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March, 2012 Monthly Report for MTC

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

From: Tom Bulger, President GRI

Re: Monthly Report for March, 2012

Date: April, 4, 2012

- **Senate passes S.1813 (MAP-21), a two-year Surface Transportation Authorization Bill**
- **House of Representatives cannot agree on an Authorization bill and opt for a 90-day extension**
- **Senate agrees to a 90-day extension of current SAFETEA authorization**
- **Transportation Authorization Outlook**
- **House Budget Blueprint Approved**
- **MTC's Annual Meetings in Washington, DC.**
- **Meetings in March**

Senate passes S.1813, a two-year Surface Transportation Authorization Bill

On March, 14, 2012 the Senate passed S.1813 with 74 affirmative votes. The bill titled “Moving Ahead for Progress in the 21st Century Act (MAP-21) authorizes \$109 billion for surface transportation for two years; an extension of the current funding levels through FY 2013. Funding would come from the Highway Trust Fund, but would require an additional \$10.5 billion in revenues and offsets. MAP-21 would reduce the number of highway programs from roughly 90 to 30, and restructures the overall federal-aid highway program around five core programs. These include:

- Congestion Mitigation and Air Quality
- National Highway Performance
- Transportation Mobility
- Highway Safety Improvement
- National Freight Program

The key provisions of Map-21 would:

- Direct the Secretary of Transportation to create performance measures for road conditions, safety, and overall system performance that states would have to make progress towards or risk losing funding;
- Eliminate various formulas now attached to individual funding programs and instead require states and Metropolitan Planning Organizations (MPO’s) to set targets based on federal performance metrics;
- Expand the Transportation Infrastructure Finance and Innovation Act (TIFIA) funding from \$122 million to \$1 billion per year;
- Expand the use of alternative financing mechanisms and private sector investment to supplement traditional federal grant funding;
- Maintain the requirement that states spend federal funds on transportation enhancement projects, but expand the list of eligible activities;
- Alter the criteria for Tier I and Tier II MPO’s and create a new class of non-metropolitan planning organizations;
- Create a new dedicated funding program for Freight Transportation;
- Maintain Public Transit’s current funding levels and dedicated share of gas tax revenues;
- Expedite project delivery by streamlining National Environmental Policy Act (NEPA) review;
- Establish a new Northeast Corridor Infrastructure and Operations Advisory Commission.

Key Surface Transportation Programs in MAP-21:

Federal-Aid Highways

The following amounts would be authorized to be appropriated out of the Highway Trust Fund:

- \$39.143 billion for the national highway performance program, transportation mobility program, highway safety improvement program, congestion mitigation and air quality program, and national freight program;

- \$1 billion for FY 2012 and FY 2013 for the TIFIA;
- \$450 million for FY 2012 and FY 2013 for the tribal transportation program;
- \$300 million for FY 2012 and FY 2013 for the federal lands program;
- \$250 million for FY 2012 and FY 2013 for the federal lands access program;
- \$180 million for FY 2012 and FY 2013 for the territorial and Puerto Rico highway program.

Federal-Public Transportation Program

The bill's authorization for the federal transit program would be \$10.4 billion from the Mass Transit Account in FY 2012 and FY 2013. 50 percent of these funds are apportioned to areas based on population. All authorization amounts are annual figures for both FY 2012 and FY 2013. The bill repeals the jobs access and reverse commute formula grants, the new freedom grant program and the crime prevention and security grants. Specific public transportation authorizations include:

- The urban grants program at \$5.57 billion would be modified by lifting the cap on urbanized area population size for discretionary grants;
- The clean fuels program at \$65 million is reauthorized;
- The capital investment grant program from SAFETEA-LU at \$2 billion is reauthorized as the fixed guideways capital investment grant program with some modifications;
- The formula grants for special needs of seniors and individuals with disabilities from SAFETEA-LU at \$249 million are reauthorized with modifications;
- The formula grants for "other than urbanized areas" at \$591 million are reauthorized with modifications;
- The discretionary research program etc. is reauthorized at \$34 million with some new restrictions on project eligibility;
- The discretionary public transportation workforce development and human resource grant programs at \$2 million are reauthorized with new criteria on project eligibility;
- The state of good repair grants for fixed guide ways at \$2 billion is reauthorized with changes to the apportionments provisions. The program would be partially allocated based on a combination of competitive grants and formula funding using vehicle revenue miles.

Surface Transportation and Freight Policy

This section of MAP-21 directs the Secretary of DOT to implement a strategic plan within two years of enactment that:

- Assesses the current performance of the surface transportation system;
- Analyzes emerging and projected trends that would impact system performance and needs;
- Describes major policy challenges and explains how to address them;
- Lays out a comprehensive strategy and investment plan to meet policy goals; and
- Identify a list of priority freight corridors to be improved in order to meet policy goals.

House of Representatives cannot agree on an Authorization bill and opt for a 90-day extension

Despite several efforts to advance a bipartisan Senate bill (S.1813 MAP-21) championed by Senator Barbara Boxer (D-Ca.), House Republican leaders opted for a 90-day extension of SAFETEA-LU on March 28, 2012. The House cannot break a deadlock that has stalled their surface transportation authorization bill (HR.7). This 90-day extension is the ninth since SAFETEA-LU expired in 2009. House Democrats made a number of procedural efforts to force a vote on the passed Senate bill. All of the House Democrats efforts failed. House Republicans repeatedly pointed out that the Democrats failed to pass a surface transportation authorization bill when they controlled the House.

Senate agrees to a 90-day extension of current SAFETEA-LU authorization

On March 29, 2012 the Senate angrily bowed to the will of the House, approving a 90-day extension of SAFETEA-LU to avert a shutdown of the federal highway and transit program. The last extension ran through March 31, 2012. On March 28, 2012 the House left Washington, DC for a two-week Easter vacation putting the Senate in a no win situation, but to approve the extension. The President signed the extension on March 30, 2012.

Transportation Authorization Outlook

From my limited vantage point, but after being involved in numerous authorization bills, I'm worried that passage of any bill before the election is going to be difficult. The House Republican leaders vowed last week to move quickly on a bill with their energy initiatives. With that said, we will see if the House can get a bill off the House floor in the next three months. If that fails, I think we are looking at another extension until after the election. One thought is that there will be a lame duck session of Congress and the transportation authorization bill will be addressed.

House Budget Blueprint Approved

The House approved their Budget Blueprint for the next decade on March 29, 2012 on a 228 to 191 vote. Democrats objected over cutting taxes for the wealthy at the expense of seniors and the poor. The House Budget has virtually no chance of passage in the Senate. Having the House vote gave the GOP a chance to showcase its fiscal credentials before the upcoming elections. This may serve as a referendum on the job they have done upholding their 2010 pledge to reduce the deficit and growth in the federal government. The Budget plan assumes massive outlay cuts in the transportation sector beginning in FY 2013. The total outlay amount for the entire transportation category would drop from \$92.7 billion to \$49.7 billion in FY 2013 or a 46.5% cut. Whether the House Budget Committee made room for close to \$40 Billion in General Fund transfers as part of the House Transportation & Infrastructure Committees surface transportation authorization bill (HR.7) is questionable.

MTC's Annual Meetings in Washington, DC

Members of the MTC Commission and staff were in Washington, DC on March 12 - 14, 2012. The following meetings and briefings were held during this annual trip to Washington, DC. Please note that the House was in a "District Work Period" and not in Washington, DC.

March 12, 2012:

- Tour of the Virginia Express lanes (HOT Lanes) on the Washington Capital Beltway (I-495)
- Meeting with Polly Trottenberg Assistant Secretary, USDOT and staff from Federal Railroad and Federal Transit Administration.
- Congressman Mike Thompson's staff
- Congresswoman Nancy Pelosi's staff
- Congressman Pete Stark's staff
- Senate Banking Committee Majority & Minority staff briefing for Bay Area partners.

March 13, 2012:

- Congressman John Garamendi's staff
- Congressman Mike Honda staff
- Congressman Jerry McNerney staff
- Congresswoman Jackie Speier staff
- Congresswoman Barbara Lee staff
- Congresswoman Lynn Woolsey staff
- Congresswoman Zoe Lofgren staff
- Federal Transit Administrator Peter Rogoff and FTA staff

March 14, 2012:

- Congresswoman Anna Eshoo staff
- Congressman George Miller staff
- Senator Diane Feinstein staff

In addition, we held and hosted the Annual California Transportation Congressional Reception in the House Transportation & Infrastructure Committee Room on the evening of March 13, 2012.

Meetings in March

Besides the above-noted meetings, additional meetings included:

- Meeting with Steve Heminger and the Executive Director of AMPO.
- ITS America Legislative Committee meetings in March.
- ITS America Luncheon meeting with Senator Tom Carper (D-Del.)
- Meetings with the PR firm re. California Transportation Reception
- Meetings with the Catering Company regarding reception