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January, 2012 Monthly Report for MTC

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

From: Tom Bulger, President GRI

Re: Monthly Report for January, 2102

Date: January, 31, 2012

- **House and Senate Reconvene for second session of the 112th Congress**
- **President delivers 2012 State of the Union**
- **House and Senate readies Transportation Reauthorization bills**
- **FTA announces New Starts/Small Starts streamlining program**
- **TIGER IV Funding announced**
- **Highway Trust Fund facing Insolvency**
- **MTC in Washington, DC Meetings**

House and Senate Reconvene for second session of the 112th Congress

Congress returned to Washington, DC with the House in session on January 17th and the Senate on January 23rd. Congress was in session for a very short number of days so the Republicans and Democrats could attend annual issues retreats. The House did pass H.R. 3800, extending until the Federal Aviation Administration funding on February 17th. Current Aviation funding expires on January 31st. Prospects for a long term aviation authorization is looking brighter.

President delivers 2012 State of the Union

On January 24th, President Obama delivered his State of the Union address before a joint session of Congress. The president's wide-ranging speech included using half the savings from winding down the Iraq war to fund infrastructure improvements. On January 25th at the Transportation Research Board (TRB) Conference, Secretary Ray LaHood indicated that Congress would not pass a Highway and Transit Authorization bill. He further stated that we will probably have to wait until next year to get a surface transportation bill because of the huge differences between the House and the Senate. Secretary LaHood participated on a panel at the TRB with five former transportation secretaries, and none had a solution for fixing the federal transportation situation.

House and Senate readies Transportation Reauthorization bills

Senator Boxer's reaction to Secretary LaHood's statement that we will have to wait until next year has nudged the Senate to move forward. This week, The Senate Finance Committee is expected to unveil their way to help pay for the Senate Environmental & Public Works (E&PW) Committee's two year bill at \$109 billion. The Senate Banking Committee also rolled out their two year transit section of the bill on January 31st. The Senate Commerce Committee still needs to tighten up their section of the bill and overcome Senator Kay Bailey Hutchinson's (R-TX) objections to the Committee's Freight program.

In the House, the Transportation and Infrastructure Committee will release their five year bill on January 31st. We have obtained a non-official copy of the draft bill and have sent it to MTC. The House bill is expected to total slightly less than \$260 billion for 5 years and call for increased oil and gas drilling as well as approval of the Keystone Pipeline to fund the bill. House Natural Resources Committee is expected to markup on February 1st. While the House package is highly unlikely to pass the Senate and be signed by the President, it will give Republicans an opportunity to challenge the White House over drilling.

FTA announces New Starts/Small Starts streamlining program

On January, 25th the FTA announced a Notice of Proposed Rulemaking (NPRM) and draft guidance on a new streamlined process by which they will evaluate major transit investments. The proposal will take a more holistic approach to evaluating all of the project's benefits to capture the vision of the community. FTA will use a broad set of measures, environmental benefits and a project's impact on local economic development. In addition, FTA will no longer require project sponsors to use the antiquated formula comparing a project's travel time savings

against a Washington derived hypothetical baseline. FTA estimates that these changes could shave six months or more off the time a project is selected for Federal financial support.

TIGER IV Funding announced

On January 31st the Secretary of the United States Department of Transportation (USDOT) announced the availability of the latest round of Transportation Investment Generating Economic Recovery (TIGER) funding at about \$500 million for FY 2012. Key dates/issues are as follows:

- Deadline for pre-applications – February 20, 2012
- Deadline for Final Applications – March 19, 2012
- Lead applicants can submit no more than three applications
- Funds must be obligated by September 30, 2013
- DOT will focus on projects that are ready to proceed with obligation of funds when evaluating applications.

Highway Trust Fund facing Insolvency

The non-partisan Congressional Budget Office (CBO) reported on January 31st that the Highway Trust Fund will be insolvent by the beginning of the next Federal Fiscal year or by October 1, 2012. The Fund will run a deficit of about \$10 billion this year and will not be able to reimburse states and local partners next fiscal year. The solution is to raise the federal excise tax on gas and diesel. However, the president and Republicans have ruled this out. Since 2008, Congress has supplied \$34.5 billion to keep the fund afloat.

MTC in Washington, DC Meetings

During the Transportation Research Board (TRB) Conference in Washington DC on January 23-25, Commissioner Scott Haggerty and MTC staff participated in the following meetings:

Reauthorization

- Alex Herrgott, United States Chamber of Commerce
- Jim Kolb, Staff Director House T&I Committee (Minority)
- Bipartisan Coalition
- Brookings Institute
- Rep. Lee (D-Ca) and staff Teddy Miller

SMART and Reauthorization

- Rep. Thompson (D-Ca) and staff Tim Daley

High Speed Rail

- Senator Feinstein (D-Ca) and staff Matt Nelson
- Rep. Anna Eshoo (D-Ca) and staff

MAP-21 Committee Reauthorization

- Senate Environment & Public Works Committee staff

MAP-21 CMAQ provisions

- Senator Carper (D-Del) and staff Colin Peppard

Introductions to new staff

- Rep. Garamendi (D-Ca) and staff Karen Bor

High Speed Rail and TIGER IV

- USDOT Secretary's Office Polly Trotenberg, Assistant Secretary for Policy
- Amy Scarton, Deputy Assistant Secretary for Policy

High Speed Rail, Doyle Drive and Reauthorization

- Rep. Pelosi (D-Ca) and staff members Robert Edmondson and Kaitlen O'Neil