



FEBRUARY 5, 2010 – INTERIM REPORT

This Update includes additional information on the Administration's FY'11 budget request as well as updates on other pending legislative and regulatory activities.

FY'11 Budget Request

US DOT

The US DOT budget does not specifically request any funding for the ARRA TIGER program, the FY'10 National Infrastructure Investments (NII) program or the long discussed National Infrastructure Bank, however, it does propose \$4B for a new National Infrastructure Innovation and Finance Fund (NIIFF). The fund, if authorized by Congress, would provide competitive grants, loans or a blend of both for transportation projects of a national or regional significance. Projects would "generally not be less than \$25M", although the Secretary can waive that criteria for smaller areas. The grants/loans would be for highway, transit, rail (including passenger, freight and Amtrak), aviation, port and maritime capital projects.

Up to \$150M is set-aside for planning and design costs of projects and \$70M is set-aside for program administration. The remaining \$2B would be obligated in FY'11 for competitive grants and \$417M would be obligated for the subsidy costs of loans and loan guarantees. The budget indicates that the FY'11 request is a down payment on a \$25B commitment over five years. The Administration will shortly transmit to Congress legislation authorizing the creation of the fund.

US Corps of Engineers

- Total Water Resources Program Funding - \$4.93B (versus \$5.44B FY'10 enacted), a 9.3% decrease
- Investigations/Studies - \$104M (versus \$160M FY'10 enacted), a 35% decrease
- Construction - \$1.69B (versus \$2.03B FY'10 enacted), a 17% decrease
- O&M - \$2.36B (versus \$2.4B FY'10 enacted), a 1.6% decrease
- Corps programs, particularly earmarked local studies and construction projects, are very popular with Members of Congress; therefore it is likely the funding levels for these programs will increase during the FY'11 congressional appropriations process.

EPA

- Clean Water State Revolving Loan Fund – \$2B (versus \$2.1B FY'10 enacted)
- Safe Drinking Water Revolving Loan Fund – \$1.3B (versus \$1.4B FY'10 enacted)

Many areas still have funds remaining from the 2009 ARRA economic stimulus bill and the House-passed version of a second stimulus bill includes an additional \$1B for each of the Loan Funds. However, it is not certain at this time if a second stimulus bill will pass.

FEMA

- Port Security - \$300M, the same amount as in FY'10, but well below the authorized level
- Transit Security - \$300M, the same amount as in FY'10, but well below the authorized level



PB Washington Update

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TIGER Grants. US DOT Secretary Ray LaHood indicated in remarks on Wednesday that the \$1.5B in ARRA funds for the TIGER grant program will likely be announced a day or two before the February 17 statutory deadline. The additional \$600M in the FY'10 appropriations bill for a very similar program, National Infrastructure Investments (NII), will not be part of the TIGER grant announcement.

Jobs Bill/Second Stimulus. The Administration's FY'11 budget request includes \$100B as a placeholder for funding for a job bill with no specifics included. The Senate is expected to introduce its version of the House-passed "Jobs for Main Street" bill as early as Monday and Democratic leaders would like to pass it before week's end. It still appears likely that rather than one large bill, there will be a series of smaller bills which combine provisions that Democrats support with provisions, such as tax breaks/credits, that Republicans support in order to be able to get a 60-vote supermajority. The initial bill is likely to include an extension of the SAFETEA-LU authorization through December 31, 2010, a General Fund transfer to the Highway Trust Fund of about \$20B and possibly additional funding for Build America Bonds. It may also include a retroactive elimination of the FY'09 rescission of highway funds which state DOTs have been strongly advocating for. Direct funding for highway, transit, rail and aviation programs are likely to be included in subsequent jobs bills.

FTA FY'11 New Starts Report. FTA has published its FY'11 Annual Report on Funding Recommendations for the New Starts and Small Starts programs. It is available [here](#). This report includes FTA's funding recommendations, project profiles, and ratings for projects that are currently in the New Starts or Small Starts pipelines.

FTA Urban Circulator and Bus Livability Grants. The February 4 Federal Register includes a [notice](#) extending the deadline for submitting applications to FTA for these two new programs to February 10. FTA is making a total of \$280M available for Urban Circulator projects and Bus and Bus Facility Livability projects from unallocated FY'09 discretionary transit funding as part of the Administration's Livability Initiative.

Congressional Schedule. Congress will be in session next week, but then on recess the week of February 15, 2010.