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Surface Transportation Blueprint Unveiled

On Monday, June 22nd, House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) released a draft surface transportation reauthorization bill, which the Highways and Transit Subcommittee will consider on Wednesday, June 24th. This measure will reauthorize the Safe, Affordable, Flexible, Efficient Transportation Equity Act – A Legacy for Users (SAFETEA-LU), the major federal statute governing surface transportation spending, which expires on September 30, 2009.

Enactment of this legislation by September, however, became even more problematic last week when Secretary of Transportation Ray LaHood announced that the Obama Administration is proposing enactment of an 18-month extension with a few policy changes as opposed to enactment of multi-year legislation. In any event, Chairman Oberstar is committed to moving forward with a multi-year reauthorization bill.

The multi-year legislation will be titled the “Surface Transportation Assistance Act (STAA).” The measure will provide between \$450 billion - \$500 billion for highway, transit, and highway and motor carrier safety programs over six years.

The draft bill makes major changes to current highway programs in that it consolidates all of the existing formula programs into to just four programs:

1. **Critical Assent Investment** – consolidates the current Interstate Maintenance, National Highway System, and Highway Bridge programs. Funding will be used to bring the highways and bridges of the National Highway System to a state of good repair and maintain that condition.
2. **Highway Safety Improvement** – restructures the current program to reduce motor vehicle crash fatalities and injuries on highways, grade crossings, and rural roads.

3. **Surface Transportation** – a flexible program to enable states and metropolitan areas address state-specific needs.
4. **Congestion Mitigation and Air Quality Improvement (CMAQ)** – restructures the current program to fund projects that improve air quality, reduce congestion, and improve public health and the livability of communities.

The draft bill also eliminates/consolidates a significant number of the non-formula, discretionary highway programs into four areas:

1. **Metropolitan Mobility and Access** – a new program designed to provide a significant, dedicated source of funding to the largest metropolitan regions to address congestion. The Secretary of Transportation would choose a certain number of metro areas to participate in the program, each of which would be guaranteed \$1 billion in federal contract authority over six years.
2. **Projects of National Significance** – continuation of a program to provide grants, loans, loan guarantees, lines of credit, private activity bonds, tax credit bonds, and other financial tools to states to finance the construction of goods movement and freight mobility projects, and other projects of national significance.
3. **Freight Improvement** – a formula grant program for freight and goods movement projects and for improving states’ ability to conduct freight planning. States will receive formula apportionments funded by contract authority.
4. **Federal/Tribal/Puerto Rico/Territory Lands** – a consolidation of all of the highways on federal lands and territories, including Puerto Rico and research programs.

With respect to public transit, the draft bill touched on several Federal Transit Administration restructuring provisions. The Bus and Bus Facilities program will be eliminated. A portion of the funding will be distributed by formula and a portion consolidated into a new “Intermodal and Energy Efficient Transit Facilities program. In addition, the Job Access and Reverse Commute, Elderly/Disabled, and New Freedom programs would be consolidated into a new Coordinated Access and Mobility program.

Additionally, the draft bill includes an additional \$50 billion in non-guaranteed funding authorization, loan guarantees, and guaranteed loans for high-speed rail development focused on the eleven high-speed rail corridors previously established by law.

Finally, the draft bill is expected to contain authorizing language for a National Infrastructure Bank to provide grants and credit assistance to projects under the Metropolitan Mobility and Access, Projects of National Significance, and High Speed Rail initiatives.

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