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# NATIONAL ASSOCIATION OF REGIONAL COUNCILS

April 10, 2014

# Transportation Thursdays

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LEGISLATIVEBRIEF ADMINISTRATIVEBRIEF
REGIONALBRIEF OPPORTUNITYBRIEF



# **LEGISLATIVEBRIEF**

House Passes Ryan Budget: Today, the U.S. House of Representatives passed its version of the fiscal year (FY) 2015 budget by a 219-205 margin. All Democrats and 12 Republicans voted against the measure. Budget Committee Chairman Paul Ryan's (R-WI) final budget seeks to balance the nation's books in a decade, largely through spending reductions. Transportation programs would sustain some of the largest proposed cuts, due in part to the inadequacy of the nation's fuel taxes to keep the Highway Trust Fund (HTF) solvent. This budget more closely aligns transportation spending with anticipated fuel tax

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revenues over the next decade, which requires significant cuts in future years and a near zeroing-out of new spending in FY15.

There are two looming challenges in regards to federal transportation funding:

- The short-term prospect of HTF insolvency in or around July of this year, before the expiration of the current authorization bill. That will require immediate Congressional attention or result in a slow-down in payments to states (and by extension anybody else downstream) in the middle of the summer construction season.
- 2. The long-term challenge of finding enough cash for a multi-year reauthorization bill, which would require \$100 billion in new revenue for a six-year bill just to keep funding at current levels.

In some sense, Ryan's budget would make solving both challenges more difficult. Stand-alone legislation to solve the short-term problem with a transfer of general funds to the HTF requires same year spending offsets. Any general funds transferred to the HTF as part of a multi-year reauthorization can be paid for over a 10 year period, but does require an offset (unlike current rules, which allow transfers to the HTF without offsetting revenue).

The take away, however, is that this budget has zero chance of passing in the U.S. Senate and becoming law. The bigger concern lies with finding a short-term fix for the HTF, as any possible solution will prove to be difficult and unpopular.

#### **Senate EPW Announces Broad Agreement on Transportation**

Reauthorization: Today, the U.S. Senate Environment and Public Works Committee (EPW) held a news conference to announce an "agreement in principle" on key elements for the next bill, which they hope to mark up in early May. The broad principles include: a longer bill duration (as long as possible, with six years being ideal); funding levels (current year levels plus inflation adjustments); maintaining the formulas for core programs; rural access to transportation; and leveraging local funding resources. Under this proposal, the Senate would pass one bill to provide both short-term solvency to the HTF and long-term transportation funding for the next authorization bill. Early calculations show that the bill would provide \$325 billion in spending over six years, and require approximately \$100 billion in revenue above projected gas

tax receipts. Click **HERE** for further analysis.

Senator Murray Calls for Transportation Funding Solution: U.S. Senate Budget Committee Chairman Patty Murray (D-WA) took to the floor earlier this week to call on her colleagues to find a solution to the short-term solvency issues that the HTF will face sometime this summer. With fuel tax revenues falling short of expectations, the HTF will not have enough revenue to cover spending without a transfer of resources by Congress. If Congress fails to act, the U.S. Department of Transportation (DOT) would be forced to slow down payments to states for work that has already been completed. Some states have already chosen not to advertise for new project bids, and we can expect additional states to follow suit. Sen. Murray outlined the looming problem, comparing its impacts to the recent shutdown of the federal government when an agreement on spending could not be reached between the House and Senate. She also voiced support for the approach proposed by House Ways and Means Committee Chairman Dave Camp (R-MI), who proposed a sweeping tax overhaul bill that includes a transfer of \$125 billion to the HTF, to keep it solvent for nearly a decade. You can read an article about the speech **HERE**. The full text of the speech is on page 86 HERE.

House T&I Hearing – The International Experience with P3s: On Tuesday, the House Committee on Transportation and Infrastructure (T&I) held a hearing concerning the international experience with Public-Private Partnerships (P3s). Out of the 158 P3 agreements signed by governments around the world between 2008 and 2013, only 15 were in the U.S. The use of public-private partnerships in this country is fairly recent. However, many other countries have a much more extensive history of partnering with the private sector to deliver infrastructure projects. Over the last two decades, Canada has become one of the most advanced and active markets for public-private partnerships. Rep. John Delaney (D-MD) expressed the belief that T&I was the nation's top domestic priority, that the U.S. is behind world class standards, and that we as a nation must invest to be able to compete globally. He pressed Congress to pass the *Partnership to Build America Act*. All witnesses generally agreed that one of the best aspects of P3s is the ability to transfer risk to the private sector. They also agreed that it may cost a little more upfront, but that it may be worth it because delays in projects when not using P3s can cost much more in the end. Rep. Peter DeFazio (D-OR) noted that Canada's gas tax is approximately twice the rate of the U.S. gas tax, so Canada's budget may be more equipped to fund

such projects. Click **HERE** for written testimonies and a video of the hearing.

## **ADMINISTRATIVEBRIEF**

FRA to Propose Mandatory Two-Man Crews on Oil Trains: Federal Railroad Administration (FRA) regulators plan to propose a two-person minimum crew requirement on trains that transport crude oil. They will also issue requirements aimed at preventing parked train cars from coming loose. Although it is already a standard industry practice to have two-person crews for many trains, it is not legally required. The new rules are a response to recent train derailments.

### REGIONALBRIEF

NCTCOG's 40th Anniversary: The North Central Texas Council of Governments (NCTCOG) and Regional Transportation Council are celebrating their 40th anniversary. Governor Dolph Briscoe designated them as the metropolitan planning organization (MPO) for the Dallas-Fort Worth area in April of 1974. With a population of 6.7 million, the Dallas-Fort Worth metropolitan area ranks the fourth largest in the country. The Transportation Department will be looking back at some historic events and accomplishments that shaped the region throughout 2014. Click HERE for additional information.

H-GAC Releases Instant Impact Guide: Houston-Galveston Area Council (H-GAC), in partnership with Better Houston, has published Instant Impact Guide: Simple, Cost-Effective Ideas for More Vibrant, Pedestrian-Friendly Streets. The Instant Impact Guide incorporates ideas that are relatively quick to implement and can help build momentum for improving your community's pedestrian, bicycling, and economic revitalization goals. Many projects outlined in the guide can also serve as test cases for potential projects before they are implemented permanently. The guide is available HERE.

## **OPPORTUNITYBRIEF**

Click **HERE** to view the list of grants and events still open!

WEBINAR: Talking Freight, Environmental Benchmarking in

#### **Freight Transportation**

April 16, 1:00 PM ET

Freight transportation movements – while providing significant economic and quality of life benefits to communities, regions, states, and countries - also create environmental impacts in those jurisdictions. Both public sector governments and private sector freight carriers and manufacturers have worked to reduce emissions and other environmental impacts created by freight transportation movements. This session will provide an overview of how freight transportationrelated emissions can be measured and benchmarked relative to existing norms. It will also include a discussion about specific efforts freight carriers and manufacturers are taking to meet or surpass environmental benchmarks. Click **HERE** to register.

#### WEBINAR: Time Travel Data - The When, Where, and Why for **Modelers**

April 17, 2:00 PM ET

This session, featuring a discussion from Ohio DOT Transportation Engineer Sam Granato, will compare and contrast various travel time data sources, and the uses they can be (and have been) put to for the development and validation of travel demand models. Attendance is limited to 100 connections and is first-come, first-serve. You can log on to the webinar **HERE**.

#### **GRANT: FY14 TIGER FUNDS**

Application Deadline: April 28

The Consolidated Appropriations Act of 2014 appropriated \$600 million in Transportation Investment Generating Economic Recovery (TIGER) funds for national infrastructure investments. FY14 TIGER funds are to be awarded on a competitive basis for projects that will have a significant impact on the nation, a metropolitan area, or a region. The application closes on April 28, but interested parties are encouraged to apply by April 25. Please be aware that you must complete the registration process before submitting an application, and that this process can take 2-4 weeks. Click HERE for details.

#### CONFERENCE: NARC's 48th Annual Conference and Exhibition

June 8-11, Louisville, KY

The Annual Conference and Exhibition is the largest national event focused on promoting effective regional cooperation and solutions through interaction and education. Held annually in June, NARC's Annual Conference is the premier place to learn how to engage in

effective regional collaboration. Additional information will be available in early 2014. Click **HERE** for more information.

#### **CONFERENCE: TRB Tools of the Trade – Registration Open**

July 21-23 Burlington, Vermont

This Transportation Research Board (TRB) conference is aimed at transportation planning practitioners in small-to-medium sized communities. In the coming months, TRB will update their website with more information about the conference schedule, registration, and more. Click <u>HERE</u> to register, and <u>HERE</u> for the draft agenda.

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