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November, 2011 Monthly Report for MTC

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

From: Tom Bulger, President GRI

Re: Monthly Report for November, 2011

Date: November 29, 2011

- **Senate EPW Committee Approves Two-Year Highway Bill**
- **FY 2012 Transportation Appropriations Approved**
- **HUD Approves Sustainable Communities Grant for MTC/ABAG**
- **House Transportation Authorization Bill Update**
- **Transit Benefit Parity**
- **Senate Rejects President's Jobs Bill**
- **Congressional Super Committee Cannot Reach Agreement**
- **Comings and Goings**
- **November Meetings**

Senate EPW Committee Approves Two-Year Highway Bill

On November 9, 2011 we attended the Senate Committee on the Environment and Public Works' (EPW) markup of S.1813 (Boxer). The two-year surface transportation authorization bill received bipartisan support, which is something we have not seen much of in Washington, D.C. for quite a long time. S.1813, named Moving Ahead for Progress in the 21st Century (MAP-21), was voted out of Committee on an 18 to zero margin.

The key elements of the two-year highway bill are:

- \$42.3 billion in FY 2012 and \$43.0 billion in FY 2013 for Federal Highways;
- 92.6 percent of this funding is directed to the six core highway programs via formulas;
- streamlines the current 90 federal highway programs to 30 programs;
- no earmarks are included the bill;
- about half of the core formula funding goes to National Highway system projects;
- includes performance metrics and targets;
- shifts the enhancement STP set-aside to an expanded CMAQ program;
- creates a new national formula freight program; and
- greatly expands the current \$122 Million TIFIA credit program to \$1 billion per year, and raises the federal share to 49 percent from 33 percent.

Notably missing from the Committee markup is how to pay for the bill. The Senate Committee on Finance needs to find an additional \$12 billion in Highway Trust Fund deposits so that the Fund can function past the two-year period.

Next in the process are the Senate Committee on Banking, Housing, Urban Affairs, which has jurisdiction over the mass transit title, and the Senate Committee on Commerce, Science and Transportation, which has jurisdiction over the highway safety and motor carrier safety titles; however, the role of the Senate Committee on Finance is the most important in the success of this bill (albeit if it is only a two-year bill). Currently, there is no action to report on from the three committees.

We have been working with MTC staff since the bill was reported out of Committee to review the contents of the bill, the Committee's en bloc amendment, and the agreed to Member's of the Committee's amendments. We also will work to review MTC's suggestions/recommendations with EPW staff.

FY 2012 Transportation Appropriations Approved

On November 14, the House and Senate Appropriations Committees finalized three of the twelve annual appropriations bills into one package that included the FY 2012 transportation appropriations. The Appropriations bill provides enough funding to allow the Federal Highway program to spend all of the authorized funding through the last six-month extension (through March 31, 2012). However, without S.1813 (Boxer) the FY 2012 appropriations bill will deplete the Highway Trust Fund by the end of FY 2012.

The FY 2012 spending bill for the federal transit program fared a bit better than originally expected. Total spending is \$10.6 billion, \$311 million higher than FY 2011. The Formula and Bus Grant Program is set at \$8.4 billion — the same amount as in the last short term authorization extension. The New Starts and Small Starts programs are funded at approximately \$2.0 billion. Current Full Funding Agreement commitments equal \$1.37 billion for FY 2012. An additional \$510 million was appropriated for projects that will soon enter into Full Funding Grant Agreements. Two Bay Area projects — San Jose Silicon Valley BART extension to Berryessa and the San Francisco Third Street Light Rail project — are listed in this category.

In addition, the bill does not include House language that would prohibit Full Funding Agreements with a federal share at 50 percent. This may have an adverse effect on the San Francisco Third Street Light Rail project in FY 2012. Also, two Bay Area Bus Rapid Transit projects were funded: the Oakland East Bay BRT at \$25 million and the San Francisco Van Ness Avenue BRT at \$30 million.

The FY 2012 appropriation bill zeros out funding for high-speed and intercity rail, the HUD Sustainable Communities Grant Program, and the Federal Transit Administration's (FTA) TIGGER grant program for greenhouse gas emissions and energy reduction. Finally, the bill provides \$500 million in TIGER discretionary funding.

HUD Approves Sustainable Communities Grant for MTC/ABAG

On November 21, U.S. Department of Housing and Urban Development Secretary Shaun Donovan announced the recipients of nearly \$96 million in 2011 Sustainable Communities Grants. In October, we advocated for a joint MTC/ABAG grant request of \$5.0 million. MTC and ABAG were awarded \$4,991,336 in Sustainable Communities grant funding. In total, there were 29 regional planning grants and 27 communities and organization grantees.

House Transportation Authorization Bill Update

House Republican Leaders said on two occasions in November that they intend to pass transportation authorization legislation by the end of 2011. They said that the American Energy and Infrastructure Jobs Act, H.R. 7, will be approved in the House. The bill is a five-year surface transportation authorization program with a nexus to expand offshore drilling, oil shale production and Arctic wildlife oil exploration. No financing or funding details have emerged from the House Transportation & Infrastructure (T&I) Committee.

Transit Benefit Parity

Unless Congress acts to extend the transit benefit before the end of the calendar year, the benefit will roll back to \$125 per month from the current \$230 per month amount. The parking benefit will not be affected, and in fact, will be adjusted *upward* to \$240/month based on COLA from current parity with the transit benefit at \$230 per month.

Senate Rejects President's Jobs Bill

In early November, the Senate failed to achieve the 60-vote threshold by a 51 to 49 vote on S.1769 — the President's Jobs Bill. The bill included \$50 billion in infrastructure spending for the U.S. DOT and \$10 billion for a new Infrastructure Bank.

Congressional Super Committee Cannot Reach Agreement

The Congressional Super Committee failed to meet their required deadline to reduce spending and increase revenues. Under last summer's debt ceiling agreement, across the board cuts are set to occur next fiscal year — shared equally between domestic and military spending.

Comings and Goings

In November, U.S. DOT Secretary Ray LaHood announced he will step down after the Presidential election. Additionally, U.S. DOT Under Secretary Roy Kienitz resigned. His first day as a civilian was November 28.

Meetings

During November we conducted meetings with the following:

- Bettina Poirier, Staff Director/Chief Council, Senate EPW Committee.
- Tyler Rushforth, Counsel, Senate EPW Committee.
- Andrew Dohrmann, Professional Staff, Senate EPW Committee.
- Rob Fitzpatrick, Tax Counsel, Joint Economic Committee.
- Ana Greenberg, Legislative Assistant to Senator Charles Schumer, D-N.Y.
- U.S. Chamber of Commerce Infrastructure roundtable event.
- Polly Trotenberg, U.S. DOT Assistant Secretary for Policy.
- Amy Scarton, U.S. DOT Deputy Assistant Secretary for Policy.