



**May 18, 2017**

**To:** Legislative and Communications Committee

**From:** Darrell Johnson, Chief Executive Officer

**Subject:** Federal Legislative Status Report

**Overview**

An overview is provided for the Federal Fiscal Year 2017 Omnibus Appropriations bill. An update is provided of efforts related to the pursuit of a Transportation Infrastructure Finance and Innovation Act loan for the Interstate 405 Improvement Project. A summary is provided of a hearing on infrastructure project streamlining.

**Recommendation**

Receive and file as an informational item.

**Discussion**

**Federal Fiscal Year 2017 Appropriations**

On May 4, 2017, Congress passed an omnibus appropriations bill for Federal Fiscal Year (FFY) 2017, shortly before a short-term Continuing Resolution expired on May 5, 2017. The Senate passed the bill by a vote of 79-18 and the House by a vote of 309-118. The President signed the bill the following day on May 5, 2017. Previous to the passage of the omnibus appropriations bill, the federal government was operating under several continuing resolutions which kept funding at FFY 2016 levels.

In regards to transportation, the omnibus appropriations bill rejected many of the President's proposals related to decreasing investment for the Capital Investment Grant (CIG) program, Transportation Investment Generating Economic Recovery (TIGER) program, and Amtrak service. While these issues may be discussed as part of the FFY 2018 budget, the omnibus appropriations bill is largely consistent with the funding levels authorized under the Fixing America's Surface Transportation Act (FAST Act). Highlights include:

- \$2.41 billion for the CIG program, including \$50 million for the New Starts Full Funding Grant Agreement (FFGA) for the OC Streetcar. Several other projects with imminent FFGAs were also included for funding, conflicting with the President's proposal not to fund new FFGAs. Reporting language was also included which directs the Secretary of the U.S. Department of Transportation (US DOT) to administer funding consistent with the levels provided in the bill.
- \$43.26 billion for the highway program, including the FAST Act authorized level of \$850 million for the Fostering Advancements in Shipping and Transportation for the Long-Term Achievement of National Efficiencies discretionary grant program and full funding for the Transportation Infrastructure Finance and Innovation Act (TIFIA) financing program. Also included was language that authorizes states to reprogram earmarks less than ten years old and less than ten percent obligated, and transfer that money to the surface transportation block grant program.
- \$9.73 billion for transit formula grants, consistent with the FAST Act authorizing levels. Included within this amount is \$4.6 billion in urbanized formula grants, \$2.55 billion in state of good repair, \$436 million for bus and bus facilities formula program, \$228.6 million for the bus and bus facilities discretionary grant program, and \$55 million for the no and low emission grant program.
- \$1.495 billion for Amtrak services - \$328 million for the Northeast Corridor, with remainder for the rest of the network.
- \$500 million for the TIGER program. The bill decreases the maximum awarded TIGER grant from \$100 million to \$25 million, and reduces the maximum share that can be awarded in a single state each year from 20 percent to ten percent. Planning grants are still not eligible for funding. Reporting language directs the Secretary of the US DOT to conduct a new competition to select the grants.
- Funding for three new grant programs established by the FAST Act for rail purposes: \$68 million for the Consolidated Rail Infrastructure and Safety Improvement, \$25 million for the Federal-State Partnership for State of Good Repair program, and \$5 million for Restoration and Enhancement Grants.
- \$199 million in one-time funding for positive train control



With the FFY 17 omnibus appropriations bill passed, attention will now turn to the FFY 18 budget. It is expected that the President will release his full budget proposal later this month. Staff will provide updates as details become available.

#### **Support for TIFIA Loan for Interstate 405 Improvement Project**

On May 3, 2017, the Orange County House delegation submitted a letter to U.S. DOT Secretary Elaine Chao, voicing their support for the Orange County Transportation Authority's TIFIA loan request for the Interstate 405 Improvement Project (Attachment A). Led by Representative Dana Rohrabacher (CA-48), the letter emphasizes the importance of the project and the associated express lane facility to congestion relief within the corridor.

The Orange County Transportation Authority (OCTA) is currently seeking a \$627 million TIFIA loan for the Interstate 405 Improvement Project, which would be backed by pledged revenues that would be generated by tolls charged on the 405 Express Lanes. This would reduce overall project costs dramatically. Currently, OCTA is in the process of discussing and negotiating commercial terms and conditions with the Build America Bureau, with the goal of securing the TIFIA loan before June 2017.

The letter submitted by the Orange County Congressional delegation represents strong support for the TIFIA financing effort for the project. In addition both the offices of Senator Diane Feinstein (D-CA) and Senator Kamala Harris (D-CA) have indicated a willingness to help support OCTA's efforts. Staff will keep the OCTA Board of Directors apprised as efforts continue related to the TIFIA proposal.

#### **Senate Committee on Environment and Public Works Hearing on Infrastructure Project Streamlining**

On May 3, 2017, the Senate Committee on Environment and Public Works (Committee) held a hearing entitled "Infrastructure Project Streamlining and Efficiency: Achieving Faster, Better, and Cheaper Results." Witnesses for the hearing included William T. Panos, Director of the Wyoming Department of Transportation; Leah F. Pilconis, Consultant on Environmental Law and Policy for the Associated General Contractors of America; and John Pocari, President of U.S. Advisory Services for WSP Parsons Brinckerhoff.

Many of the ideas and themes discussed during the hearing were consistent with the proposals included in OCTA's Breaking Down Barriers report which was communicated to the Committee earlier this year. Among the policies discussed were the merging of duplicative review processes and authorizing concurrent

reviews to take place, consolidating permitting functions, placing limits on permit review times, and a clear waiver system. Disagreement did exist among Committee members about whether additional permitting process improvements should be explored now, or whether to wait to fully implement those that were included in the FAST Act.

Also discussed was the need for additional, predictable funding. In regards to funding, witness testimony emphasized that public-private partnerships cannot work without a predictable revenue stream, and thus are not suitable for all types of projects. Instead, focus should be given to formula funds, allocated through the FAST Act structure.

### **Summary**

An overview is provided of the Federal Fiscal Year 2017 appropriations bill. An update is provided of federal financing for the Interstate 405 Improvement Project. A summary is provided of a hearing on project delivery streamlining. The April monthly activity report from OCTA's Washington advocate, Potomac Partners DC, is provided as Attachment B.

### **Attachments**

- A. May 3, 2017, Orange County Congressional Delegation letter to U.S. Department of Transportation Secretary Elaine Chao on Transportation Infrastructure Finance and Innovation Act loan request for Interstate 405 Improvement Project
- B. Potomac Partners DC, Monthly Legislative Report, April 2017

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