



Government Relations & Public Affairs Committee Information

July 30, 2009

Federal Climate Change Bill and Surface Transportation Authorization Update

Issue: Update on surface transportation authorization, the federal climate change bill (H.R. 2454), and testimony on transit and climate change.

Recommendation: None; this will be an informational report and discussion.

Discussion: Based on input from the SACOG Board, and Government Relations & Public Affairs Committee, staff has communicated with congressional staff and continues to monitor these issues.

Surface Transportation Authorization Update

Current federal transportation law expires on September 30, 2009. Congress must either pass new transportation authorization legislation or extend existing law prior to the expiration date or federal transportation funding and agency activity will be suspended. On June 22, House Transportation and Infrastructure Committee Chair James Oberstar released a draft of the authorization legislation. Chairman Oberstar is pushing for a new bill before the current one expires, but the Administration is pushing for an 18-month extension, which the Senate supports. The one issue that must be resolved is how to fund transportation, as the Highway Trust Fund may be insolvent as early as August. More details about all of these issues are attached.

Federal Climate Change Bill (H.R. 2454)

This legislation passed the House of Representatives on June 26. The Senate Environment and Public Works Committee held a hearing on July 7 with testimony from several Administration officials as well as environmental, industry, and state and local government representatives. Chairman Boxer has indicated that the bill will be delayed until later this year or early 2010.

Testimony on Transit & Climate Change

SACOG had the opportunity to weigh in on the topic of transit and climate change. Transportation Committee Vice Chair and West Sacramento Mayor Christopher Cabaldon, representing SACOG, testified on July 7 before a subcommittee of the U.S. Senate's Banking, Housing & Urban Affairs Committee at a hearing on "Public Transportation: A Core Climate Solution". The Banking, Housing & Urban Affairs Committee has jurisdiction over transit issues in the surface transportation authorization bill. Mayor Cabaldon talked about the Sacramento region's Blueprint and Metropolitan Transportation Plan for 2035, and how transit and smart growth can help meet greenhouse gas reduction goals. The following link includes an archived webcast and written testimony from all panelists: tinyurl.com/sacog7-09.

Approved by:

Mike McKeever
Executive Director

Attachment
MM:RS:EJ:sb

Key Staff: Rebecca Sloan, Director of External Affairs & Member Services, (916) 340-6224
Gordon Garry, Director of Research and Analysis, (916) 340-3230
Matt Carpenter, Director of Transportation Planning, (916) 340-6276
Erik Johnson, Public Information Coordinator, (916) 340-6247



1130 Connecticut Avenue, NW
Suite 300
Washington, D.C. 20036
202.331.8500
202.331.1598 fax

Date: July 23, 2009
To: Sacramento Area Council of Governments
From: Mike Miller
Re: Federal Transportation Legislation - Update

Transportation Authorization

Current transportation law – SAFETEA-LU¹ – expires on September 30, 2009. Congress must either pass new transportation authorization legislation or extend existing law prior to the expiration date or federal transportation funding and agency activity will be suspended.

House: On June 22, 2009, Chairman Oberstar released a Committee Print of the “Surface Transportation Authorization Act of 2009.” Chairman Oberstar is committed to moving this bill forward and intends to mark up the bill by the end of July. Member project requests were due on May 8. Mr. Oberstar’s legislation provides approximately \$500 billion for highway, transit and highway and motor carrier safety programs over six years. There is no indication regarding revenue generation to cover this bill.

The draft bill makes major changes to current highway programs:

- Consolidates all of the existing formula programs into four programs -- Critical Asset Investment, Highway Safety Improvement, Surface Transportation, and Congestion Mitigation and Air Quality Improvement (CMAQ).
- Eliminates/consolidates a significant number of the non-formula, discretionary highway programs into four areas -- Metropolitan Mobility and Access, Projects of National Significance, Freight Improvement, and Federal/Tribal/Puerto Rico/Territory Lands.
- Eliminates the Bus and Bus Facilities program. Some bus funding would be distributed by formula and some consolidated into a new Intermodal and Energy Efficient Transit Facilities program.
- Consolidates the Job Access and Reverse Commute, Elderly/Disabled and New Freedom programs into a new Coordinated Access and Mobility program.

¹ Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users

- Gives local metropolitan planning organizations (MPOs) greater control over allocated funding and greater flexibility to shift funds back and forth between highways and transit as necessary.
- Includes \$50 billion in non-guaranteed funding authorization, loan guarantees and guaranteed loans for high-speed rail development focused on the eleven high-speed rail corridors previously established by law.

The draft bill is also expected to contain authorizing language for a National Infrastructure Bank to provide grants and credit assistance to projects under the Metropolitan Mobility and Access, Projects of National Significance and High Speed Rail initiatives.

On July 23, 2009, Rep. Richard Neal (Chairman of the House Ways & Means Subcommittee on Select Revenue Measures) announced he favors a six-year bill and would oppose an 18-month extension like the one moving through the Senate. This puts House leaders firmly at odds with Senate counterparts who have aggressively acted on an 18-month extension bill (see *infra*). It is important to note that Rep. Mike Thompson (CA-01) is second in seniority on the Select Revenue Measures Subcommittee).

Senate: Senate Environment & Public Works Committee (EPW)² Chairman Boxer supports an 18 month extension as proposed by President Obama, and her Committee approved an 18-month extension bill (July 15) as did the Senate Commerce, Science and Transportation Committee³ (July 21). The third Senate Committee with jurisdiction, Senate Banking, Housing, and Urban Affairs,⁴ is expected to report its portion of the extension favorably on July 23.

On July 10, Senator Feinstein put out a call for Member project requests which were due on July 16. Senator Boxer similarly called for projects which were due on July 17. This call for projects anticipates the possibility that the extension bill will include a list of earmarked projects. At this time there is no clear indication that earmarks will be included in the Senate version of the bill.

Administration: Department of Transportation Secretary LaHood has linked the 18-month extension to the need for a short-term \$20 billion bailout for the Highway Trust Fund (HTF) – \$18 billion for the Highway Account and \$2 billion for the Mass Transit Account – by mid-August when the HTF is expected to be insolvent. The Administration proposes to bailout the HTF with a transfer from the general fund of the Treasury. Congress must pass legislation to accomplish this transfer. The Administration has said it will require an offset for the transfer but has softened its position by allowing for the offset to occur over a 10-year period rather than right away.

The Administration’s Principles for Surface Transportation Extension (“Stage I Reauthorization”) include two points related to MPOs and local government: capacity-building measures and regional mobility/access/livability.

² EPW jurisdiction includes highway construction.

³ CST jurisdiction includes safety.

⁴ BHUA jurisdiction includes transit.

- Project evaluation capacity. The Administration proposes funding to help states and localities build capacity for collection and analysis of data on transportation goals. Participating states and MPOs would be given funding to establish project evaluation infrastructure, including information on usage or ridership, accidents, average speed and travel time, and environmental impact. This will be a voluntary program.
- Access and livability. The Administration would develop guidelines for multimodal regional access plans and establish local transportation governance standards and best practices. Also, the Administration would develop guidelines emphasizing convenience, travel time reduction, smart growth, open space preservation, and more integrated responses to land use and transportation needs.

HTF Bailout

The Highway Trust Fund which is likely to become insolvent in August 2009. Congress and the Administration appear to agree on a \$7 billion transfer from the general fund to keep highway construction funding flowing. H.R. 3357 passed the House of Representatives on July 29. The Senate will consider it before August 17.

Some legislators wish to use the FY 2010 Transportation Appropriations bill as the vehicle to provide the HTF bailout, although House Appropriations Chairman David Obey said this approach would be “spectacularly unproductive.”