



METROPOLITAN
TRANSPORTATION
COMMISSION

Agenda Item 8a

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Memorandum

TO: Legislation Committee

DATE: September 7, 2010

FR: Executive Director

W. I. 1131

RE: Obama Administration's Transportation Infrastructure Investment Proposal

On September 6, the Obama Administration announced that it intends to propose a major new long-term transportation infrastructure plan, with an initial infusion of \$50 billion to fund repairs to the existing roadway, rail and aviation systems, as well as strategic expansion through a new Infrastructure Bank. A press release outlining the proposal did not detail the funding amounts for each program, but the proposal may be fleshed out further in a speech the President will give on September 8, the day after this memo was finalized. Staff will provide you with further details of the proposal at your meeting.

High Speed Rail, Amtrak & Aviation Included along with Transit & Highways

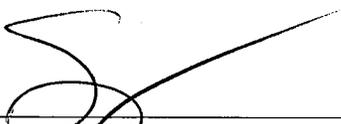
The proposal takes a comprehensive approach to the nation's transportation system, including highways and transit (bus and commuter rail), aviation, high-speed rail and Amtrak. Specifically, the proposal references rebuilding 150,000 miles of roadway, constructing and maintaining 4,000 miles of rail, rehabilitating or reconstructing 150 miles of airport runways, and upgrading the nation's air traffic control system to a more accurate satellite-based system.

Proposal Embraces a Long-Term Bill & Reform of the Federal Transportation Program

The proposal is a promising development in the stalled effort to renew the nation's surface transportation system, which expired a year ago. Consistent with MTC's recommendations in our 2010 Report to Congress, "*Transportation Investment: America's Economic Recovery Engine*" and those of the National Surface Transportation Policy & Revenue Study Commission, the Administration states that it wants to refocus the federal transportation program away from formulas in favor of strategic investment based on key national priorities and performance measures.

How is it Paid For?

The proposal does not reference any new taxes that would be used to cover increased federal investment in transportation, but newspaper reports indicate the White House is proposing to offset the initial \$50 billion by eliminating tax breaks and subsidies for the oil and gas industry. The Infrastructure Bank, which would be partially financed by federal funds, is characterized as a way to leverage "private, state and local funds."



Steve Heminger