Iowa Department of Transportation

Federal Transportation Briefing

A Periodic Report on Federal Transportation Activities

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Annual Transportation Appropriations

FY 2010 – Following a series of Continuing Resolutions, the FY 2010 Transportation Appropriations Act (PL 111-117) was signed on December 16, 2009. The Act provided increases for most programs including an increase in the highway obligation authority. An additional $650 million from the General Fund will be distributed to the states through the core programs for highway projects, and $600 million will be distributed by the Secretary for surface transportation projects through an application process. The administration released the criteria on May 28 under the title “TIGER II.” (See description below)

FY 2011 – Congressional hearings are being held on the FY 2011 Transportation Appropriations bill. Requests for special project funding (earmarks) have been submitted to the Congressional delegation.

Aviation Authorization

The multi-year aviation authorization bill, known as Vision 100 (PL 108 -176), expired on October 1, 2007, and programs have been continuing under a series of authorization extensions. Multi-year authorization bills have been passed by the Senate on March 22 and by the House on March 25 as separate amendments to HR 1586. A conference committee will resolve the differences between the two proposals; however, another extension was passed this spring to carry the programs forward until July 3, 2010.

Surface Transportation Authorization.

The multi-year surface transportation authorization act, known as SAFETEA-LU, expired on October 1, 2009. The federal-aid programs, including highway, transit, highway safety, and motor carrier programs are continued through a series of extensions.

The current extension was included in HIRE, which was signed on March 18, 2010 (PL 111-147) and continues programs through December 31, 2010. In addition to program extensions, the act did away with the $8 billion contract authority rescission enacted in

SAFETEA-LU, and also transferred $19.5 billion from the General Fund to the Highway Trust Fund to keep that fund solvent.

While the formula programs have been extended, the earmarked projects in SAFETEA-LU have not been extended. The funding which would have been earmarked was redistributed among the core programs. Two of the SAFETEA-LU earmarked programs were controversial because 58 percent of the funding was provided to four states and 21 states received none of the funding. Congress may provide a "fix" for that situation. A bill passed May 28 by the House (HR 4213), which focuses mainly on extending taxes and safety net programs, also includes a provision to distribute the funding from the two controversial program based on the states' share of formula funds. If it becomes law, the bill would provide Iowa and several other states with additional transportation funding for FY 2010. The Senate will not consider it until after the Memorial Day recess.

Recovery Act

Following the enactment of the Recovery Act there was talk that a second "stimulus" or "jobs" bill would be passed to provide additional federal infrastructure investment funding. Late last year, proposals were being circulated and a bill passed the House which would have provided additional funding.

We realized it would be to our advantage to be prepared in the event additional funding did become available. As a result the department along with local jurisdictions, railroads and transit agencies identified a large number of infrastructure projects that could be advanced if additional funding was available. These projects were being developed as potential "jobs" projects pending final action on a bill.

Subsequent efforts in Congress have produced no additional funding and we do not now believe there will be additional funding forthcoming. As a result, we have notified the various groups that it is time to transition back to the normal project development process.

Climate Legislation

The Kerry-Lieberman "American Power Act" was released as a discussion draft on May 12. To gradually curtail greenhouse gas emissions, the bill requires polluters to obtain "allowances," with the number of allowances available decreasing over time. Proceeds from the sale of the allowances pays for a wide array of programs.

As it relates to transportation funding specifically, a certain percentage (up to $2.5 billion) of the proceeds would go annually to the Highway Trust Fund. Proceeds from other sales of allowances would go annually to: discretionary grants for transportation projects (similar to TIGER grants) - $1.875 billion; and to states and MPOs for planning costs and "implementation of plans" - $1.875 billion. In addition, a very small percentage could be used for state match for federal transit grants and certain other transportation-related programs.

The bill adds new planning requirements for states and MPOs, and calls on the Department of Energy to create a plan for the installation of electric vehicle infrastructure along “all major national highways, roads and corridors” by 2020.

Tiger II

On May 28, Transportation Secretary Ray LaHood announced the availability of $600 million in TIGER II grants for capital investment in surface transportation projects. TIGER II grants will be awarded on a competitive basis to projects that have a significant impact on the nation, a region or metropolitan area and can create jobs. The TIGER II solicitation now available on the Federal Register Web site provides criteria for the department to make merit-based decisions on the new discretionary program. Primary selection criteria include contributing to the long-term economic competitiveness of the nation, improving the condition of existing transportation facilities and systems, improving energy efficiency and reducing greenhouse gas emissions, improving the safety of U.S. transportation facilities and improving the quality of living and working environments of communities through increased transportation choices and connections.

The USDOT will also give priority to projects that are expected to quickly create and preserve jobs and stimulate rapid increases in economic activity.

Pre-applications are due on July 16 and applications are due on August 23 from state and local governments, including U.S. territories, tribal governments, transit agencies, port authorities and others. The Federal Register notice can be accessed by clicking here.

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