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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



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House Transportation Appropriations Subcommittee Approves Draft Spending Bill; Maintains Spending at FY 2012 Levels in Most Cases; Spending Levels Similar to Senate Bill

On Thursday, June 7, the U.S. House of Representatives' Transportation, Housing and Urban Affairs Appropriations Subcommittee marked up the Fiscal Year (FY) 2013 Transportation, Housing and Urban Development and Related Agencies (THUD) bill, which sets spending levels for all federal transportation programs in the upcoming fiscal year. The bill now awaits action before the full House Appropriations Committee. The Senate Appropriations Committee passed its version of the bill on April 19. At the House subcommittee markup, THUD Appropriations Subcommittee Chairman Tom Latham (R-IA), stated that he hoped to see a full committee mark-up within two weeks, and to have the House vote on the bill this summer. Reconciling the House and Senate versions would then be dependent upon consideration of the Senate bill on the Senate floor.

The House THUD Appropriations bill provides a total of \$10.472 billion for Federal Transit Administration (FTA) programs. Given that the current authorization for federal public transit and highway programs is ongoing, the House maintains spending for all Highway Trust Fund/Mass Transit Account contract authority programs at FY 2012 levels. For the FTA formula and bus grant programs, this means \$8.361 billion in FY 2013, matching the levels approved in the Senate Committee-passed bill and meaning both bills fund the FTA above the requested level of \$8.213 billion. The most significant changes, therefore, are in the General Fund programs. The House bill reduces funding for Capital Investment Grants (New Starts) by \$138 million, to \$1.817 billion, including \$127.6 million for Small Starts. The Senate bill increases New Starts funding by \$89 million, bringing the FY 2013 total to \$2.044 billion. However, as it did in the FY 2012 bill, the Senate funds Bus Rapid Transit (BRT) projects out of the bus account, rather than the New Starts program. The House did not include a similar provision.

In the draft House bill, FTA's research program and university research centers receive \$44 million, consistent with FY 2012 levels, including \$6.5 million for the Transit Cooperative Research Program, \$3 million for National Transit Institute, \$4 million for University Transportation Centers, and \$20 million for section 5312's innovative research and demonstrations of national significance. This compares with a total of \$50 million provided by the Senate Appropriations Committee for FTA research programs. The Senate bill did not provide specific amounts for subaccounts within the research category.

Additionally, both House and Senate bills maintain provisions limiting FTA Full Funding Grant Agreements to a 60 percent federal share. Also, the House bill would once again allow \$100 million of section 5307 urban formula funds to be used for vehicle operations, which would include fuel, utilities, and electrically driven vehicles' energy costs.

For Federal Railroad Administration (FRA) programs, the House THUD subcommittee bill appropriates \$184 million to the Federal Railroad Administration, \$5 million more than the Senate's \$179 million. The House bill contains no money for high-speed rail, while the Senate bill appropriates \$100 million for Capital Assistance for High Performance Passenger Rail Service to fund programs authorized under the Passenger Rail and Investment and Improvement Act (PRIIA), including grants for intercity passenger rail and grants to reduce congestion or facilitate ridership growth along passenger rail corridors. The Administration requested \$1 billion for a new Network Development account to support similar programs and projects.

While these differences were expected, the House subcommittee bill also creates a new high priority state-of-good-repair maintenance program for Amtrak – a \$500 million subaccount within the Capital and Debt Service account. This \$500 million would bring the Capital and Debt Service account up to \$1.45 billion in FY 2013 (with the Senate appropriating \$1.05 billion), including \$50 million for compliance with the Americans with Disability Act, along with funds for fleet acquisition and rural service expenditures. The House bill also appropriates \$350 million for Amtrak operating assistance, \$116 million less than the FY 2012 enacted level and \$50 million less than the Senate's FY 2013 proposal.

However, the \$500 million extra for Amtrak in the Capital and Debt account seems to come at the expense of National Infrastructure Investment (TIGER) grants, for which the House bill provides no money and the Senate provides an identical \$500 million. This difference between the two bills

will set up a key negotiation between the two chambers when the final bill is reconciled, leaving open questions about the funding levels for both the Amtrak Capital account and TIGER grants.

Action on Homeland Security Appropriations Occurs in the House and Senate

On June 7, 2012, the House of Representatives approved the FY 2013 Department of Homeland Security (DHS) Appropriations bill on a largely party-line vote of 234-182. The bill recommends \$1.772 billion for the Federal Emergency Management Agency's "State and Local Programs", the account under which Transit and Rail Security Grants are funded. This funding level is roughly \$422 million above the FY 2012 appropriated amount. While the House bill gives the DHS Secretary discretion as to how State and Local Program funding is allocated, the increase in funding provided may allow for a higher allocation for the Transit Security Grant Program (TSGP).

The Senate Appropriations Committee previously approved, on May 22, 2012, its version of the FY 2013 DHS Appropriations bill, but it has yet to come to the Senate floor for a vote. The Senate bill recommends \$1.645 billion for State and Local Programs but, unlike the House bill, it offers specific program funding recommendations and funds the TSGP at \$119 million. DHS proposed sweeping programmatic changes in FY 2013 including collapsing several grant programs into a single "National Preparedness Grant Program", eliminating the TSGP. Both the House and Senate reject this change and call for a separate TSGP in FY 2013.

Authorization Update

Progress by the House and Senate Appropriations Committees in moving a FY 2013 Transportation-HUD bill is complicated by the status of the conference negotiations on the surface transportation authorization bill. For their part, the House and Senate conferees working to reconcile their surface transportation bills before the June 30 expiration date have begun this week to make formal offers between the chambers. On Tuesday, Senators Barbara Boxer (D-CA) and James Inhofe (R-OK), the principal managers of the Senate conferees delivered a broad offer to House Transportation and Infrastructure Chairman John Mica (R-FL), encompassing provisions in the highway, transit, safety and rail sections of the bill. On Thursday, the House Republican conferees responded to the Senate with what was described as the first of several counterproposals. Some reports have indicated that good progress continues in the negotiations over the transit title of the bill, although details remain limited.

House and Senate Leaders also weighed in on the progress of the conference negotiations this week. House Speaker John Boehner indicated his preference for a six-month extension of current law if conferees cannot complete their work on the conference report prior to the current June 30 deadline. Senator Boxer and others expressed concerns over this suggestion as they continue to work to reach agreement on a full authorization bill. Senate Majority Leader Reid also indicated an interest in reaching an agreement on changes in pension law that could serve to offset spending on both a one-year extension of the current student loan interest rate and reauthorization of the nation's surface transportation programs.

Motion to Instruct Conferees Rejected in the House

On Friday morning, the House rejected by a large margin (82-323) a Motion to Instruct House Conferees on H.R. 4348, the House surface transportation authorization bill. The motion would have instructed conferees to limit authorized expenditures from the Highway Trust Fund (including the Mass Transit Account) to a level supportable exclusively by revenues currently being paid into the Highway Trust Fund. The non-binding motion was offered by Representative Paul Broun (R-GA) and would direct House conferees to insist on provisions that limit Federal surface transportation funding to \$37.5 billion for FY 2013. This level is almost 30 percent less than the FY 2013 authorized level in the bill currently under negotiation by House and Senate conferees, although other interpretations of the motion indicated even more dire impacts due to projected outlays anticipated under current spending levels. APTA opposed the Broun Motion to Instruct and joined with other organizations in communications to House offices expressing industry concerns over the motion.