

STATUS OF FEDERAL TRANSPORTATION BILL

1) The current extension of the Surface Transportation Bill is set to expire March 4, 2011. Another extension is expected to be approved at that time. The House expects to have a working version of a new bill within the next few months. The Senate expects to have its own version of a bill by then as well. Leaders of both chambers and officials of the administration have stated that a new bill can be developed and adopted before the middle of August 2011.

2) While there is no draft version of the bill to look at yet, John Mica, the new Chair of the House Highway Transportation Committee, has made some statements about what to expect for the upcoming House bill including:

- Stabilize the Highway Trust Fund – shrink the size of the next transportation bill to fit the amount of funding coming in.
- No new taxes - concentration on increased efficiencies and doing more with less, increase federal match requirement to increase leverage of federal funding.
- Eliminate or dramatically reduce earmarks.
- Increased reliance on Public/Private partnerships, tolling, Federal financing tools, Infrastructure banks.
- Streamline project delivery - adopt strategies necessary to reduce procedural issues and thus reduce the time it takes develop and construct projects
- Performance measures

3) House Adopted Rule new rule related to funding levels

The House adopted a new rule which says that no bill shall be considered that will “reduce or otherwise limit the accruing balances of the Highway Trust Fund.” (If you have an action that reduces the accruing balance it will not be considered.)

What this means:

The highway account accrues \$30-\$33 billion a year. The current expected outlays are \$41 billion. If the new House Rule is applied, there is no way to have the current outlays greater than revenues. The idea is to “live within your means”, so the trust fund expenditures should be set to meet revenues. That would amount to a 20-30 percent reduction in annual spending. For Oregon, it would be funding set to the 2006 or possibly the 2004 level (\$360 million down from \$443-493 million).

There has also been discussion of returning to the overall budget expenditure to 2008. If that happens, ODOT does not expect much impact in transportation, because funding for transportation would be close to 2010-2011 levels.