

Holland & Knight

800 17th Street, NW, Suite 1100 Washington, DC 20006
T 202.955.3000 | F 202.955.5564

Broward MPO Federal Update May 2014

Senate EPW Committee's MAP-21 Reauthorization Act: On May 15, the Senate Committee on Environment and Public Works (EPW) marked up its transportation reauthorization proposal. The six-year bill received bipartisan support and was reported favorably by the committee. The bill authorizes a total of \$261.4 billion in contract authority from the Highway Trust Fund over six years which is baseline funding--equal to current funding plus inflation. The bill creates a new freight formula program starting in 2016 averaging \$1 billion per year over five years. Most allocated programs would be frozen at 2014 levels. The bill would provide \$400 million per year in contract authority for the Projects of National and Regional Significance Program (PRNS).

The legislation continues the existing consolidated core highway program structure from MAP-21, including: the National Highway Performance Program; the Highway Safety Improvement Program (HSIP); the Surface Transportation Program; and the Congestion Mitigation and Air Quality Improvement Program (CMAQ). The bill increases the portion of Transportation Alternatives (TA) funds sub-allocated to MPOs by population from one-half to two-thirds.

Each state would receive a lump sum of formula money based on its total share of all FY 2014 apportionments, adjusted so that each state gets back at least 95 percent of the actual dollars they paid into the Highway Account in user taxes in the most recent year. Then that lump sum would be divided by program with the National Freight Program funding taken off the top first in a fixed dollar amount based on the authorization level starting in 2016. Then Congestion Mitigation and Air Quality (CMAQ) and Metropolitan Planning get their shares calculated as under MAP-21 (based on their 2009 shares). Then the remaining money is split up, 63.7 percent for the National Highway Performance Program (NHPP), 29.3 percent to the Surface Transportation Program (STP), and 7 percent for the Highway Safety Improvement Program (HSIP).

The bill amends the STP program to allow emergency evacuation planning and transportation research activities (including university transportation centers) eligible for STP funding.

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On freight, the bill authorizes \$400 million in FY 2016, \$800 million in FY 2017, \$1.2 billion in FY 2018, \$1.6 billion in FY 2019 and \$2 billion in FY 2020. The bill adds critical urban freight

corridors and National Highways System (NHS) intermodal connectors to the list of network components and allows for critical urban freight corridor designation.

The bill establishes a Projects of National and Regional Significance Program authorized at \$400 million per year in contract authority Fiscal Years 2015 to 2020. Eligible applicants are state and municipal governments, Indian tribes, transit agencies, public authorities, port authorities, and multi-state jurisdictional groups. Eligible projects are those projects with costs exceeding \$350 million and the maximum size of rural projects will be \$50 million.

Under the original bill, the Transportation Infrastructure Finance and Innovation Act (TIFIA) program would have received \$1 billion per year. However, an amendment by Senator Jim Inhofe (R-OK) used a portion of those funds to offset the cost of moving the Federal Highway Administration's (FHWA) research program back under the Highway Trust Fund. (The original legislation removed the research program from the guaranteed revenue stream of the HTF and subjected it to the appropriations process). Given the amendment, TIFIA would now receive \$750 million per year under the bill, the same amount the program received in FY 2013.

THUD Appropriations Update: The House Appropriations Committee approved its FY 2015 Transportation, Housing, and Urban Development (THUD) spending bill during the week of May 12. Floor consideration has been scheduled for the week of June 9. An open rule has been approved for the bill, meaning that any member can offer any germane amendment. Some Democrats worry that this could lead to several unwanted changes to the bill. Representative Ed Pastor (D-Ariz.), the top Democrat on the THUD Appropriations Subcommittee said, "This bill is basically on its last legs in terms of getting support. With an open rule the reality is this being an election year, many members on both sides wanting to make amendments for political purposes, messaging purposes ... that this bill may be greatly endangered, and an open rule would increase its agony and maybe create its defeat."

In terms of transportation, the bill provides \$52 billion in discretionary spending, including:

- \$40.25 billion for federal highways
- \$1.4 billion for the Federal Railroad Administration (FRA)
- \$10.5 billion for the Federal Transit Administration (FTA): \$1.7 billion for Capital Investment Grants – full funding for all transit projects with a Full Funding Grant Agreement (FFGA)
- \$100 million for the Transportation Investment Generating Economic Recovery (TIGER) program for road, highway and bridge construction, and improvement as well as port and railroad intermodal improvements; the legislation does not allow these funds to be used for transit projects or bike and pedestrian paths
- No money for high-speed rail projects

The Senate Appropriations Committee is expected to mark up its THUD proposal on June 5. Figures from that bill are outlined below. Senate Majority Leader Harry Reid (D-NV) has reportedly set aside four weeks for floor consideration of appropriations bills during late June and early July. It is likely that THUD will be included in that group.

The Senate THUD measure includes:

- \$40.3 billion for federal highways (consistent with MAP-21 authorization)
- \$1.39 billion for Amtrak
- \$550 million for TIGER grants
- \$11.1 billion for transit programs
 - \$2.163 billion for Capital Investment Grants
 - \$8.6 billion for formula grants
 - \$36.5 million for research and technical assistance
 - \$150 million to continue modernizing the Washington Metropolitan Area Transit Authority (WMATA)

Senate Commerce Hearing on Reauthorization: The Senate Committee on Commerce, Science, and Transportation – which has jurisdiction over transportation safety and rail issues – has scheduled a hearing for June 3 titled "Surface Transportation Reauthorization: Examining the Safety and Effectiveness of our Transportation System." The hearing is expected to focus on the surface transportation reauthorization and evaluate the safety and effectiveness of rail, motor carrier, hazardous materials, and research programs currently administered through the U.S. Department of Transportation (DOT). The witnesses are:

- Joseph Szabo, Administrator of the FRA
- Anne Ferro, Administrator of the Federal Motor Carrier Safety Administration
- Cynthia Quarterman, Administrator of the Pipelines and Hazardous Materials Safety Administration
- Gregory Winfree, DOT Assistant Secretary for Research and Technology

APTA Releases Summer Travel Survey: The American Public Transportation Association recently released the results of a study showing that 58 percent of people expecting to travel to a city plan to use public transit. Young people are more likely to use public transportation. Cost and parking were both identified as main reasons why people chose transit. More than one third of respondents indicated that the availability of public transportation affects the destination they select to at least some extent.

TIGER Demand Very High: DOT recently announced that it has received 797 applications for the current round of Transportation Investment Generating Economic Recovery (TIGER) funding. The requests total \$9.5 billion; however, there is only \$600 million available for awards in FY 2014. The number of applications is also a marked increase over the 585 submitted last year. Secretary Anthony Foxx said, "These applicants confirm what I saw as I traveled through eight states and 13 cities as part of my *Invest in America, Commit to the Future* bus tour last month — America is hungry for infrastructure investment."

GAO Report Targets TIGER: The Government Accountability Office (GAO) recently released a report, which finds that the DOT did not explain how it made key decisions about the TIGER grant program that is set to disperse another \$600 million in the coming months. In a letter to

Transportation Secretary Anthony Foxx, the federal watchdog noted that in the last round of funding for the TIGER program, DOT "did not document key decisions" for projects and "deviated from its established procedures and recognized internal control practices." Senate EPW Committee Ranking Member David Vitter (R-LA) seized on that to say TIGER suffers from a "clear lack of transparency in the decision making process and a mishandling of the management."

Senate Panel Holds Hearing to Discuss Local Perspectives on Reauthorization: On May 15, the Senate Committee on Commerce, Science, and Transportation's Subcommittee on Merchant Marine Infrastructure, Safety, and Security held a hearing titled "Surface Transportation Reauthorization: Local Perspectives on Moving America." Witnesses included The Honorable David R. Martin, Mayor of Stamford, Conn.; The Honorable Sly James, Mayor of Kansas City, Mo.; Mr. John Robert Smith, Co-chair of Transportation for America; Mr. Paul Fisher, Chair of the Supply Chain Innovation Network of Chicago (SINC); and Mr. Raymond Poupore, Executive Director of the National Construction Alliance. The hearing focused on the reauthorization of surface transportation programs and explored the impacts of transportation investments on states, local communities, and users of the transportation system.

Mayor Martin called on Congress to allot more funding for passenger rail and rail safety efforts. Mayor James highlighted the role that investment in infrastructure plays in boosting economic development and creating jobs. He noted that short-term solutions result in uncertainty and urged lawmakers to pass a long-term reauthorization bill.

Mr. Smith noted the economic impacts transportation has on local economies and underscored the need for reliable funding for programs that are refocused to support local needs. Mr. Fisher stressed the need for a multimodal freight program. And, Mr. Poupore spoke about how transportation investment affects those working in the industry.

Senate Panels Hold Hearings on Reauthorization: On May 6, the Senate Finance Committee held a hearing entitled "New Routes for Funding and Financing Highways and Transit." Senate EPW Committee Chairwoman Barbara Boxer (D-Calif.) appeared before her colleagues on the panel and implored them to find a way to fund a long-term transportation reauthorization bill. Also testifying were representatives from the Congressional Budget Office (CBO), the Virginia Department of Transportation, Standard & Poor's Ratings Services, AECOM Capital, and the Cato Institute. Much of the discussion focused on the need to address the looming insolvency of the Highway Trust Fund in a timely manner.

Later in the week, the Senate Commerce, Science, and Transportation Committee held a hearing entitled "Surface Transportation Reauthorization: Progress, Challenges, and Next Steps." Secretary of Transportation Anthony Foxx was the sole witness.

Secretary Foxx touted the Administration's transportation proposal, known as the GROW AMERICA Act, and called on senators to find a solution that will allow for more investment in job-creating transportation projects. He warned that inaction will likely lead to states, tribes, and local governments being forced to slow or stop work on critical projects and noted that this slow-

down could happen well in advance of the actual Highway Trust Fund insolvency, which is currently projected to occur in late August.

Foxx Says Highway Trust Fund Insolvency Could Affect 700,000 Jobs: Appearing at a daily White House press briefing, Secretary of Transportation Anthony Foxx warned that the impending insolvency of the Highway Trust Fund is the "most dire moment" for U.S. transportation in decades. He said, "Unless Congress acts, up to 700,000 Americans will lose their jobs over the next year ... And by the way, your morning commute will get worse because the road you're driving on will crumble and no one will show up to fix them." Foxx noted that lawmakers of both parties seem interested in making progress, and he urged Congress to pass a long-term reauthorization bill.

House Republicans Unveil Postal Service Proposal to Fund the Highway Trust Fund: Last week, House Republican leaders began circulating a memo outlining a proposal that would combine a move to modified six-day postal delivery along with a short-term extension of the highway bill that places the necessary resources into the Highway Trust Fund to prevent a disruption of highway projects. Under the plan, the United States Postal Service (USPS) would be allowed to shift to five-day delivery, meaning first-class mail, catalogs, advertising, and other low-priority mail would no longer be delivered on Saturdays. Delivery of packages (including medication) and priority express mail would still occur. Post offices would also remain open on Saturdays.

Estimates show that \$14 to \$15 billion is needed for a one year extension of MAP-21. The House GOP proposal projects a savings of \$10.7 billion over the next ten years. Republican leadership called the plan "realistic," since the president's budget also calls on Congress to grant the USPS the authority to transition to five-day delivery. However, several lawmakers – including Senate EPW Committee Chairwoman Barbara Boxer (D-CA) – bashed the proposal calling it "strange" and a "jobs killer." She continued, "It is 'the dog ate my homework excuse.' It is unworkable, makes no sense, and ignores the huge infrastructure needs we face, as so many bridges and roads are in grave disrepair. If the Senate Environment and Public Works Committee can do its job and pass a bill unanimously, then surely the House can begin to do the work needed to solve this problem — and not kick the can down the road with a totally unrelated and unworkable idea."

DOT Announces Funding Through FTA's Ladders of Opportunity Initiative: This week, DOT announced \$100 million is available for competitive grants that can be used to modernize and expand transit bus service to connect disadvantaged and low-income individuals, veterans, seniors, youths, and others with local workforce training, employment centers, health care, and other vital services. FTA will cover up to 80 percent of the total project cost; a 20 percent local match is required. Program funds may be used to purchase, replace, or rehabilitate transit buses and vans as well as to modernize or construct bus facilities (such as maintenance depots and intermodal facilities) in urban, suburban, and rural communities. Competitive proposals must also directly address ladders of opportunity for riders, including:

- Enhancing access to work for individuals lacking ready access to transportation, especially in low-income communities;

- Supporting economic opportunities by offering transit access to employment centers, educational and training opportunities, and other basic needs;
- Supporting partnerships and coordinated planning among state and local governments and social, human service, and transportation providers to improve coordinated planning and delivery of workforce development, training, education, and basic services to veterans, seniors, youths, and other disadvantaged populations.