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LEGISLATIVE Alert

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION



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Trump Administration Releases Fiscal Year 2018 Budget Proposal

On Tuesday, the Trump administration released its full fiscal year (FY) 2018 budget proposal. To view the budget and its associated documents, [please visit this link](#). The full budget is consistent with the Administration's "skinny budget" blueprint, which was released in March and described in a [previous Legislative Alert](#). The budget recommendations include phasing out the Capital Investment Grant Program (CIG) and eliminating support for the TIGER grant program and operating support for Amtrak's long-distance routes. The full budget proposal also recommends reducing support for other intercity passenger rail programs authorized by the FAST Act.

Although not at all unexpected, it remains surprising given that Congress rejected these cuts earlier this month in the FY17 omnibus appropriations bill. Through that spending bill, Congress made it clear that it supports these public transportation programs—so much that they made a record amount available for the CIG program, above even the authorized level.

Although there had been concerns that the Administration would propose further cuts or phasing out the federal public transportation program entirely, the budget recommends the full \$9.733 billion for the Federal Transit Administration (FTA) programs funded by the Mass Transit Account of the Highway Trust Fund, consistent with the FAST Act.

It is important to note that this is only the Administration's budget proposal. Ultimately Congress will proceed to write its own budget and appropriations bills. It is highly unlikely that this proposal has sufficient Congressional support to pass.

Capital Investment Grants (CIG) Program

The request for the CIG program is \$1.232 billion for FY 2018. This is enough to fund all existing Full Funding Grant Agreements (FFGAs) and the Caltrain Peninsula Corridor Electrification Project, which FTA recently announced will receive an FFGA. This proposal suggests, however, that FTA does not intend to sign any additional new FFGAs, even for those projects that received appropriations in the FY17 omnibus appropriations bill.

We expect to learn more on the status of the CIG program when the U.S. Department of Transportation releases its annual report on Capital Investment Grants later this evening.

Infrastructure Initiative

Additionally, for the first time the Administration has released a broad outline on its proposal for an infrastructure initiative. Although these are the most details we have seen to date, the proposal remains vague and its implications on public transportation unclear.

Specifically, the proposal calls for an infrastructure initiative to increase spending on surface transportation, airports, waterways, ports, drinking and waste water, broadband and key federal facilities. It requests \$200 billion in spending over 10 years, with \$5 billion being made available in FY 2018. There are no details on how this money would be allocated or prioritized, although it is intended to leverage up to \$1 trillion in new infrastructure investments.

In addition, the Administration encourages an expansion of the Transportation Infrastructure Finance and Innovation Act (TIFIA) eligibility and increasing the subsidy to \$1 billion a year for the next 10 years. On Private Activity Bonds (PABs), the budget encourages an expansion of eligibility, as well as a lifting of the current \$15 billion volume cap.

For more information on the Administration's Infrastructure Initiative proposal, [please click here](#).

APTA strongly opposes this budget and urges its members to contact their elected officials and urge them to reject the President's proposed cuts to public transportation, including the CIG program. [You can read APTA's statement on the President's FY18 budget proposal here.](#)

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