

Request for City Council Committee Action from the Department of Intergovernmental Relations

Date: July 9, 2009

To: Chair Betsy Hodges and IGR Committee Members

Referral to: Intergovernmental Relations Committee

Subject: Proposed Amendment to the FY 2010 Federal Agenda

Department Information

Prepared by: IGR Staff

Approved by: _____

Presenters in Committee: IGR Staff

Recommendation: Amend FY 2010 Federal Agenda as adopted February 20, 2009 by deleting the language on page 10 entitled, "Reauthorization of Transportation Bill" and inserting the following new language:

"The Safe, Accountable, Flexible, Efficient Transportation Equity Act-Legacy for Users (SAFETEA-LU) expires on September 30, 2009. The House Transportation and Infrastructure Committee has released a draft reauthorization bill that could be marked-up in late July 2009. The draft bill proposes several transformational changes to national transportation policy as well as procedural and process reforms. While not opposing change to national transportation policy, the White House and Senate are proposing an extension of SAFETEA-LU for 18 months and an appropriation to sustain the Highway Trust Fund and the Mass Transit Account.

The City of Minneapolis has benefitted from the federal transportation act through regional and state programs as well as a direct grant to encourage bicycle commuting.

The city of Minneapolis supports funding to sustain the Highway Trust Fund and Mass Transit Account. The City of Minneapolis also supports the timely passage of a transportation act that addresses highway and transit needs of states and metropolitan regions."

Supporting Information: Reauthorization of Transportation Act.

The federal transportation act expires on September 30, 2009. To prepare for reauthorization of the act the House Transportation and Infrastructure Committee has conducted numerous hearings and research regarding the conditions of the nation's transportation infrastructure. The Committee's Highways and Transit Subcommittee passed on June 24 to the full committee a draft transportation bill.

Entitled the "Surface Transportation Authorization Act (STAA) of 2009", the bill is scheduled for full committee mark-up on July 24. The legislation is described by the committee's chair, Rep. James Oberstar and Rep. John Mica, the ranking member, as a transformational change in transportation policy. The STAA is considered to be a "blueprint for investment and reform that will transform federal

surface transportation from an amalgamation of prescriptive programs to a performance-based framework for intermodal transportation investment." The STAA of 2009:

- Redefines the federal role and restructures surface transportation by consolidating or terminating more than 75 programs.
- Consolidates the majority of highway funding into four core categories; highway and bridge upgrades and improvements; highway safety; new and improved capacity; and reduction of congestion and green house gas emissions.
- Directs transit funding into four core areas; improve urban and rural public transit systems to a state of good repair; specific funding to restore transit rail systems; provide mobility and access to transit-dependent individuals and plan and implement new transit lines and intermodal facilities.
- Uses federal highway safety investments for specific activities that are designed to reduce highway fatalities and injuries.
- Proposes new initiatives to reduce congestion in the nation's major metropolitan areas.
- Creates a National transportation Strategic Plan based on state and metropolitan regional plans to develop intermodal connectivity of the nation's transportation system and identify projects of national significance.
- Streamlines the review and approval process of the Department of Transportation (DOT); requires intermodal planning and that programs advance community livability; directs projects to be planned and completed in a timely manner; improves the project delivery process.
- Requires state and local governments to establish transportation plans with specific performance standards.
- Establishes a new program to plan, construct and finance high speed rail.
- Creates a national Infrastructure Bank.
- Authorizes \$450.0 billion over six years to fund the transportation system.

Highlights of the funding package are:

- The \$450.0 billion is a 38% increase over the current funding level of \$326.0 billion.
- Highway and motor carrier safety investment is doubled to \$12.6 billion.
- Highway construction investment is authorized at \$337.4 billion with at least \$100.0 billion for capital asset investment to begin the restoration of the national highway system and the nation's bridges.
- Transit investment is proposed to be funded at approximately \$100.0 billion with \$87.6 billion coming from the mass transit account in the highway trust fund and \$12.2 billion from the general fund.

- Within the \$450.0 billion investment, \$50.0 billion is for metropolitan mobility and access by reducing congestion. Another \$25.0 billion is for projects of national significance.
- In addition to the \$450.0 billion, \$50.0 billion is provided to develop 11 high-speed rail corridors linking major metropolitan regions.

Highway Trust Fund and Timing of the Legislation.

The legislation does not specify funding source but the committee leadership has noted that there is a funding issue in the highway trust fund (HTF) that needs to be resolved prior to September 30, 2009. The committee in its June 18, 2009 briefing paper (copy attached) indicated the HTF could be out of cash prior to its expiration date. The uncertainty of the HTF could cause state DOTs to slow projects and cause cash flow issues in state transportation programs. The committee urges Congress and the Administration to move quickly to enact the STAA but to also resolve the transportation funding issue in general and the HTF in particular.

The Administration through USDOT has recommended that the transportation authorization be extended for 18 months (March 30, 2011) and that the Congress appropriate \$20.0 billion from the general fund to cover HTF and Mass Transit Account obligations through early 2011. The Administration also supports a pay-back to the general fund over a ten year time frame. The recommendation also includes some policy reforms that are not at the transformational level as those contained in the House Transportation and Infrastructure Committee. Among the Administration's policy reforms are those that develop state and metropolitan planning organization (MPO) evaluation capacity, increase analytical analysis of transportation data at the state and MPO levels and requirements for additional transparency in reporting and tracking projected and actual outcomes.

In the Senate legislation similar to the STAA has not been announced. In fact Senate leadership is supporting the extension of the transportation act and a short term fix to the HTF.