

CAPITAL PARTNERSHIPS (VA), Inc.

11350 Random Hills Road, #8008 Suite 800 Fairfax, VA 22030
www.cpiva.com

703/620-4914
703/620-4709 fax

End-of-Session Update



(l-r: Alfred LaGasse, TLPA Executive Vice President; Jamie Campolongo, TLPA President; Senator Wayne Allard; Ken Butler; and Harold Morgan, TLPA Director of Research and Education. Read more about the TLPA's victories in SAFETEA-LU on page 2!)

TEA-21 Finally Reauthorized!

Coming into the first session of the 109th Congress, lawmakers from the House Transportation and Infrastructure Committee and the Senate Environment and Public Works Committee knew they had one priority – enacting into law the six-year reauthorization of highway and transit programs funded by TEA-21, which expired in 2003. The previous Congress had been unable to come to an agreement during Conference; this Congress was determined to move forward quickly without having to resort to enacting any short-term extensions.

The House was the first to act, with a bill (TEA-LU) presented before the Transportation and Infrastructure Committee early in February. Upon reaching approval by the full committee, it passed in the House by a vote of 417-9. The Senate ultimately passed a different version of the bill (SAFETEA), 89-11. Conferees were appointed and began work in early June, hoping to have a bill before the June 30 deadline when the previous extension ran out. It was not to be, however. Conferees and staff worked feverishly through the summer months, and after no less than six short-term extensions, finally passed a finished product (SAFETEA-LU) through both houses on July 29.

The President signed the bill into law on August 10. SAFETEA-LU was one of the last major pieces of legislation to be enacted before the devastating events of Hurricane Katrina.

SAFETEA-LU Highlights

- \$295 Billion in Contract Authority
- (\$286.5 Billion Guaranteed)
- Guaranteed Rate-of-Return to Reach 92% by FY 2009
- \$15 Billion in Private Activity Bonds Authorized
- Record Increase in Funding for Transit
- 30.32% Overall Increase in Funding over TEA-21

Did You Know?

In spite of the attention in the press paid to Alaska regarding its large allocation of funds, it was in fact the three States of Arizona, Colorado and Minnesota that ranked at the top of the list in terms of overall growth over TEA-21!

Arizona came in at 40.66%, Colorado at 46.75%, and Minnesota at 46.12%. Further, these are the *only* States to achieve more than 40% in growth. Congratulations to our clients and colleagues in those States!

Also In This Issue:

- Around the Country with CPI
- Public-Private Partnerships
- On the Horizon
- “Above the Line” and “Below the Line” – What’s the Bottom Line?

MINNESOTA

Our Minnesota clients have had a very active and promising year.

Northstar, the proposed commuter rail line which will run between downtown Minneapolis and St. Cloud, was authorized at a level of \$80 million through SAFETEA-LU, thanks to the strong support of the Minnesota delegation – particularly Senator Norm Coleman, Congressman Mark Kennedy, Congressman Jim Oberstar, Congressman Martin Sabo and their staffs. \$2 million was dedicated to the project through the FY 2006 Transportation Appropriations bill. Northstar officials, with the help of Senator Coleman and Congressman Kennedy, are now in talks with the FTA to get the project into Final Design.

The North Metro Crossing Coalition – the entity dedicated to revitalizing Trunk Highway 610/10 in the Twin Cities Metro Area – had a banner year, earning \$29 million through SAFETEA-LU and \$1 million through the FY 2006 Transportation Appropriations bill for the third phase of the project. Congressional support for this important project is broad and bipartisan – both Senators Norm Coleman and Mark Dayton have endorsed the project, as well as Congressman Jim Ramstad, Congressman Martin Sabo, Congressman Mark Kennedy and Congressman Jim Oberstar.

Lastly, expect to hear much more in the near future about Anoka County's proposed Vikings Stadium Project. The proposed complex would incorporate not only the new Vikings stadium, but also retail shops, a corporate center, residences and 250 acres of preserved wetlands. As part of the project, Anoka County is seeking to fund a feasibility and planning study in order to start work on improving I-35W in the target area.

COLORADO

As usual, our Colorado clients (Douglas and Arapahoe Counties) had very successful Legislative Days here in Washington, D.C. This spring, however, brought with it a phenomenon that had the Colorado delegation's staff talking for months.

Bryan Weimer of the Arapahoe County Public Works Department put together such a spectacular color-coded Interchange Phasing Plan for the Arapahoe/Parker Interchange Project that it became a talking point during many of their meetings. Several aides expressed the wish that all project managers would come into meetings with such a resource.

The great thing about the Phasing Plan, as explained by Mr. Weimer, is that phases can be completed "piecemeal" depending on the level of funding received through reauthorization and appropriations. This was very well received by Hill staffers, with the ultimate result of obtaining \$5.2 million for the project through SAFETEA-LU.

Another major victory for both Douglas and Arapahoe Counties was the codification of the "High Impact Intersection" provision, which provides an additional category of eligibility for funding under the Surface Transportation Program. Spearheading this effort was Senator Wayne Allard, but additional support was received from Congressman Tom Tancredo, Congressman Bob Beauprez, and Congressman Mark Udall.

ARIZONA

The Hoover Dam Bypass Bridge Project is right on schedule for completion in 2008. The Arizona approach to the bridge is completely finished and only 30% is left to go on the Nevada side. Construction on the span across the Colorado River is expected to start soon.

Senator Jon Kyl, Congressman Trent Franks, Congressman Ed Pastor and their staffs all put forth great efforts to accomplish the goal of paying off the debt service on the Bypass Bridge through this reauthorization and appropriations cycle.

You can now view the daily progress at the Bypass Bridge construction site by checking out the webcam at www.hooverdambypass.org.

TLPA VICTORY IN SAFETEA-LU

With the help of Senators Wayne Allard (R-CO) and Richard Shelby (R-AL), Congressman John Duncan (R-TN) and many others, the Taxicab, Limousine and Paratransit Association (TLPA) was able to achieve several victories for private operators in the reauthorization of TEA-21.

Specifically, SAFETEA-LU repeals anti-private sector provisions, reforms transit labor provisions, and adopts two new transit programs that are free from labor protections.

The TLPA happily celebrated this milestone victory at its annual conference in Boston in early November. The photo on page 1 shows TLPA President Jamie Campolongo presenting the TLPA Senate Legislator of the Year Award to Colorado Senator Wayne Allard.

What's the Bottom Line?

Many people, Congressmen included, were a bit confused when the final version of the Conference Agreement for SAFETEA-LU passed both House and Senate. The biggest issue for most, it seems, is the idea of "above the line" vs. "below the line" – i.e., whether or not your project's funds will count against your minimum guarantee. For the first time, SAFETEA-LU Conferees counted High Priority Projects as a part of the minimum guarantee, in order to raise it to 92%. In many cases, lawmakers were unaware that the projects they were earmarking would later cause State and Local governments to have to re-evaluate their programmed funds in order to accommodate the law's directives.

Other concerns with the law are still being raised, months after its passage. SAFETEA-LU boasts record growth, but at what cost? Experts believe the Highway Trust Fund will run out of money before the five-year life of this authorization expires in 2009.

We are confident that this and other issues will have to be addressed in a Technical Corrections bill in the next session.

PUBLIC PRIVATE PARTNERSHIPS (PPP) ADVANCE

Through the strong support of the National Council of Public Private Partnerships (NCPPP) and other national organizations, provisions were enacted in SAFETEA-LU that will provide more tools for state and local governments to utilize PPPs. Those new or enhanced provisions are as follows:

- \$15 billion for private activity bonds for highways
- improvements to innovative finance programs such as the State Infrastructure Banks (SIB) and Transportation Infrastructure Financing Investment Act (TIFIA) programs
- increased ability to utilize tolling to finance construction of interstate highways
- more flexibility to use design-build contracting

There is little doubt that PPPs will become increasingly useful as our local governments in partnership with the federal government strive to meet the ever increasing needs of our national infrastructure.

For your information, Ken Butler, this past November, was elected President-Elect of the NCPPP and in two years will become President of this national organization that has taken the leadership in advancing PPPs in transportation, water and real estate.

Second Session Recess Schedule

<i>House</i>	<i>Senate</i>
Jan. 31.....	ConvenesJan. 18
Feb. 20-24.....	President's DayFeb. 20-27
Mar. 20-24	Recess.....Mar. 20-24
Apr. 10-21.....	Easter Recess Apr. 10-21
May 29-June 1	Memorial Day May 29-June 1
July 3-7	Independence DayJuly 3-7
July 31-Sept. 1	Summer RecessAug. 7-Sept. 4
Oct. 6	Target Adjournment..... Oct. 6

On the Horizon:

What to Expect from the Next Session

- Technical Corrections bill to SAFETEA-LU: it is reported that many technical issues need to be addressed and a bill may be expected by early summer 2006.
- FY 2007 Transportation Appropriations: the cycle is expected to start earlier this year, with Members' project requests perhaps due by early March. It's an election year!