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CONTENTS

Surface Transportation Reauthorization Bill Passes Congress

Funding Highlights

Policy Highlights

Provisions Not Included in H.R. 4348 as Passed

Surface Transportation Reauthorization Bill Passes Congress

On June 29, 2012, Congress approved a new surface transportation authorization bill based upon an agreement reached by the joint House and Senate conference committee. The U.S. House of Representatives by a vote of 373-52, and the Senate by a 74-19 vote, approved the conference committee report effectively passing H.R. 4348, Moving Ahead for Progress in the 21st Century (MAP-21).

The new measure replaces the previous surface transportation act, SAFETEA-LU, which Congress enacted in 2005 and expired on September 30, 2009. Since then, Congress continued the old transportation law in effect through a series of extensions, with the last expiring tomorrow, June 30, 2012. The President is expected to sign the bill into law.

As enacted, H.R. 4348 provides expenditure authority for the nation's various transportation programs through September 30, 2014 (i.e., 27 months). Below are some of the funding and policy highlights of the bill.

Funding Highlights

- The bill funds the federal highway program at \$39.7 billion in FY 2013 and \$40.3 billion in FY 2014. The transit program is also funded at \$10.5 billion in FY 2013 and \$10.7 billion in FY 2014.
- The bill retains the Off System Bridge Program that provides funding for bridges that are not on the federal-aid system (primarily county-owned bridges).
- H.R. 4348 also provides \$750 million in FY 2013 and \$1 billion in FY 2014 for the TIFIA credit assistance program, up from \$120 million per year under SAFETEA-LU.
- The bill creates the Projects of National and Regional Significance program and authorizes \$500 million to fund the program in FY 2013.
- In 2014, there is an adjustment to the state apportionment formula to ensure that each state gets at least a 95 percent rate of return on its Highway Account tax payments.
- The Transportation Enhancements program is retained and funded at approximately FY09 levels.

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Policy Highlights

- Consolidates highway programs by two-thirds to make more resources available to states and metropolitan areas to improve the condition and performance of transportation systems.
- Combines old interstate maintenance programs into the National Highway Performance Program to address the interstate system as well as the National Highway System to ensure the roads and bridges that make up this system will be better maintained.
- Calls for the development of a National Freight Strategic Plan that encourages state freight plans and advisory committees and provides incentives for states that fund projects to improve freight movement and safety.
- Establishes the Gulf Coast Restoration Trust Fund within the RESTORE Act that will receive 80% of all Clean Water Act civil penalties from the Deepwater Horizon oil spill. Funds will be used for projects to restore the long-term health of coastal ecosystems and local economies in the five affected Gulf Coast states.
- Expresses the Sense of Congress to fully expend each year all the revenues collected in the Harbor Maintenance Trust Fund for operation and maintenance of the nation's federally maintained ports.
- Directs the Administration to provide an annual estimate of national harbor maintenance needs, including a report on how much funding would be needed to achieve 95 percent availability for the nation's ports within 3 years.
- Creates a pilot program for efforts that support transit-oriented development around fixed guideway capital investment projects.
- Maintains the basic structure of the Urbanized Area Formula Grants program.
- Consolidates the Elderly and Disabled and New Freedom programs into one program while increasing funding.
- Instructs the Secretary to certify one facility for testing new bus models to ensure safety and reliability of busses purchased with federal funds.
- Creates the Innovative Public Transportation Workforce Development Program to provide grants promoting the development of innovative workforce and human resources activities in public transportation.
- Establishes a National Public Transportation Safety Plan to improve the safety of all public transportation systems that receive federal funding.
- Modernizes, renames, and provides historic levels of funding for the "Rail Modernization" program with a goal of moving all systems to a state of good repair.
- Modifies the existing Highway Safety Grant Programs including the establishment of a single grant application and reporting process for all grants, the adoption of performance measures, and the establishment of planning and reporting requirements for states.
- Directs the Secretary to study the effects of truck size and weight on highway safety and infrastructure.
- Reauthorizes the National Flood Insurance Program for 5 years.
- Includes several provisions to improve project delivery by broadening categorical exclusions for right-of-way projects and eliminating environmental reviews for certain federally funded projects meeting specified financial thresholds.

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Provisions Not Included in H.R. 4348 as Passed

- Neither the Keystone Pipeline nor provisions regarding the regulation of coal ash are addressed in the final version of H.R. 4348.
- Provisions establishing the National Rail System Preservation, Expansion and Development Act which would direct the Secretary to develop a long-range, national rail plan were not included.
- The Alternative Minimum Tax exemption for private activity bonds was not included in the final bill. The favorable AMT language was drafted into S. 1813 but despite efforts from various ports, airports, local governments and transportation industry stakeholders the exemption did not survive the conference process.
- Provisions in S. 1813 allowing for the issuance of transportation and regional infrastructure project (TRIP) bonds were not included in the final version of H.R. 4348.
- S. 1813 also exempted two types of facility bonds from the annual private activity volume limits. The exempt bonds would apply to sewage and water facilities but the provision was not included in the final bill.
- Major MPO revisions, originally passed in S. 1813, were not incorporated in the final bill.
- Provisions from S. 1813 that would provide urban areas with populations over 200,000, flexibility in the use of federal funding for transit operating costs in times of high unemployment were also not included in the final bill.

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