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## LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



July 8, 2011

### **House Transportation & Infrastructure Committee Republicans Release Outline of New Authorization Proposal; House Democrats and Senate Committee Leaders Also Hold Press Events Regarding Authorization**

House Transportation & Infrastructure (T&I) Committee Chairman John Mica (R-FL) held a press conference Thursday morning to release an outline of his six-year authorization proposal. This proposal adheres to the fiscal constraints established by the House Budget Resolution and would authorize approximately \$230 billion over six years from the Highway Trust Fund (HTF), which is about \$35 billion annually for highway and transit programs. This funding level is a one-third cut from current levels and represents a 19.5 percent cut from the \$286 billion authorized over six years under Safe, Accountable, Flexible, Efficient, Transportation for Equity Act: A Legacy for Users (SAFETEA-LU), the current authorizing legislation. Chairman Mica warned that enacting a two-year bill at current levels would require a 50 percent cut in FY 2013 to keep the HTF solvent. He did indicate that the proposal will likely maintain current ratios between highway and transit funding.

Chairman Mica mentioned a possible hearing on the proposal may take place on July 12, but stated that the timeline for introduction of the full text and markup is contingent upon negotiations with Democrats and discussions with House Leadership about scheduling floor time for consideration of the bill. Many of the bill's details cannot be described until legislative language is introduced.

Yesterday, APTA President Bill Millar released a statement commending the chairman for advancing a proposal, but criticizing the proposed funding levels as unacceptable. To view the statement, [click here](#).

Mica's bill will focus on program consolidation, streamlining the project delivery process, and greater use of innovative financing and public-private partnerships. The bill will not contain his recent proposal to privatize passenger rail service in the Northeast Corridor.

Subcommittee on Railroads, Pipelines, and Hazardous Materials Chairman Bill Shuster (R-PA) revealed that the bill contains language to extend the deadline for implementation of Positive Train Control (PTC). APTA has advocated for an extension of the deadline due to issues surrounding PTC implementation such as funding, spectrum availability, and technological innovations.

#### Maximizing Existing Revenue and Expanding Private Sector Investment

In order to maximize existing revenue, Mica's bill expands the Transportation Infrastructure Finance and Innovation Program (TIFIA) by authorizing \$1 billion per year to produce \$60 billion in low interest loans to leverage at least \$120 billion in private investments for transportation projects. A TIFIA program of this size with certain improvements, such as raising the federal financing share from 33 percent to 49 percent of project costs, is a point of agreement between Mica and Senate Environment and Public Works Chairman Barbara Boxer's authorization proposals.

In addition to a more robust TIFIA program, Mica's proposal provides incentives for states to capitalize State Infrastructure Banks (SIB) by raising the level of federal-aid highway funding that a state can devote to a SIB from 10 percent to 15 percent. In addition, the proposal indicates that a certain amount of funding that a state receives is required to fund SIBs.

Mica's proposal also aims to improve the Rail Rehabilitation and Improvement Financing Program (RRIF) by establishing a more efficient and predictable application process with more flexible loan terms, and making the development of High Speed Passenger Rail eligible for RRIF loans.

Mica's proposal would also encourage and reward public-private partnerships for the construction of new rail transit systems through the New Starts process. The outline mentions removing barriers that prevent the private sector from offering public transit services, although it is unclear what barriers are being referenced. In addition, the proposal provides incentives to vanpools and intercity bus operators to participate in federally supported transit services. Further, the bill requires that private intercity and charter bus operators be granted "reasonable access" to federally funded transit facilities.

#### Streamlining Project Delivery and Cutting Red Tape

At the press conference, Mica stated that the \$35 billion annual surface transportation investment called for in his proposal will double in value through a more efficient project delivery process.

Mica's proposal seeks to reduce the lengthy review process for surface transportation projects by modifying the environmental review process, expanding eligibility for pre-construction activities, and promoting integrated planning and programmatic approaches.

Specifically, the proposal compresses the final environmental impact statement and combines it with the record of decision. It also provides a single system to review decisions and reduces delays by requiring concurrent reviews and establishing deadlines for approvals and multiple modifications are made to the National Environmental Policy Act (NEPA) process.

In terms of public transit programs, the proposal states that streamlining measures will cut New Starts project development time in half.

#### Program Reform and Reducing the Size of Government

Mica's proposal consolidates or eliminates approximately 70 programs that he deems duplicative or do not serve a federal purpose. Citing the Indian Reservations Road Program and the Transit on Indian Reservations program as an example, his proposal consolidates them into a Tribal Transportation program.

Under Mica's proposal, states will no longer be required to spend highway funding on non-highway activities, which refers to bicycle and pedestrian uses. While states will be allowed to fund such activities if they wish, such flexibility will be balanced by as yet unspecified performance measures and transparency requirements.

Mica's proposal also contains no earmarks, and moves away from discretionary programs by repealing those "that are unpredictable and not transparent" and redirects resources to formula programs. However, the New Starts and Small Starts programs will remain. Performance management and measures will be established for all formula grant programs.

The proposal also calls for increasing the percentage of formula dollars available for suburban and rural areas, and programs that support transit services for the elderly and disabled. The proposal consolidates human services transportation programs (Elderly and Disabled Program, Job Access and Reverse Commute, and New Freedom) into one program. Further details on these changes are not yet available.

In order to improve transit safety, the proposal aims to strengthen the rail transit safety oversight program without creating a new federal transit safety agency, although no details are available.

To view Mica's proposal, [click here](#).

#### House Democrats Respond to Republican Transportation Proposal

House Transportation & Infrastructure Ranking Member Nick Rahall (D-WV), joined by Subcommittee on Highways and Transit Ranking Member Peter DeFazio and other Committee Democrats held a news conference following the event held by Chairman Mica. Lamenting the lack of bipartisan input into the proposal, Rahall described it as the "Republican Road to Ruin" and cited the proposal as a missed opportunity to address the nation's infrastructure deficit, jumpstart economic growth, and put Americans back to work.

Several other House T&I Committee Democrats joined in criticizing the proposal for not providing sufficient funds to address needs and preserve jobs.

#### Senate Action

Immediately following Mica's unveiling of his surface transportation proposal, senior members of the Senate Committee on Banking, Housing & Urban Affairs, including Chairman Tim Johnson (D-SD), condemned the proposal, releasing an [analysis](#) that shows that the House-passed GOP budget/Mica proposal would eliminate more than 140,000 jobs as a result of cuts to public transportation funding.

On Wednesday, July 6 Senate Environment and Public Works (EPW) Committee Chairman Barbara Boxer (D-CA) held a press conference to discuss her efforts to build bipartisan consensus for a two-year surface transportation authorization bill that would authorize funding for Fiscal Year (FY) 2012 and FY 2013 at current levels, adjusted for inflation. Using the Spring 2011 numbers reported by the Congressional Budget Office (CBO) as a baseline, her proposal would authorize \$109 billion over two years, including \$4.4 billion from the General Fund of the U.S. Treasury for mass transit programs such as New Starts.

As discussed in APTA's previous [legislative alert](#), a \$12 billion funding gap must be filled in order to fund this two-year proposal. It is likely that Senate action on the funding issue will be dictated by the results of the debt ceiling/deficit reduction negotiations that are ongoing between President Obama and Republican Leadership.

For questions on this issue, please contact Paul Dean of APTA's Government Affairs Department at (202) 496-4887, or [pdean@apta.com](mailto:pdean@apta.com).



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