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June 2013 Monthly Report for MTC

To: Steve Heminger, Executive Director, MTC

From: Tom Bulger, President GRI

Re: Monthly Report for June, 2013

Date: July 2, 2013

- **House and Senate Report FY 2014 Transportation Appropriations Bills**
- **Bay Area New Starts Funded in House and Senate Appropriations Bills**
- **Mayor Foxx Approved as Secretary of Transportation**
- **Transit Benefit Legislation Introduced in House and Senate**
- **No Easy Way To Fund Transportation**
- **Coming And Going**
- **June Meetings**

There was little transportation activity that occurred in Washington, DC this past month, except for the House and Senate Appropriations Committees FY 2014 spending bills. Congress has been busy with the Snowden National Security Agency (NSA) revelations, the Internal Revenue Service (IRS) tea party investigations, failure of the Farm bill in the House and the passage of the Immigration bill in the Senate. Congress left DC last week for the 4th of July recess.

House and Senate Report FY 2014 Transportation Appropriations Bills

In a rare coincidence, both the House and Senate Appropriations Committees approved their FY 2014 Transportation Housing and Urban Development spending bills on June 27. The Senate's Appropriations at \$54 billion increases funding for transportation and continues funding for high speed rail, which was not included in the companion House bill.

The Senate bill increases discretionary funding by \$2.3 billion vs. FY 2013 levels and \$5.6 billion more than the current post sequestration level. Obligation limitations for Highways and Aviation trust funds at \$107.5 billion are \$3.1 billion higher than FY 2013. Disaster funding regarding Hurricane Sandy was not included in this comparison. The key features of the Senate bill include:

- Airports - \$3.35 billion for capital investments, \$6.7 million above FY 2013.
- Bridges - \$500 million for bridges through the Federal Highway Administration (FHWA) Surface Transportation Program (STP) program.
- Highways - \$40.3 billion, a \$636 million increase from FY 2013.
- Transit - \$1.943 billion "New Starts".
- Transportation Investment Generating Economic Recovery (TIGER) - \$550 million, \$50 million more than FY 2013.
- Community Development Block Grant (CDBG) - \$3.15 billion.

The House Appropriations Committee reported its FY 2014 spending bill as well on June 27, 2013 for the Departments of Transportation, Housing and Urban Development. The bill provides \$44.1 billion in discretionary spending a reduction of \$7.7 billion below FY 2013 and \$4.4 billion below the automatic sequestration levels. The key features of the House bill include:

- Transportation – The bill recommends \$15.3 billion in discretionary appropriations for United States Department of Transportation (USDOT) in FY 2014. This is \$2.6 billion below FY 2013 discretionary levels.
- Highways – The bill includes almost \$41 billion from the Highway Trust Fund which is the amount included in MAP- 21 for FY 2014, a \$557 million increase.
- Transit – The bill includes \$ 8.6 billion from the Mass Transit Account and nearly \$2 billion from the General Fund for the FTA's "New Starts" Program. The latter is \$329.7 million below FY 2013.
- Other – The House bill does not contain funding for TIGER, High Speed Rail or bridges.
- CDBG – The bill contains \$4.8 billion for the CDBG program, a reduction of \$1.9 billion from FY 2013 and \$ 1.6 billion below the level from sequestration.

Bay Area New Starts Funded in House and Senate Appropriation Bills

The Bay Area's New Starts programs are funded in both the House and Senate FY 2014 Appropriation bills. The Third Street Light Rail Phase 2-Central Subway in San Francisco will receive \$150 million in FY 2014 and the Silicon Valley Berryessa Extension will also receive \$150 million in FY 2014. Both projects and FY 2014 funding amounts were recommended in the president's FY 2014 budget.

Mayor Foxx Approved as Secretary of Transportation

On June 27 the Senate voted 100 to 0 to confirm Mayor Foxx to be the next Secretary of Transportation. I cannot remember a 100 to 0 confirmation vote. There are usually one or two noes in a confirmation vote.

Transit Benefit Legislation Introduced in the House and Senate

On June 6, Rep. Michael Grimm (R-NY) along with Rep. James P. McGovern (D-MA), Peter T. King (R-NY), and Rep. Earl Blumenauer (D-OR) introduced HR. 2288, the Transit Parity Act. The legislation would reduce the current (2013) parking, transit and vanpool monthly cap from \$245/month to \$220/month and make the benefit permanent. Without this fix, the transit and vanpool benefit will be almost cut in half to \$125/month while parking will remain at \$245/month on January 1, 2014.

In the Senate, on June 10, Senator Chuck Schumer introduced S. 1116. Co-sponsors include Senator Benjamin L. Cardin (D-MD), Senator Thomas R. Carper (D-DE), Senator Christopher Coons (D-DE), Senator Kirsten Gillibrand (D-NY), Senator Robert Menendez (D-NJ) and Senator Brian Schatz (D-HI). The bill would make the parking, transit and vanpool benefit permanent at the current 2013 monthly cap of \$245/month.

No action has developed in either chamber, but we are in play if Tax Reform moves ahead in the near future.

No Easy Way to Fund Transportation

The next transportation bill is a year away. The Highway Trust Fund is set to go deep into the red in the coming years, even with the \$53.6 billion infusion of General Funds through FY 2014. There hasn't been a lot of discussion among lawmakers, but without a funding breakthrough, getting a new bill done will be problematic. Funding solutions are as follows:

- Raise the 18.4 cents per gallon gas tax.
- Charge drivers based on how much they drive.
- Tap oil and natural gas drilling royalties.
- More transfers from the General Fund.

Coming and Going

The late Senator Frank R. Lautenberg's (D-NJ) entire staff have been let go, including former G.R.I. staffer Georgia Gann.

Chris Thompson, long time Chief of Staff to Senator Dianne Feinstein (D-CA) is heading back to California. He has been replaced by Jennifer Duck most recently Vice President of Government Relations and Corporate Leadership at Pfizer.

June Meetings

- June 13 – attended The Free Congress Foundation release of an American Public Transportation Association (APTA) sponsored report called Transportation and the Economic Health and Attractiveness of Metropolitan Regions. Paul Weyrich founded this group and is now headed up by his son Peter Weyrich and James Gimore, former Governor of Virginia.
- June 19 – Steve Heminger and I met with Kevin McCarty senior transportation staff at the US Conference of Mayors.
- June 26 – attended the Intelligent Transportation Systems (ITS) America Congressional Technology Showcase on Capitol Hill.
- June 19 – attended the Senate Committee on Commerce, Science and Transportation hearing on rail safety, specifically Positive Train Control. Witnesses argued that insufficient funding is an impediment to implementation of this technology.
- June 20 – attended a Transportation Research Board (TRB) event with Steve Heminger at the National Academy of Sciences. At the event, I was able to talk with Michael P. Melaniphy, the new APTA President & CEO.
- June 21 – attended a meeting about the Bay Bridge with Steve Heminger. The meeting was with John Porcari, USDOT Deputy Secretary and Victor Mendez, FHWA Administrator as well as USDOT senior staff.
- June 26 – attended a luncheon with Rep. Tom Petri (R-WI), Chairman of the Highway and Transit Subcommittee of the House Transportation and Infrastructure Committee. Rep. Earl Blumenauer (D-OR) also attended.