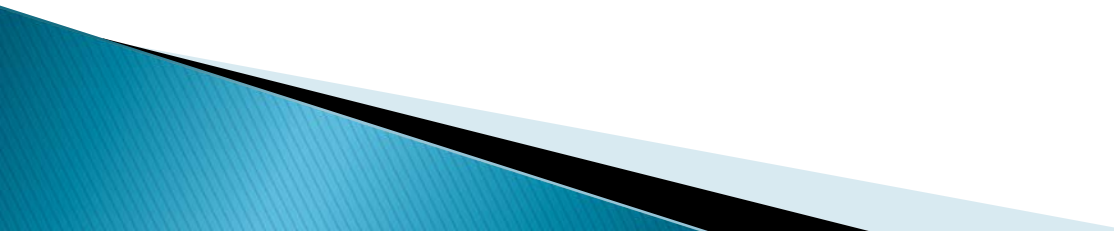


**Kathy Ruffalo**  
**Ruffalo and Associates, LLC**



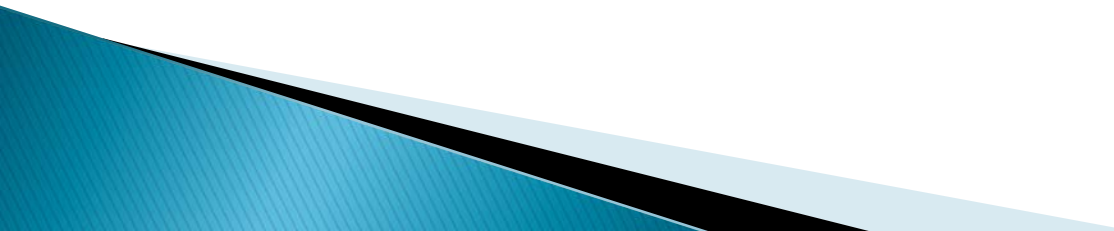
# Topics

- ▶ Current political climate
  - ▶ Debt/deficit discussions and impact to transportation
  - ▶ Status of SAFETEA-LU authorization legislation
  - ▶ Next steps
- 

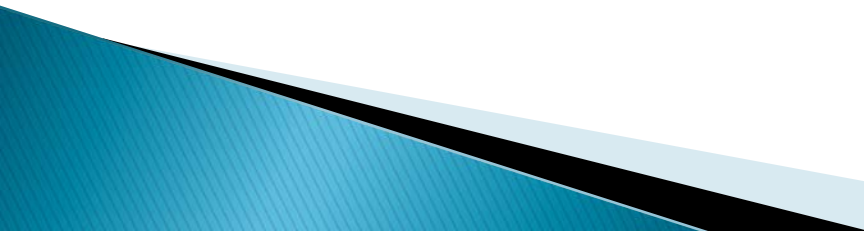
# The New Congress

- ▶ Almost one-quarter of House of Representatives are freshmen
  - 85 new Republicans
  - 9 new Democrats
- ▶ More than one-third of the Senate has turned over since 2008
  - 16 new Senators elected in 2010 alone
- ▶ New leadership in key Committees
  - House T&I freshman

# Jobs, Jobs, Jobs.....and the deficit

- ▶ Priority for the rest of 2011
  - ▶ Everything viewed from this prism
  - ▶ Intense pressure to continue efforts to impact unemployment rate and deficit levels before the 2012 elections
- 

# Debt and deficit reduction deal

- ▶ Required roughly \$1 trillion in security and non-security discretionary spending reductions over 10 year period
  - ▶ Created “super-committee” to identify an additional \$1.2 trillion in spending cuts or revenue increases over 10 year period
  - ▶ Created a “trigger” or sequester if this super-committee cannot reach a deal
- 

# Debt and deficit reduction cont'd

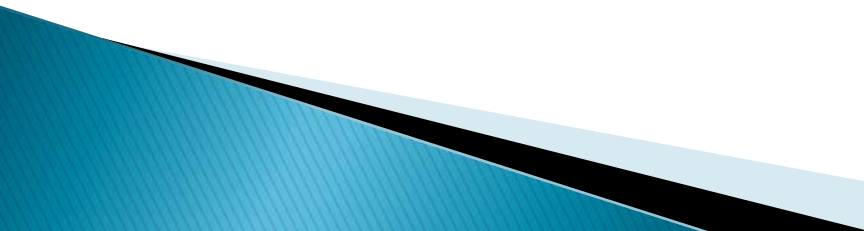
House Super-Committee  
members:

Jeb Hensarling (R-TX)  
Dave Camp (R-MI)  
Fred Upton (R-MI)  
William Clyburn (D-SC)  
Chris Van Hollen (D-MD)  
Xavier Becerra (D-CA)

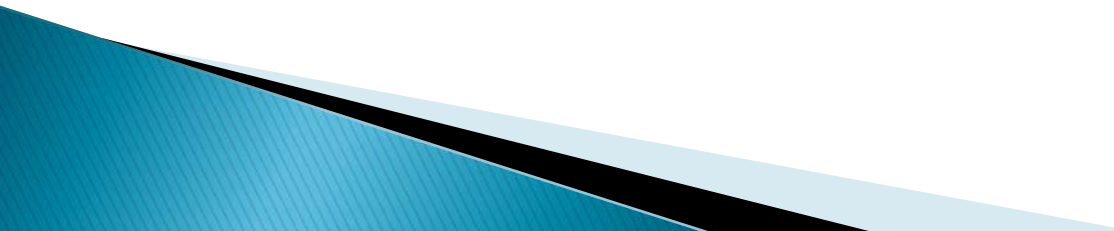
Senate Super-Committee  
members:

Patty Murray (D-WA)  
Max Baucus (D-MT)  
John Kerry (D-MA)  
John Kyl (R-AZ)  
Pat Toomey (R-PA)  
Rob Portman (R-IN)

# Key Super-committee timelines

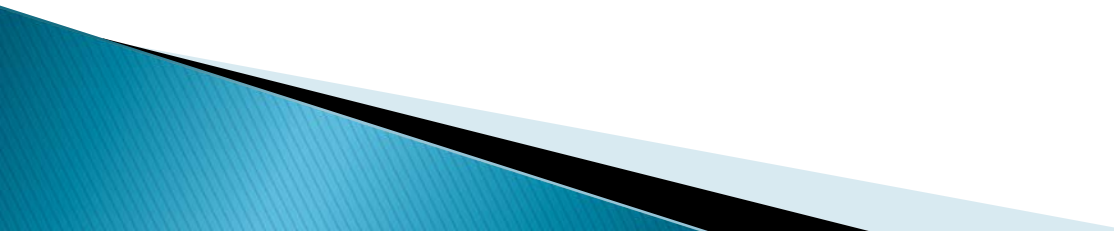
- ▶ October 15, 2011 – Congressional Committees provide recommendations
  - ▶ November 23, 2011 – Super-committee must vote on recommendations (7 of 12 members must approve to have proposal forwarded to Congress)
  - ▶ December 23, 2011 – Congress must vote on recommendations
  - ▶ January 2, 2013 – Any required sequestration would occur
- 

# Possible impacts to transportation program

- ▶ Just enacted debt/deficit deal will not impact programs funded from the Highway Trust Fund
  - ▶ Programs funded through General Funds may be impacted
  - ▶ Congress will make these decisions during the annual appropriations process
- 




# Don't forget.....


- ▶ Simpson/Bowles Commission recommended a 15 cent per gallon fuel tax increase to be used for transportation investment
  - ▶ “Gang of Six” recommended identifying \$133 billion to be used to maintain current transportation funding levels over 10 year period
  - ▶ So – transportation receiving favorable treatment to date
- 

# So – where does this leave the authorization bill?

House authorization proposal (outline released in July):

- 6 year bill
  - relies upon revenue into the Highway Trust Fund only
  - consolidates core programs
  - includes performance measures and planning changes
  - includes project delivery improvement proposals
  - increases TIFIA program and encourages use of public-private partnerships
- 

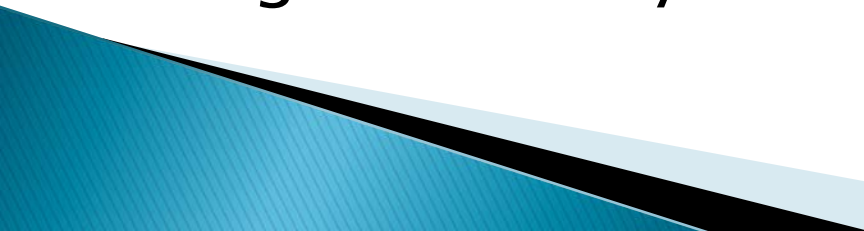
# Senate authorization bill

- ▶ Outline released in July
  - ▶ 2 year bill
  - ▶ Maintains current spending levels
    - Requires \$12 billion over two year period
  - ▶ Consolidates core programs
  - ▶ Includes performance measures and planning changes
  - ▶ Increases the TIFIA program
  - ▶ Includes project delivery improvement proposal
- 

# Performance measure debate

- ▶ Who sets targets and goals – USDOT or States/MPOs?
- ▶ Will funding be available to meet any performance measure requirement?
- ▶ What areas are “ready” for performance measures?
  - Safety
  - Congestion
  - Pavement/Asset management
  - Freight mobility
- ▶ What are implications if a State or MPO fails to meet a target or goal?

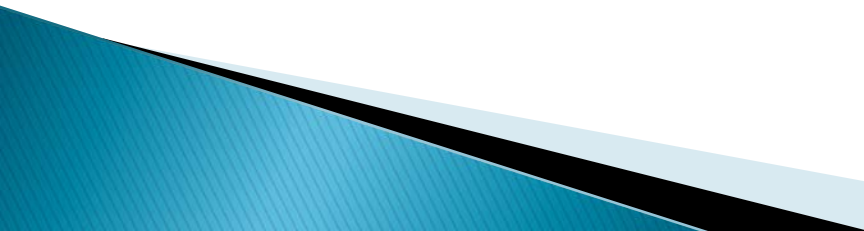
# Additional challenge

- ▶ Current extension of SAFETEA-LU expires on 9/30/11
  - ▶ Unfortunately, the fuel taxes also expire on that date
  - ▶ Congress must decide whether to extend one or both; for how long; and at what funding levels.....and decide with only 18 legislative days on the calendar
- 

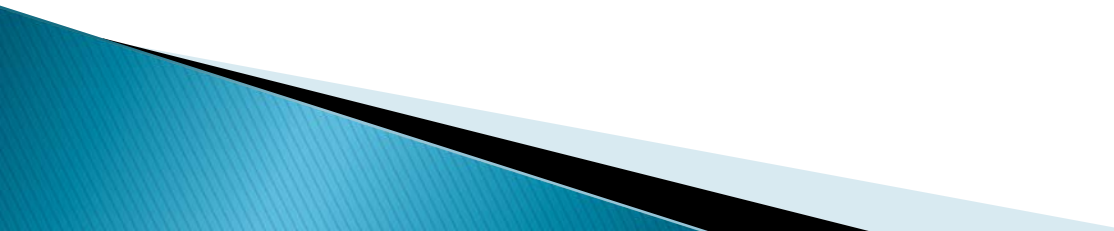
# Next Steps

- ▶ Senate EPW Committee intends to mark-up an extension of SAFETEA-LU on September 8<sup>th</sup> (extension through 1 / 31 / 12)
- ▶ Senate Finance Committee would take action in a similar timeframe
- ▶ Expect Senate floor consideration of an extension of BOTH the authorization and the fuel tax as soon as the week of September 15<sup>th</sup>
- ▶ House has yet to announce extension plans

# Next steps continued

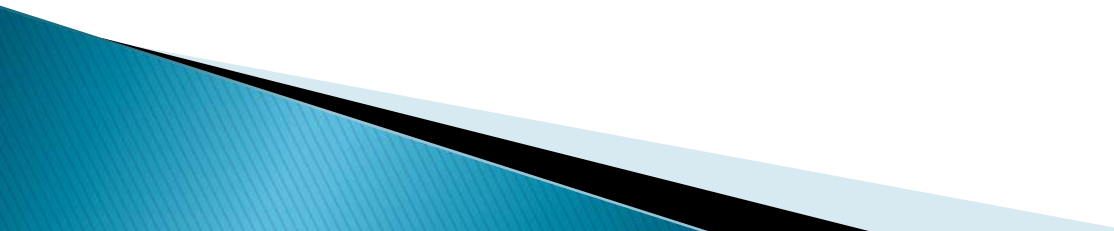
- ▶ Senate EPW Committee expects to mark-up a 2 year authorization bill by mid-September
  - ▶ Prior to August recess, Senator Reid stated the transportation bill would be on the Senate floor in September
  - ▶ Both are possible - IF - there is a bi-partisan agreement on how to fill \$12 billion gap
  - ▶ Chairman Mica has stated his desire to also consider a 6 year bill in September
  - ▶ House leadership has not decided a timeframe for floor consideration
- 

# And...can't forget President's "jobs plan"

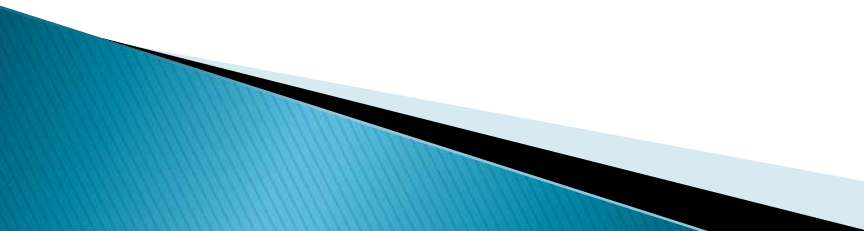
- ▶ Expect to be released early September
  - ▶ Possible components
    - Call for passage of transportation bill
    - Expansion of TIFIA program
    - Creation of infrastructure bank
    - Extension of payroll tax reduction
    - Business tax credits for hiring unemployed workers
    - Call for passage of 3 pending trade agreements
    - Call for passage of patent reform
- 



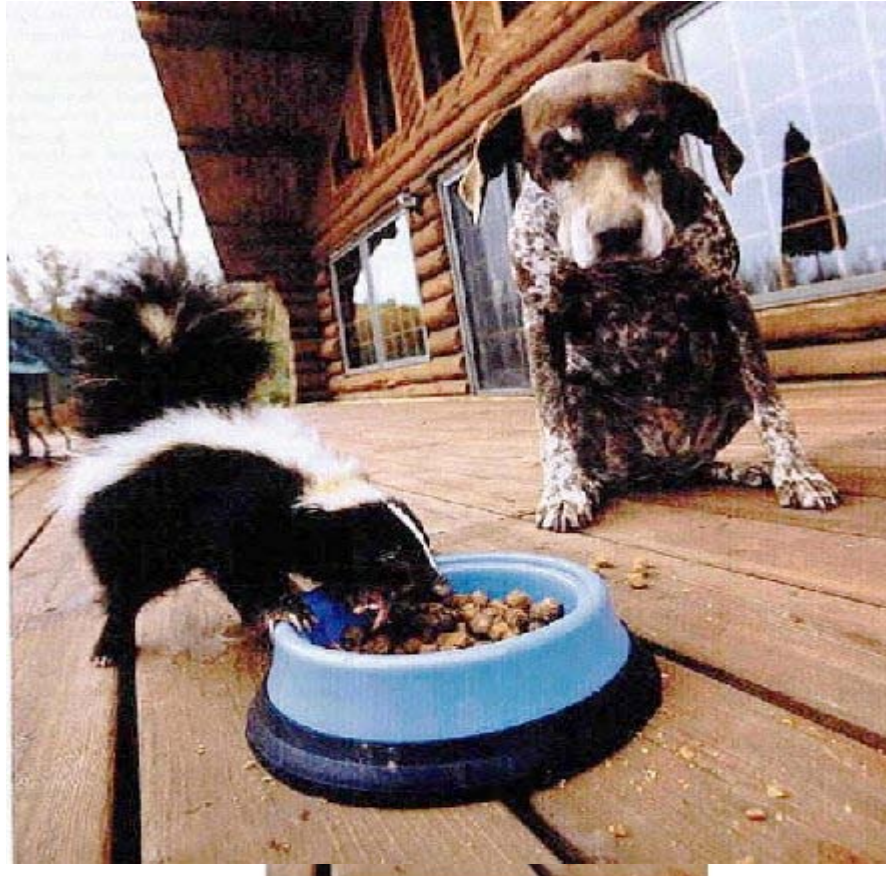
# Path Forward

- ▶ Need to develop a national transportation policy
  - ▶ Need a bi-partisan solution – funding and policy
  - ▶ Need to recognize intergovernmental relationships
  - ▶ Modal fights will only ensure failure
  - ▶ Need to demonstrate reform to users and taxpayers
- 

# How can we prevail?

- Jobs, jobs, jobs and deficit
  - Transportation improvements can improve commute and quality of life – what are the benefits to increased funding and consequences without it? Tell a story!
  - Need to stay engaged with local business and community leaders, along with local media
  - Need coherent message
    - Crisis
    - Something needs to be done NOW
    - Federal government can be positive partner
    - Public needs to buy into program
- 

# Patience and Wisdom



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