



MARCH 5, 2010 – INTERIM REPORT

This was a momentous week for federal transportation programs, starting with a shutdown of the federal-aid highway program as well as several FTA and NHTSA programs, followed by two critical congressional votes on transportation-related legislation.

Late on Tuesday night, the full Senate voted 78-19 to pass legislation which would extend the SAFETEA-LU authorization for thirty days, through **March 31, 2010**. The vote occurred after Senator Jim Bunning (R-KY) agreed to back off his earlier objection to the legislation in return for a vote on his amendment on funding offsets, which lost by a wide margin. That evening, President Obama signed the legislation which also extends COBRA healthcare funding and unemployment insurance.

On Thursday March 4, the House agreed to vote on the \$15B Senate-passed version of the jobs bill, "HIRE", which includes a longer extension of SAFETEA-LU through **December 31, 2010**. However, instead of agreeing to the Senate bill verbatim, the House amended the Senate bill before passing it 217 to 201, which means the bill now has to go back to the Senate for approval of the amended version. The Senate is expected to take up the amended bill, HR 2847, next week. If they can get Unanimous Consent (UC) to move the bill, passage will occur early in the week. Otherwise, it will take most of the week to hold a cloture vote (assuming they can get the needed 60 votes) and then run out the legislative clock. While six House Republicans voted for the amended Senate jobs bill, 35 Democrats voted against it, mostly members of the Congressional Black Caucus who were concerned about the lack of specific job creation provisions.

HR 2847 includes the December 31 extension of the Highway Trust Fund, a transfer of \$19.5B in General Funds to the Trust Fund to pay for the extended program, restoration of the \$8.7B FY'09 rescission of highway obligation authority, preservation of the higher FY'09 funding baseline and an expansion of Build America infrastructure bonds to include school construction and renewable energy projects. It does not include the language which Chairman Oberstar has been pushing for which would negate the Senate's attempt to change the distribution of certain SAFETEA-LU earmarked discretionary programs. Per an agreement with Senate Majority Leader Harry Reid, that issue will be taken up in a subsequent jobs bill. HR 2847 also does not include any direct new funding for infrastructure programs, unlike last year's ARRA bill.

The House amendment to the Senate jobs bill focuses primarily on budget offsets to make the bill deficit neutral. However, the only transportation-related provision requires that no less than 10% of most of SAFETEA-LU funds be expended through "small business concerns owned and controlled by socially and economically disadvantaged individuals".

The Senate had hoped to debate and pass the **multi-year FAA reauthorization bill (HR 915)** next week, but that legislation will likely be pushed back a week. While not receiving as much attention as the lapse in surface transportation authorization, FAA programs are currently operating under their 8th short-term extension which expires in three weeks on **March 31**. It is probable that an additional short-term extension will be needed because it is unlikely even after Senate passage that the House and Senate can resolve the differences in the two versions of the bill by the end of March.