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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



March 21, 2013

HOUSE AND SENATE APPROVE CONTINUING RESOLUTION; PRESIDENT EXPECTED TO SIGN

Earlier today, the House passed the Senate's amendment to H.R. 933, the Department of Defense, Military Construction, and Veterans Affairs and Full-Year Continuing Appropriations Act, commonly known as a continuing resolution (CR), by a vote of 318-109. The CR appropriates funds to federal government agencies through the remainder of the current Fiscal Year (FY) 2013.

The Senate had passed its amendment yesterday afternoon, by a 73-26 vote. The approved resolution includes a number of adjustments to the original House bill, including fully funding MAP-21 Federal Transit Administration (FTA) Formula and Bus programs, at \$8.478 billion, as well as providing \$4 million to fund the new FTA transit safety program established under MAP-21 and technical corrections to the appropriations language for transit research and the New Starts program. The CR does not alter the sequestration process, so despite the restoration of MAP-21 Formula and Bus funding, those programs funded from the General Fund, including New Starts, FTA Research, FTA Administration, Hurricane Sandy Emergency Relief, Amtrak and others will still face cuts in funding of approximately 5 percent from the agreed to FY 2013 levels. Sequestration cuts to the New Starts program will potentially affect even those projects with Full Funding Grant Agreements.

President Obama is expected to sign the resolution and avoid a government shutdown, which would have taken place on March 27, 2013, when the previous continuing resolution expires.

HOUSE APPROVES BUDGET RESOLUTION; SENATE BUDGET DEBATE CONTINUES

The House of Representatives ended debate today on the House Budget Resolution. The non-binding resolution passed the House by a vote of 221-207, largely on party lines. The House Budget aims to balance the federal budget within a ten-year window, by FY 2023. As previously noted, the House Budget assumes there are no General Fund transfers to the Highway Trust Fund (HTF) in future Fiscal Years, and restricts future transportation investments to tax receipts dedicated to the HTF. It however does not alter any funding assumptions related to MAP-21 funding or programs in 2014.

The Senate began debate yesterday on the Senate Budget Resolution, which passed through the Senate Budget Committee late last week along party lines. The Senate Budget Committee's proposal continues to promote General Fund investment in transportation and infrastructure projects, with a one-time \$50 billion infusion for capital investments in highways and transit, as part of a larger \$100 billion infrastructure package.

Neither the House or Senate budget resolutions address the need for a longer-term funding solution to the Highway Trust Fund shortfall.

MUNICIPAL BONDS

In addition, the Senate Budget Resolution suggests the possibility of a cap being placed on tax expenditures in the future as part of any tax reform debate – which could include a cap on the exemption for interest earned on municipal bonds. [APTA recently joined the National Association of Counties and fifty-seven other organizations in a letter to Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell](#), to express concern over the proposal and outlined the negative affects it would have on infrastructure investment. APTA will continue to monitor developments on tax reform and weigh in accordingly, should the committees of jurisdiction attempt to limit the municipal bond interest exemption as part of any tax reform measure.

For questions on these issues, please contact Brian Tynan of APTA's Government Affairs Department at (202) 496-4897, or btynan@apta.com.



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