



## DECEMBER 16, 2008

The big story in town continues to be the pending economic stimulus bill(s) and speculation about how much money will be directed to infrastructure, how infrastructure will be defined, how the funding will be allocated to state and local agencies, how success/jobs creation will be measured and accounted for, how “ready to go” will be defined, etc.

The House Democrats’ goal still seems to be to pass a bill in time for President-elect Obama to sign shortly after being sworn-in. But plans in the Senate, especially by Senate Republicans, are less clear, particularly in light of the recent collapse in the Senate of the auto industry rescue package.

Most major interest groups and many public officials have announced wide ranging recommendations for funding levels for “ready to go” infrastructure projects for inclusion in a stimulus bill. Some proposals focus specifically on highway and transit needs while others include airports, ferries, Amtrak, high speed rail as well as dams, water and sewers, schools, public buildings, broadband access, green technology, electric power grids, and more.

House T&I Committee Chairman Jim Oberstar (D-MN) stated this week that he supports \$45B for infrastructure projects, including \$18.25B for highways and bridges, \$6.5B for transit, \$2B for rail and \$9B for environmental infrastructure. AASHTO recently released a survey totaling \$64B in ready to go highway projects with additional needs for transit, airport and rail projects. APTA is calling for \$12.2B for short-term transit needs and the Airports Council International has identified \$600M in immediate airport projects. The US Conference of Mayors announced \$72B in various infrastructure needs while the governors recently recommended \$136B. A new coalition, Transportation for America, which represents environmental, transportation, housing and other groups, released a list of \$4.48B in immediate transit capital project needs with an additional \$12.5B ready over the next year and a total of \$33B in other transportation projects.

So the actual amount of funding that may be made available for infrastructure/transportation projects is still pretty wide open and that is just for the first phase of funding focused on “ready to go” projects. There is still discussion of a “Phase 2” bill to fund additional, longer term projects over the next one to two years that would be directed more to economic recovery than immediate job creation.

Infrastructure provisions in a stimulus bill are likely to include:

- Highway funding distributed to state DOTs through the existing STP formula
- Some method of redistributing unused highway funds after a certain period of time
- No listing of individual projects/earmarks – at least not in the “Phase 1” bill
- Initial highway projects likely to be routine road repairs and maintenance. More extensive projects involving design work likely to be included in “Phase 2”
- An emphasis on green technology, energy efficiency, climate change, alternative energy, innovative technology, etc.
- Some measurement of accountability and successful performance in creating jobs
- Sub-allocation of highway funds to metropolitan areas and perhaps even greater flexibility to transfer funding to transit and rail which is being strongly advocated by the mayors and urban policy groups
- Possible funding for transit New Start projects which currently have Full Funding Grant Agreements (FFGAs) – essentially frontloading their FFGA allocation
- Possible streamlining or expediting of some federal grant requirements



## US DOT Political Appointments:

Day by day President-elect Obama is making more announcements about Cabinet secretaries and other senior level appointments, the latest being nominations for the Department of Education and HUD. In addition, Senator Ken Salazar (D-CO) is rumored to be named shortly to be Secretary of Interior, opening up yet another US Senate seat. The top front runners for the US DOT Secretary spot, one of the few not yet announced, are Steve Heminger, Executive Director of the San Francisco MTC, and emerging recently, Ron Kirk, former mayor of Dallas, currently an attorney with Vinson & Elkins in Texas. However, it is being reported today that Kirk may also be in the running for US Trade Representative.

## High Speed Rail:

Yesterday US DOT Secretary Mary Peters traveled to New York City to announce the publication of a Federal Register notice <http://edocket.access.gpo.gov/2008/pdf/E8-29795.pdf> requesting expressions of interest to implement high speed intercity passenger rail corridors. The notice requests expressions of interest from private parties to finance, design, build, operate and maintain high speed rail lines in the 11 federally designated HSR corridors, including the Northeast Corridor (NEC). The announcement is part of the implementation of high speed rail provisions, authored by Rep. John Mica (R-FL), in the recently passed Amtrak authorization legislation.

The notice requests that expressions of interest be submitted to FRA by January 30, 2009. Actual proposals will be due September 14, 2009. FRA will then evaluate the proposals and create commissions to further study those deemed eligible. Each commission will report back to US DOT by February 2010 and then DOT will make recommendations to Congress on which proposals to proceed with. Any recommendations for the NEC must be submitted first. Congress will have to formally approve any proposals and then approve funding to implement the plans. The Amtrak bill authorizes \$5M for PE for each proposed corridor that is recommended to Congress.

However, "privatizing" high speed rail corridors, especially the NEC, is not supported by many prominent Democratic Members of Congress or key labor groups. The selection process established in the Amtrak bill is lengthy and convoluted with no federal funding assured to actually build any of the corridors, leading some industry experts to question how many expressions of interest will be submitted.

On the other hand, President-elect Obama made numerous comments in support of high speed rail while on the campaign trail and in subsequent remarks about funding rail infrastructure in an economic stimulus bill. In addition, Vice President-elect Joe Biden is a long time rider and champion of Amtrak and recently mentioned support for mag lev in a meeting with the nation's governors. Therefore, high speed rail is likely to take on increased visibility and prominence in the new Administration.



## PB Washington Update

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### Other News:

FTA Apportionment Notice – It is expected that FTA will shortly publish the partial FY'09 Section 5309 formula apportionment notice in the Federal Register.

Congressional Committee Assignments - Because of a number of Senate resignations and retirements, several new Senate committee chairs were announced by Majority Leader Harry Reid this week. They include:

Senator Daniel Inouye (HI) – Appropriations  
Senator Dianne Feinstein (CA) – Intelligence  
Senator John D. Rockefeller (WV) – Commerce, Science & Transportation  
Senator John Kerry (MA) – Foreign Relations  
Senator Mary Landrieu (LA) – Small Business  
Senator Chuck Schumer (NY) - Rules & Administration  
Senator Joe Lieberman (CT) will retain his chairmanship of the Homeland Security Committee and  
Senator Chris Dodd (CT) will remain chair of the Banking Committee.

In the House, Rep. Don Young (R-AK), former Chair of the House T&I Committee and current Ranking Republican on the House Natural Resources Committee was pressured by the House Republican leadership to step aside and he has been replaced in his role on the Resources Committee in the new 111<sup>th</sup> Congress by Rep. Doc Hastings (WA).