CJ strategies LLC

MEMORANDUM

TO: Dennis Fay
Alameda County Congestion Management Agency
FROM: CJ Strategies
RE: Legislative Update
DATE: September 2, 2009

Surface Transportation Reauthorization

The House and Senate passed legislation that would transfer $7 billion from the general treasury to the highway trust fund (HTF) before adjourning for the August recess. This transfer will keep the HTF solvent through the end of the fiscal year. House T&I Chairman Oberstar had hoped to limit the short-term transfer to $3 billion to maintain pressure for the six-year overhaul, but he ultimately agreed to accept the $7 billion transfer.

The current surface transportation authorization law (SAFETEA-LU) expires on September 30. House Transportation and Infrastructure Committee Chairman Jim Oberstar's (D-MN) top priority has been to pass a new six year bill before the current authorization expires. Although delayed from his initial timeline, the T&I Subcommittee on Highways and Transit did mark up a proposal in June. At the same time, the Administration put forth a proposal to extend the current law by 18 months. Chairman Oberstar is opposed to an extension and is continuing to move ahead with a long-term bill, arguing that a short-term extension does not offer states the same funding certainty that a long-term authorization achieves.

As stated above, the Administration has asked Congress to extend the current surface transportation law for 18 months with a $20 billion infusion into the trust fund to keep it solvent until March 2011. The Senate has endorsed the 18-month extension and has already moved legislation through the three committees with jurisdiction (EPW, Finance and Commerce). Chairman Oberstar is still pushing to move a six-year reauthorization bill in the fall, and would like to mark up a bill in committee as early as the week of September 14, but the House Ways and Means Committee has not yet decided how to pay for the $500 billion bill.

The Senate leadership has said the full Senate could take up the 18 month extension as soon as floor time becomes available.

As you know, both the House T&I Committee and the Senate EPW Committee put out a call for projects for the authorization bill. We worked with the CMA staff to ensure priorities were put forward by our Members. However, we do not anticipate projects will be included in an extension.

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Climate Change
Senate Action

Senate Action has again been postponed. Senator Boxer announced before the August recess that she would release her bill on September 8, with committee mark up to follow in early September. However, she and Senator John Kerry (D-MA) released a joint statement on August 31, saying the bill would not be released until late September. Majority Leader Harry Reid (D-NV) has given the six committees with jurisdiction over the bill until September 28 to complete their work on it. The senators' statement did not say whether that deadline will be extended.

The senators cited several reasons why the bill is taking longer than expected, including the battle over health care legislation, which is expected to last well into the fall. Members of the Senate Finance Committee are deeply involved in health care talks but will also share jurisdiction over the climate change bill.

As you are aware, the House passed legislation in June (H.R. 2454) that would cap greenhouse gas emissions and set up a market-based trading program for companies to meet the cap. The House-passed bill makes transit a limited eligible expense under a state energy grant program, but it fails to provide a guaranteed transit investment.

CLEAN-TEA (S.575) is one Senate climate proposal that would allocate 10 percent of the emission allowances for new investment in transit and other strategies that reduce vehicular emissions. A 10 percent allocation would be worth approximately $10 billion annually. Senate supporters are pushing for inclusion in the ultimate bill that is approved by the EPW Committee. As you recall, we discussed this legislation with Senator Tom Carper's (D-DE) Legislative Assistant, Paul Schmid, when CMA representatives were in Washington in July.

Appropriations
The House passed all FY10 appropriations bills before it adjourned for the August recess including Transportation HUD.

Two Congestion Management Agency priorities were included in the bill:

- $1,000,000 for I-580 Corridor Improvements
- $500,000 for the Union City Intermodal Station

The Senate will have to take up 8 remaining appropriations bills when it returns in September, including Transportation HUD. House and Senate versions of each bill must be reconciled before final versions are approved by both chambers. Senate Majority Leader Reid has said he hopes the Senate can approve four more bills before the start of the new fiscal year on October 1. However, a continuing resolution will be necessary to keep most agencies running until all bills are passed.