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November 29, 2009

To: Celia McAdam
From: Sante Esposito
Subject: November 2009 Monthly Report

The following addresses various issues with respect to PCTPA.

TIGER Grant

The U.S. Department of Transportation recently reaffirmed its goal to announce the TIGER Grant selected projects by the end of the year. By law, the announcement/award deadline is no later than February 17, 2010.

As reported earlier, the Department received nearly 1,400 applications from all 50 states, territories and the District of Columbia vying for a share of \$1.5 billion DOT will award for innovative transportation projects that show significant economic and environmental promise for the nation, a region or metropolitan area.

Of the \$57 billion in TIGER Grants requested, more than half of the applications are for highway or bridge projects, with the rest of the applications focusing on transit, railroad, port infrastructure, multimodal or other investments.

To review, on September 15, PCTPA submitted to the U.S. Department of Transportation a TIGER Grant application in the amount of \$18,203,000 for State Route 65 Lincoln Bypass Phase 2, to complete the Lincoln Bypass Project. Congressman McClintock sent a letter of support to Secretary LaHood.

FY10 Appropriations

The FY10 Transportation Appropriations Bill is still in conference and the Department and its programs are being funded under the Continuing Resolution through December 18.

The Federal Highway Program is funded at approximately \$41 billion in both bills, and the Federal Transit Program funded at \$11 billion in both bills. The Airport Improvement Program is funded in both the Senate and House bills at \$3.51 billion, which is the same level that the program has been funded at for the past five years and the same as the House bill.

Essential Air Service gets a big increase over current funding, going from \$123 million to \$175 million in both bills. Amtrak is funded at \$1.48 billion, about the same levels in both the Senate and House measures. However, there is \$1.2 billion for intercity and high-speed rail in the Senate bill as compared to \$4 billion in the House bill. An addition to the traditional transportation appropriations in the Senate bill, but not in the House bill, is \$1.1 billion for grants to support significant transportation projects, similar to what was in the stimulus bill, which carries a requirement that at least \$250 million of these funds be spent in rural communities.

To review, on July 23, the House passed the FY10 Transportation Appropriations Bill. On September 17, the Senate passed its version of the FY10 Transportation Appropriations Bill. Neither Bill includes funding for the Lincoln Bypass or the SACOG project. However, upon further discussions with the Offices of Members McClintock, Matsui, Feinstein and Boxer, it was learned that all want to focus their efforts on SAFETEA-LU for the funding of these two projects (see below).

SAFETEA-LU Reauthorization

Also included in the December 18 stop-gap spending bill is a “clean” extension of SAFETEA-LU. What happens after December 18 is not clear at this point. A jobs bill could have impact on reauthorization; a further shift in the Senate’s position on the duration of another extension from six months (see paragraph following) to nine months (or the end of FY10); continued assistance on the part of the House for a shorter extension until the spring, etc. The most recent positions of the Senate and House on another extension are as follows, pending revisiting the issue come December 18.

Leaders of the Senate Environment and Public Works Committee backed off their previous insistence on an 18 month extension of SAFETEA-LU (a duration first advocated by the White House) and support a 6 month extension. In addition to having a different expiration date than the House bill (a 3 month extension), the Senate proposal also has two substantive differences. First, the Senate bill would treat the projects of national and regional significance program (PNRS) and the national corridor infrastructure program the same way the House and Senate extensions treat all other major earmarked project accounts – by giving each state the dollar amount of the earmarks it received from those accounts in FY09 for use as formula money as if under the STP program. The House extension would let DOT give out the PNRS and corridor money as discretionary grants. Second, the Senate bill would add an extra \$8.7 billion in highway contract authority formula apportionments to states to “make them whole” from the effect of the rescission of contract authority that took place on September 30, 2009. The House bill has no such provision. The Senate tried to convince the House to accept its 6 month proposal, but to no avail, per below.

On September 23, the House, by a vote of 335-85, passed H.R. 3617, a bill to temporarily extend SAFETEA-LU until the date of enactment of a multi-year reauthorization bill or December 31, 2009, whichever comes first. The purposes of the bill, as Chairman Oberstar stated in his Floor statement, are threefold: (1) to provide continuity of funding for infrastructure projects, research, and highway safety programs; (2) to reject an 18 month extension as “simply irresponsible;” and, (3) to give Congress time to complete a long-term SAFETEA-LU reauthorization bill this calendar year.

To review, on April 29, PCTPA submitted to Congressman McClintock a request for \$4 million to help fund the construction of Phase 2A of the Lincoln Bypass on SR65 as it’s a high priority project in the reauthorization of SAFETEA-LU. The Congressman submitted PCTPA’s request to the House Committee on Transportation and Infrastructure. It was one of only four projects he submitted. In addition, PCTPA decided to cosponsor SACOG’s high priority SAFETEA-LU project request of \$4 million from Congresswoman Matsui for the Roseville-Sacramento rail track improvements. The Congresswoman submitted \$3 million for the SACOG project to the Committee on Transportation and Infrastructure. Federal Advocates is coordinating advocacy of this issue with SACOG’s DC representative. The Bypass Project was also submitted to the Senate Environment and Public Works Committee and Senator Feinstein, per Senator Boxer’s “call for projects.”

2010 Jobs Bill

On November 10, Senate Majority Leader Reid announced that the Senate will take up a new job-creation bill early next year in the wake of the 10%+ unemployment rate. Reid did not specify what would be in the bill, but that it was going to be one of the priorities for the Senate. He also did not specify the exact timing of the bill.

On November 16, House Democrats debated ways to address job creation at a caucus meeting. Job-creating ideas include additional help for small business, more road and bridge spending, and extending business tax breaks slated to expire at the end of the year. A per-job tax credit for businesses making new hires is also under consideration, as is help for financially struggling state and local governments. Speaker Pelosi has said that passage of a \$500 billion, six-year SAFETEA-LU reauthorization bill, funding highway and transit construction projects, could serve as a jobs bill.

The White House will be hosting a jobs summit in early December, but has thus far stayed silent on whether legislation is needed and if so, what it would look like.

Please feel free to share this report with the Board.