

**NARC**

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The 112th Congress, the Administration and the current and future policy, funding and finance of transportation and infrastructure

**NYMTC**

**Presented by:**

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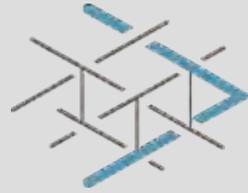
# Disclaimer

- This presentation is for educational purposes only and does not constitute an endorsement of any political party.
- NARC is an educational non-profit trade association providing training, services and technical assistance.



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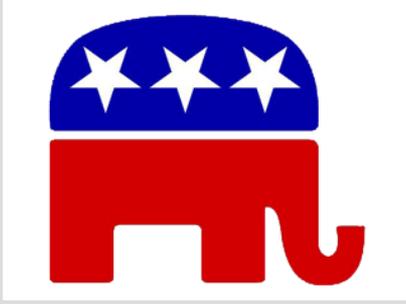
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# **2010 Midterm Elections**

**A Snapshot of Congressional  
Changes**

# Outline

- “Wave” election
  - Republicans win House
  - Democrats keep majority in Senate
  - Tea Party victories
- Congressional leaders
  - Who are they?
  - What do they want to do?
- New committee leadership
  - Who are they?
  - What do they want to do?
- What is your role?



# Major Shake Up

## Change of Power



*109 new members of Congress*

*~20% of Congress is new*

Many failed reelection bids and retirements

### SENATE

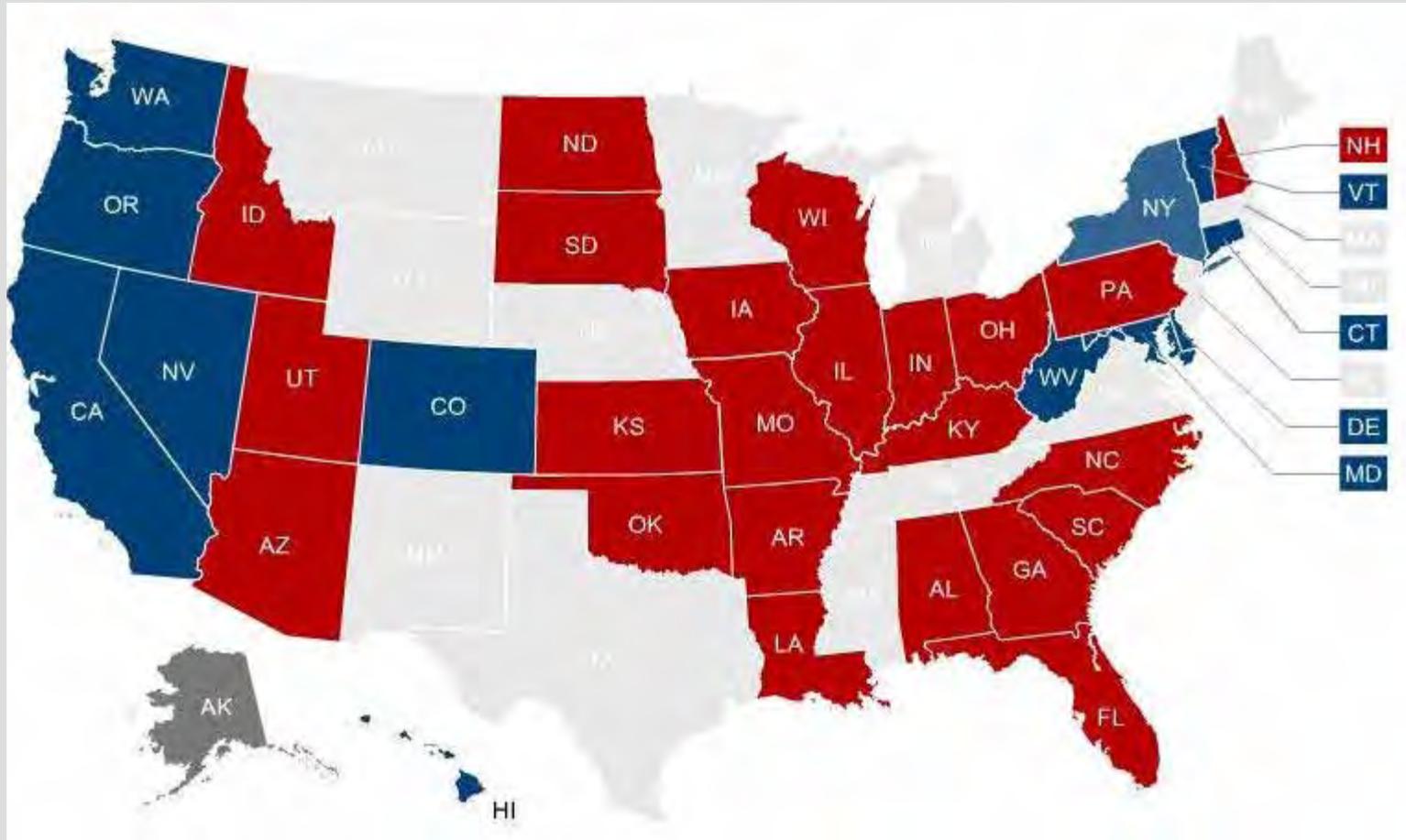
- 16 new members
- GOP picked up 6 seats; retained 46 seats
- Democrats have 53 seats (incl. 2 Independents)

### HOUSE *Shift of Power!*

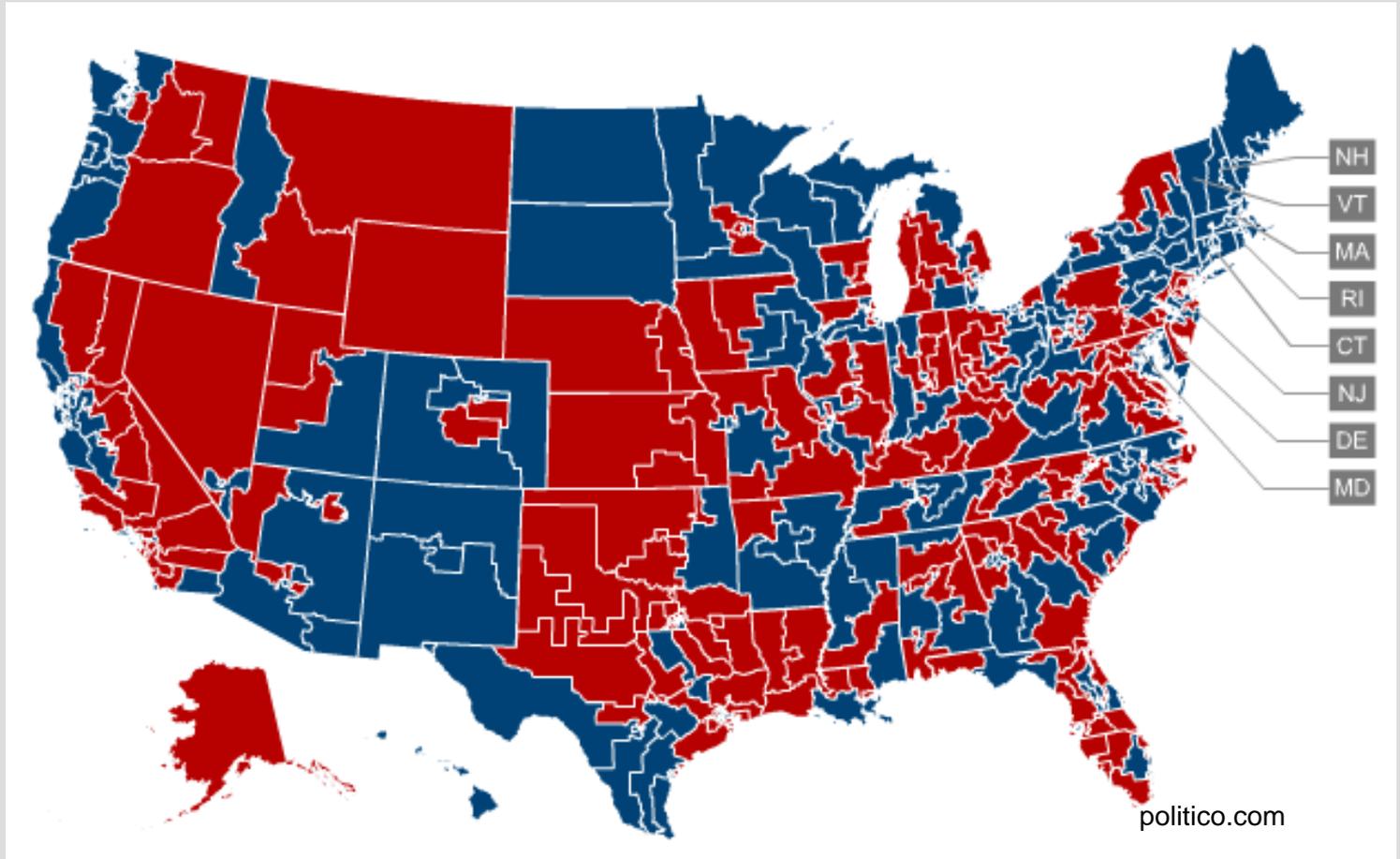
- 93 new members (51 defeated incumbents)
- GOP picked up 63 seats; retained 176 seats = 239 Rs
  - Most seats won by a party since 1946 election
- Democrats retained 185 seats; won 3 seats = 189 Ds



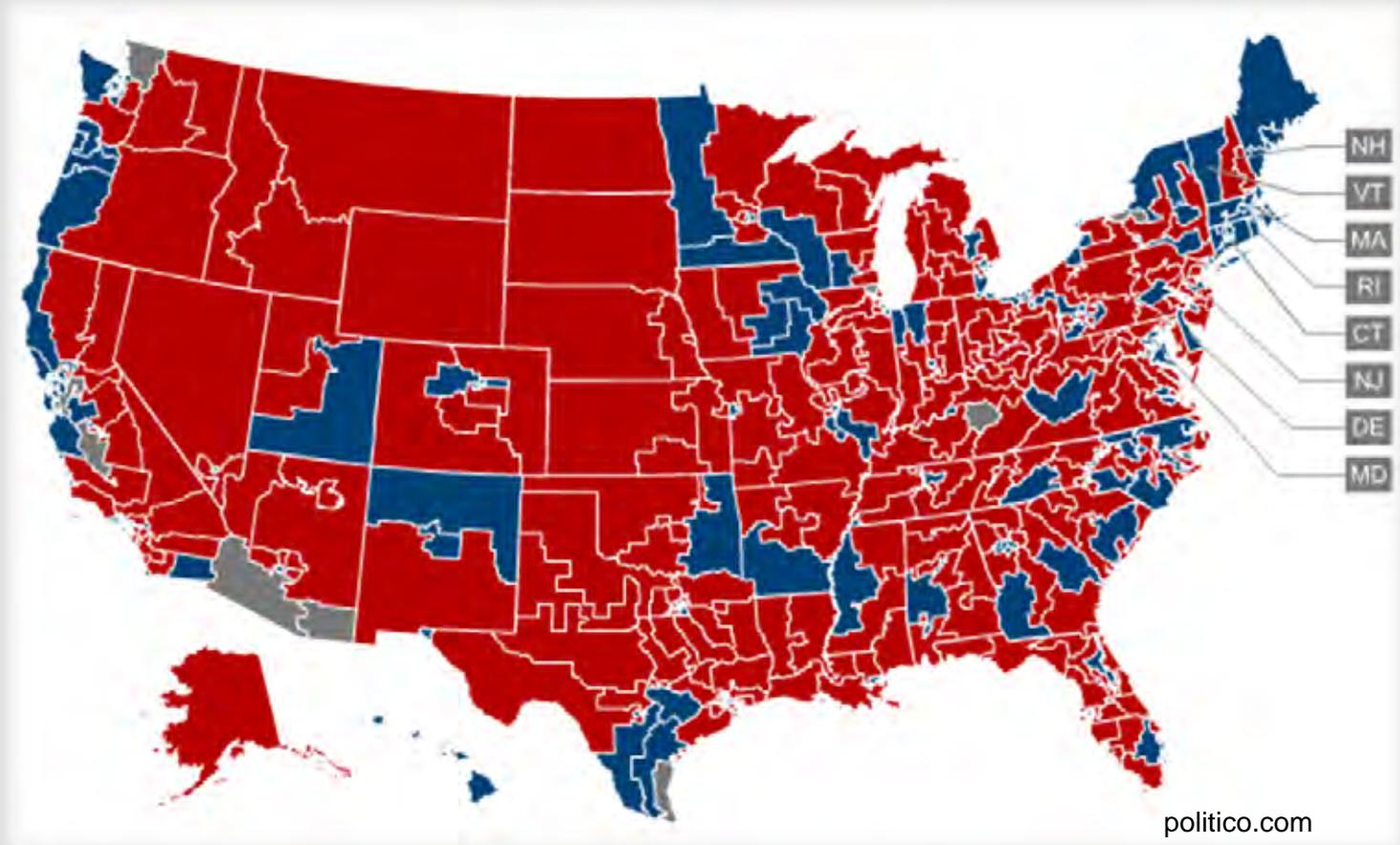
# 2010 Senate Elections



# 2008 House Elections

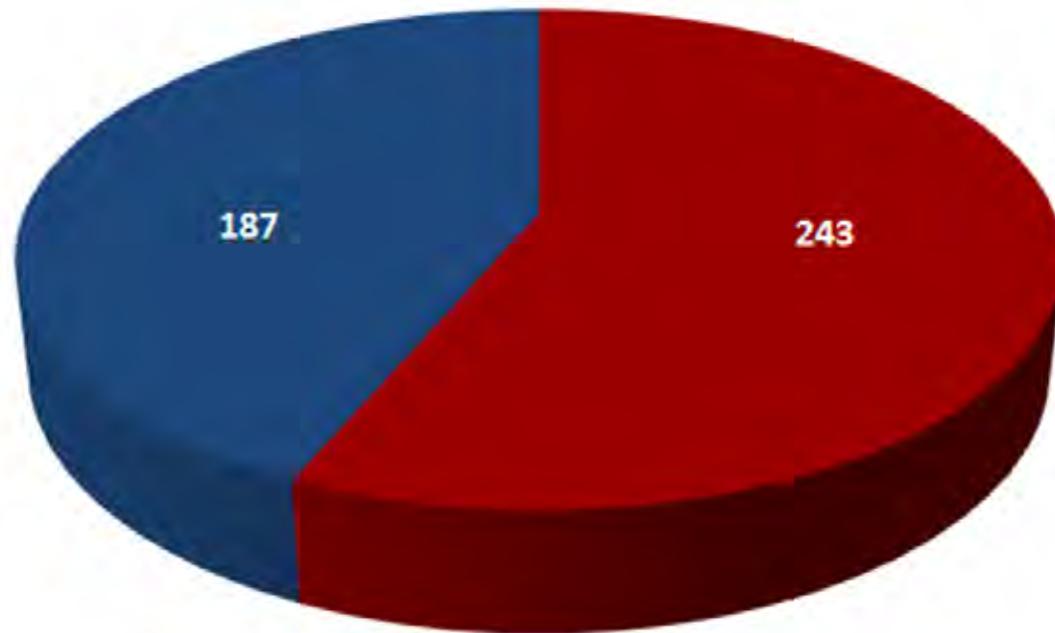


# 2010 House Elections



# House in the 112<sup>th</sup> Congress

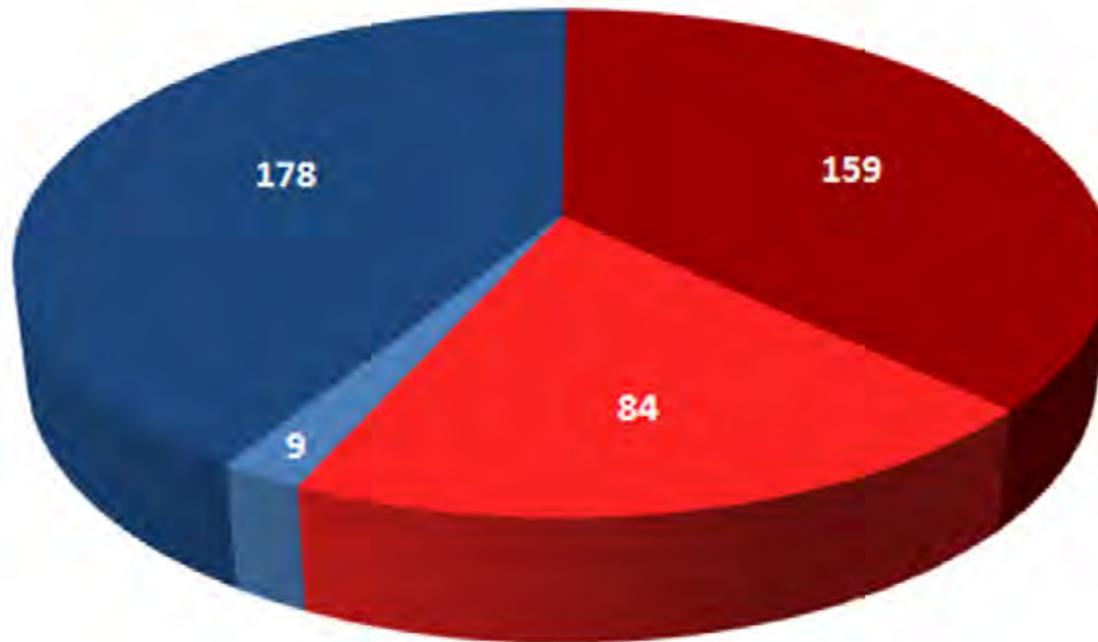
Balance of the House



# House in the 112<sup>th</sup> Congress

## New House Members

■ New Dems   ■ Returning Dems   ■ Returning GOP   ■ New GOP



# Leadership

**Who's in charge now?  
What do they want to do?**

# Leadership

- New in the **House**...
  - Party leadership
  - Committee leadership
- In the **Senate**
  - Mostly the same
  - A few committee chairs not returning
- Why is this important?
  - While any member can introduce legislation, the Leadership sets the agenda, picking which bills to prioritize and advance



# Congressional Leadership

## REPUBLICANS

House Speaker John Boehner (R-OH)



- Fiscal conservative
- Committed to cutting government spending & increasing transparency
- [“Pledge to America”](#)

Senate Minority Leader  
Mitch McConnell (R- KY)



- Repeal healthcare law
- Reduce government spending
- Reduce size of government
- Hearings to oversee Executive Branch actions
- Freeze domestic discretionary spending

# Congressional Leadership

## DEMOCRATS

### House Minority Leader Nancy Pelosi (D-CA)



- Working with GOP
- Protect healthcare bill and entitlement programs
- Protect D priorities

### Senate Majority Leader

Harry Reid (D- NV)



- Won difficult re-election
- Boosted by Hispanic vote in election
- Has served as D leader for past 5 years

# Congressional Agenda

## REPUBLICAN

### HOUSE

- Procedural changes
  - No earmarks, more transparency
- Repeal & replace Affordable Health Care Act
- Cut government spending
- Extend Bush tax cuts
- “All of the above” energy policy
- Distribute power to committees
- Bridge divide between GOP regulars and Tea Partiers
- Jobs/economy
- Free trade agreements

### SENATE

- Still in minority
- Repeal healthcare
- Jobs/economy



# New rules

- The **U.S. House of Representatives adopted the a self-binding package of rules** that governs how the Chamber will take up legislation. This includes a change to how transportation bills are considered that makes it easier for Members of the House to object to the spending levels that are contained within the surface transportation authorization.
- The newly adopted House Rules (through H. Res. 5) **reverses the Highway Trust Fund (HTF) protections** within Clause 3, and **severs the user-financed basis of the HTF**, potentially making federal highway and transit investments subject to the annual appropriations process. This could mean that transportation commitments funded out of the HTF could be below the authorized levels.
- Also considers amendment adoption from the floor on spending bills.



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# Congressional Agenda

## DEMOCRAT

- Remove Bush Tax Cuts
  - Preserve for lower rates for individuals earning <\$200,000
- Domestic Discretionary Spending Reduction
- Energy policy
- Jobs/economy
- Immigration reform? (Senate)
- Free trade agreements
- Healthcare law reforms?
- Keep White House in 2012 election



# Committees

**Who's in charge now?  
What do they want to do?**

# Transportation & Infrastructure

- Responsible for...
  - Aviation, transit, highways, and rail
  - Coast guard & maritime transportation
  - Water resources & environment
  - Economic development, public buildings, & emergency management
- New leadership
  - John Mica Chair (Rahall (WV) co-chair Minority)
  - Surface transportation authorization still priority
    - Changes in proposed policy
      - Stabilizing the Highway Trust Fund: short term combat waste and redundancy
      - Doing More with Less & Better Leveraging our Revenue Sources: improve program efficiency
      - Cutting Red Tape & Expediting Projects – The 437 Day Plan: expediting projects
- No clear direction from Senate (Boxer/Inhofe)



Rep. Mica

**Note: Rep. Oberstar  
lost reelection**

# Ways & Means

- Responsible for...
  - Taxes
  - Tariffs
  - Welfare programs
- New leadership
  - David Camp
  - High turnover of GOP seats
  - 2001 & 2003 tax cuts
  - Repeal healthcare bill
  - Free trade with South Korea, Colombia, & Panama



Rep. Camp

# Appropriations

- Responsible for...
  - Setting US Government expenditures
- New leadership
  - Many senior members leaving
  - GOP
    - Harold Rogers (R-KY)
  - Democrats
    - Ranking member Norm Dicks (D-WA)
  - Back to 2008 spending levels (\$954.1B)
    - Democrats wanted \$1.12 trillion for 2011



Rep. Lewis

# Budget

- Responsible for...
  - Budget procedures
  - Oversight of programs and agencies funded outside of budget process
  - Reviewing all budget-related legislation
- New leadership
  - Paul Ryan “Roadmap for America’s Future”
    - Cut spending
    - Make serious changes to healthcare, entitlements, and taxes
  - Rescind unobligated money from 2009 stimulus
  - Go back to 2008 spending levels



Rep. Ryan

# Overview

- About NARC
- Funding
- Surface Transportation Authorization
- Livability
- Federal Air Quality Changes
- Questions



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# About NARC

- National non-profit trade organization
- Represents multi-jurisdictional regional planning organizations – large and small, urban and rural
- Formed by NACo and NLC
- Governed by local elected officials
- Advised by Executive Directors
- NARC President Hon. Judge James Townsend
- Concentrate on four core areas
  - Transportation
  - Economic & Community Development
  - Homeland Security/Public Safety
  - Environment



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# Funding

- Continuing Resolution
  - March 4
  - Have to fund government and prepare 2012 budget
- House has promised to cut \$100 billion before March
- Administration has ordered 10% cuts across every agency
- Don't overlook deficit reduction report
- Almost all cuts will be in Domestic Discretionary spending
- However, many agencies still have large unspent ARRA obligations.



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# In the news today

- “As I have said before, it is my intention to craft the largest series of spending cuts in the history of Congress. My committee is working diligently on this right now and will continue this effort throughout the Appropriations process this year.” (Appropriations Chairman Rodgers in support of House rules committee resolution to cut back to 2008 levels.)\*
- The conservative Republican Study Committee on Thursday plans to unveil its own spending reduction plan, which it estimates would reduce federal spending by \$2.5 trillion over 10 years. The centerpiece of the proposal is a roll-back of non-security spending to **2008 levels for the remainder of fiscal 2011**, and a further roll-back of all “non-defense” spending (i.e., all discretionary spending other than for the Pentagon) to **2006 levels for every subsequent year through fiscal 2021 — which combined would save more than \$2.3 trillion**. Additional specific cuts would include **elimination of Amtrak subsidies, intercity and high-speed rail grants, funding for new transit projects, numerous education programs, the Community Development Block Grant program and national and community service programs.** \*reported by CQ



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# State of the Nation

- US economic conditions is hitting everything – federal, state and local budgets are under constraints and cuts.
- ASCE has given our nation's public infrastructure a *D*, estimating that it will cost **\$2.2T** over the next five years just to repair current infrastructure
- More than **72,000 miles** of municipal water and sewer pipe are more than **80 years old**, threatening the public health and economies of communities large and small
- Japan, China, India, and the EU are investing much more in infrastructure



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# The Nation

- The U.S. spends **less than 1% of GDP** on infrastructure
  - China spends 9%
  - India spends 3.5%
- Federal infrastructure spending accounted for 10% or more of the budget from 1959 -1966
- TODAY, federal spending on infrastructure is approx. 3% of total federal budget
- CBO estimates the federal budget deficit was \$371 billion in the first quarter of fiscal year 2011, CBO estimates in its latest Monthly Budget Review.
- States and localities account for around **75% of total infrastructure spending**



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# Funding for Transportation

- HTF
  - Need 43 cent gas tax increase to make HTF solvent AND build new projects nationwide
- Transit Apportionments
- High speed rail
  - ARRA – any new funding?
- ARRA funds still outstanding.
- General fund
  - Compete with other discretionary programs
  - Raises the debt
- PPP's
- Issues of Major Metropolitan Regions/Metropolitan States:
  - Top 5 could command over \$300 billion in needed maintenance, preservation, and expansion of systems in short and long term
  - Highest proposal for Surface Transportation bill was last year at \$500 billion
- Clearly unclear where \$ will come from
  - No will to raise taxes this year or going into 2012 elections



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# NARC Legislative Priorities

NARC is seeking:

- ☑ Authority to local and regional levels
  - ☑ Accept Responsibility
- ☑ Increased local and regional funding
- ☑ Flexibility in programs
- ☑ Simplicity in programs and process
- ☑ Consistency in programs



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# NARC Priorities

## Regional Transportation Planning

- Surface Transportation Authorization, Livability, Climate Change all interwoven
  - Using lessons from ARRA to inform DOT/MPO/RPO opinions
  - Same Committees providing oversight, writing legislation
  - All signs point to changing the way regions operate
- Surface Transportation Authorization may be delayed (2013), but portions being acted on now
  - Defining Federal/State/local relationships
  - Metropolitan and rural planning
  - Support for financing mechanisms



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# NARC Priorities

## Surface Transportation Authorization

- New roles/responsibilities for MPOs, RPOs
  - Some positive – greater focus on local government, condensing programs, etc.
  - Some negative – potential for significant unfunded mandates, new governance structures
  - Some unknown – MMAP, money and priorities
- New responsibilities for local governments
  - Climate change (legislation unlikely/regulation likely)
  - Air quality (regulatory)
- HTF insolvent – recent transfer of General Fund \$
  - How will we continue to pay for the current system?



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# NARC Priorities

## Livability

NARC released its Livability Framework and is advocating for the Federal government to:

- ✓ reaffirm the its role in regionalism
- ✓ coordinate regional assistance programs
- ✓ conduct federal interagency meetings
- ✓ determine federal livability goals
- ✓ establish competitive comprehensive regional planning and implementation grants
- ✓ incentivize coordination among local and regional activities
- ✓ improve data collection, research, evaluation and analysis
- ✓ ensure land use/zoning requirements do not impede upon local decision-making
- ✓ provide for transparency, accountability and replicability



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# NARC Priorities

## Livability

- S1619 – NARC & Senate Banking Committee – reinvigorating comprehensive regional planning
  - Opportunities for planning and implementation \$ through HUD
  - Streamlines processes and connects federal agencies and programs
  - Coordinates strategic regional transportation, economic, environmental, land use and housing
  - Urban and Rural – includes definition for RPOs and makes them eligible for funding
- HR4950 – NARC & Rep. Perlmutter (D-CO)
  - Same language as in Senate
- NARC helping gain support – will take time to move
- Hopefully both will be introduced again



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# NARC Priorities

## Livability

- Multiple White House/Congressional Meetings on this
  - NARC President/leadership met with HUD Deputy Secretary Ron Sims, DOT Secretary LaHood WH office of Urban affairs to discuss local gov't & regional roles
- NARC submitted comments on \$150M HUD **Sustainable Communities Planning Grant Program**
  - HUD's first big effort to forward the Obama Administrations livable communities goals
  - To integrate land-use/transportation/housing
  - Local governments in driver seat
  - Regions of all size should be eligible
  - Use existing planning requirements
  - Recommended 13 funding categories
  - **43 grantees awarded!**
  - **\$150 million in 2011 HUD budget**



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# NARC Priorities

## Federal Air Quality Standards

- EPA reviewing ALL federal air quality standards
  - National Ambient Air Quality Standards measure human and plant health when exposed to various airborne pollutants
  - NEPA Review
- NAAQS Ozone
  - Currently .075ppm; Proposing to lower standard to between .060 and .070ppm
  - Large Increase in number of affected counties
  - Most of FL will be out of compliance
  - NARC, with NACo, submitted comments to proposed rule
  - Up to 650 counties entering non-attainment



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The U.S. Circuit Court of Appeals for the District of Columbia denied Texas' request to stop the **U.S. Environmental Protection Agency (EPA)** from **issuing greenhouse gas permits** in Texas. The ruling allows the EPA to begin its greenhouse gas permitting rules, clearing a legal obstacle for the new regulations.

Chairman Fred Upton (R-MI) of the House Energy and Commerce Committee is **exploring options that will halt U.S. EPA's regulation of greenhouse gases.**



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# NARC Priorities

## Federal Air Quality Standards

- NARC, with NACo, submitted comments to proposed rule
- NARC-NACo comments asked for:
  - Don't change the primary or secondary standards
  - Consider EPA's actions as it relates to the funding available (CMAQ)
  - Delay implementation of any new standards
  - Be open to including new technologies
- NARC created Air Quality Toolkit for local elected officials and regional planning organizations to use in communicating changes



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# Innovation

- Be flexible
- Be creative
- Promote cost savings/job creation and cross boundary cooperation
- Look to agencies you have not worked with before



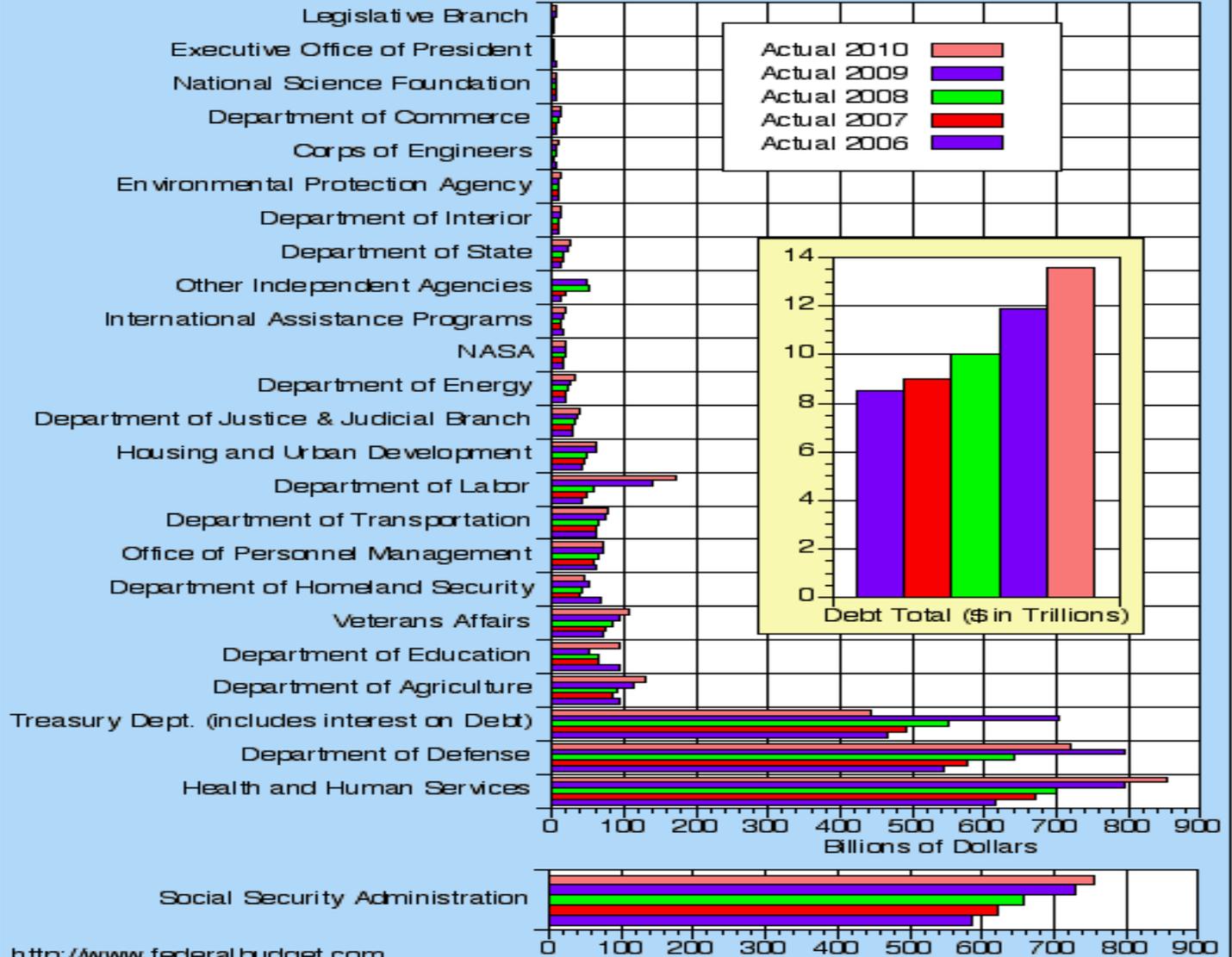
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# How Congress Spends Your Money

## AGENCY



<http://www.federalbudget.com>



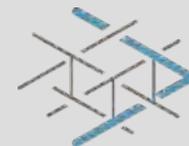
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# QUESTIONS?

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