

# Holland & Knight

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## **Broward Metropolitan Planning Organization Federal Update July 2014**

Appropriations Update: Overall, the House has managed to pass 7 of its 12 appropriations bills, while the Senate has failed to bring a single bill to the floor for consideration by the whole body. Given the number of remaining legislative days before the end of the fiscal year, it is increasingly more likely that Congress will need to pass a continuing resolution (CR) in order to keep the government funded. In an election year, a likely scenario would be that Congress passes a CR to fund the government until after the election, at which point an omnibus appropriations measure could be considered during the lame duck session.

Mayor Muio and Mayor Bober Visit Washington DC to Discuss TIGER Project: On July 10, West Palm Beach Mayor Muio and Hollywood Mayor Bober visited Washington DC to meet with the Department of Transportation (DOT) and congressional delegation to discuss the Florida East Coast Railway (FECR) Crossing Safety Improvements TIGER project. AT DOT, they met with DOT Secretary Anthony Foxx and Under Secretary for Policy Peter Rogoff. They also met with Senator Bill Nelson, Representative Alcee Hastings, Representative Debbie Wasserman Shultz, Representative Lois Frankel, and White House Deputy Director of Intergovernmental Affairs Rohan Patel.

House and Senate Pass Highway Trust Fund Agreement, President Expected to Sign: After a contentious standoff between the House and Senate, the Senate voted late on July 31 to pass the House version of a bill aimed at keeping the Highway Trust Fund (HTF) solvent through May 31, 2015. The measure, which includes nearly \$11 billion in funding, is now on its way to the president for his signature. Specifically, the legislation raises \$6.4 billion through "pension smoothing," which would temporarily delay contributions for pension funds by companies. Furthermore, the bill raises an additional \$3.5 billion through customs user fees and transfers \$1 billion from the Leaking Underground Storage Tank (LUST) trust fund.

Earlier that week, the Senate voted to adopt two amendments: a Wyden-Hatch amendment to alter some of the offsets and a Carper-Corker-Boxer amendment to shorten the funding extension from May 31, 2015 to December 19, 2014. However, the House rejected that version sending it back to the Senate with very little time remaining before the August recess, which forced the Senate to vote on the House measure, lest it be blamed for delaying transportation payments to states. While many members of the Senate largely disagreed with the House version, the Senate adopted the House approach by a vote of 89-13.

Originally, the Senate Finance Committee had released a separate version of a bill that totaled \$10.8 billion, which relied less heavily on pension smoothing, customs user fees, and LUST

transfers to fund its provisions. The original version also included several tax compliance provisions that the House did not include in its legislation.

In the beginning of the month, Secretary Anthony Foxx announced that the Federal Highway Administration (FHWA) would have begun implementing cash management procedures beginning August 1 absent Congressional action to keep the HTF solvent. Absent an agreement, DOT would have limited payments to states for programs and projects that are funded out of the highway account.

Administration Releases Transportation Jobs Report: On July 14, the Administration released a report by the President's Council on Economic Advisors and the National Economic Council titled, "An Economic Analysis of Transportation Infrastructure Investment." The report details the importance of a high quality transportation network for a strong U.S. economy and the long-term economic benefits of investing in infrastructure. Specifically, the report cites reduced congestion, commerce reliability, and higher land values and local economic development as key benefits of maintaining a robust transportation network. Further, the report calls on Congress to "ensure the continuity in surface transportation programs" and lays out details of the President's GROW AMERICA Act. The report includes state-specific information on the impact of congressional failure to reauthorize a long term transportation funding measure. According to the report, 33,760 jobs in Florida would be jeopardized and 2,791 active highway and transit programs would be slowed or stopped.

Administration Launches New Infrastructure Investment Initiative: On July 17, President Obama announced a new government-wide initiative to increase infrastructure investment through public-private partnerships, known as the Build America Investment Initiative. On September 9, the Treasury Department is hosting an Infrastructure Investment Summit bringing together project developers and institutional investors with state and local officials and their federal counterparts. The summit will focus on innovative financing approaches to infrastructure and highlight the opportunities for infrastructure investment.

As part of the initiative, the administration will launch the Build America Transportation Investment Center, which will serve as a central hub for states and cities seeking financing to support transportation infrastructure and will be housed at the DOT. Through the center, state and local governments will have access to a "navigator service" that will help them to better understand DOT programs and enhance accessibility. The center will also provide private sector developers with tools to identify and execute opportunities for public-private partnerships. Furthermore, states will have access to technical assistance and guidance on best practices from other states that have already adopted the new financing strategies promoted through the center.

The initiative also directs Secretary Anthony Foxx and Treasury Secretary Jack Lew to lead a working group tasked with identifying barriers to private investments and partnerships. This working group will work with state and local governments and private entities to overcome those barriers and promote partnerships in areas such as municipal water, ports, broadband, and the electrical grid. According to the White House, the working group will place a strong focus on improving coordination to accelerate financing and completion of interstate projects of regional and national significance.

Legislation Introduced to Strengthen DOT Buy America Rules: On August 5, Senator Sherrod Brown (D-Ohio) introduced the "Invest in American Jobs Act," which would enhance existing Buy America preferences for DOT infrastructure projects. Specifically, the bill seeks to maximize the use of domestic steel, iron, and manufactured goods in infrastructure projects. The legislation also calls on DOT to conduct a review on existing waivers it has issued, while also expanding Buy America coverage to apply to EPA's Drinking Water State Revolving Fund, FEMA mitigation grants, and bridges over navigable waters.

Transportation Secretary Foxx Announces Target Date for TIGER Grant Awards: On August 6, DOT Secretary Anthony Foxx hosted a virtual town hall meeting titled, "Moving from Uncertainty to Long-Term Transportation Investment." The purpose of the town hall was to discuss the Secretary's vision for the nation's transportation system and to allow questions from business leaders, state and local government officials, and the general public. During the town hall meeting, Secretary Foxx announced that the administration plans on awarding \$600 million in TIGER grants in mid-September. DOT has reportedly received 800 applications totaling \$9.5 billion for this latest solicitation.

Bus Facilities Ladders of Opportunity Initiative: On July 16, the Federal Transit Administration (FTA) held a webinar to provide an overview of the Ladders of Opportunity Notice of Funding Availability announced in June. FTA reviewed eligibility requirements for applicants, evaluation criteria, and provided an opportunity for questions and answers. The Bus Facilities Program, which closed on August 4, will provide approximately \$100 million to finance capital projects to "replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities." These additional funds were made available after recovering the approximate \$100 million through various unallocated program funding authorized under the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy of Users (SAFETEA-LU).

House and Senate in Recess for August: The House and Senate are in recess for the remainder of the month of August. Lawmakers will return to Washington on September 8.