



City of Phoenix

To: Mayor and Council
Executive Team

Date: May 15, 2009

From: Karen Peters
Government Relations Director

Subject: FEDERAL UPDATE: MAY 8– MAY 15, 2009

This memorandum provides an update of the past week's federal activities – Congressional action, lobbying and national meetings. Please let me or Tom Remes know if you have any questions or need further information on specific legislation or issues.

MAY 8 – MAY 15, 2009

ARRA TIGER Rules Released

U.S. Department of Transportation (DOT) Secretary Ray LaHood today announced the availability of \$1.5 billion in TIGER (Transportation Investment Generating Economic Recovery) Discretionary Grants for capital investment in surface transportation projects.

The grants will be awarded on a competitive basis to state and local governments for projects that have a significant impact on the nation, a region or metropolitan area and can create jobs and benefit economically distressed areas (e.g., create and preserve jobs, improve energy efficiency, reduce dependence on oil, reduce greenhouse gas emissions, and improve the condition of existing transportation facilities and systems). According to Transportation Secretary Ray LaHood, "These projects will promote greater mobility, a cleaner environment and more livable communities."

The grants can range from \$20 million up to \$300 million to support high impact transportation projects. Applications for the discretionary grants must be submitted by September 15, 2009. Comments on the criteria must be received by June 1, 2009. Although additional guidelines could be issued based on comments received, DOT is accepting applications now.

The City of Phoenix plans to apply for Sky Train funding through this grant.

The Latest on Federal Transportation Funding

On May 7, the Obama Administration proposed a \$73.2 billion **transportation budget for FY 2010**, a 2.4 percent increase over FY 2009 appropriations (not counting the stimulus money). Because the Highway Trust Fund is so depleted, the Administration proposes funding 88 percent (\$36m) of the federal-aid highway program, and a substantial portion of the federal transit program, from the General Fund. The Administration's budget documents encourage Congress to replenish the Highway Trust Fund, which will probably run out of money again in late summer.

House Transportation and Infrastructure Committee Chairman Jim Oberstar (D-MN) continues to push for prompt action on a **Transportation Authorization bill**. He is currently aiming for a committee markup in the first week of June. Oberstar's handwritten outline of an authorization bill has been circulating in Washington, DC. It would consolidate the Interstate Maintenance, National Highway System and Bridge Programs into a single Critical Asset Preservation Program; create a new senior DOT official to coordinate intermodalism; and create a new, \$1 billion a year, multimodal Metropolitan Mobility Program with heavy use of innovative financing mechanisms.

Although Chairman Oberstar has talked about bringing an authorization bill to the House floor in June, that can't happen without a revenue title for the bill from the House Ways and Means Committee, which has shown no apparent interest in that subject. The Obama Administration has ruled out a gas tax increase and the strongest alternative revenue source – a fee based on vehicle miles traveled. Congressional leaders are reluctant to raise taxes in the middle of a recession or to buck the President on this issue.

The Senate committees of jurisdiction are working on their own (re)authorization titles, but without the same sense of urgency. The Senate Environment and Public Works (SEPW) Committee, which has jurisdiction over federal-aid highway programs, also has jurisdiction over climate change legislation, and they seem more interested in working on that issue.

The prevailing wisdom is that a full-blown authorization bill will not clear Congress this year. The provisions of Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU) will have to be extended for at least a few months beyond their current September 30 expiration date. Speculation is rampant about numerous possible future scenarios, including: 1) an election-year bill in 2010; 2) a two-year extension that could be packaged as a “Stimulus II” bill and give the Administration time to develop their own full-fledged authorization proposal; 3) a one-plus-year extension that could lead to a gas tax increase in a lame-duck session after the November, 2010 election (several recent gas tax increases have been passed during lame-duck sessions); and 4) a bill of some length that is paired with a climate change bill and serves many of the same goals – more transit, high-speed rail, alternative fuels usage, etc.

Unfortunately, another possible scenario is that Congress will muddle along for some time through many extensions, struggling especially with revenue issues. SAFETEA-LU was enacted 22 months after its predecessor law (TEA-21) expired, and the issues are harder now.

Climate Change Legislation

The House Energy and Commerce Committee moved closer this week to an agreement to move climate change legislation. Although a number of issues remain unresolved like the treatment of oil refineries, there is consensus among panel Democrats and draft legislation could be released soon.

Pre-Disaster Mitigation Legislation Passes House

The House passed “The Pre-disaster Mitigation Act of 2009” (HR 1746) on Monday, May 12. The bill reauthorizes grants to states and localities that would help pay for pre-disaster mitigation programs such as building levees, acquiring or moving homes from flood-prone areas, retrofitting buildings in earthquake zones, installing shutters and shatter-resistant windows in hurricane-prone areas, and building “safe rooms” in buildings to provide

protection from high winds. The measure would authorize \$250 million annually for fiscal 2010 through 2012 and would boost the grant amount each state can receive to \$575,000, up from \$500,000.

Clean Water Authorization Bill Moves in Senate

The Senate Environment and Public Works Committee is planning to markup S. 1005, "The Water Quality Investment Act of 2009", that would authorize \$20 billion over five years for the Clean Water State Revolving Fund and \$14.7 billion over the same period for the Drinking Water State Revolving Fund. The funds provide low-interest loans and other loan subsidizations, such as negative interest loans (essentially grants) and forgiveness on the principal of loans, to communities for construction of wastewater treatment facilities and other water-pollution-abatement projects.

The bill also authorizes \$1.85 billion for grants aimed at preventing sewer overflows. It would also authorize \$60 million per year in grant money to state and local governments to remove lead from drinking water.

Senators McCain and Kyl and are working to increase the State's share of revolving fund money in connection with Clean Water Act reauthorization.

The House passed a similar bill back in March authorizing clean water programs but did not include drinking water. The legislation has bipartisan support and is expected to pass the Senate before the end of the year.

Arizona Delegation Votes *

WAR APPROPRIATIONS: Voting 368 for and 60 against, the House on May 14 approved \$84.3 billion to fund U.S. combat operations through Sept. 30 and \$12 billion for non-military programs. The bill provides \$47.7 billion for actions in Iraq and Afghanistan; \$23 billion for repairing or replacing military equipment; \$4.8 billion for acquiring explosion-resistant vehicles; \$3.6 billion for training Afghan security forces; \$400 million for bolstering Pakistani counterinsurgency efforts and \$1.3 billion for developing defenses against roadside bombs.

Voting yes: Kirkpatrick, Franks, Shadegg, Pastor, Mitchell, Giffords

Voting no: Flake, Grijalva

REPUBLICAN MOTION: Voting 191 for and 237 against, the House on May 14 defeated a Republican motion designed, in part, to transfer \$200 million in HR 2346 (above) from foreign aid to the Department of Justice's war against narco-trafficking at the U.S.-Mexico border. A yes vote backed the GOP motion.

Voting yes: Kirkpatrick, Franks, Shadegg, Mitchell, Giffords

Voting no: Pastor, Flake, Grijalva

GREEN SCHOOL RENOVATIONS: Voting 275 for and 155 against, the House on May 14 passed a bill (HR 2187) authorizing \$6.4 billion in fiscal 2010 for public-school renovations that use mostly 'green' building materials and increase energy efficiency. The multi-year program would funnel grants and low-cost loans through state agencies mainly to schools in poor areas. The bill also authorizes \$600 million over six years for repairing Gulf Coast schools damaged by hurricanes Katrina and Rita. A yes vote was to send the bill to the Senate.

Voting yes: Kirkpatrick, Pastor, Mitchell, Grijalva, Giffords

Voting no: Franks, Shadegg, Flake

CREDIT-CARD INTEREST CAP: Voting 33 for and 60 against, the Senate on May 13 refused to place a statutory cap on credit-card interest rates. The amendment to HR 627 sought to impose the same 15 percent usury limit on credit cards that has applied to credit unions for the past 29 years. The underlying bill remained in debate. A yes vote was to limit interest rates.

Voting no: McCain, Kyl

GUN RIGHTS IN PARKS: The Senate on May 12 voted, 67 for and 29 against, to affirm Bush administration regulations ensuring the right to bear loaded guns in the National Park System and National Wildlife Refuge System. The amendment to HR 627 (above) seeks to counter a federal judge's recent ruling to block the regulations. A yes vote backed the amendment.

Voting yes: McCain, Kyl

* Copyright 2009, Thomas Voting Reports, Inc.