MEMO

DATE: September 1, 2005

TO: TCC and RC members

FROM: Don Rhodes, Manager, Government and Public Affairs

SUBJECT: SAFETEA-LU update

SUMMARY:
The five-year surface transportation bill, SAFETEA-LU (H.R. 3), was passed by Congress on July 29, 2005 and subsequently signed by President Bush on August 10, 2005. The bill is in effect from August 10, 2005 through September 30, 2009, providing $286.4 billion and including more than 6,300 earmarked projects. The SCAG region received approximately 309 earmarks totaling $1.4 billion. A list of these earmarks will be distributed during the meeting.

Some of the bill's highlights that will be discussed include:

PROGRAMMATIC HIGHLIGHTS

- **MPO Funding Increase**

MPO funding was increased from 1% of the core programs to 1.25%. This increase will provide additional funding for SCAG's planning activities.

- **Minimum Guarantee**

The Minimum Guarantee to states was increased (on an incremental scale) from 90.5% to 92% by 2008. This will allow the state of California to receive more overall funding for transportation programs.

- **Predeployment TIFIA**

SCAG was advocating for expanded eligibility under the TIFIA loan program for pre-deployment activities. This item was not written into the bill, but may be taken care of through work with USDOT.

- **RTP/RTIP Cycle**

The RTP and RTIP cycles were extended to every 4 years (vs. the current 3 year cycle) and were synchronized. It is not yet clear if the 4-year clock starts with the enactment of this bill or from the most recently passed RTP (April, 2004).

- **Congestion Mitigation and Air Quality (CMAQ)**

The CMAQ program did not include PM2.5 weighting factors; however, it does retain ozone weighting factors by severity level so that air basins (e.g., the South Coast Air Basin) continue to receive funding based on their non-attainment severity classification for the 8-hour standard.

- **Gas Tax**

The new bill did not raise federal gas taxes, which will remain at 18.4 cents per gallon through 2009.

- **Two New National Transportation Planning Committees**

The National Surface Transportation Infrastructure Committee was created to research future funding mechanisms for surface transportation and the Future of Surface Transportation Committee was formed to develop a national strategy for surface transportation.

- **CPG Reimbursement**

A provision was added mandating that states reimburse CPG monies to MPOs within 30 days. This is a major victory and will provide additional assistance in keeping projects running on time and without delay.

PROJECT FUNDING HIGHLIGHTS

• **Eastside Light Rail Line**	$400 million
• **Alameda Corridor East**	$178 million
• **I-405 HOV**	$130 million
• **Desmond Bridge**	$100 million
• **Inland Empire Goods Movement Gateway Project**	$ 75 million
• **Metro Gold Line**	$ 12.5 million

BACKGROUND:

SAFETEA-LU was the result of nearly two years of negotiating by congressional lawmakers. The major issues that caused such an extended deliberation included overall funding, minimum guarantee to states, National Environmental Policy Act (NEPA) streamlining, CMAQ provisions and earmarks. The previous six-year surface transportation reauthorization bill, TEA-21, expired in September 2003 and was extended 12 times before Congress adopted SAFETEA-LU in July 2005.