

INTER OFFICE MEMO

To: MP&L Committee Date: July 30, 2015

From: Kristina Martinez, Civil Rights Administrator Reviewed by:

SUBJECT: Federal Legislative Update: Status of T-21 Re authorization

Action Required:

The following update is for informational purposes only. No action is required by the MP&L Committee.

Background:

On July 30, 2015, the Senate passed a six-year surface transportation bill, increasing the amount of funding authorizations for bus capital programs and investments. In addition to this, the Senate also passed a short-term extension bill, which extends the authorization of transit and highway programs through October 29, 2015. This was passed to further allow the House to address a long-term bill.

For the committee's reference, attached is the most recent legislative update provided by APTA on the surface transportation bill and short-term extension.

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July 29, 2015

House Passes Three-Month Authorization Extension

On Wednesday, the House of Representatives passed H.R. 3236, the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015, by a vote of 385-34-1. This bill is similar to the short-term extension passed earlier this month by the House, extending the authorizations of federal transit and highway programs instead for three months through October 29, 2015 at the current funding levels. The bill transfers \$6.068 from the General Fund to the Highway Trust Fund's (HTF) Highway Account, and \$2 billion to the Mass Transit Account. The source of revenue for this extension was the same combination of tax compliance measures (roughly \$5 billion) and the extension of aviation security fees (roughly \$3 billion) as House included in its previously-passed five month extension bill.

Senate Majority Leader Mitch McConnell (R-KY) stated on Wednesday morning, "We'll take up that bill once the House sends it to us, and we'll continue working in the interim to finish our own multiyear highway bill, a bill that's fiscally responsible and won't raise taxes by a penny."

Senate Continues Work on Long-Term Surface Transportation Legislation

Meanwhile, the Senate passed several procedural hurdles to move forward with the chamber's long-term surface transportation bill referenced in detail in our previous Legislative Alert. The Senate agreed to the text of the legislation by a vote of 62-38, and to limit debate by a vote of 65-35. The final text, adopted through an amendment by Majority Leader McConnell, incorporated several additional changes agreed to by key negotiators on the bill. Among those changes were an amendment to the Commerce Committee title of the bill authorizing \$199 million in funding that can be used by public commuter railroads for grants, or to leverage financing, for the implementation of positive train control (PTC) systems. APTA worked closely with the Commerce Committee as this PTC amendment developed. The changes agreed to as part of the McConnell managers' amendment also removed language included in the Public Transportation Title that would have protected from disclosure sensitive safety data collected under the under the Safety Management System regime of the Public Transportation Safety Program.

Unless the Senate reaches a unanimous consent agreement sooner, this clears the path for a vote on final passage of the bill around noon on Thursday, when the legislation would be sent to the House of Representatives for consideration. The House has indicated, however, that they will be adjourning Wednesday night for their August recess, planning to craft their own long-term solution once they return in September. Leader McConnell has stated, "We'll conference the legislation we pass with what the House passes and then send a unified bill to President Obama." Also on Wednesday, a spokesperson for the White House stated that the President would sign another short-term extension, despite previous intimations that he would not.

APTA Position

APTA supports passage of the Senate bill. The bill is a good start in the process and ultimately moves Congress forward on enactment of a multi-year bill.

While it does not authorize funding at the full levels APTA has recommended, it does increase the

authorizations for Federal Transit Programs by 25 percent over six years, and does so in a manner fairly consistent with APTA's recommendations. It provides added emphasis for bus and bus facility funding and restores a discretionary or competitive bus capital grant program, while also providing for increases to fixed-guideway state of good repair investments, and capital investment grants (New Starts). Public transportation's share of the bill's total revenues are substantial.

The Commerce Committee (Rail) title of the bill includes increased funding for passenger rail, including authorizations of funding for state grants, and significant improvements to the Railroad Rehabilitation and Improvement Financing (RRIF) program. The bill also authorizes additional funding for PTC implementation grants and RRIF loans, and provides the Secretary of DOT with the authority to oversee implementation of PTC systems by the end of 2018, thereby ensuring that PTC is safely installed as quickly as possible.

The last three years of the bill are not fully funded, and therefore Congress has work remaining to address that issue. Also, APTA also continues to recommend to Congress that a better, more sustainable, long-term financing solution is needed for the Highway Trust Fund to prevent the need for repeated returns to miscellaneous unrelated funding offsets and perpetual Trust Fund crises.

The bill also retains language that increases the Buy America content requirement for transit rolling stock from the current level of 60 percent to 70 percent by FY2020. APTA and transit vehicle manufacturers and major component suppliers have expressed concerns about both the domestic content changes and provisions on iron and steel.

Ultimately, passage of the Senate bill is a necessary step and attention will now turn to the House of Representatives for action on their version of the legislation.

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