



June 1, 2011

Legislation

Senators claim progress on surface transportation legislation. On May 25, a group of key senate leaders expressed optimism on drafting legislation – a bill titled Moving Ahead for Progress in the 21st Century (MAP-21) – that would reauthorize the nation’s surface transportation programs before June 30.

Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, Senator James Inhofe (R-OK), Ranking Member of the Committee, Senator Max Baucus (D-MT), Chairman of the Transportation and Infrastructure Subcommittee, and Senator David Vitter (R-LA), Ranking Member of the Subcommittee, issued the following joint statement:

We are pleased to announce the great progress we have made on a new transportation authorization bill. Throughout the 25 transportation hearings convened by this Committee, including an unprecedented joint appearance by Tom Donohue of the U.S. Chamber of Commerce and Richard Trumka of the AFL-CIO, we heard that there is tremendous support from businesses, workers, and the American people for a transportation bill that leverages our federal dollars while maintaining a responsible fiscal path.

It is no secret that the four of us represent very different political views, but we have found common ground in the belief that building highways, bridges, and transportation systems is an important responsibility of the federal government, in cooperation with state and local governments and the private sector.

Every six years, the U.S. Congress reauthorizes legislation that determines the volume of spending, the recipients of that spending, and the revenue sources of that spending for the nation’s surface transportation system. The current surface transportation plan, the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU), had an expiration date of September 30, 2009. Since Congress was unable to reach consensus on a new six year authorization, the current legislation has been extended.

The infrastructure projects and overall plan stipulated by SAFETEA-LU are primarily financed by an 18.4 cent tax per gallon of gasoline purchased and a 24.4 cent tax per gallon of diesel fuel. This arrangement has proven to be unsustainable in adequately funding our nation’s surface transportation needs. As a result, new funding mechanisms for the next surface transportation bill are being explored and debated.

Major provisions of MAP-21 include:

- Funds programs at current levels to maintain and modernize our critical transportation infrastructure
- Eliminates earmarks

- Consolidates numerous programs to focus resources on key national goals and reduce duplicative and wasteful programs
- Consolidates numerous programs into a more focused freight program that will improve the movement of goods
- Creates a new section called America Fast Forward, which strengthens the TIFIA program to stretch federal dollars further than they have been stretched before
- Expedites project delivery without sacrificing the environment or the rights of people to be heard

Despite the optimism expressed in the above statement, the below article appeared today in "Tulsa World":

Inhofe predicts transportation bill will fall short

By JIM MYERS (Tulsa World)

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U.S. Sen. Jim Inhofe, despite what another key player called a breakthrough on the next major transportation bill, predicted that effort will fall far short of a much-delayed six-year measure.

"It is going to end up a two-year bill," the Oklahoma Republican said, conceding he shares the disappointment that states and others will no doubt voice.

"We can't do it. The money is just not there."

To even get that scaled-down version through with the support of his fellow Republicans, Inhofe said he had to give in and make elimination of all earmarks part of the announcement issued last week by a group of key transportation players in the Senate.

Inhofe, who refuses to take a backseat to anyone when it comes to conservative principles, again blamed other Republicans for demagoguing the earmark issue and handing a huge victory to the Obama administration, which, he said, now will get to determine which projects get funded.

In Oklahoma, Inhofe said, state Transportation Secretary Gary Ridley will help in deciding priorities and predicted those would track the projects he would want funded.

The two men have maintained a close working relationship for years.

Last week Sen. Barbara Boxer, chairwoman of the Senate Environment and Public Works Committee; Inhofe, that panel's ranking member; and two other top players on transportation released what Boxer described as a major breakthrough on the next massive authorization measure.

In addition to eliminating all earmarks, the statement also covered consolidation of the numerous programs to focus resources on national goals, an enhanced freight program to improve the movement of goods and reforms to an existing program that provides loans and loan guarantees on projects.

Boxer, not as ready as Inhofe to concede a six-year bill is not possible, laid out a schedule that gets a bill, whatever its size, in front of the committee before the July Fourth holiday.

"We are ready to rock and roll," Boxer, D-Calif., told reporters.

She expressed hope that a six-year approach would authorize around \$339 billion, when enhanced by the other reforms, and would come much closer to the total sought by the administration.

Inhofe expressed doubts about just how much the changes would end up boosting the final figure. Differences also cropped up between the two on projects such as bike paths and walkways.

Boxer said all modes of transportation should be covered, while Inhofe made it clear the committee should keep its focus on projects such as bridges and highways.

"She was not speaking for me," he said.

Mica, Schuster propose privatizing Amtrak northeast corridor. House Transportation and Infrastructure Committee Chairman John L. Mica (R-FL) and Rail Subcommittee Chairman Bill Shuster (R-PA) announced at a Congressional hearing on May 26 that they are preparing legislation to significantly speed up development of high-speed rail and reduce high taxpayer subsidization of the project.

"We plan introduce legislation to separate the Northeast Corridor from Amtrak, transfer it to a separate entity, and begin a competitive bidding process that would allow for a public-private partnership to design, build, operate, maintain, and finance high-speed service. Our plan would do so in a dramatically shorter time, in closer to 10 rather than 30 years, and at a fraction of the \$117 billion cost proposed by Amtrak, while creating new jobs," Mica said.

The May 26 hearing revealed that despite the tremendous potential of the corridor, Amtrak's ridership in the corridor has actually decreased since 1977. In fact, Amtrak had 10.5 million corridor riders in 2010, down from 10.6 million in 1977.

"This is a dismal record and a pitiful statement of Amtrak's lack of achievement in this incredibly valuable transportation corridor," Mica said. "Amtrak's plan to bring high-speed service to the NEC is unacceptable. We can attract private sector resources and expertise and do it in less than half the time.

"If anyone is holding their breath for Congress to approve \$117 billion for Amtrak's 30-year plan, they're going to turn blue," Mica added.

The 437-mile Northeast Corridor is the only rail corridor owned, almost in its entirety, by Amtrak. The corridor is one of the most valuable transportation assets in the nation, and its population density and other existing transportation connections make it the most viable location for successful U.S. high-speed rail.

"Amtrak's 'Vision Plan' for high speed rail in the Northeast Corridor lacks one important ingredient: vision," Shuster said. "We've tried it Amtrak's way without success for nearly 40 years and it's time to go down a new path and inject private sector competition. It is time to deregulate America's passenger rail system and the Northeast Corridor presents the best place to start with private investment and market-based ideas.

"I think it's time for some new thinking to improve our passenger rail service. Our hearing showcased some international success stories that can be applied here at home," Shuster continued. "I find it interesting that those who champion Amtrak's passenger rail service are also afraid of a little competition. If Amtrak really is superior it would wipe the floor with private sector competitors in a fair and open process and put the issue of competition to rest once and for all."

At the hearing, Mica highlighted an example of profitable private sector rail operations in Great Britain's Virgin Rail, which doubled its ridership in six years, saw employment increase from 2,800 to 3,500, and has returned to the government an annual payment of \$244 million in addition to \$81 million in company profit. Witnesses provided additional examples of successful public-private partnerships in other countries.

Landrieu calls for emergency supplemental appropriation. On May 26, Senator Mary Landrieu (D-LA) called for an emergency supplemental funding bill to replenish federal disaster relief funds, following weeks of tornadoes, floods and fires in states across the South and Midwest.

Appropriators have been arguing for months that the Obama administration has not budgeted enough money for the federal response to natural disasters.

Lawmakers increased disaster relief funding by \$1 billion in the final fiscal 2011 appropriations package (PL 112-10). And earlier this week, House appropriators added \$1 billion to a fiscal 2012 Homeland Security spending bill to help those affected by recent flooding along the Mississippi River and by tornadoes in Missouri and Alabama.

While Congress usually lets the White House take the lead on emergency supplemental requests, the administration has presented no plans to request additional fiscal 2011 funding.

“In just the past two months, the president has issued 27 disaster and emergency declarations in 18 states,” Landrieu wrote in a letter to her colleagues Wednesday. “Yet, to date the president has not sought additional emergency funding to cover these events.”

Landrieu has predicted a \$1.6 billion shortfall in fiscal 2011 funding and has estimated that the administration’s fiscal 2012 budget figure was too low by \$3 billion. She also argues that fiscal 2011 budget cuts — made in order to finance higher disaster funding — have shortchanged first-responder programs.