



Congressman Mica Introduces New Surface Transportation Proposal

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Chairman John L. Mica, of the House Transportation and Infrastructure Committee, and the chairs of the various subcommittees, rolled out the House Transportation Reauthorization proposal on the morning of Thursday, July 7th. The Chairman provided a summary of the proposed changes to highway, transit, rail, maritime, and waterborne programs; however specific legislative language is not yet released. A hearing on this proposal is scheduled for Tuesday, July 12th.

Key elements of the bill will include:

- \$230 billion in surface transportation funds for 6 years.
- Limiting annual funding of surface transportation to the \$35 billion appropriated to the Highway Trust Fund, a level consistent with current projected trust fund income.
- Allocating \$1 billion per year for TIFIA, totaling \$6 billion in additional budget authority for the credit assistance program.
- Apportioning 80% of the funds for highway, while funding transit with the remaining 20% of surface transportation funds.
- The Federal Highway Program will designate 90% of its funds to state and local divisions.
- Although reducing the direct funding for surface transportation programs substantially from current levels, the Chairman estimated that the actual annual value of the program could be close to \$75 billion if one adds the leveraging potential of TIFIA and other credit programs, and accounts for increased efficiencies the bill would provide, particularly through environmental streamlining. That being said, it is hard to predict or calculate the value of procedural improvements not yet implemented.
- States are authorized to create their own infrastructure banks rather than mandating the creation of a federal infrastructure bank. The proposal will support this initiative by increasing the amount of funding that can be allocated from federal highway funding to a State Infrastructure Bank. The bill would also allocate separate funds for State Infrastructure Banks.

- Existing toll-free general purpose lanes on the Interstate Highway System will remain toll-free, but States are authorized to toll new lanes, HOV lanes converted to HOT lanes, and non-Interstate highways, bridges, and tunnels.
- States will no longer be required (but allowed) to spend highway funds on non-highway activities, such as "transportation enhancement activities," bikeways, and the like, but States will be held accountable for their spending on infrastructure.

Project delivery and process regulations will be streamlined in order to:

- Condense environmental regulations by combining the final impact statement with the record of decision.
- Provide hard deadlines for environmental review.
- Classify all projects within existing rights-of-way as categorical exclusions under NEPA.
- Better integrate planning decisions into the NEPA process and assure a concurrent, rather than consecutive, review process to decrease delay in approval.
- Cut out or consolidate 70 surface transportation programs that serve a duplicative or non-federal purpose.

Private-public partnerships will be encouraged through:

- Removal of barriers for private companies providing public transportation, as well as opening access of federal transit facilities to private operators.
- Rewarding private-public relationships in the construction of new rail transit systems.

Rail transportation regulations and funding would be leveraged in the following ways:

- Assure loans provided through RRIF are more accessible by broadening eligibility to high-speed rail projects and speeding up the application process.
- Classes of projects will be excluded from environmental review.
- Push back the implementation deadline for positive train control.
- Limit Amtrak federal funding and subsidy, while increasing the requirements for high-speed rail to 125 miles per hour.

The following initiatives will address safety measures:

- Performance measures will be required for State highway and motor carrier safety programs.
- NHTSA's highway safety grant program formula will be altered to increase funding for States that increase safety belt use, prevent impaired driving, and decrease the use of unsafe trucks and buses.

The committee addressed several other transportation issues as well as reforms to be implemented by the proposal. The Pipeline and Hazardous Material Safety Administration will require regulations that are cost effective, not overly burdensome and more transparent, as well as encourage uniform enforcement and training standards across States. Maritime transportation will also be affected by this bill by requiring the United States Army Corps of Engineers to initiate a streamlined project delivery process and to create additional jobs through an expansion of the capital construction fund accounts. The maritime provision will promote more cargo shipment through the waterways, thus taking some of the transportation load off the highways. This proposal will also eliminate the double tax placed on shippers in waterborne transportation.

The Chairman indicated that he had talked with Chairwoman Barbara Boxer of the Senate Environment and Public Works Committee, and that there were several areas of agreement between his bill and the likely

Senate proposal, particularly on TIFIA and the need to streamline and reduce the complexity of surface transportation programs. However, substantial differences remain. Senator Boxer issued a statement on July 6 indicating that the Senate is working on a two year bill. The proposal would allocate \$109 billion of funding over two years, \$12 billion more than could be provided by the Highway Trust Fund.

While both the House and Senate proposals provide \$1 billion in additional funding per year for TIFIA, the Senate bill would create a national infrastructure bank.

- Representative Hanna, Vice Chairman of the Highways and Transit Subcommittee, noted that such a short term proposal would discourage the states from undertaking large, multi-year projects, resulting in fewer jobs and delaying needed transportation improvements.
- Senator Boxer's statement noted that a 30% cut in highway and transportation funding in the House proposal would mean 500,000 jobs lost nation-wide.

Both the Senate and the House continue to work on producing actual bills. Key committees in both Houses of Congress are well behind the schedule that they set for themselves earlier this year. There is no official Administration bill either, and the status of a preliminary version leaked to the press is unclear, although many observers think it has no chance for consideration. Passing a final bill this year will not be easy.

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