

January 4, 2007

TO: Chairman Gibbons and Commissioners

FROM: Alfred H. Harf
Executive Director

RE: Legislative Report

A flurry of developments this past month on the legislative front warrants this special informational report.

Federal

The Congress concluded its session without taking action on most of the appropriations bills, leaving this unfinished work to the new Congress. A continuing resolution was passed extending federal funding until February 15th. Not wanting to get bogged down in appropriations matters at the outset of the new session, however, the incoming Congressional leadership announced in mid-December that it would forego appropriations deliberations, opting instead to extend the continuing resolution through the end of federal fiscal year 2007. The new leadership also announced that earmarks would be excluded until such time as earmark reforms are enacted by the new Congress.

Both of these announcements have ramifications for PRTC. Extension of the continuing resolution until the end of the year generally means that funding levels for all programs will be at the prior year (FY 2006) levels, which for transit are about 4.5% lower than the FY 2007 authorization levels¹. Exclusion of earmarks would nix the prospective earmark PRTC had sought to progress its new westerly maintenance facility and for continuing fleet replacement.² Unclear at this point is the fate of funding associated with the discretionary programs that are typically the source of earmarks

¹ Notwithstanding this stated intention, APTA is urging that the FY 2007 appropriation be at the SAFETEA-LU FY 2007 authorized level. Letters to the outgoing Congress's Senate and House appropriations committees' chairs to this end have been sent (attachment one), presumably to be replicated once the new Congress convenes.

² PRTC had sought \$3.1 million for these purposes, and the Senate had included \$2.25 million of this request in its version of the FY 2007 appropriation not enacted by the last Congress (there was no PRTC earmark in the House bill).

(including the so-called “bus discretionary” element of the Section 5309 program) – will all such funding be withheld, or will it be provided to the Federal Transit Administration (FTA) for its disbursement, or will these funds will be rolled into formula programs for FY 2007? If the discretionary funds do flow to the FTA for its disbursement, then PRTC presumably would have the opportunity to vie for some of it through the normal grant application process. We may not know the answer to this question until the new congress convenes.

I was briefed on further federal developments at the APTA Legislative Committee meeting I attended on December 8th. Highlights follow:

1. Appointments to the Congressional committees most relevant to PRTC have been made (attachment two). While members of Virginia’s Congressional delegation are not among these committee heads, the leadership appointments are generally perceived as boding well for transit.
2. National Transportation Policy and Revenue Commission established by SAFETEA-LU to help shape the future federal transportation role in time the next authorization and make funding recommendations to fulfill that role is on course to complete its work by late next year, so the Congress can have reauthorization legislation readied by the spring of 2008. Thanks to Paul Wyrich’s efforts (a Commission member), APTA staff recently had a two-hour session with the Commission to discuss transit exclusively, providing a valuable opportunity to sensitize Commission member and rally enthusiasm for a continuing (and larger) federal role. Legislative Committee members also learned at the meeting that Great Britain’s “National Transportation Policy and Revenue Commission” equivalent has already concluded its work (referred to as the “Eddington Report”) at attachment three, which reportedly has much that is worthy of emulation (I am in the midst of reading it; nearly 400 pages all told).
3. APTA is also pressing for increased transportation security funding flowing directly to transit providers. Committee members present at the meeting learned that, on December 5th, President Bush signed an executive order directing Homeland Security Secretary Chertoff to produce “transportation sector security plan” by early 2007, signaling the Administration’s recognition that more needs to be done in this area. We were reminded that the outgoing Senate’s Port Security and Improvement Act of 2006 (HR 4954) contained a

\$3.5 billion amendment for transit capital and operating security improvements over a three year period, unlike the approved outgoing House bill which contained no explicit funding for transit. While there was expressed House support for adopting the Senate amendment going into conference, this didn't happen because of opposition by outgoing House leadership and the Administration. Reportedly, the incoming Chairman of the House Homeland Security Committee (Bennie Thompson of Mississippi) intends to introduce and pass transit and rail security legislation shortly after he becomes Chairman.

A copy of the APTA security brief distributed at the Committee meeting appears here as attachment four. It includes a statement of "security principles" adopted by APTA to guide its advocacy efforts.

4. APTA has also communicated its FY 2008 appropriation aims to the Administration – copies of letters sent to USDOT Secretary Mary Peters and Homeland Security Secretary Chertoff appear here as attachment five.
5. APTA is continuing its work on the next reauthorization bill, having completed a set of reauthorization financing principles (attachment six) and now beginning work on a "visioning exercise" with an even longer time horizon (50 years) headed by APTA Vice Chair (and Hampton Roads Transit System CEO Michael Townes). The visioning exercise has not been fully scoped as yet – that reportedly will be happening over the next several weeks – and all APTA members are being encouraged to participate. A recent USA Today feature story on where the next 100 million people the United States is expected to gain by 2040 will live (attachment seven) was distributed to stimulate additional thinking.
6. The prospect of a new energy bill was discussed, focusing on a draft set of APTA principles to guide the Association's lobbying efforts (attachment eight).
7. Committee members present at the meeting were briefed on the status of FTA's SAFETEA-LU rulemaking (and APTA responses to these rulemakings). A hand-out summarizing what was discussed appears here as attachment nine. Of particular interest to PRTC is the pending rule on HOT lanes, which reportedly will be issued by FTA in the next several weeks. APTA opted for a "strongly neutral" position on this subject owing to the divided opinions of its membership.

8. The Eno Foundation recently held a two-day, invitation only symposium to catalyze further thinking on reauthorization and longer-term aims. Reports prepared for this symposium are posted on the Eno web-site (though the proceedings are not yet available). I've quickly perused these reports and they are quite informative.³

State

Earlier this month, Governor Kaine addressed the joint meeting of the House Appropriations and Senate Finance Committees to present his budget for the upcoming 2007 Legislative Session. Among other issues discussed at the joint meeting, the Governor called for an appropriation of \$500 million of one-time funding for transportation, characterizing this as a stop-gap boost in funding while the search for more permanent transportation funding solutions continues. The Governor also said he would be introducing his more permanent transportation funding proposal early in the 2007. Descriptive materials elaborating on the one-time funding proposal issued by the Governor's and Transportation Secretary's offices (together with media accounts) appear here as attachment ten. Soon thereafter, the House Republican leadership reacted to the Governor's proposal, terming it "too little" and faulting the Governor for not embracing the House proposal to appropriate one-time funds for transportation as proposed in the last session. A press release and related press coverage of the House Republican leadership's response to the Governor's proposal appear here as attachment eleven.

Northern Virginia state legislators have ideas of their own for transportation funding, and early news accounts of those that have surfaced to date appear here as attachment twelve.

Also in anticipation of the upcoming General Assembly session, the Virginia Transit Association (VTA) has readied a fact sheet highlighting the consequences of prevailing state transit funding levels on the Commonwealth's transit systems (attachment thirteen). PRTC is among the illustrations, and our plan to debt finance a pair of major capital projects as our way of blunting the impact is described.

Attachments: As stated

³ Three reports are there: (1) A Review of New Urban Demographics and Impacts on Transportation by Robert Puentes of the Brookings Institution; (2) Economic Growth in Urban Regions by Professor Robert Cervero of the University of California, Berkeley; and (3) Energy and the Environment by Professor Todd Litman of the Victoria Policy Institute (in British Columbia).