

### **June 2014 Monthly Report for MTC**

**To:** Steve Heminger, Executive Director  
**From:** Tom Bulger, President, GRI  
**Re:** Monthly Report for June 2014  
**Date:** June 30, 2014

- **Highway Trust Fund Financing Proposals**
- **Obama transportation Proposal Not Likely to be Considered in the House**
- **Federal Transit Administration Announces \$100 Million Competitive Grant Initiative**
- **FY 2015 Transportation Appropriations Bill Stalled**
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#### **Highway Trust Fund Financing Proposals**

At the end of May 2014, the House Republican leadership announced a proposal to eliminate the requirement for full six-day postal delivery along with a short-term extension of the highway bill that would provide necessary resources into the Trust Fund to prevent a disruption of transportation funding. According to Speaker John Boehner's plan, eliminating Saturday postal delivery would produce \$10.7 billion over 10 years for the Highway Trust Fund. Thus far, this proposal has not gotten a lot of political traction and rural Senators have signaled their opposition.

In the Senate, Senator Chris Murphy (D-Conn.) and Senator Bob Corker (R-Tenn.) introduced legislation for a 12-cent per gallon gas tax increase over the next two years to pay for a new transportation authorization bill. In addition, the proposal would index the gas tax to inflation, using the Consumer Price Index (CPI) to ensure that it remains viable. Senator Corker is the first Republican in Congress to propose a gas tax increase in many years.

Meanwhile, the chairman of the Senate Finance Committee, Senator Ron Wyden (D-Ore.), proposed a short-term fix to rescue the Highway Trust Fund until after the mid-term elections or to December 31, 2014. This would effectively punt the long-term transportation funding until the yet-to-be-decided lame-duck session after the elections. At the Senate Finance Committee markup last week, Committee Republicans opposed this plan for not cutting federal spending in other areas of the budget. Thus this proposal remains stalled in the Finance Committee until after the 4<sup>th</sup> of July recess.

### **Obama Transportation Proposal Not Likely to be Considered in the House**

President Obama's proposed \$302 billion transportation bill is unlikely to be considered in the House. The Grow America Act, H.R.4834, would extend federal transportation funding that currently expires on September 30, 2014 for four years. The President's transportation proposal calls for tapping \$150 billion from corporate tax reform that has stalled in the House Ways and Means Committee.

### **Federal Transit Administration Announces \$100 Million Competitive Grants Initiative**

On June 4, 2014, the Federal Transit Administration (FTA) announced in the Federal Register a \$100 million competitive grant funds availability for its new Ladders of Opportunity Initiative. The funds, which were recovered from prior funds made available under MAP-21, may be used to modernize and expand transit bus service specifically for the purpose of connecting disadvantaged and low-income individuals, veterans, youths and other local workforce training, employment centers, health care and other services. Funds can be used to purchase, replace or rehabilitate transit buses and vans as well as to modernize or construct bus facilities in urban, suburban and rural communities. FTA's grant share is up to 80 percent of the total project costs; a 20 percent local match is required.

### **FY 2015 Transportation Appropriations Bill Stalled**

On June 19, Senate Majority Leader Harry Reid (D-Nev.) pulled the THUD Bill from the Senate floor after Republicans protested a plan that would have prevented them from more easily making changes to amendments in the bill. The timetable for the bill to be recalled to the floor is still uncertain.

### **ITS Congressional Fly-In**

ITS America held their annual Congressional Fly-In on June 25, 2014. The following meetings were held:

- T&I Chairman Bill Shuster (PA-09)
- Bipartisan T&I Staff Panel on Highway Reauthorization
- Industry Stakeholder Panel on Reauthorization Policy Priorities
- Lunch with ITS Caucus Chairman Rep. Earl Blumenauer (OR-03)
- House Science and Technology Committee Staff Meeting
- Transportation Technology Showcase & Reception

### **EPA Unveils Climate Proposal**

At the end of May 2014, the Environmental Protection Agency revealed a proposal to meet goals which reduce carbon emissions by existing power plants. The proposed plan offers great flexibility to states in terms of how they can meet the new standards. Options include a cap-and-trade component where a limit is set to emissions and companies can trade allowance or credits as a way to stay under specified restrictions, as well as renewable energy alternatives to meet the

reductions in carbon emissions. White House officials claim that this plan will allow states to move forward in a way that works best for them with the resources they currently have. This plan is opposed by coal-producing states as well as companies that burn coal for energy. Those who oppose this proposal claim that this plan will increase electricity prices and reduce jobs.

### **House Majority Leader Replaced**

On June 19, House Republicans elected Representative Kevin McCarthy (R-CA) as the new House Majority Leader. McCarthy replaced Representative Eric Cantor (R-VA) after Cantor lost his primary to challenger David Brat. McCarthy will hold his position until the elections at the end of the year.

### **Meetings**

- APTA Rail Conference in Montreal, Canada.
- See ITS America meetings above.