



THE
TRANSPORTATION
ALLIANCE

Highways • Transit • Rail • Waterways • Air

Alliance Construction Forecast

November 10, 2008

Federal Update

*Dennis McGrann, Federal Transportation and Infrastructure
Group, Washington, DC*



**LOCKRIDGE
GRINDAL
NAUEN**
P.L.L.P.
Attorneys at Law

CONGRESSIONAL UPDATE

Time Line:

- November 16th, 2008-Begin orientation for incoming House freshmen.
- November 17th, 2008-Both House and Senate return for a week long “lame-duck” session.
- November 17th, 2008-Senate holds leadership elections.
- November 19th, 2008-House Republicans hold leadership elections (House Democrats have not scheduled elections yet)
- January 3rd, 2009-Terms of members of the 111th Congress commence (as written in the Constitution)
- January 6th, 2009-111th Congress convenes and new Members are sworn in.
- January 20th, 2009-Inauguration Day.
- February 2nd, 2009-President submits his budget to Congress. (by law it is required by the first Monday of February each year)

THE 111TH CONGRESS

- Senate

- At present, Democrats have a 57-43 majority with 3 races (Minnesota, Alaska and Georgia) still too close to call.

- House

- At present, Democrats won at least 19 seats with several races still too close to call. They expanded their Majority over the 20 seats won in the 2006 election.



111TH CONGRESS

MINNESOTA DELEGATION CHANGES

- All House Incumbents that ran were reelected
- Only Change in House is the election of Eric Paulsen (R-3rd CD) to replace retiring Congressman Jim Ramstad
- Outcome of Senate race between incumbent Norm Coleman and challenger Al Franken is still unknown

TRANSPORTATION & INFRASTRUCTURE FUNDING OUTLOOK

- Several significant federal initiatives underway or upcoming that could impact federal funding for local Transportation and Infrastructure projects
 - Economic Stimulus “Round Two”
 - Reauthorization of the Federal Transportation Bill (SAFETEA-LU)
 - Fiscal Year 2009 and 2010 Federal Appropriations Bills
 - Reauthorization Of the Water Resources Development Act
 - Reauthorization of Federal Aviation Administration

ECONOMIC STIMULUS

- H.R. 7110 -*The Job Creation and Unemployment Relief Act of 2008*
 - Passed by the House on September 26th, 2008., on a vote of 264-158
 - Provided \$61 billion in targeted federal funding including \$30 billion for transportation and infrastructure programs
 - Senate version, which totaled \$56.2 billion failed to pass on September 26th.

ECONOMIC STIMULUS “ROUND TWO”

- October 15th, 2008-House Speaker Pelosi announced a series of Congressional hearings to address the needs of an expanded stimulus bill.
- October 29th-Chairman Oberstar’s Transportation and Infrastructure Committee held a hearing titled: “Investing in Infrastructure: The Road to Recovery”
- The hearing covered the content of H.R. 7110 and several witnesses testified to additional country-wide transportation and infrastructure needs that need to be addressed.

ECONOMIC STIMULUS

- **Table 1:** *Transportation and Infrastructure Funding in the Job Creation and Unemployment Relief Act of 2008 (H.R. 7110)*

Highways and Bridges	\$12.8 billion
Transit:	\$4.6 billion
Amtrak:	\$500 million
Aviation (Airport Improvement Program)	\$600 million
Environmental Infrastructure	\$6.5 billion
Army Corps of Engineers	\$5.0 billion

ECONOMIC STIMULUS

Table 2: Minnesota Funding Allocations designated in H.R. 7110

MN Highways and Bridge Investment	\$208,303,492
MN Transit Capital Investment	Urban Formula: \$42,311,164
	Rural Formula: \$8,983,964
	Total: \$51,295,128
MN Transit Energy Investment	Urban Formula: \$10,447,201
	Rural Formula: \$4,991,091
	Total: \$15,438,292
MN Environmental Infrastructure	\$117,978,035
Total Minnesota Funding	\$275,036,912

SAFETEA-LU REAUTHORIZATION

- *“Chairman James L. Oberstar has been waiting for over 40 years—since he himself was a young aide to the committee—for a chance to author a new highway law. Now the Minnesota Democrat will play the leading role in writing what promises to be the biggest overhaul of federal transportation policy in 50 years.”*
--Congressional Quarterly Guide to the New Congress

SAFETEA-LU REAUTHORIZATION

- In January, 2008 *The National Surface Transportation Policy and Revenue Commission*, Reported that the Federal Government needs to spend \$225 billion a year on infrastructure for the next 50 years to build a competitive transportation System.
- Chairman Oberstar has stated that the Committee plans to have a draft policy outline of the bill Completed before President-Elect Obama is sworn in on January, 20th, 2009
- Initial version of the bill will NOT include any individual projects. Committee Staff indicates that they will be requesting submissions for “High Priority Projects” from Members of Congress as early as January, 2009.

SAFETEA-LU REAUTHORIZATION

- In the Senate, Jurisdiction is split between two Committees:
 - The Environment and Public Works Committee, which is chaired by Senator Barbara Boxer (D-CA) and covers the surface transportation aspect of the bill. Senator Klobuchar is a Member of this Committee
 - The Banking committee which is chaired by Senator Chris Dodd (D-CT) and covers the transit portion of the bill
 - Both Committees have are currently holding hearings regarding the need for infrastructure
 - The Submittal process for both House and Senate Committees will be determined in the coming weeks but has not yet been publicized

ADDITIONAL UPCOMING INFRASTRUCTURE LEGISLATION

- Water Resources Development Act (WRDA)
- Clean water Restoration Act
- Federal Aviation Administration Reauthorization

WATER RESOURCES DEVELOPMENT ACT

- **Water Resources Development Act (WRDA)** is scheduled to be reauthorized during 111th Congress. The last bill was reauthorized in 2008, 5 years late.
- WRDA Authorizes funding for major navigation, flood control, and environmental restoration projects carried out by the U.S. [Army Corps of Engineers](#) (USACE).
- WRDA reaffirms the government's pledge to authorize, modify, and improve projects, programs, and policies protecting the nation from floods and keeping our waterways open to navigation. Without Congressional action, no new water resources development activity would be authorized to fulfill these important missions.

FEDERAL AVIATION ADMINISTRATION REAUTHORIZATION

- FAA Reauthorization
 - Current FAA bill expired on September 30th, 2007.
 - The House passed the FAA Reauthorization Act of 2007 (H.R. 2881) on September 20th by a vote of 267 to 151. The bill reauthorizes the FAA at \$68 billion over four years. The Senate has yet to consider its version of the bill (S. 1300), so stop-gap bills needed to be passed to keep the FAA operating
 - The Latest extension was passed on September 23, 2008 and funds the FAA through
- Chairman. Oberstar has indicated that passing the FAA reauthorization bill is a priority for his committee during the 111th Congress, as it was during the 110th. The Bill has been held up in the Senate Committee for over a year



QUESTIONS?

**LOCKRIDGE
GRINDAL
NAUEN**

P.L.L.P.

Attorneys at Law

**FEDERAL TRANSPORTATION &
INFRASTRUCTURE GROUP**

WASHINGTON, DC

Dennis McGrann, Director of Federal Affairs

Emily Gehrman, Federal Relations Specialist

(202) 544-9840