



CAPITAL PARTNERSHIPS (VA) INC.

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Northstar Commuter Rail FFGA Signed in December

On December 11, the Northstar Commuter Rail Project secured a major victory with the signing of the FTA Full Funding Grant Agreement (FFGA). The signing of the agreement between Minnesota Governor Tim Pawlenty and U.S. Deputy Secretary of Transportation Admiral Thomas Barrett guarantees \$156.8 million in federal matching funds. The grant will be used for construction and capital investment on the 40-mile line between Big Lake and downtown Minneapolis.

Without the hard work of key members of Minnesota’s congressional delegation throughout the past year, progress towards the signing of Northstar’s FFGA may have been held up for quite a while longer due to bureaucratic red tape. The continued and coordinated efforts of Senators Norm Coleman and Amy Klobuchar and Congressmen Jim Oberstar, Jim Ramstad, and Keith Ellison, however, helped to keep the “train on its tracks” despite a number of obstacles.

The project’s scheduled delivery date is in late 2009, so we are gearing up for an active and exciting year working with our project’s congressional supporters to keep the annual appropriations flowing.

Pictured at right (left to right), Congressman Keith Ellison (D-5th), Metropolitan Council Chairman Peter Bell, Governor Tim Pawlenty, and Anoka County Commissioner and Chairman of the Northstar Corridor Development Authority Dan Erhart are all smiles after the signing of the FFGA.



(Photo courtesy of Anoka County, MN.)

REMINDER!

Clients can access all of our memos at any time on the Client Access page of our website. We also include copies of important legislation, presentations, and other documents you may not be able to find anywhere else!

Please e-mail Amanda Kadilak today if you need a log-on or password reminder: AKadilak@cpiva.com.

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Arizona Department of Transportation Awarded \$22.8 Million Grant for Completion of the Bypass Bridge at the Hoover Dam

In September, the Arizona Department of Transportation's push to complete the Bypass Bridge at the Hoover Dam was rewarded when Congressman Trent Franks (R-2nd) proudly announced that ADOT would be awarded a Public Lands Highway Discretionary Grant from the Federal Highway Administration in the amount of \$22.8 million. The grant funds will go a long way towards the debt repayment but there is still \$19 million left to go.

Finishing off this federally-owned project has been the top priority of ADOT as well as several key members of Arizona's congressional delegation, chief among them Senator Jon Kyl and Congressman Trent Franks. We are particularly thankful for their continued support, and look forward to their hard work paying off when the bridge opens to traffic in late 2010.

The grant was made possible due to the Democrats "zeroing out" all the earmarks in the FY07 Transportation Appropriations measure (which was rolled into a year-long Continuing Resolution) when they took control of Congress following the 2006 elections. Therefore, the Department of Transportation had millions of dollars in discretionary funds at its disposal and several grant opportunities were announced.

FY08 Appropriations – Gone but Not Forgotten

With the partisan bickering over funding levels and troop withdrawal timelines shadowing the entire Omnibus process and threatening to derail it completely several times, people in Washington could almost breathe a sigh of relief when Republicans and Democrats finally agreed on a package that the Administration indicated was acceptable to the President. Not a moment too soon, the House and Senate approved the Omnibus in the final hours of the legislative session with a combined vote of 348 to 149.

However, when the President signed the catch-all, \$554.7 billion Omnibus Appropriations package the day after Christmas on December 26th, he indicated that he was highly discouraged by Congress' lack of fiscal restraint and will be seriously looking for tools in the Executive Branch toolkit in order to deal with some provisions he finds at cross purposes with his Constitutional responsibilities. In other words, he is looking for ways to strip away the "wasteful government spending" found in the bill's 9,000+ earmarks.

Unfortunately, he may be onto something. According to a Congressional Research Service (CRS) report initiated by Senator Jim DeMint (R-S.C.), the President may be able to do away with such "non-legislative" earmarks through the use of Executive Orders. It should be noted that this strategy could only be utilized successfully when earmarks are contained in the Conference Report language of a bill only, and not in the statute itself. This would be possible because it is not the Conference Report itself but the underlying bill language that is voted upon by Congress and presented to the President for his signature. Therefore, a potential loophole exists wherein one might conclude that these earmarks are not legally binding, and federal agencies do not have to comply with them.

We will be closely monitoring this issue in the upcoming months and will be sure to keep our clients updated. □

FTA Deputy Administrator Sherry E. Little Speaks to TLPA, Announces FTA Grant

The Taxicab, Limousine & Paratransit Association (TLPA), CAPITAL PARTNERSHIPS (VA), Inc.'s oldest client, held its 89th Annual Convention and Trade Show in Denver this past October. One of the highlights of the convention was the keynote speech by Federal Transit Administration (FTA) Deputy Administrator Sherry E. Little. Sherry has been a long-time supporter of the principles of the free market from when she served on the professional staff of Senator Richard Shelby (R-AL) at the Senate Banking, Housing and Urban Affairs Committee, and jumped at the chance to speak to the crowd of TLPA members from across the country at the Opening General Session.

Ms. Little was excited to speak to the TLPA members about several private-operator-friendly initiatives the FTA is currently undertaking, one of which is a grant to the TLPA to provide educational seminars and materials to assist private operators in getting involved in the local Metropolitan Planning Organization (MPO) and statewide planning processes. This grant promises to generate a

lot of interest and involvement from private operators as they begin to realize some of the new opportunities that had previously been closed off to them or were far too cumbersome.

Another initiative that Ms. Little was particularly pleased to unveil was the creation of a new private sector Ombudsman position at the FTA, whose primary role will be to liaise between private operators and FTA staff. This will be the first time in over ten years that private operators will have a direct representative within the FTA.

The FTA has also recently added a new section to its website to help private operators locate relevant FTA guidance and navigate the FTA's grants and financing procedures. The website is located at www.fta.dot.gov/private, and promises to become a launching point for operators interested in learning more about the opportunities available to them.

TLPA Chief Executive Officer Al LaGasse, Director of Education Hal Morgan, and our own Ken Butler were able to visit with Ms. Little again in December to personally thank her for her inspiring words to the convention attendees. They were honored to present Ms. Little with a commemorative plaque from the TLPA in thanks, pictured below (photo courtesy of TLPA).



In short, 2007 proved to be a very promising year for the TLPA, and 2008 looks to be even more promising as private operators begin to take advantage of the opportunities Ms. Little described in her keynote speech. □

Meet Our New Part-Time Associate, Nancy LaCova-Bhat!

CAPITAL PARTNERSHIPS (VA), Inc. is proud to announce the arrival of our new part-time associate, Nancy LaCova-Bhat.

Ms. LaCova-Bhat has recently moved to Northern Virginia with her husband Robert Kimbrell. She is currently pursuing a Masters in International Commerce and Policy at George Mason University.

For CPI, she will be tracking developments in transportation appropriations and legislation by attending Congressional hearings and monitoring committees. She will also prepare issue-based summaries as well as broader legislative reports for all clients. She will research other areas of client interest and respond to client inquiries. In addition, she will also

be focusing on Public-Private Partnerships and issues related to the National Council for Public-Private Partnerships.

Prior to joining CPI, Ms. LaCova-Bhat served as a Research-Intern Scholar for a semester in the Americas Program with the *Canada Project*. She composed event summaries and published several articles in the CSIS Americas Program monthly newsletter entitled *Hemisphere Highlights* on current events pertaining to Canada.

Please feel free to say hello to Nancy by calling her at (703) 620-1365 or e-mailing her at NLaCova@cpiva.com.

CPI Senior Principal Ken Butler Elected President of the National Council for Public-Private Partnerships

In early November, Ken Butler was elected to the position of President of the National Council for Public-Private Partnerships (NCPPT). Ken will serve a two-year term as President of this highly-respected organization. Previously, Ken served for two years as the President-Elect, and has served on the Council's Executive Committee for seven years. He first joined the Council in the mid 1980s when he was an Associate Administrator at the FTA.

Status of Key Transportation Bills

- *SAFETEA-LU Technical Corrections:*
Held over into the next session of Congress after a last-ditch effort in the last few days of the first session to see this bill passed.
- *Federal Aviation Administration Reauthorization:*
Also held over into the next session of Congress after seeing little attention following the August recess.

P3s – A Political Perspective

Along with Ken Butler's new office within the NCPPT, he has recently become more involved in the political side of structuring Public-Private Partnership deals.

As you may know, P3 deals can be a lucrative way for public interests to finance much-needed, and otherwise prohibitive, costly infrastructure additions and improvements. However, the political climate must be right in order to proceed and it takes a qualified professional to assess the political landscape and advise on strategy.

Ken was recently tasked with investigating the feasibility of a major western transit agency's leveraging of the real estate surrounding light rail transit stations to private interests as part of a Transit-Oriented Development proposal. If you are interested in learning more about this part of CPI's services, please call us at (703) 620-4914.