

Holland & Knight

800 17th Street, N.W., Suite 1100 | Washington, DC 20006 | T 202.955.3000 | F 202.955.5564
Holland & Knight LLP | www.hklaw.com

Broward Metropolitan Planning Organization Federal Update May 2016

House Appropriations Update: In early May, House Republican lawmakers remained optimistic on agreeing on a budget. However, by May 15, House Republicans did not have the votes to pass a budget resolution for FY 2017 on the floor. Without a budget, House Republicans were not able to hand out topline numbers to the Appropriations Committee which determines how much each appropriations subcommittee is able to provide in funding. However, the Appropriations Committee continued working on and passing appropriations bills out of committee. To date, the House Appropriations Committee has passed 7 out of 12 appropriations bills out of committee.

On May 19, the House passed the FY 2017 Military Construction-VA spending bill (H.R. 4974), by a vote of [295-129](#), marking the first time since 1974 that the House took up an appropriations bill without a budget resolution or passing enforceable spending levels. Rep. Diaz-Balart voted for the legislation, while Reps. Hastings, Frankel, Deutch, Wasserman-Schultz, and Wilson voted against it. The MilCon-VA bill provides \$81.6 billion in funding to house, train, and equip military personnel, to maintain base infrastructure, and to support veterans' benefits and programs.

In late May, the House considered the House FY 2017 Energy-Water Appropriations bill (H.R. 2028). The bill, which totals \$37.4 billion, provides funding for the Army Corps of Engineers, national defense nuclear weapons activities, and other programs under the Department of Energy (DOE). On May 26, the House rejected the bill by a vote of [112-305](#). Rep. Diaz-Balart voted in favor of the legislation, while Reps. Hastings, Frankel, Deutch, Wasserman-Schultz, and Wilson voted against it. Many Republicans opposed the final bill because of Rep. Sean Maloney (D-NY)'s amendment which would bar federal contractors from discriminating based on sexual orientation or gender identity.

THUD Update: On May 24, the House Appropriations Committee passed the FY 2017 [Transportation, Housing and Urban Development \(THUD\) Appropriations bill](#). The bill allocates \$58.2 billion in discretionary spending for transportation and housing programs, which is an increase of \$889 million above FY 2016 spending levels. The THUD legislation includes \$19.2 billion for the Department of Transportation (DOT), which is \$540 million above FY 2016 enacted levels. Highlights of the bill include:

Federal Railroad Administration (FRA): \$1.72 billion - \$42 million above FY 2016

- Consolidated Rail Grants: \$25 million--used to improve the safety, efficiency, and reliability of passenger and freight rail systems. Eligible activities include capital,

regional and corridor planning, environmental analyses, research, workforce development, and training projects

- Good Repair Partnership Grants: \$25 million-- used to reduce the state of good repair backlog on publically-owned or Amtrak-owned infrastructure, equipment, and facilities. Eligible activities include capital projects to (1) replace existing assets in-kind or with assets that increase capacity or service levels, (2) ensure that service can be maintained while existing assets are brought into a state of good repair, (3) bring existing assets into a state of good repair.

- Federal Transit Administration (FTA): \$12.5 billion - \$743 million above FY 2016
 - Positive Train Control: \$199 million
 - Transit formula grants: \$9.7 billion – same as FAST Act (includes urbanized area formula, state of good repair grants, mobility for seniors and persons with disabilities, bus and bus facilities grants, transit oriented development)
 - Capital Investment Grants: \$2.5 billion
 - ✓ Existing/Signed New Starts Full Funding Grant Agreements: \$1.234 billion
 - ✓ Proposed New Starts Full Funding Grant Agreements: \$500 million
 - ✓ Core capacity: \$332.85 million
 - ✓ Small Starts: \$408 million, including \$11,010,000 for the Ft. Lauderdale Wave Streetcar

- TIGER Grants: \$450 million - \$50 million below FY 2016
 - DOT must give “priority to projects that require a federal contribution to complete overall financing”

- Federal-aid Highways: \$43.66 billion – same as FAST Act

Senate Appropriations Update: The Senate Appropriations Committee has passed 9 out of 12 appropriations bill favorably out of committee. The first appropriations bill considered on the floor was the \$27.5 billion FY 2017 Energy-Water Appropriations bill (H.R. 2028). Overall, the bill includes \$30.7 billion for the Department of Energy (DOE), \$6 billion for the Army Corps of Engineers, and \$1.14 billion for the Bureau of Reclamation. While the bill took over two weeks to pass, due to Senator Tom Cotton’s (R-Ark.) controversial amendment regarding buying “heavy water” from Iran, the Senate passed the Energy-Water appropriations bill by a vote of [90-8](#). Both Senators Nelson and Rubio voted for the legislation.

They followed the Energy-Water appropriations debate with the consideration of the [FY 17 Transportation, Housing and Urban Development \(THUD\) appropriations bill \(S. 2844\)](#) that was packaged with the FY 17 Military Construction-VA appropriations bill (S. 2806). The THUD bill includes \$56.5 billion, which is a \$827 million decrease from FY 2016 enacted levels. Overall, the bill provides \$16.9 billion for the U.S. Department of Transportation (DOT), which is a \$1.7 billion below FY 2016 enacted levels. Highlights of the bill are:

- Federal Railroad Administration (FRA): \$1.75 billion, \$76 million above FY 2016

- Consolidated Rail Grants: \$50 million--used to improve the safety, efficiency, and reliability of passenger and freight rail systems. Eligible activities include capital, regional and corridor planning, environmental analyses, research, workforce development, and training projects
- Good Repair Partnership Grants: \$20 million--used to reduce the state of good repair backlog on publically-owned or Amtrak-owned infrastructure, equipment, and facilities. Eligible activities include capital projects to (1) replace existing assets in-kind or with assets that increase capacity or service levels, (2) ensure that service can be maintained while existing assets are brought into a state of good repair, (3) bring existing assets into a state of good repair.
- Rail Restoration/Enhancement Grants: \$15 million—Used to provide operating assistance to initiate, restore, or enhance intercity passenger rail transportation. Grants are limited to three years of operating assistance per route and may not be renewed.
- Federal Transit Administration (FTA): \$12.3 billion – \$575 million above FY 2016
 - Positive Train Control: \$199 million
 - Transit formula grants: \$9.7 billion – same as FAST Act (includes urbanized area formula, state of good repair grants, mobility for seniors and persons with disabilities, bus and bus facilities grants, transit oriented development)
 - Capital Investment Grants: \$2.338 billion
 - ✓ Existing/Signed New Starts Full Funding Grant Agreements: \$1.209 billion
 - ✓ Proposed New Starts Full Funding Grant Agreements: \$511 million
 - ✓ Core capacity: \$332.85 million
 - ✓ Small Starts: \$240 million
 - ✓ Expedited Delivery Pilot Program: \$20 million
- TIGER Grants: \$525 million, \$25 million above FY 2016
 - Includes \$25 million for planning
 - At least 30 percent set aside for rural areas (current TIGER requirement is 20 percent)
 - For ports, the bill directs the DOT Secretary “to take into consideration, when selecting recipients, the annual tonnage, existing terminal capacity, and potential economic benefits of improvements to, or expansion of, ports.”
- Federal-aid Highways: \$43.66 billion – same as FAST Act

The bill does not include a list of projects for the Capital Investment Grants program; however it does include language on how FTA should allocate the funding per project:

- Within the New Starts Full Funding Grant Agreements: The committee recommendation includes “not less than \$250 million for the three projects in California, \$36,280,000 for the project in Washington, \$125,000,000 for the project in Maryland, and \$100,000,000 for the project in Texas.”
- The Committee directs FTA to allocate no more than \$100,000,000 per project in fiscal year 2017 funds for core capacity, small starts, and expedited project delivery projects.

On May 19, the Senate voted [89-8](#) to pass the MilCon-VA-THUD appropriations bill. Both Senator Nelson and Rubio voted in favor of the legislation.

FASTLANE Grant Update: This month, the DOT announced that the agency has received 212 Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies (FASTLANE) grant applications totaling nearly \$9.8 billion in funding. The Notice of Funding Availability (NOFA), released in March 2016, estimated a total project funding of \$800 million. Grant awardees will receive a minimum of \$5 million in funding. Of the applications, 136 are for projects in urban areas, while 76 would support rural projects. The deadline for submitting FASTLANE applications was April 14, 2016.

DOT Launches *Every Place Counts* Design Challenge: On May 4, DOT Secretary Anthony Foxx [announced](#) the [Every Place Counts](#) design challenge. As part of DOT's Ladders of Opportunity, this challenge aims to raise awareness about existing transportation infrastructure barriers in communities and identify solutions to reconnect neighborhoods to jobs, healthcare, education, and other services. In a statement about the challenge, Secretary Foxx said, "This Challenge asks communities to reimagine how they can be better connected, and empowers them to design innovative transportation projects that serve everyone that lives there."

Potential applicants must assemble a "community team" that includes elected officials, transportation professionals, and a cross-section of community residents. Applications must include a narrative of a transportation infrastructure challenge that limits access to social or economic centers and other essential services and explain their goals for entering the Challenge. The DOT will then select four finalists, one community from each region (North, South, Midwest and West), who will receive a two-day "community vision" design session in their city in July 2016.

DOT Announces Mobility on Demand Sandbox Funding: The DOT announced \$8 million in federal funding for the Mobility on Demand (MOD) Sandbox which are projects that demonstrate innovative approaches to mobility issues in public transportation. The MOD Sandbox project is part of a larger effort at the Federal Transit Administration (FTA) that seeks to support transit agencies and communities to find innovative ways to integrate technology and improve public transportation. In a statement about the funding opportunity, Transportation Secretary Anthony Foxx said, "Innovation is driving our world forward, and we want public transportation providers to seize opportunities to embrace new ideas and solutions." Projects funded through the MOD Sandbox could include smartphone apps, innovative fare payment, connected vehicles and infrastructure, or on-demand services. All applications for this program are due by July 5, 2016. For more information, please visit the [Funding Opportunity Announcement via Grants.gov](#).

ASCE Releases Infrastructure Report: This month, the American Society for Civil Engineers (ASCE) released its [Failure to Act: Closing the Infrastructure Investment Gap for America's Economic Future report](#). This report addresses the current infrastructure gap between today's needs and investment and how they will impact the future. It concludes that the failure to invest in the nation's infrastructure like ports, highways, and airports will lead to rising transportation

costs which will then be passed onto the consumer as higher prices. The report also discusses the impact of U.S.'s transportation infrastructure in the global market saying if transportation infrastructure is not reliable, the U.S. will lose its status as a global competitor. The report states, "If this investment gap is not addressed throughout the nation's infrastructure sectors by 2025, the economy is expected to lose almost \$4 trillion in GDP, resulting in a loss of 2.5 million jobs in 2025." Overall, the ASCE concludes that investment in infrastructure is substantially needed and cautions that higher prices can be avoided in the future if the investment is made today.

FHWA Publishes Roadway Project Design Policy: The Federal Highway Administration (FHWA) published an [announcement in the Federal Register](#) that the department will apply just 10 criteria to design of high-speed roads, while urban and rural roads will only require two criteria. The 10 criteria include design speed, lane width, shoulder width, horizontal curve radius, super elevation, stopping sight distance, maximum grade, cross slope, vertical clearance, and design loading structural capacity. Additionally, the FHWA [published guidance](#) to clarify when design exceptions are needed. According to the FHWA, the revisions will "help reduce cost and speed up the design of roads and streets located in smaller towns and cities...(and) allow state and local engineers to develop flexible design solutions that meet local travel needs and goals."

FTA Requests Comments on Public Transportation Safety Standards: On May 17, the FTA issued a [Request for Comments in the Federal Register](#) regarding existing public transportation safety standards required under the recently passed Fixing America's Surface Transportation (FAST) Act. The FAST Act requires FTA to publish existing standards, examine their efficiency, and issue a report in December 2016. Comments must be submitted by June 16, 2016.

House Transportation and Infrastructure Committee Passes WRDA: On May 25, the House Transportation and Infrastructure Committee unanimously approved the Water Resources Development Act (WRDA) of 2016 (H.R. 5303). The bill approves funding for a variety of water infrastructure projects across the nation. In a statement, Committee Chairman Bill Shuster (R-Pa.) said, "WRDA 2016 gets Congress back to the basics and the business of regularly addressing the needs of our ports, waterways, lock and dam systems, flood protection, and other infrastructure." The bill authorizes approximately \$5 billion in federal funding for U.S. Army Corps of Engineers activities and authorizes 28 Chief's Reports, which are infrastructure improvements proposed at a local level.