

Transportation Advisory Board

of the Metropolitan Council of the Twin Cities

TO: Transportation Advisory Board
FROM: Kevin Roggenbuck, Transportation Coordinator
DATE: May 13, 2011
RE: TAB Programming Committee agenda item IV.f.:
Contingency planning for the new federal transportation Act.

A new federal surface transportation Act could be developed this summer, before the current extension of SAFETEA-LU expires in September. If the new Act brings substantial changes in funding levels and investment philosophy, it may have dramatic effects on the 2011 regional solicitation that we just started as well as the federally funded projects currently in the TIP and STIP.

The TAB Executive Committee has decided to conduct contingency planning to help the Board be prepared for potential impacts.

There is little concrete information available about the policy positions from either the House Transportation and Infrastructure Committee or the Senate Environment and Public Works Committee, the two committees that will develop reauthorization bills. To get the committee discussion started, I have attached two pieces of information; comments from Representative John Mica (FL), Chair of the House Transportation and Infrastructure Committee; and an article from the American Association of State Highway and Transportation Officials (AASHTO) summarizing the Administration's proposal.

There are pieces of information in both articles that the Programming Committee can use to begin the discussion. The TAB, Metropolitan Council, MN/DOT and others will continue to watch and wait for more information about the next federal transportation Act. As we learn more, we can become better prepared for the changes that impact our Program and our regional solicitation process.

TRANSPORTATION AND INFRASTRUCTURE C CHAIRMAN JOHN L. MICA

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SURFACE TRANSPORTATION REAUTHORIZATION

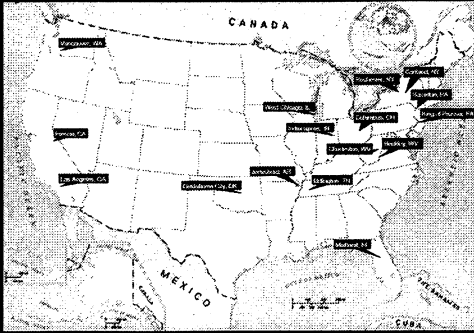
One of the Committee's highest priorities in the 112th Congress is enacting a fiscally responsible long-term surface transportation law that includes funding and sets policy for the federal highway, transit, and highway safety programs. Long-term legislation will provide predictability for state DOTs and public transit agencies to plan major construction projects and help create and support thousands of jobs.

The previous transportation law expired in October 2009. As the Committee develops a new long-term bill, an interim extension of transportation programs became necessary to continue funding for transportation programs. [H.R. 662](#), the Surface Transportation Extension Act of 2011, extends programs through the end of fiscal year 2011 and was signed into law on March 4, 2011.

In order to gather innovative ideas for a reauthorization bill, Chairman Mica and the Committee conducted a series of hearings and public forums in communities around the country. The best ideas often come from outside of Washington, and engaging with state and local governments and transportation stakeholders throughout the United States will help the Committee develop a bill to consolidate and improve the performance of transportation programs, cut government red tape and streamline the project delivery process, increase private sector investment in our infrastructure, identify creative financing alternatives, and more.

[Click below for an interactive map with information on the Committee's field hearings and listening sessions](#)

Surface Transportation Field Hearings and Listening Sessions
U.S. House Transportation and Infrastructure Committee



SCHEDULE (All Times Local)	
February 14th	8:00 a.m. Hearing, Shelby, TN 11:00 a.m. Listening Session, Charleston, WV
February 15th	10:30 a.m. Hearing, Columbus, OH 4:00 p.m. Listening Session, Columbus, OH
February 22nd	1:00 p.m. Listening Session, West Chicago, IL
February 21st	9:00 a.m. Listening Session, Vincennes, IN
February 22nd	9:00 a.m. Listening Session, Fresno, CA
February 22nd	5:30 a.m. Hearing, Los Angeles, CA
February 24th	9:30 a.m. Hearing, Oklahoma City, Oklahoma City, OK
February 24th	9:15 a.m. Listening Session, Jamestown, MI
February 22nd	8:40 a.m. Listening Session, Michigan, MI
March 14th	8:20 a.m. Hearing, Marietta, FL
March 24th	9:00 a.m. Listening-Global Petroleum International Forum, International Airport Hall, 1325 Bronx Ave., Rochester, NY 14624
March 24th	3:05 p.m. Listening-Cortlandville Town Hall, 987 Terrace Rd., Cortland NY 13845
March 24th	9:20 a.m. Listening-Sarasota City Hall, City Council Chambers, 300 North Washington Ave., Sarasota, PA 18975
March 29th	3:00 p.m. Listening-Roads-on-Forest Valley Forge, 1800 Pike Ave., Ring of Pines, PA 18426

- **March 29, 2011:** Duncan Statement from Hearing on Transportation Bill to Streamline Programs, Cut Red Tape and Create Jobs
- **March 3, 2011:** Congress Clears Surface Transportation Extension
- **February 15, 2011:** Duncan: "We Simply Must Do Better" to Speed Up Projects
- **February 11, 2011:** Committee to Launch Major Transportation Bill Field Hearings & Forums in West Virginia
- **February 11, 2011:** Committee to Join Rep. Capito in Charleston, WV for Public Forum on Major Transportation Bill
- **February 2, 2011:** Mica Announces Major Transportation Bill Field Hearings & Public Forums

Reauthorization Hearings:

- **April 5, 2011:** Policy Proposals from Members of Congress to Reform the Nation's Surface Transportation Programs
- **March 30, 2011:** Improving and Reforming the Nation's Surface Transportation Programs
- **March 29, 2011:** Improving and Reforming the Nation's Surface Transportation Programs
- **March 14, 2011:** Improving and Reforming our Nation's Surface Transportation Programs: Central Florida Field Hearing
- **February 24, 2011:** Improving and Reforming our Nation's Surface Transportation Programs: Oklahoma City, Oklahoma Field Hearing
- **February 23, 2011:** Improving and Reforming our Nation's Surface Transportation Programs to Support Job Creation and the Economy: Joint Field Hearing with the Senate
- **February 19, 2011:** Improving and Reforming our Nation's Surface Transportation Programs: Columbus, Ohio Field Hearing
- **February 15, 2011:** Accelerating the Project Delivery Process: Eliminating Bureaucratic Red Tape and Making Every Dollar Count
- **February 14, 2011:** Improving and Reforming our Nation's Surface Transportation Programs: Beckley, West Virginia Field Hearing

Key Committee priorities for a surface transportation law include:

Stabilizing the Highway Trust Fund: The federal gas tax that funds our nation's surface transportation programs is becoming more and more obsolete every day. As our cars and trucks become more fuel efficient we use less fuel, resulting in less revenue coming into the Highway Trust Fund. Increasing the gas tax is not the solution to addressing our infrastructure needs. While we consider sustainable ways to fund these programs in the future, in the short term we must consolidate and reform the surface transportation programs and eliminate programmatic waste so that federal Highway Trust Fund revenues are spent on programs and projects that are truly in the federal interest.

Doing More with Less & Better Leveraging our Revenue Sources: The federal government and states need to do more with less and better leverage existing revenue sources. We need to provide states the flexibility they need to address their unique transportation challenges by establishing innovative financing options. In addition, we must improve program efficiency and identify any idle funding in transportation programs to put it to better use. Finally, in order to maximize the potential of our resources, we must define parameters and take advantage of private sector expertise and capital in improving our infrastructure and helping to create jobs.

Cutting Red Tape & Expediting Projects – The 437 Day Plan: It takes an average of seven years to obtain all of the approvals necessary to begin a standard highway construction project. That is seven years before a shovel even goes in the ground. We must eliminate unnecessary bureaucratic red tape so that infrastructure projects can be built in half the time and taxpayer funds can be spent more efficiently. If we can rebuild the I-35W bridge that collapsed in Minneapolis-St. Paul within 437 days, we can expedite projects across the nation. (*more information*)

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February 18, 2011

Administration Proposes \$556 Billion for Surface Transportation Over 6 Years

President Barack Obama released his Fiscal Year 2012 budget request to Congress on Monday, calling for investing \$556 billion in highway, transit, and rail projects over the next six years. The administration's proposal, more than two years after it took office and nearly 17 months since the last surface transportation authorization law known as "SAFETEA-LU" expired, is even larger than a \$500 billion package proposed by the House Highways and Transit Subcommittee in July 2009.

"If we want businesses to open shop and hire our families, friends, and neighbors, we have to invest in our roadways, railways, and runways," U.S. Transportation Secretary Ray LaHood wrote on his blog. "We have to invest in 21st century buses, streetcars, and transit systems. We have to invest in NextGen for our skies -- and in sidewalks and bike paths that make our streets safer for everyone who uses them."

The American Association of State Highway and Transportation Officials has urged Congress and the administration to act quickly on enacting a robust multiyear surface transportation reauthorization measure.

"We are pleased that the president's budget recognizes the need for significant investment levels for surface transportation," said AASHTO Executive Director John Horsley. "AASHTO is ready to work with members of Congress and the administration to approve necessary reforms and to set sensible funding levels."

Obama's budget reiterates the president's previous call to frontload a six-year reauthorization measure with \$50 billion of extra transportation investment during the first year. Obama first proposed the \$50 billion jumpstart during a Labor Day speech in Milwaukee. (see Sept. 10 AASHTO Journal story) In total, the administration is seeking \$129 billion for surface transportation in Fiscal Year 2012.

The administration's proposal would authorize two-thirds more surface transportation funding over the next six years than SAFETEA-LU provided through 2009. It would require an additional \$231 billion during the six-year period compared to existing estimated revenue, however the budget proposal does not identify where that money should come from. Since taking office in January 2009, Obama's team has consistently expressed opposition to increasing the federal gasoline and diesel taxes due to tough economic times even though those taxes have not been increased or adjusted for inflation since 1993.

"These estimates are a placeholder and do not assume an increase in gas taxes or any specific proposal to offset surface transportation spending," the budget document states. "Rather, they are intended to initiate a discussion about how the administration and Congress could work together on a bipartisan basis to pass a surface transportation reauthorization that is both financially sustainable and meets critical national needs."

The Highway Trust Fund would become the "Transportation Trust Fund" under Obama's budget blueprint. It would add separate accounts for high-speed rail and a national infrastructure bank. Currently the Highway Trust Fund contains only two accounts: one for highway infrastructure and the other for transit infrastructure.

Top Democrats on the House and Senate committees that will write the six-year surface transportation reauthorization measure issued statements endorsing Obama's budget.

"I strongly support the president's plan to invest \$556 billion in America's future to create jobs in the U.S., build a transportation system for the 21st century, and keep our economy on the road to recovery," said Rep. Nick Rahall, D-West Virginia and ranking minority member of the House Transportation and Infrastructure Committee. "By infusing an additional \$50 billion upfront, we can jumpstart the creation of hundreds of thousands of good-paying American jobs right away while making long-term transportation investments that are critical for enabling private-sector growth."

Rahall hosted a House T&I Committee field hearing in Beckley, West Virginia, on Monday regarding future transportation needs. A listening session also occurred Monday in Charleston, West Virginia. ([see related story](#))

A joint House/Senate transportation field hearing is scheduled for Wednesday, Feb. 23, in Los Angeles.

"I commend the president for his investment in transportation, which will create and save millions of jobs and ensure that our country can compete," said Senate Environment and Public Works Committee Chairwoman Barbara Boxer, D-California. "I've already begun reaching across the aisle to build support for a robust surface transportation bill that will accelerate our economic recovery and build the foundation for long-term prosperity."

Republicans have not embraced the president's vision for increased investment in areas such as infrastructure, however. The House of Representatives has been debating this week an appropriations measure to fund the federal government from March 4 to Sept 30. The bill proposes spending \$100 billion less across all government agencies for Fiscal Year 2011 than Obama had requested in the budget submission he made a year ago. ([see related story](#))

Administration Seeks to Consolidate Programs, Boost Rail Funding

The White House's budget seeks to consolidate 55 U.S. Department of Transportation programs into five and to create a new livability grant program that would receive \$28 billion over six years.

Obama's request includes \$30 billion over six years to create a national infrastructure bank and \$53 billion for high-speed rail. (House Republicans are seeking to cut high-speed rail funding for the rest of this fiscal year.)

Reaction from transportation stakeholders has been mixed. While many applauded the large investment level the president proposed, some interest groups have expressed concern at provisions of the reauthorization plan.

Stephen Sandherr, CEO of the Associated General Contractors of America, expressed opposition to restructuring the Highway Trust Fund and disappointment that the administration avoided identifying specific revenue raisers to cover the full cost of the \$556 billion six-year reauthorization request.

"It is hard to take this proposal seriously when the administration has yet to identify how it will pay for the other programs it wants to add to the trust fund," Sandherr said in a statement issued Monday. "This portion of the proposal appears more like an effort to obscure overall spending levels than to actually create a viable new role for the trust fund."

Obama's budget includes \$336 billion over six years for the Federal Highway Administration. That would be 43% greater than current highway funding levels. The Federal Transit Administration would receive \$119 billion over six years -- a 127% increase over the current authorization level, reflecting the administration's strong support for mass transit.

The administration seeks to create a \$32 billion Transportation Leadership Awards grant program over six years, which would offer competitive grants for transportation improvements similar to the existing Transportation Investment Generating Economic Recovery initiative.

Available from the White House are a six-page summary of the USDOT FY 2012 budget proposal at bit.ly/USDOTFY12 and the full 94-page detail of USDOT's budget request at bit.ly/USDOTFY12full. USDOT has made available a 52-page document highlighting its proposal at bit.ly/USDOTFY12highlights.

Questions regarding this article may be directed to editor@ashtojournal.org.