

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING AN) RESOLUTION NO. 05-3544
UPDATED 2005 REGIONAL POSITION ON)
REAUTHORIZATION OF THE) Introduced by Councilor Rex Burkholder
TRANSPORTATION EQUITY ACT FOR THE
21ST CENTURY (TEA-21)

WHEREAS, the Transportation Equity Act for the 21st Century (TEA-21) was adopted by Congress in 1998; and

WHEREAS, TEA-21 expired at the end of federal Fiscal Year 2003 (September 30, 2003) and an extension will expire before May 2005; and

WHEREAS, Congress will be considering reauthorization of TEA-21 during 2005; and

WHEREAS, TEA-21 has a significant policy effect on transportation planning and decision-making and funding in the Portland region; and

WHEREAS, reauthorization results in the "earmarking" or identification of specific projects and establishes the amount of federal funding eligible to be appropriated to those projects; and

WHEREAS, Resolution No. 03-3271 was adopted in January 2003 providing an analysis of possible legislative issues and options and an initial regional position on these issues; and

WHEREAS, Resolution No. 04-3409A was adopted in February 2004, providing an analysis of specific bills under consideration by the Congress; and

WHEREAS, further review of proposed legislation will lead to possible amendment and refinement to this policy position; now therefore

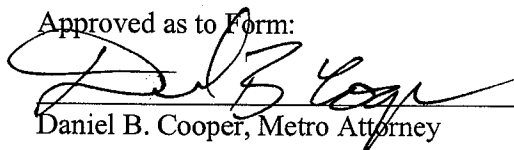
BE IT RESOLVED that the Metro Council:

1. Endorses the summary of regional priority policy issues on reauthorization of TEA-21 as reflected in Exhibit A.
2. Endorses the projects identified in Exhibit B as the region's priority projects for TEA-21 reauthorization earmarking.
3. Endorses the regional analysis of issues reflected in legislation under consideration in Exhibit C.

ADOPTED by the Metro Council this 17th day of February 2005


David Bragdon, Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



**Portland Regional Position
On the Reauthorization of the
Transportation Equity Act for the 21st Century
(TEA-21)**

Priority Policy Issues

The 109th Congress has the opportunity to take a fresh look at the reauthorization of the Transportation Equity Act for the 21st century (TEA-21). At this time, it is unclear whether the work performed by the 108th Congress will be the “jumping off point” for these discussions.

Since January 2003, the Metro region, through JPACT and the Metro Council, adopted policy statements establishing priorities for the reauthorization of TEA-21 (Resolutions No. 03-3271 and 04-3409A). The region provided a detailed analysis of issues of concern to the region as well as identified the highest priorities for policy and project funding.

The Metro region then analyzed the three bills introduced in the 108th Congress and provided our Congressional delegation with a specific analysis of all three. These were:

- Senate Bill 1072 – the “Safe, Accountable, Flexible and Efficient Transportation Equity Act of 2003” (SAFETEA);
- House Bill 3550 – The “Transportation Equity Act: A Legacy for Users” (TEA-LU); and
- Senate Bill 3011 - The "Federal Public Transportation Act of 2004".

Should the 109th Congress pursue the basic outline provided in these bills, we have included as Exhibit “B” our detailed analysis of these bills with specific recommendations for support, opposition or amendment as a reference. However, the situation will change and there will be a need to evaluate new proposals. It is our intent to react quickly and provide our analysis to the delegation. In the meantime, this policy position is intended to establish a short list of the major concepts to support.

HIGHEST PRIORITY ISSUES:

- 1. Increase Funding Levels**
- 2. Retain the TEA-21 Program Structure**
- 3. Support the Multi-State Corridor Program**
- 4. Support Projects of National and Regional Significance**
- 5. Retain and Improve the New Starts Program**
- 6. Support the House version of the Small Starts Program**
- 7. Support a Freight Program**
- 8. Retain Trust Funds and General Funds In the Transit Program**
- 9. Retain the CMAQ Apportionment**
- 10. Ensure federal legislation does not limit the use of toll revenues**
- 11. Support Planning Funds as provided for in the Senate Bill**

HIGHEST PRIORITY ISSUES:

- 1. Increase Funding Levels** - Both the House and Senate Bills proposed an increase in transportation funding. It is essential that the reauthorization be finalized with these increases. There is enormous demand for highway and transit investment to maintain and expand our transportation systems. Falling behind will cost our region more in the future. If the funding levels do not reach the \$299 billion mark, the Congress must consider a concomitant shortening of the lifespan of the reauthorization act. There are few infrastructure investments as important to our nation's economy and quality of life as transportation.
- 2. Retain the TEA-21 Program Structure** – In general, the Portland region supported SAFETEA and TEA-LU because the basic program structure of TEA-21 was retained. Also, in general, it is preferred by the Portland region that new discretionary programs not be created. Historically the state has fared better through formula programs than through discretionary programs (there are several very important exceptions noted below). The principal program categories in the Highway Title of Interstate Maintenance (IM), National Highway System (NHS), Highway Bridge Program (HBR), Surface Transportation Program (STP) and Congestion Mitigation Air Quality (CMAQ) and in the Transit Title of Urban Formula Grants, New Starts and the newly created Small Starts are the most important to the region and the most critical to provide at an increased funding level.
- 3. Support the Multi-State Corridor Program** – Both House and Senate bills from the last Congress provided for an expanded Corridor Program, separated from the Border Program. However, the Portland region supported both the funding level in the House Bill (@ \$5 Billion) and the 70/30 division between Corridors and Borders. This would make this a viable funding source to continue to pursue discretionary grants for the I-5 Trade and Transportation Improvement.
- 4. Support Projects of National and Regional Significance** – The Portland region supports the discretionary funding category for Projects of National and Regional Significance that was proposed in the earlier TEA-LU as long as revenue increases can accommodate the program without a negative impact on the formula programs. It is essential that the program be implemented through a rigorous evaluation process similar to the transit New Starts Program.

The region supports the efforts of **Congressman Peter DeFazio** to seek an earmark for the state's cracked bridge program under this new category. If the program is created, there are two prospects for this program as part of the next authorization: the I-5 Trade Corridor/Columbia River Crossing, which could be incorporated into the I-5 "cracked bridge" program and the Sunrise Corridor.

- 5. Retain and Improve the New Starts Program** – The New Starts Program is among the most important for the Portland region, allowing us to continue to make progress on implementing an effective regional light rail system. It is important to retain the rigorous integrity under which these funds are awarded while increasing the funds in recognition

of increased national demand. Of particular concern is that the rating process for candidate New Start projects should be transparent, should take into consideration multiple measures of effectiveness rather than a single cost-benefit type rating and should retain the evaluation factor relating to the importance of the land use affects of the project. At a minimum, the current C-E evaluation measuring should be revised to reflect the inflation that has occurred since the number was established.

- 6. Support the House Version of the Small Starts Program (with adjustments)** - The region supports the creation of a “Small Starts” category intended to provide a streamlined program for new rail and fixed-guideway transit projects under \$75 million, such as Commuter Rail and Street Car. However, it is difficult to appreciate the impact of establishing a new program on existing Section 5309 programs. If the funding levels approach those included in the earlier Senate bill, then establishing a new program will enable funding for a broader range of projects, including Small Starts. The region prefers the House version because it specifies evaluation factors appropriate to Small Starts while the Senate version is silent on these factors and delegates rulemaking to the Federal Transit Administration (FTA). We would urge the Congress to direct FTA through report language to develop a simplified project rating and review process that is commensurate with the size and nature of these projects. The region also believes that Small Start investments should include a “fixed-guideway” component to ensure the permanence of the federal investment while shaping land use and economic development in a project corridor.
- 7. Support a Freight Program** - It is vital to Oregon's economic future to retain our strength as a distribution point within the global trade network. Both the earlier House and Senate Bills recognized the importance of federal programs to enhance the nation's infrastructure for freight movement. The Portland region supports funding for intermodal connectors and multi-state corridors. In addition, the region urges approval of provisions that would make publicly owned intermodal freight transportation projects eligible for Surface Transportation Program (STP) funds and TIFIA assistance.
- 8. Retain Trust Funds and General Funds in the Transit Program** – Historically, the Transit program has been funded through both Trust Funds dollars and General Fund dollars, spread across the entire program. The House Bill (TEA-LU) proposed to shift the General Fund dollars to the New Starts category and the Trust Fund dollars to the balance of the transit program. This would place New Start dollars at considerable risk and the region supports use of Trust Fund dollars. Similarly, the Senate Bill put transit funding at a significant risk due to the lack of the same “firewall” guarantees as highway funding.
- 9. Retain the CMAQ apportionment** – Of critical importance to the Portland region is to maintain apportionment of CMAQ funds to the region with the change in the standard for ozone from a 1-hour standard to an 8-hour standard (a detailed amendment is included as Attachment 1 to Exhibit “A”). Under current provisions, the Portland region would be penalized by attaining federal Clean Air standards for ozone even though CMAQ funds are needed to continue to maintain these standards.

- 10. Ensure federal legislation does not limit the use of toll revenue** – Current legislation provides for tolling under certain circumstances of existing and proposed highways. These could take the form of new tolls to rehabilitate existing facilities or build new facilities. It could also take the form of peak period pricing to enable facilities to be better managed for their optimum use. Tolling provisions that maintain or increase flexibility are good. Any attempts to repeal existing tolling authority should be opposed.
- 11. Support Planning Funds as provided for in the Senate Bill** – The Senate Bill provided for a funding level for planning commensurate with the mandates that are placed upon metropolitan planning organizations and in recognition of the increased number of metropolitan planning organizations that have been formed as a result of the 2000 Census.
- 12. Support Adequate Funding for AMTRAK** - Funding levels for AMTRAK are proposed to be cut, potentially threatening continued West Coast service. In the past several years, the states of Washington and Oregon have contributed funds to increase AMTRAK service between Eugene and Vancouver, BC, resulting in dramatic increases in ridership. As we approach the 2006 Winter Olympics in British Columbia, it is important to retain and expand West Coast AMTRAK service, not cut back.

In addition to High Priority Projects, the reauthorization of TEA-21 will include earmarking for specific transportation projects. The region hereby provides the Congressional delegation with candidate projects to select from in certain discretionary funding categories. Certainly, a very high priority for the Portland region is to authorize projects for funding through the New Starts and Small Starts Program. Whether other discretionary categories are created that could be earmarked remains to be seen, but some of these categories could be used for earmarking some of the Portland area projects. The project list reflects possible categories to be considered for earmarking, depending on the outcome of their status in the Bill. See Exhibit B for the project priorities.

Proposed CMAQ apportionment formula amendment to correct the unintended consequence of the change in the 1-hour to an 8-hour standard for ozone.

The current CMAQ apportionment formula (the excerpt below is the section of Title 23 dealing with CMAQ apportionment) provides for the distribution of CMAQ funds to states based upon the population of the areas designated as “non-attainment” and “maintenance” with a factor weighted for the severity of the pollution in the area [subsections (i) through (vii) are the weighting factors]. The Portland region historically was in “non-attainment” of the 1-hour standard for ozone and in 1996 was redesignated as a “maintenance” area. Maintenance areas have met the ozone standard and have an approved 10-year plan to continue to maintain the standard. In 2003, EPA changed the ozone standard from a 1-hour standard to an 8-hour standard. Under the new 8-hour standard, the Portland area is redesignated to “attainment” status, making the area no longer eligible for distribution of CMAQ funds on the basis of ozone.

Current CMAQ authorization:

“Title 23 – Highways; Chapter 1 – Federal Aid Highways; Subchapter 1 – General Provisions; Section 104 Apportionment; Subsection (2) Congestion mitigation and air quality improvement program.--

(A) In general.--For the congestion mitigation and air quality improvement program, in the ratio that--

- (i) the total of all weighted nonattainment and maintenance area populations in each State; bears to
- (ii) the total of all weighted nonattainment and maintenance area populations in all States.

(B) Calculation of weighted nonattainment and maintenance area population.--Subject to subparagraph (C), for the purpose of subparagraph (A), the weighted nonattainment and maintenance area population shall be calculated by multiplying the population of each area in a State that was a nonattainment area or maintenance area as described in section 149(b) for ozone or carbon monoxide by a factor of--

- (i) 0.8 if--
 - (I) at the time of the apportionment, the area is a maintenance area; or
 - (II) at the time of the apportionment, the area is classified as a submarginal ozone nonattainment area under the Clean Air Act (42 U.S.C. 7401 et seq.);
- (ii) 1.0 if, at the time of the apportionment, the area is classified as a marginal ozone nonattainment area under subpart 2 of part D of title I of the Clean Air Act (42 U.S.C. 7511 et seq.);
- (iii) 1.1 if, at the time of the apportionment, the area is classified as a moderate ozone nonattainment area under such subpart;
- (iv) 1.2 if, at the time of the apportionment, the area is classified as a serious ozone nonattainment area under such subpart;
- (v) 1.3 if, at the time of the apportionment, the area is classified as a severe ozone nonattainment area under such subpart;

- (vi) 1.4 if, at the time of the apportionment, the area is classified as an extreme ozone nonattainment area under such subpart; or
- (vii) 1.0 if, at the time of the apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone, but is classified under subpart 3 of part D of title I of such Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide.

(C) Additional adjustment for carbon monoxide areas.--

(i) Carbon monoxide nonattainment areas.--If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was also classified under subpart 3 of part D of title I of such Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.2.

(ii) Carbon monoxide maintenance areas.--If, in addition to being classified as a nonattainment or maintenance area for ozone, the area was at one time also classified under subpart 3 of part D of title I of such Act (42 U.S.C. 7512 et seq.) as a nonattainment area described in section 149(b) for carbon monoxide but has been redesignated as a maintenance area, the weighted nonattainment or maintenance area population of the area, as determined under clauses (i) through (vi) of subparagraph (B), shall be further multiplied by a factor of 1.1.

(D) Minimum apportionment.--Notwithstanding any other provision of this paragraph, each State shall receive a minimum of $\frac{1}{2}$ of 1 percent of the funds apportioned under this paragraph.

(E) Determinations of population.--In determining population figures for the purposes of this paragraph, the Secretary shall use the latest available annual estimates prepared by the Secretary of Commerce.

Proposed CMAQ amendment:

In paragraph (1) below, SAFETEA changes the apportionment formula by changing the weighting factor for “maintenance” areas from 0.8 to 1.0 thereby having the affect of removing the disincentive of a 20% funding reduction for areas that have cleaned up their air and met federal ozone standards. This is a significant improvement and should be supported.

In paragraph (2) below, SAFETEA changes the apportionment formula by adding two more subsections [(viii) and (ix)] with weighting factors to apportion funds to areas previously not designated under the old 1-hour ozone standard but now designated under the new 8-hour ozone standard and to apportion funds to areas with violations to the particulate standard. **Inserted into subparagraph (2) below is a new section (x) proposed for inclusion by the Portland region to recognize areas like the Portland region that were previously designated under the 1-hour standard.**

*SAFETEA: SEC. 1611. ADDITION OF PARTICULATE MATTER AREAS TO CMAQ.
Section 104(b)(2) of title 23, United States Code, is amended--*

(1) in subparagraph B--

(A) in the matter preceding clause (i), by striking 'ozone or carbon monoxide' and inserting 'ozone, carbon monoxide, or fine particulate matter (PM_{2.5})';

(B) by striking clause (i) and inserting the following:

'(i) 1.0, if at the time of apportionment, the area is a maintenance area;';

(C) in clause (vi), by striking 'or' after the semicolon; and

(D) in clause (vii), by striking 'area as described in section 149(b) for ozone,' and inserting 'area for ozone (as described in section 149(b)) or for PM-2.5';

(2) by adding at the end the following:

'(viii) 1.0 if, at the time of apportionment, any county that is not designated as a nonattainment or maintenance area under the 1-hour ozone standard is designated as nonattainment under the 8-hour ozone standard;

'(ix) 1.2 if, at the time of apportionment, the area is not a nonattainment or maintenance area as described in section 149(b) for ozone or carbon monoxide, but is an area designated nonattainment under the PM-2.5 standard.'

"(x) 1.0 if, at the time of apportionment, the area is not designated as a nonattainment or maintenance area under the 8-hour ozone standard but was designated as a nonattainment area or maintenance area under the 1-hour ozone standard."

(3) by striking subparagraph (C) and inserting the following:

'(C) *ADDITIONAL ADJUSTMENT FOR CARBON MONOXIDE AREAS-* If, in addition to being designated as a nonattainment or maintenance area for ozone as described in section 149(b), any county within the area was also classified under subpart 3 of part D of title I of the Clean Air Act (42 U.S.C. 7512 et seq.) as a nonattainment or maintenance area described in section 149(b) for carbon monoxide, the weighted nonattainment or maintenance area population of the county, as determined under clauses (i) through (vi) or clause (viii) of subparagraph (B), shall be further multiplied by a factor of 1.2.';

(4) by redesignating subparagraph (D) and (E) as subparagraphs (E) and (F) respectively; and

(5) by inserting after subparagraph (C) the following:

'(D) *ADDITIONAL ADJUSTMENT FOR PM 2.5 AREAS-* If, in addition to being designated as a nonattainment or maintenance area for ozone or carbon monoxide, or both as described in section 149(b), any county within the area was also designated under the PM-2.5 standard as a nonattainment or maintenance area, the weighted nonattainment or maintenance area population of those counties shall be further multiplied by a factor of 1.2.'.

Metro Area Reauthorization Request List (Smillion)







02-10-05

Project Type/ Name	Authorization Request	Source	Purpose	House T&I Mark	Page
Regional Highway Projects					
I-5 Trade Corridor (ODOT Share)					
* I-5: Delta Park to Lombard Widening	\$ 32.800	Hwy Demo	Construction	\$ 10.000	
* Highway/Transit Columbia Crossing	\$ 15.000	Hwy Demo	PE/EIS	\$ 6.000	
* Highway/Transit Columbia Crossing	\$ 35.000	Projects of National Significance ¹	PE/EIS/Final Design		
I-5/99W Connector	\$ 15.000	Hwy Demo	PE/ROW		
Hwy 217:Tualatin Valley Highway to US 26	\$ 26.900	Hwy Demo	Construction	\$ 6.250	
Sunrise Project 1-205 to Rock Creek	\$ 32.000	Hwy Demo	PE/ROW	\$ 3.000	
Columbia Intermodal Corridor					
* Ramsey Railroad Yard	\$ 11.000	Hwy Demo	Construction	\$ 12.000	
* Air Cargo Access Road	\$ 9.000	Hwy Demo	Construction		
SUB-TOTAL	\$ 176.700			\$ 37.250	
Regional Transit Priorities					
	<i>This assumes that rail projects will not be dollar earmarked</i>				
South/North LRT Project Segments	<i>Reauthorization</i>				
Interstate MAX	Reauthorize	5309 New Starts	Construction	\$ 23.293	
South Corridor/I-205	Reauthorize	5309 New Starts	Construction	Authorized	
Milwaukie Light Rail	Reauthorize	5309 New Starts	PE		
North: Expo to Clark County	Reauthorize	5309 New Starts	PE		
Wilsonville-Beaverton Commuter Rail Proj.	Reauthorize	5309 New Starts	Construction	Authorized	
TriMet Bus and Bus Related	\$ 41.000	5309 Bus	Buses		
SMART Bus - Wilsonville	\$ 1.900	5309 Bus	Buses/Bus Facility	\$ 0.800	
Portland Streetcar				Authorized	
Segment 1: to Lloyd District	Authorize	Small Starts	Construction		
Segment 2: To Central Eastside District	Authorize	Small Starts	Construction		
Segment 3: To South Waterfront	Authorize	Small Starts	Construction		
Segment 4: To Lake Oswego	Authorize	Small Starts	Construction		
SUB-TOTAL	\$ 42.900			\$ 24.093	
Local Project Priorities					
Wilsonville: Boeckman Road -Urban Village	\$ 3.000	Hwy Demo	Constuction	\$ 3.000	
Wilsonville: Barber Street Urban Village Connection	\$ 3.700	Hwy Demo	Construction	\$ 1.000	
Milwaukie: Lake Road	\$ 6.000	TCSP/Safe Routes to Schools	Construction	\$ 3.000	
Gresham: Gresham Civic Neighborhood LRT Station	\$ 2.700	Hwy Demo	Construction	\$ 1.500	
Gresham: Rockwood Town Center	\$ 2.000	Hwy Demo	Construction	\$ 2.000	
Oregon City: I-205/Hwy 213 Interchange	\$ 5.600	Hwy Demo	PE/EIS		
Portland: I-5/North Macadam Access	\$ 15.000	Hwy Demo	Construction		
Portland: North Macadam Access	\$ 9.000	Hwy Demo	Construction	\$ 9.000	
Portland: Gateway 102nd	\$ 4.800	Hwy Demo	Construction	\$ 7.800	
Portland: East Burnside/Corridor Street Improvements	\$ 5.000	Hwy Demo	PE		
Multnomah Co.: Sellwood Bridge	\$ 25.000	Bridge/Hwy Demo	Construction		
Washington Co.: Beaverton Hillsdale/Scholls	\$ 25.000	Hwy Demo	PE/ROW		
Metro TOD Revolving Fund	\$ 10.000	TCSP	Construction		
Metro Regional Trail Program – Next Phase	\$ 5.000	Hwy Demo	Construction	\$ 4.500	
Metro Regional Culvert Retrofit – Phase 1	\$ 5.000	Hwy Demo	Construction		
SUB-TOTAL	\$ 126.800			\$ 31.800	
Research					
Designated Portland State University as Federal University Transportation Research Center	\$ 2.500	University Transportation Centers Program	Designate as University Research Ctr.	Language	
SUB-TOTAL	\$ 2.500				
Support for Other Priorities					
I-5 Trade Corridor ² (WSDOT Share)	\$ 50.000	Hwy Demo	PE/EIS/Final Design	\$ 10.000	
City of Sandy Transit	\$ 1.200	5309 Bus	Veh. Maintenance & Storage Facility		
SUB-TOTAL	\$ 51.200			\$ 10.000	

¹Subject to creation of this category of funds.²Request to Washington Congressional Delegation.

TEA-LU (HR 3550)
HIGHWAY TITLE ONLY

The House Transportation Reauthorization bill is the product of two committees. The House Transportation and Infrastructure Committee released a bill (TEA-LU) covering the highway and transit title. Because TEA-LU increases funding beyond existing capacity, new revenues must be enacted by the House Ways and Means Committee.. Ways and Means has not yet produced a bill. So, the table below reviews only TEA-LU. Only changes to TEA-21 are addressed. The table uses the following symbols to rate the overall affect of a proposed change.

Very Good	Good	Neutral	Bad	Very Bad	Unclear
					









Rating	Program/Issue TEA-LU Section Sect. of 23 USC Amended	Summary of Issue/Explanation of Rating																																
EXISTING FUNDING PROGRAMS																																		
Authorization Levels and Apportionment Formulae <i>(only those programs most relevant to Portland shown)</i>																																		
	<p>Interstate Maintenance Program SAFTEA §1101(a)(1) Amends 23 USC 119</p>	<p><u>If revenue is enhanced</u>, TEA-LU provides 36% higher Interstate Maintenance funding than TEA 21; 16% less IM funding than SAFETEA.</p> <table border="0"> <tr> <td>Bill:</td> <td>Yr 1</td> <td>Yr 2</td> <td>Yr 3</td> <td>Yr 4</td> <td>Yr 5</td> <td>Yr 6</td> <td>TOTAL</td> </tr> <tr> <td>TEA-21</td> <td>\$3.43</td> <td>\$3.96</td> <td>\$4.00</td> <td>\$4.07</td> <td>\$4.14</td> <td>\$4.22</td> <td>\$23.81</td> </tr> <tr> <td>EPW Bill</td> <td>\$5.50</td> <td>\$6.30</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$38.00</td> </tr> <tr> <td>House Bill</td> <td>\$4.50</td> <td>\$4.99</td> <td>\$5.36</td> <td>\$5.71</td> <td>\$5.87</td> <td>\$6.07</td> <td>\$32.50</td> </tr> </table> <p>In FY2003, Oregon received 1.30% (\$57M) of the nationwide apportionment of Interstate Maintenance funds; the highest percentage share among all major road programs, except for High Priority Projects.</p>	Bill:	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	TOTAL	TEA-21	\$3.43	\$3.96	\$4.00	\$4.07	\$4.14	\$4.22	\$23.81	EPW Bill	\$5.50	\$6.30	\$6.55	\$6.55	\$6.55	\$6.55	\$38.00	House Bill	\$4.50	\$4.99	\$5.36	\$5.71	\$5.87	\$6.07	\$32.50
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Exhibit C-1 to Resolution No. 05-3544

	<p>National Highway System Program TEA-LU §1101(a)(2) Amends 23 USC 103</p>	<p>If revenue is enhanced, TEA-LU provides 36% higher National Highway System funding than TEA 21; 15% less NHS funding than SAFETEA.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$4.112</td> <td>\$4.749</td> <td>\$4.793</td> <td>\$4.888</td> <td>\$4.968</td> <td>\$5.061</td> <td>\$28.571</td> </tr> <tr> <td>EPW Bill</td> <td>\$6.650</td> <td>\$7.650</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$46.100</td> </tr> <tr> <td>House Bill</td> <td>\$5.401</td> <td>\$5.986</td> <td>\$6.431</td> <td>\$6.854</td> <td>\$7.039</td> <td>\$7.287</td> <td>\$38.998</td> </tr> </tbody> </table> <p>In FY2003, Oregon received 1.24% (\$68M) of the nationwide apportionment of NHS funds.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$4.112	\$4.749	\$4.793	\$4.888	\$4.968	\$5.061	\$28.571	EPW Bill	\$6.650	\$7.650	\$7.950	\$7.950	\$7.950	\$7.950	\$46.100	House Bill	\$5.401	\$5.986	\$6.431	\$6.854	\$7.039	\$7.287	\$38.998
Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL																											
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EPW Bill	\$6.650	\$7.650	\$7.950	\$7.950	\$7.950	\$7.950	\$46.100																											
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	<p>Highway Bridge Program TEA-LU §1101(a)(3); §1112 Amends 23 USC 144</p>	<p>If revenue is enhanced, TEA-LU provides 37% higher Highway Bridge funding than TEA 21, and 14% less Highway Bridge funding than SAFETEA.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$2.941</td> <td>\$3.395</td> <td>\$3.427</td> <td>\$3.495</td> <td>\$3.552</td> <td>\$3.619</td> <td>\$20.429</td> </tr> <tr> <td>Senate Bill</td> <td>\$4.700</td> <td>\$5.400</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$32.500</td> </tr> <tr> <td>House Bill</td> <td>\$3.862</td> <td>\$4.280</td> <td>\$4.599</td> <td>\$4.901</td> <td>\$5.033</td> <td>\$5.211</td> <td>\$27.886</td> </tr> </tbody> </table> <p>In FY2003, Oregon received 1.22% (\$46M) of the nationwide apportionment of Bridge funds. TEA-LU makes few changes to Highway Bridge program. Restrictions on preventive maintenance are eased. Bridge Discretionary Program levels remains at \$100M per year, as in TEA-21. From 1998-2002 Oregon received <u>no</u> Bridge Discretionary funds; while \$462M was granted nationally.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$2.941	\$3.395	\$3.427	\$3.495	\$3.552	\$3.619	\$20.429	Senate Bill	\$4.700	\$5.400	\$5.600	\$5.600	\$5.600	\$5.600	\$32.500	House Bill	\$3.862	\$4.280	\$4.599	\$4.901	\$5.033	\$5.211	\$27.886
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	<p>Surface Transport. Program TEA-LU §1101(a)(5); §1202(c) Amends 23 USC 133</p>	<p>TEA-LU removes from the STP program the 10% set-aside requirement for safety projects (creating a separate, highly-funded safety program in lieu of the set-aside). Taken this adjustment into account, TEA-LU increases funds for non-safety, STP projects by 51%, <u>if revenue is enhanced</u>; a notably greater increase than for other funding programs.</p> <p style="text-align: center;">STP Funds Not Set Aside for Safety Projects Excludes funds Set Aside for Stormwater in SAFTEA</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$4.318</td> <td>\$4.986</td> <td>\$5.033</td> <td>\$5.133</td> <td>\$5.216</td> <td>\$5.315</td> <td>\$30.000</td> </tr> <tr> <td>Senate Bill</td> <td>\$6.811</td> <td>\$7.791</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$46.942</td> </tr> <tr> <td>House Bill</td> <td>\$6.286</td> <td>\$6.954</td> <td>\$7.461</td> <td>\$7.942</td> <td>\$8.147</td> <td>\$8.446</td> <td>\$45.236</td> </tr> </tbody> </table> <p>TEA-LU adds to the list of STP-eligible projects incident response, technology deployment, emergency response, traveler information, etc. activities. The STP program is Oregon's largest federal road program. FY2003, Oregon received 1.26% (\$81M) of the nationwide apportionment of STP funds. The JPACT reauthorization agenda should prioritize increases to the STP program.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$4.318	\$4.986	\$5.033	\$5.133	\$5.216	\$5.315	\$30.000	Senate Bill	\$6.811	\$7.791	\$8.085	\$8.085	\$8.085	\$8.085	\$46.942	House Bill	\$6.286	\$6.954	\$7.461	\$7.942	\$8.147	\$8.446	\$45.236
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

	<p>CMAQ Program TEA-LU §1101(a)(6); Amends 23 USC 104(b)(2); 149</p>	<p>Consistent with other existing funding sources, TEA-LU proposes to increase CMAQ funding by 59% compared to TEA-21.</p> <table border="1" data-bbox="777 308 1764 446"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$1.193</td> <td>\$1.345</td> <td>\$1.358</td> <td>\$1.385</td> <td>\$1.407</td> <td>\$1.434</td> <td>\$ 8.122</td> </tr> <tr> <td>Senate Bill</td> <td>\$1.900</td> <td>\$2.150</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$12.950</td> </tr> <tr> <td>House Bill</td> <td>\$1.530</td> <td>\$1.696</td> <td>\$1.822</td> <td>\$1.942</td> <td>\$1.994</td> <td>\$2.065</td> <td>\$11.049</td> </tr> </tbody> </table> <p>CMAQ is the lowest of the major funding sources for Oregon, both as an absolute amount and in terms of its share of the nationwide apportionment, but is a critical source allocated through JPACT and the Metro Council. In FY2003, Oregon received 0.68% (\$10M) of the nationwide apportionment of CMAQ funds. It is also the most restrictive in terms of eligible projects. A recent EPA rule changed ozone standards; making Portland an “attainment area” rather than a “maintenance area.” As a result, <u>Portland will get a lower share of CMAQ funds in the future.</u> Accordingly:</p> <p>(a) Allow Portland to retain its eligibility for ozone-related CMAQ funds by amending TEA-LU to add 23 USC 104(b)(2)(B)(viii) as follows: <u>“(viii) 1.0 if, at the time of apportionment, the area is not designated as a nonattainment or maintenance area under the 8-hour ozone standard but was designated as a nonattainment area or maintenance area under the 1-hour ozone standard.”</u></p> <p>(b) Support the change of the apportionment factor from .8 to 1.0 for areas achieving a “Maintenance status.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$1.193	\$1.345	\$1.358	\$1.385	\$1.407	\$1.434	\$ 8.122	Senate Bill	\$1.900	\$2.150	\$2.225	\$2.225	\$2.225	\$2.225	\$12.950	House Bill	\$1.530	\$1.696	\$1.822	\$1.942	\$1.994	\$2.065	\$11.049																																																
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	<p>Transportation & Community & System Preservation Program TEA-LU §1113 Amends 23USC101 note 112 Stat 223</p>	<p>The total TCSP authorization under TEA-LU is roughly double TEA-21. No other changes are proposed.</p> <table border="1" data-bbox="871 925 1533 1055"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td></td> <td>\$0.020</td> <td>\$0.025</td> <td>\$0.025</td> <td>\$0.025</td> <td>\$0.025</td> <td>\$0.120</td> </tr> <tr> <td>Senate Bill</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.300</td> </tr> <tr> <td>House Bill</td> <td>\$0.030</td> <td>\$0.035</td> <td>\$0.040</td> <td>\$0.045</td> <td>\$0.050</td> <td>\$0.050</td> <td>\$0.250</td> </tr> </tbody> </table> <p>However, the authorization levels and selection criteria under TEA-21 had little to do with actual grants:</p> <table border="1" data-bbox="840 1128 1596 1347"> <thead> <tr> <th>TEA-21 ACTUAL</th> <th>1998</th> <th>1999</th> <th>2000</th> <th>2001</th> <th>2002</th> <th>2003</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Discretionary Grant</td> <td></td> <td>\$0.013</td> <td>\$0.009</td> <td></td> <td></td> <td></td> <td>\$0.022</td> </tr> <tr> <td>Cong. Earmark</td> <td></td> <td></td> <td>\$0.022</td> <td>\$0.047</td> <td>\$0.273</td> <td>\$0.089</td> <td>\$0.431</td> </tr> <tr> <td>Total</td> <td></td> <td>\$0.013</td> <td>\$0.031</td> <td>\$0.047</td> <td>\$0.273</td> <td>\$0.089</td> <td>\$0.453</td> </tr> <tr> <td>Oregon Grants</td> <td></td> <td>\$0.001</td> <td>\$0.001</td> <td>\$0.000</td> <td>\$ -</td> <td>\$0.001</td> <td>\$0.003</td> </tr> <tr> <td>Oregon Percent</td> <td></td> <td>8.46%</td> <td>1.81%</td> <td>0.80%</td> <td>0.00%</td> <td>1.43%</td> <td>0.73%</td> </tr> </tbody> </table> <p>Overall, Oregon/Portland has not done as well with TCSP as other programs.</p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21		\$0.020	\$0.025	\$0.025	\$0.025	\$0.025	\$0.120	Senate Bill	\$0.050	\$0.050	\$0.050	\$0.050	\$0.050	\$0.050	\$0.300	House Bill	\$0.030	\$0.035	\$0.040	\$0.045	\$0.050	\$0.050	\$0.250	TEA-21 ACTUAL	1998	1999	2000	2001	2002	2003	TOTAL	Discretionary Grant		\$0.013	\$0.009				\$0.022	Cong. Earmark			\$0.022	\$0.047	\$0.273	\$0.089	\$0.431	Total		\$0.013	\$0.031	\$0.047	\$0.273	\$0.089	\$0.453	Oregon Grants		\$0.001	\$0.001	\$0.000	\$ -	\$0.001	\$0.003	Oregon Percent		8.46%	1.81%	0.80%	0.00%	1.43%	0.73%
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	<p>Multi-State Corridor TEA-LU §1101(a)(10); §1301 Border Planning, Operations, Tech. TEA-LU §1101(a)(11); §1302</p>	<p>“Corridor” funds are available to the I-5 Trade Corridor. Oregon is not eligible for “Border” funds. Under TEA-21, “Border” and “Corridor” funds were authorized as one program. About 80% of these funds were allocated to “Corridor” projects. TEA-LU establishes independent funding authorizations for both programs and increases funding by about eight-fold. TEA-LU’s split between Border and Corridor funds is consistent with past practice. A section has been reserved in TEA-LU for the operations of the program; <u>so it is yet not clear how the funds will be allocated.</u></p> <hr/> <p style="text-align: center;">Borders and Corridors Programs <i>In TEA-21 Programs Combined, in SAFETEA/TEA-LU Separate Programs</i></p> <hr/> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21; B&C.</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.840</td> </tr> <tr> <td>Senate Bill: Corridors</td> <td>\$0.112</td> <td>\$0.135</td> <td>\$0.157</td> <td>\$0.180</td> <td>\$0.202</td> <td>\$0.225</td> <td>\$1.011</td> </tr> <tr> <td>Senate Bill: Borders</td> <td>\$0.112</td> <td>\$0.135</td> <td>\$0.157</td> <td>\$0.180</td> <td>\$0.202</td> <td>\$0.225</td> <td>\$1.011</td> </tr> <tr> <td>Senate Bill: B&C</td> <td>\$0.224</td> <td>\$0.270</td> <td>\$0.314</td> <td>\$0.360</td> <td>\$0.404</td> <td>\$0.450</td> <td>\$2.022</td> </tr> <tr> <td>House Bill: Corridors</td> <td>\$0.500</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$5.000</td> </tr> <tr> <td>House Bill: Borders</td> <td>\$0.200</td> <td>\$0.300</td> <td>\$0.325</td> <td>\$0.350</td> <td>\$0.400</td> <td>\$0.400</td> <td>\$1.975</td> </tr> <tr> <td>House Bill: B&C</td> <td>\$0.700</td> <td>\$1.200</td> <td>\$1.225</td> <td>\$1.250</td> <td>\$1.300</td> <td>\$1.300</td> <td>\$6.975</td> </tr> </tbody> </table> <p>Corridor funds were intended as a criteria-based discretionary program. However, actual funding under TEA-21 had little to do with the authorized funding levels or criteria. Over TEA-21, Oregon’s share has been about the same as for NHS funds, but more erratic</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Bill:</th> <th>198</th> <th>199</th> <th>200</th> <th>2001</th> <th>2002</th> <th>2003</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>B&C Funds Allocated</td> <td></td> <td>\$123.60</td> <td>\$121.80</td> <td>\$123.08</td> <td>\$479.98</td> <td>\$255.00</td> <td>\$1,103.46</td> </tr> <tr> <td>Amount to Oregon</td> <td></td> <td>\$2.00</td> <td>\$0.00</td> <td>\$0.88</td> <td>\$4.86</td> <td>\$6.50</td> <td>\$14.23</td> </tr> <tr> <td>Percent to Oregon</td> <td></td> <td>1.62%</td> <td>0.00%</td> <td>0.71%</td> <td>1.01%</td> <td>2.55%</td> <td>1.29%</td> </tr> </tbody> </table> <p>Unlike other targeted programs, this program should be supported by JPACT, so long as Corridor funds are about 80% of total, because, with Washington’s help, this may be good funding source for I-5 PE/EIS work.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21; B&C.	\$0.140	\$0.140	\$0.140	\$0.140	\$0.140	\$0.140	\$0.840	Senate Bill: Corridors	\$0.112	\$0.135	\$0.157	\$0.180	\$0.202	\$0.225	\$1.011	Senate Bill: Borders	\$0.112	\$0.135	\$0.157	\$0.180	\$0.202	\$0.225	\$1.011	Senate Bill: B&C	\$0.224	\$0.270	\$0.314	\$0.360	\$0.404	\$0.450	\$2.022	House Bill: Corridors	\$0.500	\$0.900	\$0.900	\$0.900	\$0.900	\$0.900	\$5.000	House Bill: Borders	\$0.200	\$0.300	\$0.325	\$0.350	\$0.400	\$0.400	\$1.975	House Bill: B&C	\$0.700	\$1.200	\$1.225	\$1.250	\$1.300	\$1.300	\$6.975	Bill:	198	199	200	2001	2002	2003	TOTAL	B&C Funds Allocated		\$123.60	\$121.80	\$123.08	\$479.98	\$255.00	\$1,103.46	Amount to Oregon		\$2.00	\$0.00	\$0.88	\$4.86	\$6.50	\$14.23	Percent to Oregon		1.62%	0.00%	0.71%	1.01%	2.55%	1.29%
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	<p>Interstate Discretionary Projects TEA-LU §1111 Amends 23USC118(c)</p>	<p>In TEA-LU, <u>the \$100M per year Interstate Discretionary Program is eliminated.</u> Oregon has received little from the Interstate Discretionary Program. Of the \$560M allocated during TEA-21, Oregon received \$1.765M, or 0.3%. Elimination of discretionary program adds to formula apportionments, a benefit to Oregon.</p>																																																																																																

NEW FUNDING PROGRAMS
Authorization Levels and Apportionment Formulae
(only those programs most relevant to Portland shown)

	<p>Highway Safety Improvement Prog. TEA-LU §1101(6); §1401; Amends 23USC130; 23USC152</p>	<p>TEA-LU repeals the 10% (\$649M in FY03) safety set-aside in the STP program and replaces it with a new, formula program with a 90% federal share.</p> <table border="1" data-bbox="726 456 1713 597"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Senate Bill</td> <td>\$1.200</td> <td>\$1.300</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$7.900</td> </tr> <tr> <td>House Bill</td> <td>\$1.000</td> <td>\$1.100</td> <td>\$1.200</td> <td>\$1.300</td> <td>\$1.400</td> <td>\$1.500</td> <td>\$7.500</td> </tr> </tbody> </table> <p>One-third of these amounts are allocated to states for the railroad crossing program in 23USC130. One-half of these funds are apportioned to states based on the STP formula and one-half based on the number of railroad crossings. Two-thirds of these amounts are allocated to states for the hazard elimination program in 23USC152 based on the STP formula.</p> <p>Project requirements do not appear onerous, but do not know how they comply with Oregon/Portland priorities. This new program is in addition to continuing the Nat'l Highway Traffic Safety Administration (HSTSA) and Motor Carrier Safety Assistance Program (MCSAP).</p> <p><u>Generally, JPACT should support increases in flexible programs, such as STP, and be wary of targeted or restrictive programs with new administrative requirements. However, this is mitigated somewhat in the Safety Program because it makes more flexible STP dollars available with the elimination of the 10% STP set-aside for safety projects.</u></p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Senate Bill	\$1.200	\$1.300	\$1.350	\$1.350	\$1.350	\$1.350	\$7.900	House Bill	\$1.000	\$1.100	\$1.200	\$1.300	\$1.400	\$1.500	\$7.500
Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL																											
TEA-21	N/A	N/A	N/A	N/A	N/A	N/A	N/A																											
Senate Bill	\$1.200	\$1.300	\$1.350	\$1.350	\$1.350	\$1.350	\$7.900																											
House Bill	\$1.000	\$1.100	\$1.200	\$1.300	\$1.400	\$1.500	\$7.500																											
	<p>Safe Routes to Schools TEA-LU §1101(a)(23) §1118(b)</p>	<p>Creates a \$250M per year, six-year formula program for sidewalks, traffic calming, bicycle facilities, etc. in the vicinity of primary and middle schools. Apportionment to states based on school enrollment with a \$2M per year minimum apportionment (probably would be Oregon's share). 10%-30% of funds to be used for activities to encourage walking and bicycling to school, including public awareness campaigns, traffic education and enforcement in the vicinity of schools, student sessions on bicycle and pedestrian safety, etc</p>																																







?	<p>Projects of National and Regional Significance TEA-LU §1101(a)(12); §1304</p>	<p>Creates a “New Starts-like” discretionary program for “mega” road projects. Only projects costing the lesser of \$500M or 75% of the sponsoring state’s annual federal highway assistance program are eligible.</p> <table border="1" data-bbox="877 285 1654 415"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>House Bill</td> <td>\$2,900</td> <td>\$2,900</td> <td>\$2,900</td> <td>\$2,900</td> <td>\$3,000</td> <td>\$3,000</td> <td>\$17,600</td> </tr> </tbody> </table> <p>Criteria for competitive grants include: generate national benefits, reduce congestion, improve safety, leverage non-federal investment, etc. Projects would be evaluated and rated in manner similar to New Starts program. Projects funded through a Full Funding Grant Agreement. One can anticipate that this program will operate similarly as the New Starts program; highly competitive, congressionally earmarked, etc.</p> <p>On its merits, the I-5 Project would be eligible and competitive for “mega” project funds. Perhaps Sunrise Corridor would also be eligible. <u>However, the utility of this program to Oregon depends on our ability to be competitive in a national process.</u> Oregon has done well with New Starts funds, but no other discretionary program. Without members that are Committee Chairs, in leadership positions or on Appropriations, <u>it may be unrealistic to count on concurrently securing FFGAs and appropriations for a New Starts project and a Mega project.</u></p> <p>If the amount of funds authorized for mega projects were made available through a formula program with an apportionment similar to NHS, Oregon would be allocated about \$220M over six years. A “bird in hand ...,” We should determine whether Oregon would be better served with funds in a formula program than in this mega project program. The exception may be I-5, where with help from State of Washington, the mega project program could be beneficial.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	\$ -	Senate Bill	NA	NA	NA	NA	NA	NA	\$ -	House Bill	\$2,900	\$2,900	\$2,900	\$2,900	\$3,000	\$3,000	\$17,600
Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL																											
TEA-21	NA	NA	NA	NA	NA	NA	\$ -																											
Senate Bill	NA	NA	NA	NA	NA	NA	\$ -																											
House Bill	\$2,900	\$2,900	\$2,900	\$2,900	\$3,000	\$3,000	\$17,600																											
★	<p>High Priority Projects TEA-LU §1101(a)(17) Amends 23 USC 117</p>	<p>This program is a placeholder for “demo projects.” With good representation in the House T&I Committee, Oregon has done well with demo projects. Under TEA-21, Oregon received 1.85% of such funds; a share that is about 50% higher than for NHS funds. TEA-LU proposes to increase demo funding by 60% above TEA-21 levels.</p> <table border="1" data-bbox="890 1200 1621 1333"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$1.080</td> <td>\$1.404</td> <td>\$1.685</td> <td>\$1.685</td> <td>\$1.778</td> <td>\$1.778</td> <td>\$ 9,360</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>House Bill</td> <td>\$1.953</td> <td>\$2.144</td> <td>\$2.355</td> <td>\$2.587</td> <td>\$2.841</td> <td>\$3.120</td> <td>\$15,000</td> </tr> </tbody> </table>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$1.080	\$1.404	\$1.685	\$1.685	\$1.778	\$1.778	\$ 9,360	Senate Bill	NA	NA	NA	NA	NA	NA	\$ -	House Bill	\$1.953	\$2.144	\$2.355	\$2.587	\$2.841	\$3.120	\$15,000
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	<p>Freight Intermodal Connectors TEA-LU §1101(a)(18); §1303</p>	<p>New formula program with 80% federal share. Funds apportioned to states on basis of one third each of (i) the state's percent of the national total number of freight intermodal connectors, (ii) the state's percentage contribution to the Trust Fund and (iii) the NHS formula.</p> <table border="1" data-bbox="892 316 1564 446"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>House Bill</td> <td>\$0.300</td> <td>\$0.400</td> <td>\$0.500</td> <td>\$0.600</td> <td>\$0.600</td> <td>\$0.600</td> <td>\$3.000</td> </tr> </tbody> </table> <p>Funds must be used for construction of publicly owned intermodal connectors and related operational improvements. Priority is to be given to NHS intermodal connectors. Funds can be used for other road projects if state certifies there are no intermodal connector needs. While program is a formula apportionment (which is generally better for Oregon), it is likely that formula produces lower share than NHS formula. <u>Generally, JPACT should support increases in flexible programs, such as STP, and be wary of targeted or restrictive programs with new administrative requirements</u></p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	\$ -	Senate Bill	NA	NA	NA	NA	NA	NA	\$ -	House Bill	\$0.300	\$0.400	\$0.500	\$0.600	\$0.600	\$0.600	\$3.000
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	<p>Dedicated Truck Lanes TEA-LU §1101(a)(22); §1305</p>	<p>TEA-LU includes authorized funding, but does not define the program (section reserved for this purpose).</p> <table border="1" data-bbox="892 755 1585 885"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$0.00</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$0.00</td> </tr> <tr> <td>House Bill</td> <td>\$0.25</td> <td>\$0.35</td> <td>\$0.35</td> <td>\$0.35</td> <td>\$0.35</td> <td>\$0.35</td> <td>\$2.00</td> </tr> </tbody> </table>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	\$0.00	Senate Bill	NA	NA	NA	NA	NA	NA	\$0.00	House Bill	\$0.25	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$2.00
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House Bill	\$0.25	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$2.00																											
	<p>Congestion Relief TEA-LU §1202</p>	<p>Requires that a portion of STP, NHS, CMAQ and Interstate Maintenance funds be dedicated for congestion relief activities. The portion to be dedicated is 10% of these funding categories times the percent of the state's population in urbanized areas with a population over 200,000. Each year 40% of the dedicated revenues must be allocated to congestion relief projects that can be implemented in one year, 35% to congestion relief projects that can be implemented in three years, and 25% to any congestion relief activity. This program is not a new funding source, but rather a limitation on flexibility and an additional administrative burden, and should be opposed.</p>																																
<p>OTHER PROGRAMS AND POLICIES <i>(Research not Addressed, Defer to PSU)</i></p>																																		
	<p>TIFIA TEA-LU §1303 Amends 23 USC181-189</p>	<p>Threshold for eligibility reduced to \$50M. \$150M per year for six years authorized to support program. The maximum annual credit amounts set at \$2.6B.</p>																																

	TSM TEA-LU §1202 Amends 23 USC 133, 23 USC 149	Expands list of eligible projects for STP and CMAQ funds to include transportation system management and operations activities.
	ITS TEA-LU §1205 Adds 23 USC 150	Requires States to obligate a portion of their annual NHS, Interstate Maintenance, STP and CMAQ funds on ITS projects. The portion of a state's federal funds that must be spend on ITS is \$500M times the percent of federal road funds that state receives compared to the national total. For Oregon, this means about \$6M per year. This program is not a new funding source, but rather a limitation on flexibility and an additional administrative burden, and should be opposed.
	Tolling	Nothing proposed.
	Public Private Partnerships TEA-LU §1503	Section reserved, proposal to be added later.
	Design Build Contracts TEA-LU §1501	Section reserved, proposal to be added later.




TEA-LU (HR 3550)
TRANSIT TITLE ONLY
New Start and Small Start Programs Reviewed Separately

The House Transportation Reauthorization bill is the product of two committees. The House Transportation and Infrastructure Committee released a bill (TEA-LU) covering the highway and transit title. Because TEA-LU increases funding beyond existing capacity, new revenues must be enacted by the House Ways and Means Committee. Ways and Means has not yet produced a bill. So, the table below reviews only the transit elements of TEA-LU, except for the New Start and Small Start provisions that are reviewed separately. Only changes to TEA-21 are addressed. The table uses the following symbols to rate the overall affect of a proposed change.

Very Good	Good	Neutral	Bad	Very Bad	Unclear
					

Rating	Program/Issue TEA-LU Section Sect. of 49USC Amended	Summary of Issue/Explanation of Rating																																
EXISTING FUNDING PROGRAMS																																		
Authorization Levels and Apportionment Formulae (only those programs most relevant to Portland shown)																																		
	Urban Area Formula Grants TEA-LU §3008 Amends 49USC 5307	<p>TEA-LU provides an 87% increase in §5307 funds over TEA-21. Year 1 of TEA-LU only provides a 4% increase over Year 6 of TEA-21, but it includes a 13% per year increase each year thereafter.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$2.30</td> <td>\$2.55</td> <td>\$2.78</td> <td>\$3.00</td> <td>\$3.23</td> <td>\$3.45</td> <td>\$17.31</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>House Bill</td> <td>\$3.60</td> <td>\$4.31</td> <td>\$4.87</td> <td>\$5.48</td> <td>\$6.06</td> <td>\$6.72</td> <td>\$31.03</td> </tr> </tbody> </table> <p>There are no other notable changes in the urban grant program. The Portland region receives about 0.8%-0.9% of the national appropriation of 5307 formula funds. Over its six years, the increased proposed by TEA-LU results in an additional \$120M for the Portland region compared to TEA-21.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$2.30	\$2.55	\$2.78	\$3.00	\$3.23	\$3.45	\$17.31	Senate Bill	NA	NA	NA	NA	NA	NA	\$ -	House Bill	\$3.60	\$4.31	\$4.87	\$5.48	\$6.06	\$6.72	\$31.03
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?	Jobs Access Reverse Commute (JARC) TEA-LU §3017 Adds 49USC5316	<p>TEA-LU increases JARC funds by 140% compared to TEA-21.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td></td> <td>\$0.05</td> <td>\$0.08</td> <td>\$0.10</td> <td>\$0.13</td> <td>\$0.15</td> <td>\$0.50</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>House Bill</td> <td>\$0.175</td> <td>\$0.185</td> <td>\$0.195</td> <td>\$0.205</td> <td>\$0.215</td> <td>\$0.225</td> <td>\$1.200</td> </tr> </tbody> </table> <p>Under TEA-21, JARC was a discretionary grant program that ultimately became one of federal earmarks. TEA-LU proposes to make JARC a formula program. 60% of funds would be apportioned to transit operators in urban areas with >200,000 population based on relative share of low-income persons and welfare recipients. 20% would be apportioned to states and 20% to urban areas with less than 200,000 population based on same factors. Not enough information to know impact on Oregon.</p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21		\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.50	Senate Bill	NA	NA	NA	NA	NA	NA	NA	House Bill	\$0.175	\$0.185	\$0.195	\$0.205	\$0.215	\$0.225	\$1.200
Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL																											
TEA-21		\$0.05	\$0.08	\$0.10	\$0.13	\$0.15	\$0.50																											
Senate Bill	NA	NA	NA	NA	NA	NA	NA																											
House Bill	\$0.175	\$0.185	\$0.195	\$0.205	\$0.215	\$0.225	\$1.200																											
⚡	Clean Fuels Formula Grant Program TEA-LU §3009 Amends 49USC5308, 5338	<p>TEA-21 authorized specific amounts for Clean Fuels, but each year appropriators merged Clean Fuels authority into §5307 formula funds. TEA-LU increases authorization for Clean Fuel Program by 140%.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td></td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.05</td> <td>\$0.25</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$0.00</td> </tr> <tr> <td>House Bill</td> <td>\$0.10</td> <td>\$0.10</td> <td>\$0.10</td> <td>\$0.10</td> <td>\$0.10</td> <td>\$0.10</td> <td>\$0.60</td> </tr> </tbody> </table> <p>However, TriMet would no longer be eligible for formula apportionments under the program. A recent EPA rule changed ozone standards; making Portland an “attainment area” rather than a “maintenance area.” The apportionment formula for Clean Fuels is based on weight factors for non-attainment. My read is that as an attainment area, that weight factor would be zero. To continue TriMet’s eligibility, add the following to 49USC5308(d)(2)(A):</p> <p><u>: “(vii) 1.0 if, at the time of apportionment, the area is not designated as a nonattainment or maintenance area under the 8-hour ozone standard but was designated as a nonattainment area or maintenance area under the 1-hour ozone standard.”</u></p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.25	Senate Bill	NA	NA	NA	NA	NA	NA	\$0.00	House Bill	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.60
Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL																											
TEA-21		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.25																											
Senate Bill	NA	NA	NA	NA	NA	NA	\$0.00																											
House Bill	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.60																											
★	Elderly and Disabled Formula Funds TEA-LU §3011 49USC5310, 5338	<p>TEA-LU increases E&D Formula funds by 90% compared to TEA-21.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$0.06</td> <td>\$0.07</td> <td>\$0.07</td> <td>\$0.08</td> <td>\$0.09</td> <td>\$0.09</td> <td>\$0.46</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>House Bill</td> <td>\$0.10</td> <td>\$0.12</td> <td>\$0.14</td> <td>\$0.15</td> <td>\$0.17</td> <td>\$0.19</td> <td>\$0.87</td> </tr> </tbody> </table> <p>The program is changed to allow funds to be used for operating expenses, at a 50% match ratio. A requirement to certify coordination with non-profits is added. Also requires that projects be derived from a “locally developed coordinated public transit-human services transportation plan.” The State of Oregon received on average 1.36% of E&D Formula funds from 1999-2003.</p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21	\$0.06	\$0.07	\$0.07	\$0.08	\$0.09	\$0.09	\$0.46	Senate Bill	NA	NA	NA	NA	NA	NA	NA	House Bill	\$0.10	\$0.12	\$0.14	\$0.15	\$0.17	\$0.19	\$0.87
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	<p>New Start Funds TEA-LU §3010 49USC5309, 5338</p>	<p>TEA-LU increases New Start funds for “major” projects by 87% compared to TEA-21, and that is on top of the “small start” funds.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$0.800</td> <td>\$0.902</td> <td>\$0.980</td> <td>\$1.058</td> <td>\$1.136</td> <td>\$1.214</td> <td>\$6.090</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>House Bill</td> <td>\$1.350</td> <td>\$1.596</td> <td>\$1.791</td> <td>\$2.002</td> <td>\$2.197</td> <td>\$2.426</td> <td>\$11.362</td> </tr> </tbody> </table> <p>Programmatic issues are discussed in a separate review.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$0.800	\$0.902	\$0.980	\$1.058	\$1.136	\$1.214	\$6.090	Senate Bill	NA	NA	NA	NA	NA	NA	NA	House Bill	\$1.350	\$1.596	\$1.791	\$2.002	\$2.197	\$2.426	\$11.362
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?	<p>New Freedom Program TEA-LU §3018 Creates 49USC5317</p>	<p>New formula program aimed at new public transportation alternatives for disabled persons beyond that required by the ADA. Funds available for capital projects at 80% share and operations at 50% share.</p> <table border="1" data-bbox="926 285 1535 415"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>House Bill</td> <td>\$0.10</td> <td>\$0.12</td> <td>\$0.13</td> <td>\$0.15</td> <td>\$0.15</td> <td>\$0.18</td> <td>\$0.82</td> </tr> </tbody> </table> <p>60% of funds would be apportioned to transit operators in urban areas with >200,000 population based on relative share of disabled persons. 20% would be apportioned to states and 20% to urban areas with less than 200,000 population based on same factors. Not enough data to know impact on Oregon.</p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	NA	Senate Bill	NA	NA	NA	NA	NA	NA	NA	House Bill	\$0.10	\$0.12	\$0.13	\$0.15	\$0.15	\$0.18	\$0.82
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★	<p>Small Starts Funds TEA-LU § 49USC5309, 5338</p>	<p>New discretionary program for fixed guideway projects between \$25M-\$75M in federal assistance. Not clear where projects under \$25M fit.</p> <table border="1" data-bbox="926 630 1661 760"> <thead> <tr> <th>Bill:</th> <th>Year1</th> <th>Year2</th> <th>Year3</th> <th>Year4</th> <th>Year5</th> <th>Year6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Senate Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>House Bill</td> <td>\$0.15</td> <td>\$0.18</td> <td>\$0.21</td> <td>\$0.24</td> <td>\$0.27</td> <td>\$0.30</td> <td>\$1.35</td> </tr> </tbody> </table> <p>Small Starts program mutually exclusive of funding for “major” projects. Small starts cannot access New Starts funds, and vice versa. Programmatic issues are discussed in a separate review.</p>	Bill:	Year1	Year2	Year3	Year4	Year5	Year6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	NA	Senate Bill	NA	NA	NA	NA	NA	NA	NA	House Bill	\$0.15	\$0.18	\$0.21	\$0.24	\$0.27	\$0.30	\$1.35
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<p>OTHER PROGRAMS AND POLICIES <i>(Research not Addressed, Defer to PSU)</i></p>																																		
?	<p>Metropolitan/State Planning TEA-LU Title VI Amends 23USC134, 135 49USC5303-5305</p>	<p>Title reserved to establish Chapter 52, which integrates provisions for metropolitan and statewide planning for highways and transit. Provisions not yet included.</p>																																
?	<p>Planning Programs TEA-LU §3005 49USC5303-5305</p>	<p>Section on TIP deleted and replaced with combination of planning activities for States and MPOs. Establishes split of planning funds under 49USC5338(c) as 82.72% for MPOs and 17.28% for States. State and MPOs devise formula for allocating MPO funds within the State.</p>																																
?	<p>Contract Requirements TEA-LU §3025 Amends 49USC5325</p>	<p>Changes rules on competition. TEA-21 only required of non-competitive contract awards for capital projects or improvements that records be provided to DOT and Comptroller General. TEA-LU proposes that all procurements be done in “<i>full and open competition, as determined by the Secretary.</i>” Allows states with a formal state procedure for procuring A&E services that is in effect prior to TEA-LU to be exempt from TEA-LU requirements for A&E procurement. Allows design-build contracts. Changes some administrative requirements relating to indirect rates, establishes certain confidentiality.</p>																																

TEA - LU
New Start/Small Start Program Issues

*This analysis examines Section 3010 (Capital Investment Grants) of HR 3550 (Transportation Equity Act: A Legacy for Users), which primarily amends Section 5309 of the Transit Act, Section 3037, which authorizes fixed guideway projects for Final Design and Construction, and Section 3034, which authorizes funding for such capital grants. The **changes** proposed to the provisions of TEA-21 in TEA-LU are described in the table below. The table uses the following symbols to describe the overall affect of a proposed change.*

Very Good	Good	Neutral	Bad	Very Bad	Unclear
					














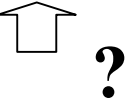


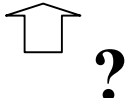






SECTION 3010 OF H.R. 3550		
Rating	Section: Issue	Summary of Issue/Rating
	§5309(a)(1) General Authority	Loans of §5309 Funds no longer permitted, does not affect Portland region projects.
Major (>\$75M) Fixed Guideway Projects		
	§5309(c): Establish Category for Major Capital Investment Grants	\$75M threshold for full new starts evaluation process allows streetcar projects to proceed without onerous criteria.
	Deleted from TEA-21: Exemption from New Starts Criteria for Entirely Flexible Funded Projects	TEA-21 exempts from the New Starts review “ <i>part of a project financed completely with amounts made available from the Highway Trust Fund (other than the Mass Transit Account).</i> ” Thus, a MOS entirely funded with STP funds is exempt from New Starts criteria under TEA-21. Under TEA-LU such an MOS would be subject to New Starts review. This would affect a small streetcar project funded entirely with MTIP funds.
	§5309(c)(2)(B): Justification Criteria for Major Projects	The factors considered in FTA’s “comprehensive review” are expanded to include “ <i>transit supportive policies</i> ” and “ <i>existing land use.</i> ” While “ <i>transit supportive policies</i> ” helps Portland region, “ <i>existing land use</i> ” helps mega-cities like NY, Chicago, etc. and hurts Portland. A preferable factor is “ <i>land use policies.</i> ”

Exhibit C-3 to Resolution No. 05-3544

'Small Starts' (<\$75M) Program		
	§5309(d)(1): \$75M "Small Starts" Threshold	Overall, the small starts program much more supportive of streetcar projects than the major fixed guideway program. But some specifics, discussed below, are troublesome.
	§5309(d)(1): \$25M "Exempt" Threshold	TEA-LU does not proscribe any processes or criteria for "exempt projects" (i.e. <\$25M). Congress should set parameters for exempt projects rather than leave it entirely to FTA.
	§5309(d)(2) and (3): Alternatives Analysis Required	§5309(d)(2) and (3) require that the evaluation of small starts be based on the results of Alternatives Analysis (AA). AA requires consideration of non-streetcar project alternatives, probably including a baseline alternative for cost effectiveness rating. Unless narrowed by statute, this will lead to considerable FTA involvement and interference. Thus, amend §5309(d)(2)(A) as follows " <i>(A) based on the result of planning and alternatives analysis <u>(as used in this subsection, alternatives analysis requires a comparison only to the no build alternative).</u></i> "
	§5309(d)(4)(A) and (C): Project Justification Factors	While the justification of "major" projects must consider " <i>operating efficiencies,</i> " " <i>environmental benefits,</i> " " <i>mobility</i> " and " <i>existing land use,</i> " these factors are not considered in evaluating small start projects. This helps because small starts would not be competitive with regard to these factors. Paragraph C establishes " <i>positive effect on local economic development</i> " as a key criterion. This helps Portland streetcar projects.
	§5309(d)(4)(B): Cost Effectiveness	Grant approval requires consideration of " <i>cost effectiveness at the time of the initiation of revenue service.</i> " FTA is provided 120 days after bill passage to develop regulations on how cost effectiveness (CE) will be evaluated. If history is an indication, FTA will propose a CE that compares the small start project with a baseline alternative. This begins to drag the "streamlined" small starts process into the same issues that delay "major" projects. Also, CE is evaluated when operations start, rather than the normal 20-year basis; making "cost per rider" and "cost per new rider" measures worse for small starts than for "major" projects. Bill should define parameters for CE calculation, rather than leaving to FTA discretion, as follows: " <i>B. determine cost effectiveness <u>based on the amount of development leveraged by the transit investment (compared to the no build alternative)</u> at the time of the initiation of revenue service.</i> "
	§5309(d)(5): Local Financial Commitment	The bill excludes for "small starts" certain financial evaluation factors required of "major" projects, such as " <i>the extent to which ... local financial commitment exceeds the required non-Federal share ...</i> ," and " <i>local resources are available to operate the overall proposed public transportation system ...without ... a reduction in existing ... services ...</i> " These are very helpful exclusions. However, their absence in the bill does not necessarily mean they will not be part of FTA's ratings. Congress should clarify that rating factors required in the bill of "major" projects but not "small starts" establish legislative intent to exclude such factors for "small start" ratings.

	§5309(d)(7) and (8): Construction Grant Agreements	In lieu of Full Funding Grant Agreements (FFGA), “small starts” receive Construction Grant Agreements (CGA). The content of a FFGA and CGA appear similar. But a FFGA requires 60-day congressional review, and a CGA does not. FTA requires 60% Final Design completion before starting FFGA negotiations, and up to 1 year to complete the FFGA approval process. To avoid this aberrant delay, add to the end of §5309(d)(8) “ <i>Construction Grant Agreements may be issued at the start of Final Design and cover the cost of Final Design and construction.</i> ”
	§309(d)(10): Eligible Projects in Small Starts Program	Small starts include “ <i>corridor-based public transportation bus capital projects if the majority of the project’s corridor right of way is ... for exclusive use by public transportation ... all or part of the day.</i> ” This limits small start program funding for BRT projects to only those with substantial bus-only lanes.
Other New Start Provisions in Sec. 3010 of H.R. 3550		
	§5309(e): Grandfather Provisions	Only projects with a FFGA or Letter of Intent (LOI) before enactment of the bill are exempt from the provisions for “major” projects and “small starts.” This is a serious problem for Commuter Rail, which will not have a FFGA in time. Commuter Rail will be subject to the small start provisions and await enactment of “small start” rules before proceeding – undoubtedly a year delay. Also, Commuter Rail will be re-evaluated based on “small start” factors; reopening discussions with FTA on the merits of the project. A non-bill fix is to obtain a LOI for Commuter Rail prior to bill enactment (recall an LOI requires 2-month congressional review). Alternatively, amend provision as follows: “ <i>Subsections (c) and (d) do not apply to projects for which the Secretary has issued a letter of intent or entered into a full funding grant agreement before the date of enactment ... Subsection (d) does not apply to projects for which the Secretary has approved Final Design before the date of enactment [of the bill]</i> ”
	§5309(f)(4)(A): Limitations on Amounts that can be Obligated	Section is hard to decipher, but looks like the amount that can be contingently committed to projects is raised from 2-years worth of authorization under TEA-21 to 3-years under TEA-LU.
	§5309(f)(5): Notification of Congress	Eliminates House and Senate Appropriations Committees from notice of intent to issue a FFGA. Doubt that this stops Istook-like problems.
	§5309(g)(2): Remainder of Net Project Cost	Do not know what this means.
	§5309(g)(3): FTA Not Authorized to Require Local Match in excess of 20 percent	Sounds good, but hard to reconcile with other provisions. §5309(c)(3)(D)(iv) states that the amount of overmatch shall be considered in evaluating local financing. §5309(c)(4) states that the degree of local financial commitment is a basis for determining the rating of a project. §5309(g)(3) may mean that FTA cannot <u>automatically</u> rate projects Not Recommended because they have only 20% match, but can rate projects with >20% local match higher.

	§5309(g)(4): Project Cost can Include Previously Purchased Vehicles	Permits the cost of a project to include vehicles purchased for the project before FTA approved the project. Requires that no federal funds were used to purchase such vehicles. May be way to get reimbursement for 10 “option” LRVs. Do not know what last sentence in provision means.
	§5309(m)(1): Small Start Funds Allocated “Off-the-Top” of Capital Funds	Funding for small start program is carved out of capital funding program before the 40-40-20 split to new starts, rail mod and bus capital. This mitigates the hit on New Starts. This will be further addressed below in explanation of Section 3034 of HR 3550.
	§5309(m)(1)(B): Small Starts cannot access funds for “Major” New Starts	Provides that 40 percent of funds remaining after allocation to “small starts” are for “ <i>major new fixed guideway capital projects.</i> ” §5309(c)(5) defines “major” as costing over \$75M. Thus, this category is not available for small starts; ensuring that “small starts” projects, such as FTA-favored BRT projects, cannot use-up funding for LRT projects.
	§5309(m)(4): New Start funds must be derived from General Fund	Puts full onus of General Fund appropriations on “major” fixed guideway projects. Rumor is that General Funds are guaranteed, but there is nothing apparent in bill that provides guarantee. Small starts do not appropriation risk because a specified amount of funds is annually allocated; and the full amount will come from Trust Fund if General Funds are not appropriated. Rail Mod and Bus/Bus-Related do not share in risk because they are funded with Trust Funds. Creates need for small constituency of congresspersons with LRT interests to secure large, annual general fund appropriations. Need to get New Starts on Trust Fund rather than General Fund, or, at least, spread General Fund risk to broader constituency. One option is to delete §5309(m)(4), which would cause appropriations risk to be spread among all capital investments (New Starts, small starts, Rail Mod and Bus/Bus-Related). A broader fix would be to change allocations in §5338 (see Section 3034 of HR 3550) to have General Fund applied to formula grants and allocate only Trust Funds to capital program.
SECTION 3034 OF H.R. 3550		
	§5338(b)(2)(C): Allocation to Small Starts is Only for Small Starts	States that “ <i>the Secretary shall make available for capital investment grants of less than \$75,000,000 under section 5309(d).</i> ” Ensures that “major” projects do not have access to small start funds.
SECTION 3037 and 3038 of H.R. 3550		
	§5309(m)(I)(B): Portland Projects Not Yet Authorized for Final Design and Construction	Other than IMAX, Portland projects are not yet authorized in bill. Must get Commuter Rail and I-205 LRT authorized in this section for Final Design and Construction. Also, need Portland Streetcar, and I-5 LRT authorized; although they can, if necessary, at first be authorized for alternatives analysis and preliminary engineering and later for Final Design and construction. Also, should think about earmarking bus/bus-related projects in Section 3038 of HR 3550.

**SAFETEA (S. 1072) by EPW Committee
As Amended November 9, 2003**

The Senate's Transportation Reauthorization bill is the product of three committees. The Finance Committee is responsible for raising revenues that support the transit and highway titles. The Banking Committee proposes the transit title, and the Environment and Public Works (EPW) Committee proposes the highway title. At this time, neither the Finance Committee nor the Banking Committee has produced a draft bill. Thus, this review of the EPW bill addresses only highway provisions. Only changes to TEA-21 are reviewed in the table below. The table uses the following symbols to describe the overall affect of a proposed change.

Very Good	Good	Neutral	Bad	Very Bad	Unclear
					









Rating	Program/Issue SAFTEA Section Sect. of 23 USC Amended	Summary of Issue/Explanation of Rating																																
EXISTING FUNDING PROGRAMS Authorization Levels and Apportionment Formulae <i>(only those programs most relevant to Portland shown)</i>																																		
	Interstate Maintenance Program SAFTEA §1101(1) Amends 23 USC 129	<p><u>If revenue is enhanced</u>, SAFETEA provides 60% higher Interstate Maintenance funding than TEA 21, and 17% higher IM funding than TEA-LU.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Bill:</th> <th>Yr 1</th> <th>Yr 2</th> <th>Yr 3</th> <th>Yr 4</th> <th>Yr 5</th> <th>Yr 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$3.43</td> <td>\$3.96</td> <td>\$4.00</td> <td>\$4.07</td> <td>\$4.14</td> <td>\$4.22</td> <td>\$23.81</td> </tr> <tr> <td>EPW Bill</td> <td>\$5.50</td> <td>\$6.30</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$6.55</td> <td>\$38.00</td> </tr> <tr> <td>House Bill</td> <td>\$4.50</td> <td>\$4.99</td> <td>\$5.36</td> <td>\$5.71</td> <td>\$5.87</td> <td>\$6.07</td> <td>\$32.50</td> </tr> </tbody> </table>	Bill:	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	TOTAL	TEA-21	\$3.43	\$3.96	\$4.00	\$4.07	\$4.14	\$4.22	\$23.81	EPW Bill	\$5.50	\$6.30	\$6.55	\$6.55	\$6.55	\$6.55	\$38.00	House Bill	\$4.50	\$4.99	\$5.36	\$5.71	\$5.87	\$6.07	\$32.50
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Exhibit C-4 to Resolution No. 05-3544







	<p>National Highway System Program SAFETEA §1102(2) Amends 23 USC 103</p>	<p><u>If revenue is enhanced</u>, SAFETEA provides 61% higher National Highway System funding than TEA 21, and 18% higher NHS funding than TEA-LU.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$4.112</td> <td>\$4.749</td> <td>\$4.793</td> <td>\$4.888</td> <td>\$4.968</td> <td>\$5.061</td> <td>\$28.571</td> </tr> <tr> <td>EPW Bill</td> <td>\$6.650</td> <td>\$7.650</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$7.950</td> <td>\$46.100</td> </tr> <tr> <td>House Bill</td> <td>\$5.401</td> <td>\$5.986</td> <td>\$6.431</td> <td>\$6.854</td> <td>\$7.039</td> <td>\$7.287</td> <td>\$38.998</td> </tr> </tbody> </table>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$4.112	\$4.749	\$4.793	\$4.888	\$4.968	\$5.061	\$28.571	EPW Bill	\$6.650	\$7.650	\$7.950	\$7.950	\$7.950	\$7.950	\$46.100	House Bill	\$5.401	\$5.986	\$6.431	\$6.854	\$7.039	\$7.287	\$38.998								
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	<p>Highway Bridge Program SAFETEA §1102(3); §1808 Amends 23 USC 144</p>	<p><u>If revenue is enhanced</u>, SAFETEA provides 59% higher National Highway System funding than TEA 21, and 16% higher NHS funding than TEA-LU.</p> <table border="1"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$2.941</td> <td>\$3.395</td> <td>\$3.427</td> <td>\$3.495</td> <td>\$3.552</td> <td>\$3.619</td> <td>\$20.429</td> </tr> <tr> <td>Senate Bill</td> <td>\$4.700</td> <td>\$5.400</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$5.600</td> <td>\$32.500</td> </tr> <tr> <td>House Bill</td> <td>\$3.862</td> <td>\$4.280</td> <td>\$4.599</td> <td>\$4.901</td> <td>\$5.033</td> <td>\$5.211</td> <td>\$27.886</td> </tr> </tbody> </table> <p>SAFETEA revises several provisions of how the program operates, most notably it (a) increases the bridge discretionary program by 50% (\$150M per year); (b) does not set an upper limit on use of funds for bridges off of the Federal system and (c) provides greater flexibility in using funds for preventative maintenance and historic rehabilitations.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$2.941	\$3.395	\$3.427	\$3.495	\$3.552	\$3.619	\$20.429	Senate Bill	\$4.700	\$5.400	\$5.600	\$5.600	\$5.600	\$5.600	\$32.500	House Bill	\$3.862	\$4.280	\$4.599	\$4.901	\$5.033	\$5.211	\$27.886								
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	<p>Surface Transport. Program SAFETEA §1102(4); §1401(g)(2); §1620 Amends 23 USC 133(d)</p>	<p>Both SAFETEA and TEA-LU create a highly funded highway safety program and remove from the STP program the 10% set-aside requirement for safety projects. However, SAFETEA adds a 2% set aside for stormwater mitigation projects. Taken both of these adjustments into account, SAFETEA increases funds for non-safety, non-stormwater projects by 56%, <u>if revenue is enhanced</u>; a slightly lower increase than for other funding programs.</p> <table border="1"> <thead> <tr> <th colspan="8">STP Funds Not Set Aside for Safety Projects Excludes funds Set Aside for Stormwater in SAFTEA</th> </tr> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$4.318</td> <td>\$4.986</td> <td>\$5.033</td> <td>\$5.133</td> <td>\$5.216</td> <td>\$5.315</td> <td>\$30.000</td> </tr> <tr> <td>Senate Bill</td> <td>\$6.811</td> <td>\$7.791</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$8.085</td> <td>\$46.942</td> </tr> <tr> <td>House Bill</td> <td>\$6.286</td> <td>\$6.954</td> <td>\$7.461</td> <td>\$7.942</td> <td>\$8.147</td> <td>\$8.446</td> <td>\$45.236</td> </tr> </tbody> </table> <p>If the new or expanded safety programs are not funded, it is likely that the 10% STP set aside for safety projects will be continued or expanded.</p>	STP Funds Not Set Aside for Safety Projects Excludes funds Set Aside for Stormwater in SAFTEA								Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$4.318	\$4.986	\$5.033	\$5.133	\$5.216	\$5.315	\$30.000	Senate Bill	\$6.811	\$7.791	\$8.085	\$8.085	\$8.085	\$8.085	\$46.942	House Bill	\$6.286	\$6.954	\$7.461	\$7.942	\$8.147	\$8.446	\$45.236
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


	<p>CMAQ Program SAFETEA §1102(5); §1611 Amends 23 USC 104(b)(2); 149</p>	<p>Consistent with other existing funding sources, SAFETEA proposes to increase CMAQ funding by 59% compared to TEA-21.</p> <table border="1" data-bbox="779 310 1766 443"> <thead> <tr> <th>Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>\$1.193</td> <td>\$1.345</td> <td>\$1.358</td> <td>\$1.385</td> <td>\$1.407</td> <td>\$1.434</td> <td>\$ 8.122</td> </tr> <tr> <td>Senate Bill</td> <td>\$1.900</td> <td>\$2.150</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$2.225</td> <td>\$12.950</td> </tr> <tr> <td>House Bill</td> <td>\$1.530</td> <td>\$1.696</td> <td>\$1.822</td> <td>\$1.942</td> <td>\$1.994</td> <td>\$2.065</td> <td>\$11.049</td> </tr> </tbody> </table> <p>However, several factors work to make the proposed increase in CMAQ funds unattractive for Portland. EPA recently issued a rule changing the ozone standards, which results reclassifying Portland as an “attainment area” rather than a “maintenance area.” This results in Portland losing its eligibility for ozone-related CMAQ funds. Also, SAFETEA incorporates an apportionment factor relating to “fine particulates.” This has the affect of spreading CMAQ funds to more areas, resulting in decreased CMAQ funds for “attainment” areas like Portland. Accordingly:</p> <p>(a) (b) Allow Portland to retain its eligibility for ozone-related CMAQ funds by amending §1611(2) of SAFETEA to include: <u>“(x) 1.0 if, at the time of apportionment, the area is not designated as a nonattainment or maintenance area under the 8-hour ozone standard but was designated as a nonattainment area or maintenance area under the 1-hour ozone standard.”</u></p> <p>(b) <i>Support the change in the apportionment factor from .8 to 1.0 for areas achieving “Maintenance” statys</i></p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	\$1.193	\$1.345	\$1.358	\$1.385	\$1.407	\$1.434	\$ 8.122	Senate Bill	\$1.900	\$2.150	\$2.225	\$2.225	\$2.225	\$2.225	\$12.950	House Bill	\$1.530	\$1.696	\$1.822	\$1.942	\$1.994	\$2.065	\$11.049
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	<p>Transportation & Community & System Preservation Pilot Prog SAFETEA §1814 Adds 23 USC 175</p>	<p>This is a revision to Sen. Wyden’s TCSP program. \$50M per year for six years is authorized for program, doubling the amount in TEA-21. Remains a competitive program (assuming it is not fully earmarked each year) for planning, development and implementation of community and system preservation projects such as TOD, impact mitigation and jobs access projects. Priority given to applicants have policies, such as UGBs, green corridors, etc. Funds must be allocated equitably to a diversity of populations and geographic regions.</p>																																

	<p>Multi-State Corridor SAFETEA §1101(10); §1810. Creates 23USC171</p> <p>Border Planning, Operations, Tech. SAFETEA §1101(11); §1811 Creates 23USC172</p>	<p>“Corridor” funds are a key discretionary source for PE/EIS work for the I-5 Trade Corridor. Oregon is not eligible for “Border” funds. Under TEA-21, “Border” and “Corridor” funds were authorized as one program. About 80% of the funds were allocated to “Corridor” projects. SAFETEA establishes independent funding authorizations for both programs, as does TEA-LU. SAFETEA also revises the eligibility requirements, but this may be of little consequence because funds have historically been earmarked by Congress. While SAFETEA increases Border & Corridor funds by 141%, it splits the funds evenly between the Border and Corridor programs. This has the affect of substantially increasing Border funds and only marginally increasing Corridor funds. The House Bill (TEA-LU) is illustrative of a Border-Corridor apportionment that is consistent with past practice. Also, many projects eligible for Border Program funds are also eligible for Corridor Program funds; allowing them to “double dip.”</p> <p style="text-align: center;">Borders and Corridors Programs <i>In TEA-21 Programs Combined, in SAFETEA/TEA-LU Separate Programs</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21; B&C.</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.140</td> <td>\$0.840</td> </tr> <tr> <td>Senate Bill: Corridors</td> <td>\$0.112</td> <td>\$0.135</td> <td>\$0.157</td> <td>\$0.180</td> <td>\$0.202</td> <td>\$0.225</td> <td>\$1.011</td> </tr> <tr> <td>Senate Bill: Borders</td> <td>\$0.112</td> <td>\$0.135</td> <td>\$0.157</td> <td>\$0.180</td> <td>\$0.202</td> <td>\$0.225</td> <td>\$1.011</td> </tr> <tr> <td>Senate Bill: B&C</td> <td>\$0.224</td> <td>\$0.270</td> <td>\$0.314</td> <td>\$0.360</td> <td>\$0.404</td> <td>\$0.450</td> <td>\$2.022</td> </tr> <tr> <td>House Bill: Corridors</td> <td>\$0.500</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$0.900</td> <td>\$5.000</td> </tr> <tr> <td>House Bill: Borders</td> <td>\$0.200</td> <td>\$0.300</td> <td>\$0.325</td> <td>\$0.350</td> <td>\$0.400</td> <td>\$0.400</td> <td>\$1.975</td> </tr> <tr> <td>House Bill: B&C</td> <td>\$0.700</td> <td>\$1.200</td> <td>\$1.225</td> <td>\$1.250</td> <td>\$1.300</td> <td>\$1.300</td> <td>\$6.975</td> </tr> </tbody> </table> <p>To resolve these issues:</p> <p>(a) Amend §1101(10) and §1101(11), to either (i) combine the separate authorities into one combined authority, as in TEA-21, or (ii) revise the relative funding levels between these programs to better reflect the size of the pool of eligible projects for these programs.</p> <p>(b) In §1811, make projects using Border Program funds ineligible for Corridor Program funding.</p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21; B&C.	\$0.140	\$0.140	\$0.140	\$0.140	\$0.140	\$0.140	\$0.840	Senate Bill: Corridors	\$0.112	\$0.135	\$0.157	\$0.180	\$0.202	\$0.225	\$1.011	Senate Bill: Borders	\$0.112	\$0.135	\$0.157	\$0.180	\$0.202	\$0.225	\$1.011	Senate Bill: B&C	\$0.224	\$0.270	\$0.314	\$0.360	\$0.404	\$0.450	\$2.022	House Bill: Corridors	\$0.500	\$0.900	\$0.900	\$0.900	\$0.900	\$0.900	\$5.000	House Bill: Borders	\$0.200	\$0.300	\$0.325	\$0.350	\$0.400	\$0.400	\$1.975	House Bill: B&C	\$0.700	\$1.200	\$1.225	\$1.250	\$1.300	\$1.300	\$6.975
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	<p>Interstate Discretionary Projects SAFETEA §1805 Amends 23USC118(c)(1)</p>	<p>The set aside from the Interstate Maintenance Program for Interstate Discretionary Projects is raised to \$100M per year for six years (up from \$50M).</p>																																																																

NEW FUNDING PROGRAMS
Authorization Levels and Apportionment Formulae
(only those programs most relevant to Portland shown)

	<p>Highway Safety Improvement Prog. SAFETEA §1101(6); §1401; Replaces 23 USC 148</p>	<p>SAFETEA repeals the safety set-aside as part of the STP program and replaces it with a new, formula program with a 90% federal share. This new, highly funded safety program is in addition to safety programs continued under SAFETEA. Funds are formula allocated to states based on road mileage, VMT and amount of gas tax collections. Do not know how Oregon fares based on this formula.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Senate Bill</td> <td>\$1.200</td> <td>\$1.300</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$1.350</td> <td>\$7.900</td> </tr> <tr> <td>House Bill</td> <td>\$1.000</td> <td>\$1.100</td> <td>\$1.200</td> <td>\$1.300</td> <td>\$1.400</td> <td>\$1.500</td> <td>\$7.500</td> </tr> </tbody> </table> <p>A pre-requisite for funding is a State Strategic Highway Safety Plan, prepared in compliance with statutory specifications. Eligible projects must be included in this plan and comply with statutory requirements. Project requirements do not appear onerous, but do not know how they comply with Oregon/Portland priorities. <u>Generally, JPACT should support increases in flexible programs, such as STP, and be wary of targeted or restrictive programs with new administrative requirements.</u></p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Senate Bill	\$1.200	\$1.300	\$1.350	\$1.350	\$1.350	\$1.350	\$7.900	House Bill	\$1.000	\$1.100	\$1.200	\$1.300	\$1.400	\$1.500	\$7.500
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	<p>Safe Routes to Schools SAFETEA §1405 Adds 23USC150</p>	<p>Creates a \$70M per year, six-year set-aside from Highway Safety Improvement Program (above) for sidewalks, traffic calming, bicycle facilities, etc. in the vicinity of schools.</p>																																
	<p>Infrastructure Performance and Maintenance Prog. SAFETEA §1101(13); §1201 Adds 23 USC 139</p>	<p>New program focused on highway preservation and operational improvements, only limited capacity enhancements are permitted. Funds must be obligated to projects within 180 days of appropriation or lost. Bill does not specify criteria or an apportionment formula.</p> <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Bill:</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>Year 4</th> <th>Year 5</th> <th>Year 6</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>TEA-21</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> <tr> <td>Senate Bill</td> <td>\$2.500</td> <td>\$2.500</td> <td>\$2.000</td> <td>\$2.000</td> <td>\$2.000</td> <td>\$0.500</td> <td>\$11.500</td> </tr> <tr> <td>House Bill</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>NA</td> <td>\$ -</td> </tr> </tbody> </table> <p>Bill does not specify criteria or an apportionment formula; therefore do not know how much Oregon would receive. This appears to be a large program that is intended to phase-out. <u>Portland/Oregon objectives better met with more flexible and lasting highway programs.</u></p>	Bill:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL	TEA-21	NA	NA	NA	NA	NA	NA	\$ -	Senate Bill	\$2.500	\$2.500	\$2.000	\$2.000	\$2.000	\$0.500	\$11.500	House Bill	NA	NA	NA	NA	NA	NA	\$ -
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	Freight Intermodal Connectors to NHS SAFETEA §1203(c) Amends 23USC103(b)	Of the NHS funds allocated to Oregon, the greater of (i) 2% or (ii) the percentage of NHS miles connecting to intermodal terminals of total NHS miles in the State must be set aside for intermodal freight connector projects. State can seek exemption from set aside each year, if State certifies intermodal connectors are in good condition and there are significant NHS needs. Set aside funds have only 10% local match requirement.
OTHER PROGRAMS AND POLICIES <i>(Research not Addressed, Defer to PSU)</i>		
	TIFIA SAFETEA §1303 Amends 23 USC181-189	Eligible projects expanded to include intermodal freight facilities, private rail facilities “providing public benefit,” etc. State and regional planning and programming requirements do not have to be met until contract to receive federal credit instrument is executed. Threshold for eligibility reduced to \$50M or 20% of federal highway assistance apportioned to State (down from \$100M or 50%). Maximum assistance under TIFIA limited by the amount of senior debt – makes clearer that TIFIA is not to be the primary borrowing. \$130M per year for six years authorized to support program.
	Freight SAFETEA §1203 Adds 23 USC 325	In addition to Freight-NHS connector program discussed above, SAFETEA includes several policies and programs related to freight. Intermodal connectors and transfer facilities are made eligible for STP funds. Requires creation of State Freight Transportation Coordinator and integration of freight issues into State and Regional Transportation Planning.
	Tolling HOV Lanes SAFETEA §1606 Amends 23 USC 102 Tolling Programs SAFETEA §1609(a)	Allows states to establish toll program to charge non-carpools to travel in HOV lanes. Criteria for eligibility for Interstate System Reconstruction and Rehabilitation Pilot program made more flexible. May have applicability for I-5 Trade Corridor. Variable Toll Pricing Program extended, with favorable provisions. May have applicability for I-5 Trade Corridor.
	MPO Funding SAFETEA §1102(b) Amends 23 USC 104(f)	Requires a 1.5% set aside of highway funds (after deduction for DOT administrative expenses) for metropolitan planning. TEA-21 had a “not to exceed 1%” requirement.
	Local Match SAFETEA §1301 Amends 23USC120(d)	Expands ability to increase federal share of highway funding above 90% (for interstates) and 80% (for other roads) based on percent of State land in national parks, national forests, tribal lands, etc. Authority already exists for some states. Do not know affect of change on Oregon.

	Transportation Funding Study SAFETEA §1305	Establishes 11-person <i>National Commission on Future Revenue Sources to Support the Highway Trust Fund</i> to study alternatives to replace or supplement the fuel tax as the principal source to support the Highway Trust Fund.
	RTP and TIP SAFETEA §1615 Amends 23 USC 134	Changes interval that MPO is required to update RTP from “ <i>periodically as determined by Secretary</i> ” (every 3 years) to five years. TIP program extended from every three years to every four years.
	Historic Site SAFETEA §1604 Amends 23 USC 103(c)	Section aimed at generally exempting the interstate system from being considered an historic site for purposes of 23 USC 138 or 49 USC 303. However, in doing so it states that a “ <i>portion of the Interstate System that possesses an independent feature of historic significance, such as a historic bridge ... that would qualify independently for Listing on the National Register of Historic Places shall be considered a historic site ...</i> ” This affects the ability to replace the I-5 Bridge to Vancouver.

Memorandum

Date: February 9, 2005
To: Olivia Clark, Dick Feeney, Neil McFarlane; TriMet
From: Steven M. Siegel, Siegel Consulting
Subject: Section 3011 of Senate Transit Bill: Proposed Amendments to §5309 in the Transit Title

This memorandum reviews amendments to Section 5309 “Capital Investment Grants” proposed in Section 3011 of the Senate Bill (SB) received on January 27th. No other sections of the bill have been reviewed, so impacts of cross-referencing Sec. 5309 in other sections of the bill, if any, are not accounted for. Also, the Senate Bill does not yet specify funding authorization levels, so it is not possible to determine changes in the amounts of available funds.

A. Major Issues

The major issues discussed below are highly detrimental to the transportation agenda of the Portland region and others. The numbering is for reference, no priority is intended.

Major Issue 1: New Starts funds Opened to BRT Projects

Issue: Sec. 3011(j) of SB amends the former 49USC5309(m), which is redesignated §5309(i) by the SB, to allow non-fixed guideway projects access to former New Start funds (now Major Capital Project funds). TEA-21 made New Start funds available for “*capital projects for new fixed guideway systems and extensions to existing fixed guideway systems*”. The SB makes these funds available for “*major capital projects for new fixed guideway systems and extensions and corridor improvements, in accordance with subsections (e) and (f)*”. The term “and corridor improvements” makes BRT and other bus projects eligible for New Starts funds. FTA is already on record favoring BRT projects over LRT and Streetcar. So, not only will be more competition for LRT and Streetcar projects, there will not be an even playing field for such projects. This will severely damage the ability to achieve the Portland region’s transportation agenda.

Solution: The first two following statutory amendments help clarify, the last amendment is required:

- Amend Sec, 3011(e) of SB as follows “(e) Major Fixed Guideway ~~Capital Investment~~ Grants of \$75,000,000 or More”
- Amend Sec, 3011(f) of SB as follows “(e) Major Fixed Guideway ~~Capital Investment~~ Grants Less than \$75,000,000”
- Amend Sec. 3011(j) of SB as follows: “(A) 65 percent shall be allocated for major capital projects for new fixed guideway systems and extensions ~~and corridor improvements~~, in accordance with subsections (e) and (f)”.

Major Issue 2: **Criteria for Small Starts Program Left Wide Open for FTA Discretion**

Issue: The genesis of the Small Starts program grew from undue planning and procedural burdens placed on less expensive projects by the New Start regulations. The SB does not

specifically establish a reduced justification or streamlined process for small starts. Instead, in Section 3011(f) it states: “*if the amount of a grant ... for a major capital project is less than \$75,000,000, (A) the project shall be subject to the requirements under subsection (e) to the extent the Secretary determines to be appropriate; and (B) the Secretary shall not make a grant for such a project unless the Secretary determines that the project is cost effective.*” The subsection (e) referred to in the previous sentence is the project rating and grant approval criteria for major New Start projects. Thus, other than cost effectiveness, which is required, the SB does not establish any specific criteria for Small Starts and leaves it to FTA to determine which, if any, New Start factors will not apply to Small Starts.

In comparison, the House Bill (HB) includes specific criteria and procedures to facilitate the project development process for small starts. For example, TEA-LU excludes for “small starts” certain financial evaluation factors required of “major” projects, such as “*the extent to which ... local financial commitment exceeds the required non-Federal share ...*,” and “*local resources are available to operate the overall proposed public transportation system ...without ... a reduction in existing ... services ...*” . These and other factors in TEA-LU will facilitate project development of Small Starts, but improvements are needed to the HB, as well.

Solution: Add specific statutory language prescribing specific and a streamlined process criteria tailored to Small Starts. The HB provides a considerably better approach than the SB, so I suggest it as the base (although I do not include for sake of brevity). In a previous memo, I proposed statutory improvements and Report Language for the HB (TEA-LU).

Major Issue 3: Funding for Small Starts (<\$75M) and Major Projects (> \$75M) is in an Amalgamated rather than Separated Program

Issue: Given FTA’s disdain for LRT and the likelihood that Small Starts will be provided a streamline process and less burdensome justification criteria, Small Start projects will quickly advance ahead of LRT and other major projects, eventually squeezing them out of the funding queue. The HB addresses this problem by establishing mutually exclusive funding programs (after the initial allocation of capital funds) for Small Starts and Major New Starts. It further accommodated the higher costs of major new starts by funding the New Start program at a much higher level than Small Starts. Thus, while the HB provides the Portland region with a reasonable opportunity to pursue several projects in its transportation agenda, the SB forces regional projects to collide.

Solution: Amend proposal to fund Small Starts in SB to tack HB proposal by dividing New Starts program into two separate funding programs, and authorizing funding for Small Starts at 10-15% of Major New Start levels.

Major Issue 4: Must Grandfather Commuter Rail from New Requirements

Issue: Under Sec. 5309(e), as amended by Sec. 3011(e)(6) of the SB, only projects with a FFGA or Letter of Intent (LOI) before enactment of the bill are exempt from the provisions for “major” projects and “small starts.” This is a serious problem for smaller projects in Final Design or in the process of having Final Design approved, such as the Commuter Rail Project. If not clarified, these projects will be subject to the small start provisions and have to await enactment of “small start” rules before proceeding – undoubtedly a year delay. Also, these projects will have to be re-evaluated based on “small start” factors; requiring new analyses to be submitted to FTA on the merits of the project.

Statutory Solution: Amend proposed §5309(e) as follows: “This subsection shall not apply to projects for which the Secretary has issued a letter of intent or entered into a full funding grant agreement before the date of enactment ... Projects for which the Secretary has received an application for Final Design before the date of enactment of the Federal Public Transportation Act of 2004 shall proceed under the rules in effect when the application was received.”

Report Solution: Notwithstanding Sec. 5309(e), as amended, it is the intent of the Committee that projects for which an application for Final Design has been submitted to the Secretary before the date of enactment of the Federal Public Transportation Act of 2004 proceed under the rules in effect when the application was received.

Major Issue 5: SB Modifies the Criteria and Ratings Process for Major Projects, Requires New Rules to Set Criteria and Process and Allows FTA 240 Days

Issue: Unlike the Small Starts program, where new criteria and ratings procedures are required because it is a new program, there is no such requirement for the Major New Start program. While the industry is dissatisfied with the way FTA implements the process, this will not be fixed by a reinvention of the wheel. Rather, this will lead many projects in a lurch, unable to advance until new rules are issued and implemented. Undoubtedly this will cause these projects a year or more delay, during which costs will escalate and project agreements will require renegotiations.

Solution: The preferred solution is to avoid material changes to the statutory language regarding the justification and rating of major new start projects. Alternatively, grandfather projects that have advanced to, say, completion of DEIS to be grandfathered under rules in place prior to new act.

B. Moderate Issues

There are a number of moderate and minor issues that, due to time constraints, I do not address in this memorandum. Below are a few such issues that stand out.

Moderate Issue 1: New Unduly Burdensome Requirement for “Before and After” Study

Issue: Sec. 3011(g) of SB revises existing rules regarding the preparation of a “Before and After Study” for major new start projects. In the past this work occurred after a Full Funding Grant Agreement (FFGA) was executed. Under the SB, the preparation of a plan to do the study and collection of the “Before” data is a pre-requisite to construction. This will delay construction on projects that are ready and approved for construction, increasing costs and delaying service improvements for seemingly unnecessary reasons.

Statutory Solution:

“(D) COLLECTION OF DATA ON CURRENT SYSTEM. ~~To be eligible for a full funding grant agreement, recipients shall have collected data on the current system, according to the plan required, before the beginning of construction of the proposed new start project.~~ Collection of this data shall be included in the full funding grant agreement as an eligible activity. Collection of

data on the current system according to the required plan shall begin as soon as practical after the full funding grant agreement is executed.”

Moderate Issue 2: **Ensure Transparency and Fairness in the New Start/Small Start Process**

Issue: The New Starts process has been marred by controversy over FTA’s implementation of TEA-21 evaluation criteria and procedures; in particular relating to the methodology and application of the user benefits (i.e. TSUB) requirements where FTA does not use the measure described in its rules. As a result the “transparency” and “fairness” of the process has been widely questioned by industry representatives and congress. The SB seeks to address these concerns through the creation of new criteria and processes and the mandate for new rules. This was previously discussed as a Major Issue, and, furthermore, will increase frustrations with FTA rather than decrease them. An alternative is to clarify the Committee’s expectations under the current criteria and procedures.

Statutory Solution: None.

Report Solution: The Committee is concerned that FTA’s user benefit measure has been applied without consideration of highway user benefits, user benefit thresholds have not been inflated commensurate with base year cost estimates, and ridership and user benefit estimates from FTA approved forecast models have been adjusted by FTA on an ad hoc basis. In establishing the process and criteria for rating projects under Sec. 5309(c) and (d), it is the Committee’s intent that FTA applies its rules and criteria in a consistent manner that is open, clear and fair to potential grantees and consistent with FTA rules and guidance.

C. Opportunities

There are several helpful amendments proposed in the SB, that I do not address in this memorandum due to time constraints. Some require modifications to be useful to the Portland region. Below are a few such issues.

Opportunity 1: **Reimbursement for Locally Purchased Vehicles used for Future Projects**

Issue: Sec 3011(H)(5) of SB amends §5309(g)(4) to permit the cost of a fixed guideway project to include vehicles purchased with local funds for the project before FTA approved the project. This amendment may not cover TriMet’s case where local funds were used to purchase vehicles for its eastside line, which is interlined with the I-205 LRT project between Gateway and Downtown. Passengers on the interlined section can use either line, and the number of vehicles in this section relate to the total demand. Thus, the cost of the locally purchased vehicles materially relates to the project, even though they do not operate on the Gateway to Town Center segment of the Project.

Statutory Solution: Amend the proposed §5309(g)(4) in §3010(d) of TEA-LU as follows:
`4) SPECIAL RULE FOR ROLLING STOCK COSTS-In addition to amounts allowed pursuant to paragraph (1), a planned extension to a fixed guideway system may include the cost of rolling stock previously purchased if the applicant satisfies the Secretary that only amounts other than amounts of the Government were used and that the purchase was made for use on the extension **or a segment of the system interlined with the extension.** A refund or reduction of the

remainder may be made only if a refund of a proportional amount of the grant of the Government is made at the same time.

Report Solution: It is the intent of the Committee that the term “for use on the extension” in Sec. 5309(g)(4) include vehicles purchased for use on an existing fixed guideway segment that is, in part, interlined with a project extension.

Opportunity 2: Allow Cross-Border Leasing

Issue: Many transit districts have taken advantage of the tax benefits of sales-leaseback arrangements on their depreciable capital assets; resulting in millions of dollars for transit projects and operations. FTA approval for transferring the asset is a pre-requisite for such sales-leaseback arrangements on capital assets procured with Federal funds. Due to concern regarding the loss of tax dollars associated with sales-leaseback arrangements, FTA has ceased approving such arrangements. While domestic sales-leaseback arrangements impact tax collections, cross-border leasing does not. Thus, the ban on cross-border leases cost transit districts millions of dollars, without any benefit to the Treasury. The SB does not address this issue.

Statutory Solution: None.

Report Solution: The Committee encourages the Secretary to consider permitting cross border leasing as a way to provide private funding for public transportation projects and operations without the Federal tax impacts associated with domestic sales-leaseback arrangements.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 05-3544, FOR THE PURPOSE OF ENDORING AN UPDATED 2005 REGIONAL POSITION ON THE REAUTHORIZATION OF THE TRANSPORTATION EQUITY ACT OF THE 21ST CENTURY (TEA-21)

Date: January 23, 2005

Prepared by: Andy Cotugno

BACKGROUND

The Transportation Equity Act for the 21st Century (TEA-21), adopted by Congress in 1998, expired September 30, 2003 and an extension is scheduled to expire before May 2005. TEA-21 is the federal authorization bill for transportation projects and funding. The authorization bill establishes federal programs, identifies or “earmarks” some specific projects and sets the upper limits on the amount of federal funds the programs and projects are eligible to receive. The act also establishes rules for the distribution of federal transportation funds including apportionment formulas for those programs whose funds are distributed by such methods.

The reauthorization bill will have a direct effect on Metro and the region’s jurisdictions in terms of how planning for transportation is performed and how much federal assistance to perform this planning function is made available. There is also a direct impact on which transportation projects are identified as eligible to receive federal funding.

Because the extension of the current reauthorization is set to expire before May 2005, Congress must choose to again extend the current bill or complete the next reauthorization of a federal transportation bill. To favorably influence the federal legislation, it is important to clearly articulate the region’s positions during their consideration of the reauthorization bill language.

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** TEA-21 is the current federal transportation authorization authority providing Metro the authority to function as a federally designated Metropolitan Planning Organization (MPO). TEA-21 expired September 30, 2003 and was extended by Congress through May 2005. Congress will be considering reauthorization of transportation legislation during its 2005 session.
3. **Anticipated Effects** This resolution will communicate the regional policy position for reauthorization of TEA-21. The policy paper will be used in the regions federal reauthorization activities in Congress.
4. **Budget Impacts** Reauthorization is a significant issue affecting Metro and the Portland region and, as such, this paper and efforts to influence its outcome are a significant work effort for the department. In addition, one of the issues directly affects funding to MPOs including Metro.

RECOMMENDED ACTION

Adopt Resolution No. 05-3544.