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Government Relations & Public Affairs Committee Receive & File

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Federal Advocacy Update

Attached is the monthly update from SACOG's federal policy services consultant, Transportation for America.

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Attachment

Key Staff: Erik Johnson, Manager of Policy and Administration, (916) 340-6247

Monthly Report to SACOG
April 28, 2015*CURRENT NEWS***BUDGET COMMITTEE PROVIDES A BOOST FOR TRANSPORTATION-HUD**

The House Appropriations Committee adopted spending allocations on April 22 that will cut funding for the Internal Revenue Service, the Department of Education and the Environmental Protection Agency and use the savings to boost funding for the Department of Justice, the Department of Transportation (DOT) and the Department of Housing and Urban Development (HUD). The Transportation-HUD bill would get a \$1.5 billion funding increase.

The funding levels proposed suggest that House Republicans are serious about writing appropriations bills so that they can pass. And the extra funding for the Transportation-HUD spending bill indicates that New Starts and TIGER may come through FY16 appropriations cycle without cuts in the House, which hasn't been the case in recent past.

The House Appropriations Committee has already approved FY2016 Military Construction and Veterans Affairs spending bills and has introduced the Energy and Water and the Legislative Branch spending bills. This week, they are expected to introduce the Transportation-HUD spending bill and markup the bill in the Transportation-HUD Subcommittee.

TRANSPORTATION PROGRAM LIKELY TO BE EXTENDED BY 6 MONTHS

It is appearing more likely that Congress will not act on a surface transportation reauthorization before the May 31st expiration of MAP-21 but, rather, pass a six-month extension. Congress had expected that they would need to find additional funding to keep the highway and transit program at its currently authorized level. However, a small increase in driving over the last year has resulted in greater gas tax receipts and, therefore, pushed off the expected Highway Trust Fund (HTF) fiscal cliff, making a short extension without new funding possible.

Last July, Congress transferred \$11 billion from the general fund to keep the transportation program solvent until this spring, rather than pass a long-term surface transportation authorization. The idea was to use these last 9 months to make meaningful progress on a long-term reauthorization bill and funding proposal, but this has not happened.

At the same time, there are some new proposals to pay for a long-term extension. Last week, Senators Rand Paul and Barbara Boxer joined with the Administration and Representatives John Delaney (D-MD) and Richard Hanna (R-NY) by introducing their own repatriation transportation funding proposal ([S. 981](#)). This bill would encourage corporate profits held overseas to bring these back to the US through a "tax holiday" by allowing them to voluntarily return foreign earnings a tax rate of 6.5 percent.

Also last week, Representatives Jim Renacci (R-OH) and Bill Pascrell (D-NJ) introduced the Bridge to Sustainable Infrastructure Act ([HR 1846](#)), a user-fee transportation funding package that has garnered the only bipartisan support this Congress with 7 Republicans and 12 Democrats joining them as cosponsors. This bill is not a direct means to raising the gas tax today but, rather, would start indexing the gas tax to inflation in 2016, which is estimated to provide greater than \$27 billion over two years.

The bill would also create a bipartisan, bicameral Transportation Commission charged with coming up with a long-term funding solution for the HTF. Congress would then be required to enact the Commission's recommendations or any other alternative that achieves 3 years of funding for the HTF by the end of 2016. If Congress doesn't act by 2017, the gas tax would increase automatically to provide 3 years of funding. If after those three years Congress still hasn't acted the bill would set an additional trigger and raise the gas tax the necessary rate to provide for another 3 years of funding, for a total of 10 years of HTF funding.

This proposal looks eerily similar to the budget negotiations from 2011 that established the current budget sequestration spending limits. While not a perfect solution, the Bridge to Sustainable Infrastructure Act is a start and has bipartisan support. It is not likely that either of these bills will be enacted before the end of May, but it's a positive sign to see more Members of Congress standing up and taking a position on this important issue.

PASSENGER RAIL REAUTHORIZATION EXPECTED THIS WEEK IN SENATE

The Senate Commerce Committee is expected to introduce and markup a passenger rail authorization during the work period that ends on May 22, if not as early as next week. Chairman John Thune (R-SD) has opted to appoint leadership over this bill to Senator Roger Wicker (R-MS) rather than the Subcommittee chair, Senator Debra Fischer (R-NE). Joining Wicker on the Democrat side is Senator Cory Booker (D-NJ). These two offices already have a strong working relationship on transportation issues having joined together to lead the effort in the Senate to improve access to funding for local governments through the introduction of the Innovation in Surface Transportation Act ([S. 762](#)).

One issue to watch will be whether the Senate bifurcates Amtrak's accounting practices, ultimately separating the capital and operation budgets for the Northeast Corridor (the Washington, DC, to Boston, MA, corridor) from the rest of the nation's system (long-distance service and state-supported trains). Doing so allows the Northeast Corridor keep the operating revenues that it generates in the region and subjects the operating losses of the rest of the national system to more scrutiny, in spite of the very low capital costs of the national system versus the Northeast Corridor. Those opposed to this move fear that doing so is meant to assist Congressional passenger rail opponents to more easily end long-distance or state-supported routes in future passenger rail authorizations.

FEDERAL RAILROAD ADMINISTRATION ANNOUNCES GRANTS

The Federal Railroad Administration (FRA) has awarded eight grants totaling more than \$21.2 million that invest in highway-rail grade crossing safety, Positive Train Control (PTC)

implementation, and passenger rail. FRA used unobligated funds from the High-Speed Intercity Passenger Rail Program to make this funding available.

FRA provided two grants for grade crossing safety:

- California Department of Transportation: Pacific Surfliner Chesterfield Drive Crossing Improvements – \$2,236,550
- Illinois Department of Transportation: Springfield, Ill. Ash Street Underpass – \$2,000,000

The PTC grants include:

- Transportation Technology Center, Inc.: PTC Implementation Project Interoperable Train Control Messaging Security – \$432,000
- Amtrak: Wireless Communication and Key Management Implementation – \$2,640,000
- ARINC Inc.: Implementation of PTC Shared Network and User Support – \$4,992,799
- Metropolitan Transportation Authority: Metro North Hudson Line PTC – \$3,000,000

The following two passenger rail planning grants were announced:

- California Department of Transportation: Coachella Valley-San Geronio Pass Corridor Investment Plan – \$2,982,050
- Illinois Department of Transportation: Chicago Union Station Terminal Planning Study – \$3,000,000

WHAT TO WATCH

APPROPRIATIONS COMMITTEE HEARS FROM SECRETARY FOXX

On April 22, the Senate Appropriations Subcommittee for Transportation, Housing and Urban Development Subcommittee on Appropriations held a hearing to discuss USDOT's FY 2016 Budget Request to Congress. Secretary Anthony Foxx was the only witness.

The members focused on two main issues: the need for a long-term bill and the safe transportation of crude oil. On the former issue, Chairwoman Susan Collins (R-ME) expressed support for repatriation and for more funding for transportation but called the Administration's proposal a "band-aid approach" and pointed to the need for a longer-term funding fix to make the HTF solvent. She also said that the Administration's budget request was unrealistically high in a constrained funding environment.

Ranking Member Jack Reed (D-RI) said that \$80 million is needed to address the transportation maintenance needs in Rhode Island alone and expressed concern about any reauthorization that is shorter than four years. He added that the TIGER program has been a great help to addressing transportation needs.

Chairwoman Collins and Senator Shelley Moore Capito (R-WV) also pressed Secretary Foxx on the status of the crude oil rulemaking, with Chairwoman Collins expressing astonishment that the rule is still with the Office of Management and Budget for clearance. Secretary Foxx made clear that DOT is taking the issue very seriously and is moving forward as quickly as they can.

BANKING COMMITTEE HOLDS HEARING ON REAUTHORIZATION

On April 21, the Senate Banking Committee held a hearing to discuss the transit portion of surface transportation reauthorization called “Surface Transportation Reauthorization: Building on the Successes of MAP-21 to Deliver Safe, Efficient, and Effective Public Transportation Services and Projects.” Therese McMillan, Acting Administrator of the Federal Transit Administration (FTA) testified.

Much of the discussion at the hearing centered on the transit maintenance backlog and how best to it. Acting Administrator McMillan pointed to the increasing demand for transit while funding remains flat as well as FTA’s implementation of MAP-21, particularly the increased focus on transit safety and addressing the 86 billion transit maintenance backlog. Chairman Richard Shelby (R-AL) said that transit systems should take a fix-it-first approach and went so far as to say that the federal government should not fund system expansion where transit systems cannot maintain what they have.

On the other hand, Ranking Member Sherrod Brown (D-OH) expressed support for transit expansion and focused on the importance of transit in connecting low-wage workers to jobs and in creating jobs. Senator Bob Menendez (D-NJ) pointed out that different systems need different types of investment – older systems are mostly responsible for the maintenance backlog and newer systems are focusing on expansion.

Senator Tim Scott (R-SC) expressed skepticism about the Department of Transportation’s local hire pilot program, saying he thought it would just move jobs around and not create new ones. While Senator Mike Rounds (R-SD) pointed to the need for transit in rural areas, saying that cars are still a luxury in some areas of South Dakota and asking about the possibility for expanding rural transit services. Acting Administrator McMillan pointed out that MAP-21 doubled the size of the rural transit program and FTA is now serving 1300 subrecipients of transit funding and over 100 tribes.

INTRODUCED LEGISLATION TO WATCH

House Legislation

- Innovation in Surface Transportation Act (HR 1393); Introduced by Rep. Rodney Davis (R-CA-13); 6 cosponsors; 2R, 4D – Would state competitive grant programs for local

governments to access and have greater stakeholder decision-making opportunities.

- To amend the IRS Code of 1986 to modify the exclusion of transportation benefits; Introduced by Rep. King (R-NY-2); 7 cosponsors; 4D, 3R – Would end the parity for this year between transit and parking federal tax benefits
- National Freight Trust Fund Act of 2015; Introduced by Rep. Hahn (D-CA-44); 11 cosponsors: 9 D, 2 R – Authorizes 5% of the revenue from import fees to rebuild freight infrastructure (generates estimated \$2 billion a year towards freight infrastructure)
- Vehicle-to-Infrastructure Safety Technology Investment Flexibility Act of 2015; Introduced by Rep. Miller (R-MI-10) – Allows surface transportation dollars to be spent on new vehicle infrastructure technologies to improve safety on roads
- Passenger Rail Reform and Investment Act of 2015; Introduced by Rep. Shuster (R-PA-9); 3 cosponsors: 2 D, 1 R – Reauthorizes funding for Amtrak, introduces reforms
- UPDATE ACT; Introduced by Rep. Blumenauer (D-OR-3); 24 cosponsors; 24 D; Increases federal gas tax by 15 cents over 3 years
- STIFIA: authorizes a State Infrastructure Bank; Introduced by Rep. Hanna (R-NY-22); 3 cosponsors: 2 D, 1 R
- Partnership to Build America Act of 2015; Introduced by Rep. Delaney (D-MD-6); 34 cosponsors: 17 D, 17 R – Establishes infrastructure fund that is funded through repatriation
- To remove Mass Transit Account, Transportation Alternatives, and non-federal aid highway bridges from the Highway Trust Fund; Introduced by Rep. Massie (R-KY-4); 4 cosponsors; 4R
- Bridge to Sustainable Infrastructure Act (HR 1846); Introduced by Representative Jim Renacci (R-OH); 20 cosponsors; 7 R, 13 D -- indexes the gas tax to inflation, creates a commission to analyze long-term funding, and automatically increases the gas tax if action to address the HTF is not taken

Senate Legislation

- Innovation in Surface Transportation Act (S 762); Introduced by Sen. Wicker (R-MS); 3 cosponsors; 1R, 2D – Would state competitive grant programs for local governments to access and have greater stakeholder decision-making opportunities.
- Local Transportation Infrastructure Act; Introduced by Sen. Ayotte (R-NH) – Establishes state infrastructure bank
- A bill to improve the infrastructure for U.S.; Introduced by Sen. Sanders (I-VT); 1 D cosponsor – Hundreds of billions more in transportation investment, but has no pay-for
- A bill to amend the Internal Revenue Code of 1986 to provide for a repatriation holiday, to

increase funding to the Highway Trust Fund (S 981); Introduced by Se. Pail (R-KY); 1 cosponsor; 1D