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April 12, 2011

Budget Deal Reached for Remainder of Fiscal Year (FY) 2011 - Reductions in Transit and High Speed Rail Programs are Among Cuts

A government shutdown was narrowly averted late Friday night when U.S. House and Senate leaders negotiated a deal to fund government operations through the remainder of FY 2011. This agreement reduces spending by \$38.5 billion from FY 2010 levels. A one week continuing resolution (CR) through April 15 was signed by President Barack Obama early Saturday morning. This stopgap CR gives Congress time to finalize a bill that adheres to the deal struck Friday night.

The total subcommittee discretionary budget authority allocation for Transportation, Housing, and Urban Development is \$55.5 billion in FY 2011, a reduction of 18 percent from the FY 2010 total of \$67.9 billion. The agreement includes steep reductions in the High Speed Rail program, and cuts in transit funds from FY 2010 levels.

Federal Transit Administration (FTA)

Under the agreement, transit formula programs will remain at FY 2010 levels of \$8.34 billion.

Funding for Capital Investment Grants (New Starts) would be reduced by \$400 million in FY 2011, for a total investment of \$1.6 billion. In addition, the legislation would rescind \$280 million from FY 2010 New Starts funds.

Other reductions proposed from within the transit program include a \$25 million cut from the FY 2010 level for the FTA Energy Efficiency Grants (TIGGER) thereby funding the program at \$50 million in FY 2011, and a \$6.67 million reduction in the Research and University Research Centers program, leaving \$59 million for the program in FY 2011.

The \$150 million annual appropriation for the Washington Metropolitan Area Transit Authority (WMATA) was left intact.

Federal Railroad Administration (FRA)

The budget deal would eliminate FY 2011 funding for the High Speed Rail program. The program was funded at \$2.5 billion in FY 2010, but the final bill also rescinded \$400 million from FY 2010 funds.

Amtrak Capital and Debt Service Grants were cut by \$78 million to \$923.6 million. The FRA Railroad Research and Development account is reduced to \$35.1 million from \$37.6 million and as noted in previous alerts, funding for the Railroad Safety Technology program for grants for Positive Train Control (PTC) was eliminated earlier.

Other Transportation Programs

Funding for National Infrastructure Investments (TIGER) is reduced to \$528 million, compared to the FY 2010 enacted levels of \$600 million, a \$72 million cut.

Transit and rail were not the only transportation accounts to receive cuts. The bill contains a \$2.5 billion rescission of prior year highway contract authority, and a \$630 million rescission of highway project earmarks that had been provided in TEA-21 and previous authorizing bills.

Under Department of Homeland Security appropriations, the Rail and Public Transportation Security Grant Program was reduced to \$250 million, a \$50 million cut from FY 2010.

Republican leaders in the House have announced that they plan to hold votes on this proposal Wednesday evening. Senate leaders are hoping to take up the bill on Thursday in advance of the expiration of the stopgap CR on Friday and the scheduled two week spring recess. Votes in the House on Budget Committee Chairman Paul Ryan's (R-WI) budget blueprint for FY 2012, discussed [here](#), are also expected this week.

Action Alert

- APTA members are urged to contact their Members of Congress to tell them to oppose the reductions for transit and High Speed Rail programs in the FY 2011 Continuing Resolution.
- Please explain that these funds are vital to maintain transit assets in a state of good repair, and allow for the expansion of mobility options in our nation, which are critical as gas prices continue to rise.

For questions regarding FY 2011 appropriations, please contact Paul Dean of APTA's Government Affairs Department at (202) 496-4887 or pdean@apta.com.

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