



## **SACOG Board of Directors**

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Receive & File**

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### **Federal Advocacy Update**

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

Attachment

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**Monthly Report to SACOG**  
**March 24, 2015***CURRENT NEWS***REPUBLICAN BUDGET DOES NOT ADDRESS TRANSPORTATION SHORTFALL**

The Congressional Budget Committees have released their budget plans for Fiscal Year (FY) 2016 but including little information on how to address the transportation funding shortfall that is threatening to stall construction projects this summer.

The Senate Republican budget cuts \$5.1 trillion in federal spending and balances the budget over 10 years. The House plan cuts \$5.5 trillion in federal spending over the next decade. Both are silent on the subject of infrastructure funding beyond the creation of a “deficit-neutral reserve fund for transportation.” The amount that will be placed in the infrastructure fund is not addressed.

This reserve fund is basically a placeholder for Congress, in case the body asks to increase funding for transportation before the beginning of the FY2016 fiscal year.

A schism between deficit hawks and security hawks within the Republican Party arose almost immediately upon introduction of the budget proposal in the House. And while House leadership scrambled to address the disagreement before floor consideration, the debate caused the abrupt cancellation of the consideration of the budget in the House Budget Committee.

Congress is not required to pass a budget, but the new Republican leadership has emphasized a return to regular order. It is expected that they will work hard to get the budget passed and to provide a template for the development of appropriations bills later this spring and summer.

**HOUSE PASSES RAIL REAUTHORIZATION BILL**

On March 4, the House of Representatives passed the Passenger Rail Reform and Investment Act by an overwhelming vote, 316-101.

The legislation authorizes funding for Amtrak through 2019, including \$982 million per year for the national network (i.e. long-distance and state-supported routes) and another \$470 million annually the Northeast Corridor. The last authorization bill, passed in 2008, provided about \$1.3 billion to Amtrak for operations, construction and debt service. A more detailed analysis of the bill is attached.

During the debate over the bill, there were 7 amendments considered, with 6 agreed to by voice vote. Rep. Tom McClintock (R-CA) offered an amendment to strike all funding for Amtrak. No one but McClintock spoke in favor of this amendment before the amendment failed by a vote of 147-272.

The amendments adopted are as follows:

- Rep. Jerry McNerney's (D-CA) amendment ensures that socially and economically disadvantaged businesses have access to station development opportunities under the Station Area Development Section (Sec. 208) of the bill.
- Rep. Michael Fitzpatrick's (R-PA) amendment adds veteran-owned small businesses to the participation study required under Small Business Participation Section (Sec. 305) of the bill.
- Rep. John Mica's (R-FL) amendment requires the Northeast Corridor Infrastructure and Operations Advisory Committee to produce a report within 180 days of bill enactment that analyzes the implementation of non-stop, high-speed express passenger rail service between Washington, District of Columbia, and New York, New York, and between New York, New York, and Boston, Massachusetts.
- Rep. Julia Brownley's (D-CA) amendment requires each state to develop a grade crossing action plan, identifying specific solutions for improving safety at highway-rail grade crossing and focus on crossings that have a high risk for accidents. The ten states that have already developed a grade crossing action plan under the Rail Safety Improvement Act of 2008 because they had the highest number of grade crossing collisions (Alabama, California, Florida, Georgia, Illinois, Indiana, Iowa, Louisiana, Ohio and Texas) will be required to update their plans.
- Rep. Edwin Perlmutter's (D-CO) amendment requires the Government Accountability Office to submit to Congress a report evaluating the effectiveness of the Federal Railroad Administration's (FRA) 2005 rule on the use of locomotive horns at rail crossings.
- Rep. Dan Lipinski's (D-IL) amendment clarifies that passengers using non-motorized transportation are to be considered in the Amtrak Office of Inspector General's report on boarding procedures in Amtrak Boarding Procedures Section (Sec. 211) of the bill.

There was also a motion to recommit introduced by Rep. Carolyn Maloney (D-NY) that provided for an additional \$150 million for the Amtrak Security Police. The motion failed by a vote of 184-232.

The bill now heads to the Senate where the Senate Commerce Committee is working to draft its version of the bill.

## **BIPARTISAN BILL TO PROVIDE MORE TRANSPORTATION FUNDS TO LOCALS**

On March 17, a bipartisan group of senators and representatives released a bill that will give local communities more access to, and control over, a share of the federal transportation dollars that flow into their states.

The bipartisan Innovation in Surface Transportation Act was introduced in the Senate ([S.762](#)) by [Senators Roger Wicker](#) (R-MS), Corey Booker (D-NJ), Robert Casey (D-PA), Lisa Murkowski (R-AK); and in the House ([H.R. 1393](#)) by Representatives [Rodney Davis](#) (R-IL), Dina Titus (D-NV) Gregg Harper, (R-MS), Cheri Bustos (D-IL), Dan Lipinski (D-IL) and Matt Cartwright (D-PA).

Under the Innovation in Surface Transportation Act, a small amount of funding within each state DOT's federal allocation would be set aside for grants to fund local transportation projects that

demonstrate strong outcomes. The projects would be selected through a transparent, competitive process by a panel of representatives from local and state jurisdictions, metropolitan planning organizations and stakeholders. However, state that already suballocate or compete a similar portion of their program (such as California) would be exempted from this program.

The Innovation in Surface Transportation Act program would operate much like the federal TIGER program except it would be managed within each state by state and local officials. The TIGER program is wildly oversubscribed because it is one of the only ways local communities can directly access federal funds.

## **BOOKER INTRODUCES BILL TO SPEED RAIL LOANS**

Sen. Cory Booker (D-N.J.) introduced legislation on March 19 to improve the FRA's Rail Rehabilitation and Improvement Financing Program (RRIF), which provides loans for rail projects. His bill, the Railroad Infrastructure Financing Improvement Act (RIFIA), would push federal officials to move loans from the \$35 billion fund more quickly.

Sen. Booker criticized the way FRA currently runs RRIF by pointing out that the program is "notoriously underutilized," having processed only 33 loans to date at a total value of \$1.7 billion, or less than 5 percent of the \$35 billion in loans available.

One of the biggest barriers to using RRIF has been the fact that the loan applicant must pay the credit risk premium on the loan. Sen. Booker's proposal authorized FRA to pay some or all of the credit risk premium. It also changes the payment deferral period from 6 years after the loan disbursement to 5 years after the date of substantial completion of the project.

Other reforms to the program include making transit oriented station area development an eligible expense and improving communications with applicants. Under RIFIA, FRA would have to provide any applicant for RRIF support with notice of information needed to complete their application. This notice must be provided within 30 days of receipt of an initial application. Additionally, FRA must provide notice of approval or disapproval of the application within 60 days of receiving a complete application.

## **DRAFT ASSET MANAGEMENT RULE RELEASED BY FHWA**

On February 20, The Federal Highway Administration [proposed a rule](#) to develop a state asset management plan in accordance with section 1106 of the Moving Ahead for Progress in the 21st Century Act (MAP-21). Comments are due on April 21, 2015.

The purpose of the State asset management plans are to make progress toward achievement of the State targets for asset condition and performance of the NHS in accordance with [23 U.S.C. 150\(d\)](#), and (2) support progress toward the achievement of the national goals identified in [23 U.S.C. 150\(b\)](#). [23 U.S.C. 119\(e\)\(2\)](#).

FHWA would require state DOTs to conduct several analysis to identify the investment strategies needed to support appropriate asset management, including a performance gap analysis, life-cycle cost analysis and risk analysis. The scope of the analysis should include NHS highway pavements and bridges regardless of the ownership of the relevant NHS facility, and the

State DOT would be encouraged, but not required, to include in its asset management plan all other highway infrastructure assets within the NHS ROW, as well as highway infrastructure assets from other public roads.

Each Asset Management Plans should cover a 10-year window. Further, FHWA also proposes that asset management plans lead to an immediate program of projects in the STIP. A deadline for compliance with the asset management plan provisions must be attained by the beginning of the second fiscal year following the FHWA's final rule. Failure to develop and implement an asset management plan consistent with section 119 would result in a reduced Federal share down to 65 percent for National Highway Performance Program projects.

## WHAT TO WATCH

### SHUSTER SIGNALS FUTURE FOR TRANSPORTATION REAUTHORIZATION

House Transportation and Infrastructure Chairman Bill Shuster (R-PA) said that with a funding solution, he expects that a long-term transportation bill can move quickly. He will make a determination shortly after Easter break whether there is the funding for Congress to move a long-term bill or not.

Shuster indicated that he believes repatriation of overseas corporate profits is the most politically feasible way to fund a long-term highway bill and supports a proposal to do this by giving corporations a reduced tax rate to bring profits back into the country for a limited period of time.

He did not address the fact that the Congressional Budget Office has expressed skepticism that this proposal can raise enough money to support the transportation program. Shuster also said he still hopes for a bill before the current one expires May 31, though staff has indicated to stakeholders that this is highly unlikely.

When asked for specifics about a proposal, Shuster indicated that he is considering current authorization levels around \$50 billion a year as the funding level to expect in an upcoming bill. It also appears unlikely that the Transportation and Infrastructure Committee will consider changes in the structure of the program created by MAP-21.

For example, Shuster said he was open to considering more local involvement in the program; however, he stated, "...the main responsibility has to lie within the state to have a statewide system."

### 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.

- Innovation in Surface Transportation Act (S 762); Introduced by Senator Roger Wicker (R-MS); 4 cosponsors; 1R, 2D – 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

### **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