



CAPITAL PARTNERSHIPS (VA) INC.

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NORTHSTAR COMMUTER RAIL BEGINS REVENUE SERVICE

On November 13, Senior Principal Ken Butler participated in the dedication and inaugural ride of the Northstar Commuter Rail service. He was joined by many State, local and Federal officials who also played key roles in bringing this project to life.

For Ken and countless others in attendance, November's commencement of revenue service for Northstar, which travels between Big Lake and Minneapolis, Minnesota along a 40-mile stretch roughly parallel to I-10, is a dream come true. The effort to bring this service to the greater Minneapolis region was lengthy, and featured a number of hurdles along the way that threatened to completely derail the project and ultimately required Congressional action to surpass. CPI's assistance in obtaining that necessary Congressional waiver was one of the crucial turning points that made November's inaugural ride "a dream come true" rather than "a dream deferred."



While the dedication and inaugural events should have simply been a time to celebrate and reflect on the project team's accomplishments, local officials were already looking ahead to the next phase of development for the Northstar line. CPI was able to leverage a meeting with Federal Transit Administrator Peter Rogoff to discuss the goals for Phase II while Rogoff was on hand for the dedication events. Phase II would involve extending the line up to the St. Cloud area. That 40-mile extension would double the current distance for a total of 80 miles.



Northstar officials expect to accommodate about 1,700 passengers per week for the first year of service, with that number anticipated to grow to 2,000 per week within the next two years.

The photos from the dedication and inaugural ride are courtesy of Hennepin County Public Affairs. At left, Anoka County Commissioner Dan Erhart (middle) celebrates the historic day with House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN-8) and Senator Amy Klobuchar (D-MN).

STATUS OF SURFACE TRANSPORTATION REAUTHORIZATION

The question on everyone's minds these days (at least for those of us within the transportation industry) seems to be, "When is the next surface transportation authorization going to pass?"

We here at CPI feel fairly secure in our estimation that SAFETEA-LU's successor will not make its way to the President's desk until sometime after the 2010 midterm elections.

A bill that would provide dedicated funding for transportation infrastructure over the next six years would seem to be a no-brainer, at least in this current climate of Congress and the White House searching for ways to create jobs and bring us out of this economic downturn. Unfortunately, however, the fact of the matter is that the six-year surface transportation authorization measure that was introduced last year by House Transportation and Infrastructure Committee Chairman Jim Oberstar (D-MN) does not contain a finance title that would provide for the bill's estimated \$450 billion price tag. None of the solutions that have been proposed and debated over the last year seem to have been acceptable and therefore the bill was delayed and the current authorizing legislation, SAFETEA-LU, was allowed to expire without a new bill to take its place.

We suspect that any financing provision that is attached to a reauthorization bill will have to include some sort of increase in the federal gas tax – which is the method by which revenues accrue to the Highway Trust Fund. The current gas tax of 18.4 cents per gallon has not been increased since 1993, and it is not indexed for inflation. That means that today's 18.4 cents per gallon has far less purchasing power now than it did in 1993. Because of this fact, combined with the skyrocketing cost of infrastructure raw materials, the advent of hybrid vehicles (allowing consumers to purchase less gasoline), and other factors, the Highway Trust Fund has for the last year or two been at an almost constant risk of insolvency.

The Obama Administration, however, is adamantly against raising the gas tax, especially in light of the current economic situation. In fact, whenever the possibility has been brought up in Congressional hearings, Administration officials have strongly indicated that raising the gas tax is completely off the table for consideration.

Another potential wrench in the works is the possibility of a second ARRA-like stimulus package, this one with an even stronger focus on jobs creation and infrastructure spending. Such a bill has already passed the House by a narrow margin (217-212). That bill, known as the "Jobs for Main Street" Act, was attached to the FY2010 Commerce and related agencies appropriations bill and was the last item taken up by the House before it adjourned for the year. It contains provisions that would extend SAFETEA-LU authorization through September 30, 2010 and would provide roughly \$37 billion for infrastructure and "ready-to-go" projects.

We believe the bill will face an even more difficult uphill battle in the Senate, especially considering the recent outcome of the Massachusetts special election, but stranger things have happened. If this "Jobs for Main Street" measure does become law, though, we would expect the timeline for passage of SAFETEA-LU's successor bill to be pushed back even further.

Bypass Bridge at the Hoover Dam Near Completion

To see the progress of the construction of the final segment of the Bypass Bridge at the Hoover Dam – the bridge span over the Colorado River – is to witness one of today’s modern marvels of engineering. Crews are hard at work, suspended almost 1,000 feet over the Colorado River, and are focused on completing the project for a grand opening towards the end of this year.

The bridge will feature two lanes in each direction, and will provide a much-needed relief to the overtaxed Hoover Dam crossing. For the first time since 9/11, when the Hoover Dam was closed to commercial truck traffic, commercial drivers will be able to make the crossing between Arizona and Nevada without having to take a 3+ hour detour to the next-closest Colorado River crossing. Future plans for the new crossing include a pedestrian walkway and other visitor center activities and amenities.



With the unwavering support of Arizona Senator Jon Kyl (R) and Arizona Congressman Trent Franks (R), CPI has been able to identify over \$119 million in discretionary federal funding. With the recent announcement of almost \$6 million in Public Lands Highway grant monies from the Federal Highway Administration, we are within sight of our goal of enabling the Arizona Department of Transportation to retire the debt from this project.

At left, this awe-inspiring photo shows the status of construction of the Bypass Bridge as of December 2009.

In the background is a majestic view of the Hoover Dam. Credit for the photo goes to Federal Highway Administration, Central Federal Lands Highway Division (FHWA/CFLHD).

CPI Senior Principal Ken Butler Takes Up the Reins as Chairman of NCPPP

This past November, CPI Senior Principal Ken Butler was sworn in as Chairman of the National Council for Public-Private Partnerships. Ken’s involvement with the Council stretches back to his days as a Reagan appointee in the Urban Mass Transportation Administration (now known as the Federal Transit Administration). Most recently, he served for two years as the Council’s President.

The NCPPP’s mission is to educate and advocate for ways in which the public and private sectors can come together to develop mutually-beneficial partnerships. While many of the public-private partnership (P3) projects we hear about on the news are transportation projects, the NCPPP is also focused on P3s that involve real estate, water infrastructure, and international development.

NCPPP conferences and seminars offer a wonderful opportunity for interested public sector officials to learn more about the process of implementing a sound P3 project. Likewise, private sector representatives have the opportunity to network with potential partners and to learn more about P3 best practices. Participants at annual conferences typically number in the hundreds, and smaller, more industry-specific seminars and meetings are held throughout the year.

Ken has been instrumental in securing some of the highest-level officials from both the public and private sectors to participate in NCPPP events; as keynote speakers, panelists, presenters, and more. In fact, the next NCPPP Transportation Institute meeting in February will feature The Honorable Sean Connaughton, recently-installed Secretary of Transportation for the Commonwealth of Virginia.

If you would like to learn more about the NCPPP and what it might be able to do for you, please give Ken a call at (703) 620-4914, or feel free to visit the Council’s website at www.ncppp.org.

111th Congress – Second Session Who’s Who

House Transportation and Infrastructure Committee

Chairman – James Oberstar (D-MN)
Ranking Member – John Mica (R-FL)
 Subcommittee on Highways and Transit
 Chairman – Peter DeFazio (D-OR)
 Ranking Member – John J. Duncan, Jr. (R-TN)

House Appropriations Committee

Chairman – David Obey (D-WI)
Ranking Member – Jerry Lewis (R-CA)
 Transportation Subcommittee
 Chairman – John Olver (D-MA)
 Ranking Member – Tom Latham (R-IA)

House Ways and Means Committee (has jurisdiction over the finance title of the Reauthorization)

Chairman – Charles Rangel (D-NY)
Ranking Member – Dave Camp (R-MI)

Senate Banking and Urban Affairs Committee

(has jurisdiction over transit provisions of the Reauthorization)
Chairman – Christopher Dodd (D-CT)
Ranking Member – Richard Shelby (R-AL)
 Transportation Subcommittee
 Chairman – Robert Menendez (D-NJ)
 Ranking Member – David Vitter (R-LA)

Senate Environment and Public Works Committee

Chairwoman – Barbara Boxer (D-CA)
Ranking Member – James Inhofe (R-OK)
 Transportation and Infrastructure Subcommittee
 Chairman – Max Baucus (D-MT)
 Ranking Member – George Voinovich (R-OH)

Senate Finance Committee (has jurisdiction over the financing provisions of the Reauthorization)

Chairman – Max Baucus (D-MT)
Ranking Member – Charles Grassley (R-IA)

Senate Commerce, Science and Transportation Committee

Chairman – John D. Rockefeller IV (D-WV)
Ranking Member – Kay Bailey Hutchison (R-TX)

Senate Appropriations Committee

Chairman – Daniel Inouye (D-HI)
Ranking Member – Thad Cochran (R-MS)
 Transportation Subcommittee
 Chairwoman – Patty Murray (D-WA)
 Ranking Member – Christopher Bond (R-MO)

111th Congress – Second Session – Recess Schedule

HOUSE

February 15-19
March 29-April 9
May 31-June 4
July 5-9
August 9-September 10
n/a
n/a
October 8

President’s Day
Spring Recess
Memorial Day
Independence Day
August Recess
Columbus Day
Veteran’s Day
Target Adjournment

SENATE

February 15-19
March 29-April 9
May 31-June 4
July 5-9
August 9-September 10
October 11-15
November 8-12
TBD

Reminder!

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