reduction or infrastructure efficiency.

On June 14, Senator Jeff Merkley (D-OR) introduced a policy plan devoted to reducing oil use called *America Over a Barrel: Solving Our Oil Vulnerability*. The plan focuses on a clean energy economy with an emphasis on oil reduction through energy efficient buildings and transportation measures. The transportation measures include alternative transportation fuel options, vehicle efficiency, and to "increase travel options and improve infrastructure." The last option includes a focus on transportation planning that is very similar to the language included in the Kerry-Lieberman legislation.

Federal Transit Safety Legislation

On June 29, the Senate Banking, Housing, and Urban Affairs Committee approved draft legislation that would require federal oversight of safety standards for local transit agencies. The Public Transportation Safety Program Act of 2010 (S. 3015) introduced by Senator Chris Dodd, sets federal standards for state transit safety oversight agencies — with federal transit apportionments contingent upon safety standards being met by the state. In this draft legislation, the FTA has the authority step in and perform emergency safety oversight functions in place of the state.

June Meetings Update

Bipartisanship Conference

On June 16, we attended a one-day policy conference hosted by the Bipartisan Policy Center. The conference focused on enhancing bipartisanship in the federal policy sphere.

Livability Caucus

On June 16, we also attended an event hosted by Rep. Earl Blumenauer (D-OR), Chairman of the Livable Communities Taskforce. A number of members were in attendance, including Speaker Nancy Pelosi (D-CA), Majority Leader Steny Hoyer (D-MD), Reps. Jerry McNerney (D-CA), Chris Van Hollen (D-MD), Peter DeFazio (D-OR).

Performance-based Transportation Policy Briefing

On June 21, we attended a briefing hosted by the Bipartisan Policy Center on transitioning to a performance-based federal transportation policy. During the panel discussion we referenced MTC's history with performance measures standards.

Representative John Garamendi (D-CA)

On June 21, we also met with Rep. Garamendi's staff to discuss transit policies affecting the Bay Area.

Representative Mike Honda (D-CA)

On June 22, we met with Rep. Honda's staff. The meeting focused on transit, and we discussed securing an Administration official to tour the BART to Silicon Valley project.

Representative Zoe Lofgren (D-CA)

On June 23, we had an update meeting with Rep. Lofgren's staff.

Federal Transit Administration New and Small Starts ANPRM Webinar

On June 24, we participated in an FTA New and Small Starts Webinar led by Deputy Administrator Therese McMillan. The discussion outlined new evaluation criteria possibilities, answered questions, and called for comments. Comments regarding evaluation criteria will be accepted through August 2, 2010.

Senate Banking, Housing, and Urban Affairs Committee

On June 25, we met with the Senior Policy Advisor to the Senate Banking, Housing, and Urban Affairs Committee. We discussed the Livable Communities Act (introduced by Committee Chairman Dodd), as well as updates on crafting language for the transportation authorization legislation.

Department of Housing and Urban Development

Throughout the month of June, we worked with staff at HUD on the Sustainable Communities Initiatives funding opportunities and policies.