

ITEM 12-B

(8 PAGES)

**POTOMAC AND RAPPAHANNOCK
TRANSPORTATION COMMISSION**

RESOLUTION

MOTION: _____

RESOLUTION NO. 07-02-___

OFFICIAL COMMISSION MEETING

SECOND: _____

FEBRUARY 7, 2007

RE: ENDORSEMENT OF FY 2008 FEDERAL LEGISLATIVE AGENDA

WHEREAS, each year management proposes a federal legislative agenda prior to the Congress's appropriation deliberations; and

WHEREAS, management has sized its capital funding needs for the purpose of defining how much FY 2008 federal discretionary funding should be sought, namely \$5.12 million (federal share); and

WHEREAS, other federal legislative matters of interest to PRTC are under consideration by the Congress; and

WHEREAS, the Commission strongly supports the FY 2008 federal legislative agenda prepared by PRTC management and attached here.

NOW, THEREFORE, BE IT RESOLVED that the Potomac and Rappahannock Transportation Commission does hereby endorse the attached FY 2008 federal legislative agenda.

BE IT FURTHER RESOLVED that the Commission authorizes the transmittal of this agenda and associated discretionary funding request forms to the Northern Virginia Congressional Delegation and others as might be appropriate in the furtherance of this agenda.

BE IT FURTHER RESOLVED that the Commission authorizes its Executive Director to make use of this agenda in taking steps as may be required to promote it.

February 7, 2007

TO: Chairman Gibbons and Commissioners

FROM: Alfred H. Harf
Executive Director

RE: Federal Legislative Agenda

Recommendation:

Adopt the annual federal legislative agenda proposed by PRTC management for transmittal to the Northern Virginia Legislative Delegation and to guide management's "discretionary funding request" submissions and ensuing advocacy efforts (Attachment 1).

Background:

Each year the Commission adopts a federal legislative agenda to support its services and constituents. The adopted agenda is used to promote Congressional support for funding and legislative policy aims of the Commission, and is timed to precede the annual appropriations process. The next appropriation is for FY 2008, so this year's agenda identifies PRTC's discretionary funding aims for FY 2008.

In preparing the FY 2008 discretionary funding request, management has taken into account changed FY 2007 funding conditions prompted by the Congressional leadership change. As has been widely reported, the new leadership decided in December 2006 to exclude discretionary earmarks in FY 2007 and to enact a continuing resolution through the end of FY 2007 instead of tackling unfinished appropriations business left over from the last session. According to published reports, the exclusion of discretionary earmarks in FY 2007 was a one-time decision to allow time for the leadership to reform the earmark process, in light of widespread criticism about the growth in earmarks and the sensibility of certain earmarked projects. Thus there is an expectation that earmarking will resume in FY 2008, subject to changed rules that are not yet known.

As a result, the FY 2007 earmark PRTC was seeking for bus purchases and bus maintenance facility investment (amounting to \$3.1 million [federal share]) will not occur, and it is uncertain whether bus discretionary funding that was the targeted source of the FY 2007 earmark will be given to the Federal Transit Administration (FTA) to award as it sees fit. Knowing that there would be no FY 2007 earmark, PRTC management made adjustments as necessary, developing alternative funding approaches for the investments that would have been funded by the FY 2007 earmark (including the use of VRA debt financing as the PRTC Board has approved for the PRTC Transit Center yard expansion construction project and related investments).

PRTC management believes the FY 2008 earmark request should be sized assuming no FY 2007 discretionary funding is received. Nonetheless, management will continue to pursue FY 2007 discretionary funding in the event Congress gives FTA the license to award such funding in lieu of earmarks.

▪ FY 2008 Appropriation

Unlike prior years when PRTC's discretionary funding requests were predominantly for bus purchases, this year's request is exclusively for maintenance facility-related needs. This reflects the fact that prior years' committed funding is sufficient to cover planned bus purchases as envisioned by PRTC's current five-year plan.

On the facility side, discretionary funding is desired to fully fund design work and to begin the assembly of construction funding for a second maintenance facility PRTC is aiming to implement on the western side of its service area. Design is expected to cost \$2 million all told, \$600,000 of which has already been secured (i.e., FY 2008 CMAQ funds allocated by the NVTAA), meaning that another \$1.4 million is needed for this purpose (i.e., \$1.12 million federal share). Construction is expected to cost about \$11 million (\$8.8 million federal share), which PRTC management proposes to seek over the course of the remaining life of SAFETEA-LU. Since FY 2009 is the last year of SAFETEA-LU, there will be only two fiscal year earmarking opportunities (FY 2008 and FY 2009), so management proposes to seek the \$8.8 million federal share in equal installments.

Thus the overall FY 2008 federal discretionary earmark proposed is \$5.52 million (federal share) – \$1.12 million for completion of design work and \$4.4 million for partial construction.

- Commuter Benefit

The current tax-free, commuter benefit for transit allowed under federal law amounts to \$110 per month (an increase of \$5 beginning in January 2007), substantially less than the tax-free commuter benefit allowed under federal law for parking (i.e., presently \$215 per month). This disparity in tax-free commuter benefit allowances is an “unlevel playing field” that runs counter to the public policy aims driving the need for increased transit use. Accordingly, PRTC management recommends that the Commission call for a federal statutory change that increases the allowable commuter benefit maximum for transit so it mirrors the parking benefit at a minimum.

- AMTRAK Reform

As the Commission knows, the Congress is entertaining several proposals for AMTRAK restructuring and funding, one advocated by the Bush Administration, another by the AMTRAK Board, and still others by members of Congress. Both the Administration and AMTRAK Board proposals envision a gradual federal retreat from AMTRAK sponsorship, leaving the fate of certain AMTRAK services uncertain because these proposals envision states deciding how much of the services they now enjoy they want to see continued and to participate financially in their continuation. PRTC has a vital interest in this issue inasmuch as VRE relies on AMTRAK for operations and selected maintenance of VRE trains and since VRE operates into Washington Union Station, an AMTRAK -- owned facility that could be affected by these reform proposals. Any restructuring of AMTRAK that has the potential to damage VRE contractual support by AMTRAK, hamper Union Terminal access, or mandate that expenses formerly borne by the federal government be borne by others are objectionable on their face, and thus this proposed legislative agenda calls upon Congress to defer any restructuring until all the facts and financial impacts have been fully disclosed and a consensus on restructuring can then be developed.

A “federal legislative agenda” letter embodying these recommendations has been prepared for transmittal to the NOVA Congressional Delegation and for management’s use in ensuing advocacy efforts (Attachment 2).

Chairman Gibbons and Commissioners
February 7, 2007
Page 4

Fiscal Impact:

Funding to match the federal funds management proposes to seek is being incorporated as required in the proposed FY 2008 PRTC budget and its related five year plan.

Attachments: As stated

Potomac and Rappahannock Transportation Commission (PRTC)

Federal Legislative Agenda – February 2007

1. FY 2008 Appropriation. Seek a “bus discretionary funding” earmark amounting to \$5.52 million (federal share) to complete design work and begin the assembly of construction funding for a second maintenance facility PRTC is aiming to implement on the western side of its service area.
2. Commuter Benefit. Seek a statutory change to equate the maximum allowable tax-free commuter benefit for transit to the maximum allowable benefit for parking. The current maximum allowable tax-free commuter benefit for transit is \$110 and the current maximum allowable benefit for parking is \$215. The disparity is a detriment to transit use and is contrary to public policy aims driving the need for increased transit use.
3. AMTRAK Reform. Defer any restructuring until the costs and financial impacts of restructuring proposals are fully disclosed and consensus-building about reforms can be undertaken. Unfunded federal mandates must be averted.

ATTACHMENT 2

Dear

I am writing on behalf of the Potomac and Rappahannock Transportation Commission (PRTC) to seek your support for the PRTC federal legislative agenda described in the enclosed summary.

A primary element of this legislative agenda is the bus discretionary funding PRTC hopes to secure. The FY 2008 earmark PRTC seeks has been sized to fully fund design work and begin the assembly of construction funding for a second maintenance facility PRTC is aiming to implement on the western side of its service area. All told, PRTC's FY 2008 earmark request amounts to \$5.52 million (federal share). Forms seeking this discretionary funding will be prepared and transmitted to prospective Senate and House sponsors as soon as the forms become available.

Finally, the enclosed summary seeks federal legislative actions related to "commuter benefit" and "AMTRAK reform" issues under consideration by the Congress.

The Commission appreciates your long-standing support for public transportation, and hopes that you will continue to do so by embracing these actions.

Sincerely,

Robert Gibbons
Chairman

Enclosure: As stated

ENCLOSURE

Potomac and Rappahannock Transportation Commission (PRTC)

Federal Legislative Agenda – February 2007

1. FY 2008 Appropriation. Seek a “bus discretionary funding” earmark amounting to \$5.52 million (federal share) to complete design work and begin the assembly of construction funding for a second maintenance facility PRTC is aiming to implement on the western side of its service area.
2. Commuter Benefit. Seek a statutory change to equate the maximum allowable tax-free commuter benefit for transit to the maximum allowable benefit for parking. The current maximum allowable tax-free commuter benefit for transit is \$110 and the current maximum allowable benefit for parking is \$215. The disparity is a detriment to transit use and is contrary to public policy aims driving the need for increased transit use.
3. AMTRAK Reform. Defer any restructuring until the costs and financial impacts of restructuring proposals are fully disclosed and consensus-building about reforms can be undertaken. Unfunded federal mandates must be averted.