

GOVERNMENT RELATIONS, INC.  
1050 17<sup>TH</sup> STREET  
SUITE 510  
WASHINGTON, DC 20036

(202) 775-0079

---

## September 2012 Monthly Report for MTC

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

**From:** Tom Bulger, President  
GRI

**Re:** Monthly Report for September, 2012

**Date:** October 1, 2012

- **Senate finalizes Six-Month Continuing Resolution (CR) Before Recess**
- **Six Month CR runs up against January 2, 2013 Sequestration**
- **Bay Area Council Meetings in Washington, DC with MTC**
- **MTC receives the Environmental Protection Agency's (EPA) 12th Annual Clean Air Excellence Award**
- **MTC MAP-21 Technical Assistance Activities**
- **USDOT /FTA Discretionary Clean Fuels Grant Announced**
- **Michael Huerta's Federal Aviation Administration (FAA) Administrator Nomination on Hold**
- **September Meetings**

### **Senate Finalizes Six-Month Continuing Resolution (CR) Before Recess**

Early on Saturday morning September 22, 2012 the Senate finalized the six-month CR through March 31, 2013. The appropriation measure avoids a government shutdown beginning the new federal fiscal year on October 1, 2012. The six-month CR is essentially a freeze, with a .06% increase in discretionary spending pegged to the overall amount for FY 2012. Unfortunately, the CR is based on FY 2012 appropriations and therefore does not account for the new MAP-21 programs. The CR did not fund any of the new MAP-21 Highway Trust Fund programs and did not increase the highway program spending by the .06% increase. The new Federal Transportation Administration (FTA) transit programs that were created in MAP-21 regarding sections 5337 and 5339 are in limbo until Congress makes another fix. Additionally, there are a number of FTA programs that were deleted in MAP-21.

### **Six-Month CR runs up against January 2, 2013 Sequestration**

The fiscal cliff created by the President and Congress goes in to effect on January 2, 2013. Besides the dramatic automatic shared 50%/50% to the Pentagon and domestic spending other items which will be dealt with are:

- The 2001 and 2003 Bush Tax cuts which expire at the end of the year;
- The expiration of the temporary payroll tax reduction—it is doubtful that this will be extended;
- Business tax credits that have or will expire;
- Unemployment Benefits;
- The “Doc Fix” in the Medicare Program; and
- Averting the January 2, 2013 sequestration cuts.

The good news is the Highway Trust contract authority that is subject to the annual obligation limitation is exempt from the sequestration process. However, the roughly \$739 million in federal highway contract authority that is outside the current obligation limitation is not exempt. Therefore, these funds would be reduced to about \$681 million. The bad news is the FTA New Rail Starts and Small Starts program would be subject to sequestration because they are funded from the general fund.

### **Bay Area Council Meetings in Washington, DC with MTC**

The Bay Area Council (BAC) came to Washington for their annual trip in September. MTC’s Randy Rentschler was in attendance. The Council had two tracks of meetings that we attended—domestic and foreign trade issues. Meetings listed below:

- On September 12<sup>th</sup> we met with Rep. Nancy Pelosi, Rep. Zoe Lofgren, Rep. Anna Eshoo and Rep. Jackie Speier as well as senior staff of the Bay Area Congressional Delegation. This meeting centered on the High Speed Rail (HSR) “Blended Plan” which is very acceptable to the Congressional Delegation from the Peninsula.

- Meeting with Senator Boxer focused on her current efforts to secure long-term stable funding for the Highway Trust Fund.
- Meeting with Senator Frank Lautenberg (D-NJ) on HSR.
- Meeting with Joyce Rose, majority staff director, Subcommittee on Railroads, Pipelines, and Hazardous Materials, at the House Transportation and Infrastructure Committee about MAP -21 implementation and the condition of the Mass Transit Account. Also discussed a possibility the House could do a rail bill next Congress.
- Meeting with Secretary Ray LaHood and senior staff at the United States Department of Transportation (USDOT). This meeting focused on HSR, MAP-21 implementation and the BART- Oakland Airport connector project. SFO and the Next Gen precision landing system, BART rehab program, and implementation of the expanded TIFIA Program via MAP-21.
- Meeting with Senator Feinstein's senior staff—discussion centered on sequestration and tax reform.

### **MTC receives the Environmental Protection Agency's (EPA) 12<sup>th</sup> Annual Clean Air Excellence Award**

On September 19<sup>th</sup>, I had the honor of accepting EPA's annual Clean Air Excellence Award on behalf of MTC in Arlington, VA. The award was for the Commission's Climate Initiatives Program, in partnership with the Bay Area Air Quality Management District (BAAQMD). The award was presented by Gina McCarty, EPA Assistant Administrator for Air and Radiation. There were eleven award recipients, with SC Johnson, Inc. receiving the Grand Award.

### **MTC MAP-21 Technical Assistance Activities**

In September, we were asked to provide policy and technical assistance for the MTC staff regarding the recently passed MAP-21 legislation. Specific legislative questions were developed for consideration by the Department of Transportation (DOT) and FTA. The DOT and FTA are in the process of providing policy guidance and have not yet finalized this process. Instead of waiting for the Administration, we conducted interviews with the staff of the Senate Banking, Housing and Urban Affairs Committee and the House Transportation and Infrastructure Committee. These are the legislative staff who wrote MAP-21. For the most part we received sound policy and technical input during these interviews. However, DOT and FTA will need to provide additional guidance.

### **USDOT/FTA 2012 Discretionary Clean Fuels Grant Announced**

In September, the Commission was awarded \$4.32 million to replace diesel buses with electric vehicles from the USDOT 2012 Clean Fuels Program. A total of 27 projects received \$59.3 million in the 2012 USDOT/FTA Grant Awards.

## **Michael Huerta's Federal Aviation Administration (FAA) Administrator Nomination on Hold**

Senator Jim DeMint (R-S.C.) is behind the hold of Michael Huerta's nomination to become the FAA Administrator. Mr. Huerta was Chief of Staff at the USDOT during the Clinton Administration and prior to that ran the Port of San Francisco, and is my neighbor. Senator DeMint has said that he will release the "hold" if President Obama is re-elected. In the meantime, there is no rush to get Mr. Huerta confirmed, as he is currently serving as the Acting FAA Administrator.

### **September Meetings**

- Meeting with Ann Flemer of MTC on September 24<sup>th</sup>.
- Meetings with Randy Rentschler of MTC in connection with the Bay Area Council's Washington, DC September 12 – 14<sup>th</sup> visit.
- APTA Legislative affairs meeting with Homer Carlisle of the Senate Banking, Housing and Urban Affairs Committee and Joyce Rose of the House Transportation and Infrastructure Committee.
- Attended Mr. Larry Naake's retirement ceremony, former executive director of the National Association of Counties.