

From: APTA Legislative Update
To: Hamayasu, Toru
Sent: 6/18/2009 1:35:54 PM
Subject: APTA Legislative Alert - June 18, 2009

If you have difficulty viewing this message please click [here](#).

To ensure delivery of Legislative Alert, please add 'LegislativeAlert@apta.com' to your email address book.
If you are still having problems receiving our newsletter, see our whitelisting page for more details: <http://www.commpartners.com/website/white-listing.htm>

 APTA Legislative

June 18, 2009

U.S. House Transportation & Infrastructure Committee Releases \$500 billion Authorization Proposal - "A Blueprint for Investment and Reform" Includes \$99.8 billion for Transit and \$50 billion for High Speed Rail!

Administration Proposes alternate 18 Month SAFETEAU-LU Extension and Highway Trust Fund Fix-

Congress Approves Supplemental Appropriations Act - FY 2010 Appropriations Legislation Advancing-

Today, the bipartisan leaders of the U.S. House Committee on Transportation & Infrastructure, Chairman James Oberstar (D-MN), Ranking Member John Mica (R-FL), Highway and Transit Subcommittee Chairman Peter DeFazio (D-OR), and Ranking Member John Duncan (D-TN), released their proposal for the next surface transportation authorization bill, to replace SAFETEA-LU. The summary of the proposal, entitled "A Blueprint for Investment and Reform," describes in detail the committees' plans for the subsequent legislation, which will be introduced as the Surface Transportation Authorization Act of 2009 (STAA).

To view the Executive summary, click [here](#).

To view the detailed proposal, click [here](#).

APTA commends the committee for its thoughtful approach to address our nation's transportation needs and is extremely pleased that its proposal incorporates several proposals advanced in APTA's "Recommendations on Federal Public Transportation Law."

As proposed, STAA recommends a \$450 billion investment in surface transportation programs, including \$99.8 billion for public transportation programs administered by the Federal Transit Administration (FTA)— a more than 90 percent increase over SAFETEA-LU levels. The bill recommends an additional \$50 million to support President Obama's vision for the creation of a High Speed Rail network in the United States.

However, as expected, the proposal does not address where increased revenues will come from to finance the program. This portion of the legislation must be developed by the House Committee on Ways & Means, which is expected to act at a later date.

ACTION ALERT

AR00134681

The Bi-partisan Surface Transportation Authorization Act of 2009, introduced by the leadership of the House Transportation and Infrastructure Committee provides a 90% increase in transit funding and makes many other improvements in surface transportation law recommended by APTA. APTA urges you to contact your Members of Congress and urge them to express strong support for the bill. With the Subcommittee on Highways and Transit is expected to mark up the bill on Wednesday, June 24, it is critical that you contact your Representatives immediately to express your support.

- Please contact your Members of Congress by phone or email immediately. Tell them that you strongly support this bill, which dramatically increases investment in public transportation and urge them to support it as well. Ask that they to express their support to Members of the Transportation and Infrastructure Committee this week.

The legislation proposes a significant consolidation of surface transportation programs and introduces performance standards as a key feature of the federal program. Additional goals of STAA include bringing transportation assets to a “state-of-good repair,” improving project delivery, increasing safety, reducing traffic congestion, reducing green house gas emissions and improving air quality. The committee also proposes creating a National Infrastructure Bank to fund large-scale transportation projects, as well as the creation of two multi-modal programs that aim to reduce congestion in major metropolitan areas and fund projects of national significance.

Funding Proposals

According to the committee's blueprint, of the \$450 billion proposed for surface transportation programs, \$337.4 billion is proposed for the highway program, \$99.8 billion is proposed for public transportation, and \$12.6 billion is proposed for highway and motor carrier safety. It is important to note that STAA also proposes to fund two multi-modal programs (\$50 billion for a “Metropolitan Mobility and Access Program and \$25 billion for “Projects of National Significance”) from the same \$450 billion pot. At this time, the proposal does not indicate from which programs STAA will draw funds to finance these two programs. Therefore, the actual level of funding dedicated to each mode will vary based on the amount of funds that will be drawn for the multi-modal accounts, and eventually how much goes back into the programs once the funds are distributed.

As for the highway and transit programs, details were not made available regarding the distribution of funds among the various programs. For highway programs, despite consolidation efforts, the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Surface Transportation Program (STP) remain largely intact as states and local governments will continue to be able to flex these funds for transit projects at the local level. Changes, however, are proposed to increase sub-allocations to local governments from these accounts, giving local governments a larger stake in the project decision-making process, which could lead to more funds for transit projects.

For the transit program, STAA proposes to increase the ratio of federal funds that come from the Mass Transit Account of the Highway Trust Fund (HTF). Under SAFETEA-LU, approximately 17 percent of the federal transit program was funded from the General Fund, with the remainder coming from the HTF. Under STAA, the General Fund share would drop to 12.3 percent (\$12.2 billion). This is could be good news for transit, as a smaller portion of funding would be subjected to funding reductions within the annual appropriations process.

Transit Program Structure

The blueprint also indicates that STAA will propose a significant consolidation of transit programs, distributing funds under six major program headings. This is consistent with the overall theme of simplifying the federal program to create efficiency to help speed project delivery and to introduce performance measures. Elements of all of the previous programs, including eligible activities, can be found under the new headings. The new programs are:

1) New Starts and Small Starts Program

STAA proposes a greatly simplified New Starts and Small Starts program that will speed project delivery by “eliminating a variety of programmatic steps and requiring program reforms.” In addition, the proposal aims to “equalize the treatment of proposed transit projects and elevate the importance of the

benefits that will occur in the community once the project is built.” STAA will prohibit the use of the FTA’s current cost-effectiveness index” (CEI), and replace it with a ratings process that comparably weighs economic development, energy savings, increased mobility and congestion relief.

2) Fixed Guideway Modernization Program

STAA proposes to simplify the existing fixed-guideway modernization program by eliminating the complex 7-tiered fund distribution formula and replaces it with a single formula based on documented maintenance needs. Communities with a population of fewer than 200,000 will be eligible to participate in the program and recipients will be held accountable for complying with performance measures that emphasize maintaining a “state-of-good repair” for assets.

3) Urban and Rural Formula Programs

STAA largely maintains the current urbanized area and rural area formula programs, but institutes new performance measures that hold recipients accountable for meeting certain performance targets, such as improved conditions of transit systems, replacement of aged and rolling stock, increased ridership, etc. For small urban areas and rural areas, the funding formula will be modified to award increased funding to areas that provide more transit services.

4) Coordinated Access and Mobility Program (CAMP)

The new proposal would combine the Job Access and Reverse Commute, New Freedom Initiative and Elderly and Disabled Program, into a single initiative in a manner that closely mirrors APTA’s proposal for the programs. The new consolidated program would distribute funds via a formula that takes into account low-income, elderly and disabled populations. The CAMP program would distribute 60 percent of funds to designated recipients in large UZAs, 20 percent to small UZAs and 20 percent to rural areas, under a single application. Any of the activities under the three previous programs would be eligible for funding under the new program. The CAMP program would institute performance measures to ensure that the needs of each target population are being met, and then set minimum allocations for targeted activities if these measures are not complied with.

5) Intermodal and Energy Efficient Transit Facilities Program

STAA creates a new program that would combine elements of the Intermodal Facilities Program under SAFETEA-LU and the Transit Investments for Greenhouse Gas and Energy Reduction Grants (TIGGER) program created under American Recovery and Reinvestment Act (ARRA) earlier this year. Discretionary grants under this program will be made available to transit agencies to build intermodal facilities that connect two or more transportation modes, or facilities that reduce greenhouse gas emissions.

6) Transit in the Parks Program

STAA will propose to streamline and increase funding amounts for the Transit in the Parks program, which provides grants to increase transit and reduce congestion in and around national parks.

Planning Provisions

STAA proposes linking the transportation planning process with national goals to reduce greenhouse gas emissions. The U.S. Environmental Protection Agency (EPA) would establish national emission reduction goals for surface transportation in consultation with the U.S. Department of Transportation. States and metropolitan regions would then be required to develop their own emission reduction targets that support the EPA-established national goal. Most importantly, state and metropolitan regions would also be required to incorporate strategies to meet their emission reduction targets within their transportation plans. Given the significant emission reductions from transit services, public transportation projects would be a key element of state and regional strategies to reduce emissions, but the extent to which state and local planning and funding decisions would be affected cannot be determined until further details of STAA's proposed climate requirements are known.

Other Programs

Although not mentioned in the blueprint document, committee staff has indicated that STAA will contain other programs or provisions of interest to APTA.

First, although the Bus and Bus Facilities program is eliminated in its current form, committee staff have

indicated it will address the replacement of rolling stock through the Urban Area Formula Program, and that funding for at least some facilities will be made available through the Intermodal and Energy Efficient Transit Facilities Program. Second, committee staff has also indicated the final product could include some sort of discretionary bus program.

Furthermore, committee staff has indicated that STAA will include a section that addresses workforce development issues, containing elements of the H.R. 2497, the Transportation Job Corps Act of 2009, sponsored by Representative Jerrold Nadler (D-NY) and endorsed by APTA. H.R. 2497 authorizes several different grant programs and establishes a National Workforce Development Counsel, along with Regional Workforce Development boards, to address workforce development issues in the industry. The legislation is also expected to contain a title continuing research programs within the FTA.

Finally, STAA will contain a provision to provide new operating assistance to transit systems by making a portion of formula funds available for operating purposes. Eligibility would be tied to incentives to ensure state and local operating funds are maintained and/or increased.

More detailed information will be provided for these programs as it becomes available.

High Speed Rail

STAA proposes making \$50 billion in General Fund revenues available to support the development of a high speed rail network in the United States. These funds will be available for planning activities and construction in federally designated high speed rail corridors, as well as for a research program on high speed rail technologies. High speed rail will also be eligible for funding through the National Infrastructure Bank.

Legislation Schedule/Outlook

The Transportation & Infrastructure Committee has indicated that it intends to formally introduce the STAA legislation within the next few days and has tentatively scheduled a mark-up for the bill in the Highways and Transit Subcommittee for Wednesday, June 24. Chairman Oberstar has indicated that he intends to consider the legislation in full committee in July. However, his ability to move the bill forward in the House will depend on the Ways & Means Committee's timing on the development of a financing title. Further complicating matters, the Obama Administration has proposed an 18-month extension of the current surface transportation authorization legislation (see below.)

Administration Proposes an Immediate Reauthorization Extension

As the Transportation & Infrastructure Committee works to move forward with its legislative proposal, yesterday, the White House made a major announcement regarding its own proposal for the transportation authorization bill. According to the Congressional Budget Office (CBO), the Highway Trust Fund will become insolvent prior to the end of Fiscal Year 2009. Latest reports, however, indicate insolvency could occur as early as August. To prevent the looming shortfall, Transportation Secretary Ray LaHood announced on Wednesday the Administration's proposal to enact an immediate 18-month highway reauthorization extension that would extend current programs and replenish the Highway Trust Fund. Repeating the Administration's opposition to a gas tax increase during a recession, it is expected the shortfall fix will again come from the General Fund.

The Administration has also gone a step further, proposing several substantive policy reforms to accompany the extension, such as including cost-benefit analysis when deciding which projects to fund, providing greater investment in metropolitan areas, and fostering the idea of livable communities.

In a meeting with House Transportation & Infrastructure Committee Chairman Jim Oberstar, Secretary LaHood outlined the Administration's proposal and urged Congress to act swiftly to prevent states from running the risk of losing access to these critical funds when Congress recesses in August.

Congressional reaction to the proposed extension was mixed, with the House and Senate offering vastly different reactions. House Transportation & Infrastructure Committee Chairman Oberstar has stated he is adamantly opposed to an extension in any form. Senate Environment & Public Works Chairman Barbara Boxer, however, expressed support for an extension, indicating it would provide more time to craft a comprehensive bill that provides "stable and reliable" sources of funding. Further details on the Administration's proposal are pending.

Proposal to Provide Transit Operating Assistance Approved by Congress

On Friday, June 12, House-Senate conferees filed the Conference Report to accompany H.R. 2346, the Supplemental Appropriations Act of 2009. Included in the Supplemental spending bill is a provision that would allow transit agencies to use up to 10 percent of their American Recovery and Reinvestment Act (ARRA) funds to cover operating costs of "equipment and facilities for use in public transportation." The provision would also allow agencies to amend previously submitted applications in order to redirect ARRA funds toward operating purposes. This provision was added in the Senate-passed version of the legislation, and ultimately was retained in the conference agreement.

Earlier this week, the House passed the Conference Report by a vote of 226 to 202. Late this afternoon, the Senate completed consideration of the Conference report, passing it by a vote of 91-5. It now heads to the President, who is expected to sign the measure into law shortly.

House and Senate Appropriations Committees Reduce Transit Security Funding

Appropriations Committees in both the House and Senate have acted on the Fiscal Year 2010 Department of Homeland Security (DHS) and Related Agencies Appropriations bill. The House Appropriations Committee last week approved a bill that significantly reduces funding for transit security grants. As reported out of the committee, the bill provides \$250 million for Rail and Transit Security Grant Programs. This amount is \$150 million below the FY2009 appropriated level (excluding the ARRA funding of \$150 million for the program), and well below the \$900 million authorized by the 9/11 Commission Act. The committee report cites ARRA funds and their late grant guidance as the rationale for the FY2010 funding level. Most aspects of the committee report pertaining to public transportation security matters do appear supportive and generally positive.

The Senate initiated its consideration of the FY2010 DHS Appropriations bill on Wednesday of this week and was scheduled to complete the bill in full committee today, Thursday, June 18. The Senate Homeland Security Appropriations Subcommittee bill provided \$356 million for Rail and Transit Security Grants, also below the FY2009 appropriation, but above the House Committee level.

Both the House and Senate are scheduled to consider the Homeland Security spending bill on their respective floors next week, ahead of the Independence Day recess.

