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Broward Metropolitan Planning Organization
FEDERAL UPDATE
March 2015

Broward MPO Washington DC Visit: On March 18 – 19, Broward MPO board members visited Washington, DC for a number of meetings with officials in Congress and relevant federal agencies. Holland & Knight arranged meetings with House Representatives Alcee Hastings (D-FL), Frederica Wilson (D-FL), Ted Deutch (D-FL), Debbie Wasserman Schultz (D-FL), and Lois Frankel (D-FL), as well as Senator Bill Nelson (D-FL). The firm also scheduled meetings with Miguel Mendoza, legislative director for Representative Mario Diaz-Balart (R-FL). Furthermore, the group met with House Transportation and Infrastructure Committee staff and several officials from the Department of Transportation (DOT) to discuss Transportation Investment Generating Economic Recovery (TIGER) and Complete Streets.

Fiscal Year 2016 Budget Update: This month, both the House and Senate adopted their fiscal year 2016 budget resolutions. Both budgets establish reserve funds that allow mandatory infrastructure spending (i.e. Highway Trust Fund contract authority) to be increased above the 2015 enacted levels if additional revenue can be found and would allow the legislation which "maintains the solvency of the Highway Trust Fund".

On March 25, the House voted 228 – 199, mostly along party lines, to adopt a budget resolution that cuts spending by $5.5 trillion over ten years without raising taxes or additional revenues. The House version also includes $20 billion in increased military spending, completely repeals the provisions under the Affordable Care Act, and maintains the automatic spending cuts under sequestration, which are set to resume in FY 2016. The House resolution requires that any General Fund transfer to the Highway Trust Fund considered outside the reauthorizing bill be counted as new spending. With the exception of Representative David Jolly (R-Fla.) who voted against the resolution, the Florida House delegation voted mainly along party lines, with Republican members voting to support the resolution and Democrats opposing.

The Senate has also completed work on its budget resolution (S. Con. Res. 11) after nearly 800 amendments were filed. Ultimately, the Senate considered more than 50 amendments, of which 35 were adopted. The final Senate proposal was agreed to by a vote of 52-46, with Senators Ted Cruz (R-Texas) and Rand Paul (R-Ky.) being the only two Republicans to oppose the resolution. Two Democratic Senators, Dianne Feinstein (D-Calif.) and Barbara Mikulski (D-Md.) abstained. Senator Bill Nelson (D-Fla.) opposed the budget resolution, while Senator Marco Rubio (R-Fla.) voted in support.

The Senate budget resolution would achieve a $3 billion surplus within 10 years and boasts $4.4 trillion more in deficit reduction than the President's FY 2016 budget request. The Senate proposal increases defense spending to $612 million in FY 2016. Like the House proposal, the Senate version will repeal the provisions under the Affordable Care Act and maintain sequestration cuts. The Senate proposal also limits new Highway Trust Fund contract authority based on annual tax receipts and requires that General Fund transfers to the Highway Trust Fund be fully offset.

One key difference between the budget resolutions relates to the budget reconciliation process. The House proposal directs all House committees, including the House Transportation and Infrastructure Committee, to produce legislation by July 15 that includes certain deficit reduction. The House Transportation and Infrastructure Committee is being directed to reduce the deficit by $100 million over ten years. Conversely, the Senate proposal only requires the Finance Committee and Health, Education, Labor, and Pensions (HELP) Committee to produce such savings.

CBO Releases Report on Federal Debt Limit and Highway Trust Fund: This month, the Congressional Budget Office (CBO) released a new report on the federal debt and the debt ceiling, which limits the amount of debt that the Treasury Department can issue to the public and the federal government. Under the Temporary Debt Limit Extension Act that was enacted in February 2014, the statutory debt ceiling has been suspended through March 15, 2015. On March 16, the Treasury Department has begun to utilize "extraordinary measures" to continue its borrowing authority without breaching the $18.1 trillion ceiling that will be reinstated. CBO reports that the Treasury Department can be expected to run out of money around October or November of this year, absent congressional action either increasing the debt ceiling or temporarily extending the current suspension of the statutory limits. The CBO report added, "The timing and magnitude of revenues and outlays over the next several months could vary noticeably from CBO's projections, so the date on which those measures would be exhausted and the Treasury would run out of cash could occur earlier or later."

The CBO also projects that at current spending levels, the Highway Trust Fund will probably remain solvent through the end of July, but that an extension through September 30 would require about $3 billion in extra deposits in the Trust Fund to keep it from running out of cash on a day-to-day basis in September.

TIGER Update: During the Broward MPO board members with DOT, staff said that the notice of funding availability for the next round of TIGER discretionary grants is expected to be published in April. There will be a few changes this round in the application process, including: (1) applicants will be required to fill out a web-based pre-application questionnaire; and (2) the application itself will change in order to conform to Office of Management and Budget (OMB) guidance that was published last year. All other elements of the program (such as requirements and eligibility) are expected to remain the same. Approximately $500 million is expected for the TIGER program during FY 2015.

Surface Transportation Reauthorization Update: With the May 31st deadline to reauthorize surface transportation programs fast approaching, Congress will need to decide soon whether it intends to pass a long-term reauthorization or if it will instead consider a short-term extension.

Recently, House Ways and Means chairman Paul Ryan (R-WI) said that the House plan was to enact another short-term extension of Highway Trust Fund. Ryan said that using any kind of tax reform “pay-for” for Highway Trust Fund solvency would have to wait several months until Ways and Means can make more progress on tax reform, a process that will take until well after May 31.

While the deadline for reauthorizing surface transportation programs is May 31, the Obama Administration and others have predicted that state and local governments will begin to slow or cancel transportation projects well before this deadline due to the uncertainty created if a new long-term reauthorization is not enacted.

DOT Secretary Foxx Announces Participants in “Mayors’ Challenge for Safer People and Safer Streets: DOT Secretary Anthony Foxx announced nearly 200 cities that have pledged their participation in the DOT's "Mayors' Challenge for Safer People and Safer Streets." The challenge, which was initiated on January 22, aims to encourage mayors and other local officials to take steps to improve pedestrian and bicycle transportation safety. The challenge was officially launched during a mayoral summit at DOT headquarters in Washington, D.C., on March 12. During the summit, attendees had an opportunity to work with DOT staff to identify resources offered through the agency that can be used during the challenge.

The Mayors' Challenge is part of a larger pedestrian and bicycle safety initiative announced in September 2014. "Strong local leadership is essential to making safety gains in a community, so I'm thrilled to see so many Mayors from across the country joining our Challenge," said Secretary Foxx. "With Mayors signing up from small towns and large cities to prioritize bicycle and pedestrian safety, I know we'll be able to reduce fatalities and injuries while making our roads safer for all users." A number of cities in Florida have pledged their participation, including: Boca Raton, Bonita Springs, Boynton Beach, Cape Canaveral, Cape Coral, Delray Beach, Doral, Fort Lauderdale, Hollywood, Jacksonville, Key West, Kissimmee, Lauderdale Lakes, Lauderhill, Longwood, Melbourne, Miami-Dade, North Bay, Orange City, Orlando, Pinecrest, Satellite Beach, South Miami, St. Petersburg, Sunrise, Tampa, Temple Terrace, Tequesta, and West Palm Beach.

Transportation Coalition Publishes Report on Devolution Cost to States: On March 16, the Transportation Construction Coalition (TCC) published a new report aimed at the Transportation Empowerment Act, which was introduced last Congress by Senator Mike Lee (R-Utah) and Representative Tom Graves (R-Ga.). The legislation proposed transferring authority over federal highway and transit programs to states (known as devolution) over a five-year period. The bill also called for lowering the gas tax to 3.7 cents over the same period. Certain members of Congress during the 114th Congress have pointed to devolution as a way to address the solvency crisis around the Highway Trust Fund.

The TCC stated that the legislation demonstrates “a gross misunderstanding of how the federal-state partnership to provide a core function of government works.” According to the report, devolution as described in the legislation would force states to increase their fuel taxes by 23.5 cents per gallon by 2020 in order to maintain current annual investments in highways, bridges, and public transit. The TCC predicts that Florida would need more than $1.4 billion in new FY 2020 revenues, and that the state would have to raise its own gasoline and diesel fuel taxes by 11.5 cents and 21.1 cents respectively in order to simply sustain current investments. According to the DOT, it would take approximately $19 billion per year just to maintain the current conditions and performance of the U.S. Interstate system.

The analysis was based on state motor fuel tax rate data for 2014 from the Federation of Tax Administrators and Federal Highway Administration (FHWA) data on federal apportionments for highway program investments.

Bipartisan Senators Introduce Track, Railroad, and Infrastructure Network Act: On March 18, Senators Roy Blunt (R-Mo.) and Joe Manchin (D-W.Va.) introduced the Track, Railroad and Infrastructure Network (TRAIN) Act (S. 769). The legislation aims to expand the revisions made to certain permitting requirements as part of the Moving Ahead for Progress in the 21st Century Act (MAP-21) to now include railroad infrastructure. MAP-21, which was enacted in 2012, had previously included streamlining provisions for highway and waterway projects. The TRAIN Act now seeks to streamline the environmental review process under the National Environmental Policy Act (NEPA) for freight and passenger rail.

Senator Blunt said in a statement, "Freight rail traffic is growing, which means we need more infrastructure to move goods and services and ensure that rail remains a major component in our economic future." He added, "This bipartisan bill will help ensure that burdensome federal regulations do not hamper investment and innovation in our nation's freight and passenger rail industry." Senator John Thune (R-S.D.), chairman of the Senate Committee on Commerce, Science and Transportation, is also an original cosponsor of the bill.

Senate Commerce Committee Marks Up PTC Extension Bill: On March 25, the Senate Committee on Commerce, Science, and Transportation marked up S. 650, the Railroad Safety and Positive Train Control Extension Act. The bill would extend the deadline for positive train control (PTC) implementation for five years, until December 31, 2020. The current deadline is requiring rail companies to complete PTC implementation by December 31, 2015.

Senate Commerce Committee Chairman John Thune (R-S.D.) believes that a majority of companies will not be able to meet the current deadline, despite tremendous investment in trying to do so: “Railroads have made a good-faith effort to install PTC … They spent over $5 billion in private funds, deployed over 19,000 wayside antennas and equipped – or partially equipped – over 13,000 locomotives. Yet, for every major freight railroad, and nearly every small freight commuter railroad, the PTC deadline is not attainable.” Senator Richard Blumenthal (D-Conn.) was one of three Senators to oppose the PTC implementation delay, saying: “Five years is an eternity when it comes to this technology because it's available, ready to be used and it helps save lives. They ought to have the burden to show how quickly they can do it and then they ought to be held accountable for that deadline." Senators Joe Manchin (D-W.Va.) and Maria Cantwell (D-Wash.) also opposed the bill in committee.

The committee approved version included an amendment submitted by Senator Blumenthal, requiring railroad companies to publicly report on their progress during implementation each year.

Senators Introduce Crude-By-Rail Safety Act: On March 25, Senators Maria Cantwell (D-Wash.), Patty Murray (D-Wash.), Tammy Baldwin (D-Wis.), and Dianne Feinstein (D-Calif.) introduced S. 859, the Crude-By-Rail Safety Act of 2015. The legislation would require the Pipeline and Hazardous Materials Safety Administration (PHMSA) within the DOT to draft new regulations aimed at crude oil shipped in tank cars, and would immediately prohibit the use of older-model tank cars. Among its key provisions, the legislation would:

- Require PHMSA to establish standards for volatility of gasses in crude oil hauled by rail
- Ban certain tank car models demonstrated to be unsafe for shipping crude oil (models DOT-111s and unjacketed CPC-1232s)
- Require new tank car design standards
- Increase certain fines for violations of hazardous materials laws, and establish new fines for companies that do not comply with safety regulations
- Authorize funding for first response, training, equipment, and emergency preparedness in addition to increased rail inspections and energy product testing
- Mandate new "close-call" reporting system to employees to anonymously report problems
- Require rail companies to disclose crude-by-rail movements to State Emergency Response Commissions and Local Emergency Planning Committees along hazmat rail routes

In a statement, Senator Cantwell said "This legislation will help reduce the risk of explosion in accidents, take unsafe tank cars off the tracks, and ensure first responders have the equipment they need. We can't afford to wait for ten accidents per year, as estimated by the Department of Transportation."

DOT Formally Unveils Updated Version of GROW AMERICA Act: This month, DOT Secretary Anthony Foxx announced an updated version of the President's "Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout America Act" or GROW AMERICA Act. The proposal calls for a six-year, $478 billion reauthorization of transportation programs that is funded through a combination of Highway Trust Fund monies and a one-time, 14 percent "transition tax" on untaxed foreign earnings. Key provisions of the GROW AMERICA Act include:

- $317 billion for highways and road safety, increasing highway funds by 29 percent above FY 2015 enacted levels
    - $10 billion for the National Highway Traffic Safety Administration and Federal Motor Carrier Safety Administration
- $115 billion for transit, or 76 percent above FY 2015 enacted
    - $3.4 billion for Rapid Growth Area Transit Program
    - $369 million for workforce development
- $7.5 billion over six years for TIGER
- $6 billion for Fixing and Accelerating Surface Transportation (FAST) competitive grant program
- $6 billion for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program

Overall, the President's GROW AMERICA Act will focus on 12 key areas: (1) environment; (2) freight; (3) highways and bridges; (4) innovative financing; (5) ladders of opportunity; (6) local decision making; (7) improving project delivery; (8) new investments in rural America; (9) improving transportation safety; (10) supporting public transit; (11) creating pathways to transportation careers; and (12) growing transportation investment.