

TRANSPORTATION WEEKLY - UPDATE

SENATE PREPARES FOR TUESDAY STIMULUS COMMITTEE MARKUPS

MONDAY, JANUARY 26, 2009 - 3:15 P.M.

The Senate Appropriations Committee is scheduled to meet to mark up its portion of the economic stimulus bill at 10:30 a.m. in 216 Hart. At the same time, the Senate Finance Committee is scheduled to meet in 215 Dirksen to mark up its portion of the bill.

Unlike its House counterpart, the Senate Appropriations panel is not likely to release the full text of its stimulus bill over the Internet prior to the markup. The committee has posted a very general summary on its website, appropriations.senate.gov.

However, some details of the draft Senate bill are coming to light. The draft bill contains a total of \$45.5 billion for the U.S. Department of Transportation, which is \$2.35 billion more than the House bill (reported by committee last week) provides.

The biggest single difference between the House and Senate approaches is the increased discretion given to the Department of Transportation in the Senate bill. While the House bill would have given out \$29.2 billion to states via highway formulas (after set-asides) and \$8.0 billion to transit agencies via transit formulas, the Senate bill only gives out \$26.3 billion to states via highway formulas after set-asides (and \$8.4 billion via transit formulas).

But the Senate bill has a large new program within the Office of the Secretary of Transportation entitled "Supplemental Discretionary Grants for a National Surface Transportation System" which receives a \$5.5 billion appropriation. The draft bill provides that the Secretary "shall distribute funds provided under this heading as discretionary grants to be awarded to State and local governments on a competitive basis for projects that will have a significant impact on the Nation, a metropolitan area, or a region".

This new discretionary grant program is multi-modal: eligible projects include basically any highway or bridge project eligible under title 23 U.S.C., any transit project eligible under chapter 53 of title 49 U.S.C., and "passenger and freight rail transportation projects; and port infrastructure investments, including projects that connect ports to other modes of transportation and improve the efficiency of freight movement."

The draft bill sets a minimum grant size of \$20 million and a maximum grant size of \$500 million. The draft bill requires the Secretary to "take such measures so as to ensure an equitable geographic distribution of

funds and an appropriate balance in addressing the needs of urban and rural communities" and that he "shall give priority to projects that require an additional share of Federal funds in order to complete an overall financing package, and to projects that are expected to be completed within 3 years of enactment".

Moreover, the \$5.5 billion appropriation for the new discretionary grant program could grow significantly. The draft bill provides that any portion of the \$26.3 billion in highway formula money and of the \$8.4 billion in transit formula money that is not obligated within one year of apportionment shall be taken away from the state and transferred to the new DOT discretionary grant program. The draft bill provides that the Secretary may give a state DOT an extension of the one-year "use it or lose it" limit only "to the extent that he or she feels satisfied that the State has encountered extreme conditions that create an unworkable bidding environment or other extenuating circumstances".

The highway formula money in the draft Senate bill is given out via the surface transportation program (STP) formula, which gives each state a 0.5 percent minimum apportionment (unlike the House bill) and which does not give as much weight to donor state minimums or specific donee state sinecures as does the formula used by the House bill. 40 percent of the highway money is set aside for sub-allocation to areas within a state based on population, while 5 percent of the money appears to be set aside for CMAQ (congestion mitigation and air quality) projects. It is not yet clear if there is a set-aside for transportation enhancements (bike paths, etc.) in the draft Senate bill as there is in the House bill.

Of the \$8.4 billion in transit formula grants in the draft Senate bill, 71 percent is to be apportioned via the urbanized area formula, 19 percent is to be apportioned via the growing states and high-density states formula factors, and 10 percent is to be apportioned via the rural area formula.

The other major difference between the House bill and the draft Senate bill is that the Senate bill contains \$2.0 billion for the high-speed rail corridor program under section 26106 of title 49 U.S.C. No specific time limit is set for the expenditure of this money.

The draft Senate bill resembles the House bill in other rail areas - the draft Senate bill appropriates \$850 million for capital grants to Amtrak (the House bill gives \$800 million) and the draft Senate bill gives \$250 million for grants to states for intercity passenger rail projects under 49 U.S.C. 24401 (the House bill gives \$300 million).

The draft Senate bill appropriates \$1.1 billion for Airport Improvement Program grants, far less than the House bill (\$3.0 billion). The Senate bill

also appropriates \$200 million for FAA facilities and equipment, an appropriation not found in the House bill. The F&E funding is to be used "to make improvements to power systems, air route traffic control centers, air traffic control towers, terminal radar approach control facilities, and navigation and landing equipment."

The draft Senate bill also includes \$100 million for MARAD assistance to small shipyards, an appropriation which is not found in the House bill.

More information will be forthcoming in this week's regular issue of *Transportation Weekly*.

U.S. Department of Transportation

Admin.	Program	House Bill	Senate Bill
OST	Competitive surface transportation grants:	\$ -	\$ 5,500,000,000
FAA	Facilities and equipment:	\$ -	\$ 200,000,000
FAA	Airport improvement grants:	\$ 3,000,000,000	\$ 1,100,000,000
FHWA	Highways and bridges:	\$ 30,000,000,000	\$ 27,060,000,000
FRA	Intercity passenger rail:	\$ 300,000,000	\$ 250,000,000
FRA	Amtrak capital grants:	\$ 800,000,000	\$ 850,000,000
FRA	High-speed rail corridors:	\$ -	\$ 2,000,000,000
FTA	Transit formula grants:	\$ 6,000,000,000	\$ 8,400,000,000
FTA	Transit rail modernization:	\$ 2,000,000,000	\$ -
FTA	Transit new starts:	\$ 1,000,000,000	\$ -
MARAD	Assistance to small shipyards:	\$ -	\$ 100,000,000
OIG	Office of Inspector General	\$ 20,000,000	\$ 7,750,000
Total, USDOT		\$ 43,120,000,000	\$ 45,467,750,000