STAFF REPORT

SUBJECT: Federal Legislative Program
MEETING DATE: January 15, 2015
AGENDA ITEM: 11
STAFF CONTACT: Gregg Hart, Jim Kemp

RECOMMENDATION:

A. Receive report from SBCAG’s federal lobbyist, Don Gilchrest, on federal transportation issues and approve SBCAG’s federal legislative agenda for 2015.

B. Select and authorize SBCAG delegation to schedule meetings in Washington DC to advocate for SBCAG legislative agenda.

SUMMARY:

Staff has been working with SBCAG’s federal lobbyist, Thomas Walters and Associates, to develop SBCAG’s 2015 federal legislative program and strategy that will assist in guiding efforts to obtain discretionary federal funding for high priority transportation projects in Santa Barbara County and to influence federal legislation to protect SBCAG’s interests. Maintaining a robust federal legislative program is consistent with the board’s Measure A Strategic Plan goal to aggressively pursue outside matching funds to complete Measure A project commitments and meet the region’s transportation needs.

The most recent federal transportation reauthorization legislation, MAP-21, expired in September of last year, but Congress extended the authorization for transportation funding through a portion of 2015. The Congressional Budget Office has predicted that federal gas tax revenues will not be sufficient to meet authorized transportation spending obligations through the entire fiscal year ending in September of 2015.

This session, Senator Boxer will work in her capacity as the Ranking Minority Member of the Senate Environment and Public Works Committee with the new Committee Chairman to again attempt to draft a six-year federal transportation reauthorization bill. Issues of concern to SBCAG that may come up in negotiations on this legislation, that were also discussed during the development of MAP-21 and in the previous session of Congress, include the solvency of the Highway Trust Fund, funding for Transportation Alternatives and Safe Routes to School, eligibility of MPOs for federal planning funds and new passenger rail funding. Unfortunately, the projects SBCAG submitted for grant funding from the TIGER Program were not successful.

SBCAG board approval of the 2015 draft federal legislative agenda will authorize staff, board members and our lobbyist to continue efforts to lobby for SBCAG’s interests in Washington. Staff is also seeking board authorization for selected members of the board to make our annual
legislative advocacy trip to Washington DC to meet with members of Congress, committee staff and Department of Transportation staff during the week of February 24- February 27th.

**DISCUSSION:**

When the 113th Congress began its work in January of 2013 congressional leadership was very anxious to avoid the political fallout of another federal government shutdown and quickly passed consolidated appropriations. Leadership then announced their intent to return to the “regular order” of enacting appropriations bills by the beginning of the Federal Fiscal Year. Despite these good intentions, in September, Congress opted to approve a short-term Continuing Resolution to keep the government operating through December, and then returned for a post-election Lame Duck Session to wrap up the budget and other significant legislative issues, including funding for highway and transit funding, that were bogged down in the election-year gridlock. The FY 2015 appropriations legislation for DOT is roughly consistent with previously enacted transportation funding levels and with MAP-21.

Solvency of the Highway Trust Fund (HTF) moved to center stage when the Congressional Budget Office reported in June that an additional $8 billion was needed to meet the obligations to highway and transit programs through the end of the year. The Highway Trust Fund is essentially insolvent because revenues that are being deposited into the Account from motor fuels taxes are not sufficient to cover the spending on highway and transit programs. This has required transfers from the federal General Fund into the Highway Trust Fund in order to cover spending authorized by MAP-21. During the Lame Duck session Congress approved $10.8 billion to rescue the Highway Trust Fund and extend MAP-21 through May 31, 2015. The Congressional Budget Office recently reported an additional $7 billion will be needed to support currently-enacted transportation spending levels through the fiscal year ending on September 30, 2015.

MAP-21 was only a two-year bill, rather than the traditional six year federal transportation reauthorization legislation. The main obstacle to passing a successor reauthorization bill to MAP-21 was the need to identify additional revenue sources to fund Federal highway, transit and highway safety programs at least at the current levels. This session, Senator Boxer and other members of the Congressional Delegation are again expected to work to develop a six-year federal transportation reauthorization proposal at current spending levels with annual inflation adjustments. How this legislation will be funded, given the revenue shortfall from the federal gas tax, remains to be seen.

Other issues of particular interest to SBCAG that may be considered in the federal reauthorization legislation include proposals to eliminate funding for Transportation Alternatives and Safe Routes to School. The State of California uses federal Transportation Alternatives funding to support 52% of the State’s Active Transportation grant program. Four local agencies received $13.1 million from this source for eight projects.

MAP-21 preserved eligibility for federal planning funds for Metropolitan Planning Organizations like SBCAG but this issue could again resurface in the 114th Congress. MAP-21 required the DOT to establish a National Freight Network to assist States in strategically directing resources toward improved movement of freight on highways. The draft Primary Freight Network did not include a large portion of the 101 Corridor, but FHWA staff has indicated the agency is seeking more guidance from Congress in the next reauthorization bill on the criteria and the purpose of the Network, so this issue may be revisited. Finally, the Passenger Rail Investment and Improvement Act of 2008 (PRIIA), expired at the end of fiscal year 2013 and was not renewed last year. Legislation related to rail improvements and access is a possibility for 2015.
SBCAG again pursued funding for the US 101 HOV Lane Widening and Highway 246 Passing Lanes projects through the 2014 TIGER discretionary grant program. Unfortunately, when DOT announced the grants in September, only 72 transportation projects in 46 states and the District of Columbia were funded, and SBCAG’s projects were not selected. The competition for FY 2015 funding, is expected to again be very fierce.

According to our federal lobbyist, the single most important aspect of SBCAG’s federal legislative strategy is the fact that all the local agencies in Santa Barbara County remain united in support of the 101 HOV Widening Project as the region’s highest transportation priority. Members of Congress and Senators receive numerous worthy project requests from their constituents. As they weigh these many requests for support, one of the major factors they will take into account is the extent and degree of support for the project from other entities in the region and the State. In 2010, the SBCAG Board requested that each local agency in Santa Barbara County express support for the 101 project in the form of letters or adopted resolutions from the cities and county. All of the local agencies either passed resolutions or sent letters in support of this effort. The SBCAG delegations that have gone to Washington used this unified support for the 101 HOV project as the focus of their lobbying effort in the capitol. For maximum impact, however, other local jurisdictions should also include the project as part of their 2015 federal legislative agendas and indicate specifically that it is their highest regional transportation priority. They should also discuss the project as part of their federal legislative agenda when they meet with members of our Congressional delegation. Identifying the 101 HOV Widening Project as the highest regional priority does not preclude local agencies from seeking discretionary funding for local priorities.

The legislative strategy prepared by our lobbyist also indicates the importance of SBCAG members continuing to meet with our congressional representatives, committee staff and Department of Transportation staff to communicate our priorities. SBCAG’s federal lobbyist recommends these meetings again be scheduled in Washington, D.C. to provide timely input on both the appropriations process and to communicate issues of concern to assist federal legislators in the beginning of the transportation reauthorization process. For the past five years, a delegation of SBCAG Board members and staff have attended these meetings which will be arranged with the assistance of our federal lobbyist. Typically, the board delegation includes the Chair, Vice-Chair and immediate past Chair. Staff is recommending that the board select members of the board to make the legislative advocacy trip to DC during the week of February 24-27, 2015.

**ATTACHMENTS:**

Draft SBCAG 2015 Federal Legislative Platform
Memo from Thomas Walters & Associates, Inc.
<table>
<thead>
<tr>
<th>Issue</th>
<th>Goal</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Federal funding for SBCAG’s priority projects</td>
<td>Aggressively pursue funds through the annual Federal Appropriations process, the multi-year Federal Transportation Reauthorization process, or any other federal sources. Raise awareness of the Highway 101 Corridor and its importance as a transportation facility of state and national significance. Include 101 through the Central Coast in National Freight Network</td>
<td>Work with the SBCAG’s federal lobbyist, SBCAG member agencies, our federal congressional delegation and local community leaders and organizations to aggressively advocate at the federal level for funding to complete projects promised to Santa Barbara County voters in the Measure A Investment Plan. Educate our congressional delegation and funding agency partners about the Highway 101 Widening project’s funding needs, timing and schedule. Work with the Central Coast Coalition and Caltrans to raise awareness of the importance of 101 and its need for improvements as one of only two north-south interregional corridors in the state. Advocate to the US Department of Transportation that the entire length of the US 101 through the Central Coast be included in the National Freight Network in case a funding program for freight and goods movement is established.</td>
</tr>
<tr>
<td>2. Federal transportation funding reauthorization</td>
<td>Support a six-year fully funded, multi-modal federal transportation reauthorization bill. Protect SBCAG’s MPO status and maintain funding &amp; eligibility for the Transportation Alternatives Program.</td>
<td>Continue to work with our legislative delegations to ensure our local and state interests are addressed in the new federal transportation authorization legislation. Work to ensure SBCAG is not subject, to new MPO population thresholds and maintain funding and eligibility for TAP funding including Safe Routes to School funds.</td>
</tr>
<tr>
<td>Issue</td>
<td>Goal</td>
<td>Strategy</td>
</tr>
<tr>
<td>--------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>3. Augment Transportation Funding Sources</td>
<td>Seek an increase in transportation revenues to address unmet funding needs for maintenance, repair, operation and improvement of the transportation system</td>
<td>The federal gas tax was last increased to its current 18.4 cent per gallon rate in October of 1993. Since then, the purchasing power of the federal gasoline excise tax has been reduced by more than 50% because of inflation. National transportation infrastructure investment has dipped precipitously over this time to the point where federal gas tax revenue is not sufficient to fully fund the Highway Trust Fund. Support legislation to raise new user-fee based revenue sources to bring the Highway Trust Fund into balance. This could include adoption of an increase in the gasoline user fee to fund highway and local street and road repairs. The federal gasoline user fee should also be indexed to inflation to prevent the erosion of its purchasing power.</td>
</tr>
<tr>
<td>4. Maintain Existing Flexible Federal Funding Sources</td>
<td>Protect Flexibility of Surface Transportation Program Funds</td>
<td>Surface Transportation Program Funds are one of the very few federal funding sources that are flexible in their use. This flexibility is very important to SBCAG and its local agency partners. Work with the Central Coast Coalition, and other partners to protect the flexibility of this funding. Protect against overly prescriptive or burdensome new federal regulations. Work with the Central Coast Coalition, and other partners to retain full access to federal transportation funds and compliance with new regulations is not burdensome.</td>
</tr>
<tr>
<td></td>
<td>Ensure that new federal performance measures are not overly prescriptive or restrict SBCAG access to federal funds.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase MPO Planning funds</td>
<td>MPO PL funding has been stagnant under ISTEA &amp; MAP-21 despite increased requirements. Work to increase PL funding.</td>
</tr>
<tr>
<td>Issue</td>
<td>Goal</td>
<td>Strategy</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| 5. Passenger Rail  | Provide passenger rail commuter service connecting Ventura and Santa Barbara counties.  
                     | Support extension of Passenger Rail Investment and Improvement Act (PRIIA) of 2008  
                     | Maintain and increase funding for inter-city passenger rail in the LOSSAN North Corridor  
                     | Seek appointment of another California representative to the Amtrak Board | Work cooperatively with Federal Railroad Administration, Caltrans Division of Rail, Amtrak, LOSSAN and Union Pacific Railroad to provide passenger rail commuter service connecting Ventura and Santa Barbara counties.  
Work with our federal legislators to support extension of PRIIA and make sure funds are available for local rail capital projects and work to ensure that federal high speed rail program funds are also available for regional connector rail corridors like the Pacific Surfliner corridor in Santa Barbara County.  
Work with Caltrans District 5 to develop LOSSAN North Corridor Improvements NEPA document to increase viability of federal grant applications for rail improvements. Support legislative efforts to stabilize and even increase funding for passenger rail capital improvements and operating costs.  
Two years ago, the U.S. Senate approved the appointment of California Transportation Commissioner, Yvonne Burke, to the Amtrak Board. Work with our federal legislative delegation, LOSSAN, and other state partners to continue to advocate for appointment of another Californian on the Amtrak Board. |
The first order of business for the second session of the 113th Congress was to complete several unfinished tasks left over from the previous year, including the FY 2014 appropriations process. Congress was anxious to avoid the fallout of another shutdown, and thanks to the Bipartisan Budget Act of 2013 negotiated and approved at the end of the 2013 session, the House and Senate Appropriations Committees were able to quickly negotiate FY 2014 funding levels in January, resulting in the overwhelmingly approval of the FY 2014 Consolidated Appropriations Act. Congressional Leadership then announced their intent to return to the “regular order” of enacting appropriations bills by the beginning of the Federal Fiscal Year. This effort was bolstered by the fact that the Bipartisan Budget Act of 2013 included budget levels that provided the broad parameters for the FY 2015 appropriations process. Despite these good intentions, by midsummer it became apparent that work on the appropriations bills would not be completed by the October 1 start of the new Federal Fiscal Year. In September, Congress opted to approve a short-term Continuing Resolution to keep the government operating through December, and then returned for a post-election Lame Duck Session to wrap up the budget and other significant legislative issues that were bogged down in the election-year gridlock.

I. 2014 LEGISLATIVE ACTIVITY

FY 2015 Budget
While the House made significant progress on individual appropriations bills throughout the year, Senate floor action on appropriations bills became mired in a procedural standoff over a variety of proposed amendments geared towards impacting individual races in the November elections. Senate Majority Leader Reid (D-NV) and Ranking Minority Member McConnell (R-KY) remained at loggerheads throughout the year on how to proceed, and in September, Congress resorted to a short-term Continuing Resolution (CR) to fund the government through December
11, before recessing to allow members to return to their Congressional Districts for the closing weeks of the 2014 campaign.

After the elections, Congress began a Lame Duck Session to attempt to complete action for the year on pending legislation, including the appropriations bills. Leaders on the House and Senate Appropriations Committees drafted an omnibus bill to wrap eleven of the twelve individual funding bills, including the FY 2015 Transportation, HUD and Related Agencies (THUD) Appropriations bill, together for easier passage. The FY 2015 Consolidated and Further Continuing Appropriations Act was signed into law on December 16.

**Transportation Funding**
The funding for highway and transit programs at DOT that was enacted in the FY 2015 Consolidated and Further Continuing Appropriations Act is roughly consistent with previously enacted levels and with MAP-21.

<table>
<thead>
<tr>
<th>Program/Account</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal-Aid Highways</td>
<td>$40.256 billion</td>
<td>$40.256 billion</td>
</tr>
<tr>
<td>Transit Formulas</td>
<td>$8.595 billion</td>
<td>$8.595 billion</td>
</tr>
<tr>
<td>FTA New Starts</td>
<td>$1.943 billion</td>
<td>$2.12 billion</td>
</tr>
<tr>
<td>Amtrak</td>
<td>$1.39 billion</td>
<td>$1.39 billion</td>
</tr>
<tr>
<td>TIGER Grants</td>
<td>$600 million</td>
<td>$500 million</td>
</tr>
</tbody>
</table>

**Highway Trust Fund**
The solvency of the Highway Trust Fund (HTF) moved to center stage when the Congressional Budget Office reported in June that an additional $8 billion was needed to meet the obligations to highway and transit programs through the end of the year. The Highway Trust Fund is essentially insolvent because the revenues that are being deposited into the Account from motor fuels taxes are not sufficient to cover the spending on highway and transit programs. This has required transfers from the General Fund into the Trust Fund in order to cover spending authorized by MAP-21.

The House passed H.R. 5021, the *Highway and Transportation Funding Act of 2014*, in July to provide a $10.8 billion infusion to the Trust Fund to support programs through May, 2015. The Senate then passed its version of H.R. 5021 after amending it to reduce the size of the bailout to $8 billion and to shorten its duration in order to force additional action on surface transportation legislation in the post-election Lame Duck Session of Congress. Just before leaving for the August recess, the Senate voted to send the original House bill to the President for his signature, thus providing $10.8 billion for rescuing the Trust Fund and extending MAP-21 through May 31, 2015.
Subsequent to the passage and signing into law of the Highway and Transportation Funding Act in August, the Congressional Budget Office reported that additional transfers from the General Fund will be needed in order to keep the Trust Fund solvent through the end of Fiscal Year 2015. The CBO’s most recent report indicates that an additional $7 billion will be needed to support currently-enacted spending levels through the fiscal year ending on September 30, 2015.

**Surface Transportation Legislation Reauthorization**

The Moving Ahead for Progress in the 21st Century (MAP-21) Act was only a two-year bill, and its expiration in September was a significant deadline looming this year. Although there were many difficult programmatic and policy decisions to be made throughout the reauthorization debate, the main obstacle was the need to identify additional revenue sources to fund Federal highway, transit and highway safety programs at least at the current levels.

Senate Environment and Public Works Committee Chair Boxer led the way with development of S. 2322, the MAP-21 Reauthorization Act, a six-year reauthorization proposal that would have funded MAP-21 programs at current levels, with an annual inflation adjustment. The Environment and Public Works Committee moved quickly to mark up the bill in May. However, that committee only has jurisdiction over highway programs, and further action was required by the Senate Banking Committee to add the transit portions, while the Finance Committee had the responsibility of identifying the tax provisions needed to pay for the legislation. An estimated $100 billion in additional revenues into the Highway Trust Fund was needed on top of currently projected revenues, and this hurdle stalled the Senate bill from progressing further. On the House side, Transportation and Infrastructure Committee Chairman Shuster (R-PA) also indicated that action in the House would be delayed.

When Congress enacted H.R. 5021, the Highway and Transportation Funding Act of 2014, to shore up the Highway Trust Fund in August, it included provisions that extended legislative authority for highway and transit programs through May 31, 2015. Senate Environment and Public Works Committee Chair Boxer continued to press for a multi-year MAP-21 reauthorization, but the post-election Lame Duck Session of Congress did not take up this issue.

Throughout the year, we worked to coordinate and implement a reauthorization advocacy strategy for SBCAG, and arranged for Board Members and staff to lobby MAP-21 issues during their February trip to Washington, DC.

Among the issues we discussed were:

**Transportation Alternatives Program and Safe Routes to Schools:**

The Transportation Enhancements program was under siege throughout the previous reauthorization process. The final agreement on MAP-21 renamed “enhancements” as “alternatives” and combined Transportation Alternatives (TA) with recreational trails and safe routes to schools. Although this maintained funding opportunities for the small but important TA and SRTS funding programs,
Committee staff told the SBCAG delegation that opposition still exists and could resurface in the next bill.

**Metropolitan Planning Organizations**
The final MAP-21 conference report preserved Metropolitan Planning Organizations (MPOs) for UZAs of more than 50,000, rather than the 200,000 population level that the original Senate bill had proposed. SBCAG’s status as an MPO and the ability to retain local decision making on transportation funding is threatened by this proposal to change the population threshold to 200,000. Senator Boxer’s reauthorization bill this year did not reopen this issue, but it could resurface in the 114th Congress.

**National Freight Network**
MAP-21 requires DOT to establish a National Freight Network to assist States in strategically directing resources toward improved movement of freight on highways. The Network was limited in mileage by Congress arbitrarily and should be expanded through a process using qualitative criteria. We worked in coordination with the Central Coast Coalition and the California State Transportation Agency to urge the FHWA to include the 101 Corridor in the Central Coast as part of the Network, given its critical linkages to primary freight routes and ports. The draft Primary Freight Network did not include a large portion of the 101 Corridor, but FHWA staff told us that the agency is seeking more guidance from Congress in the next reauthorization bill on the criteria and the purpose of the Network, so this will likely be taken up again in the 114th Congress.

**Funding**
MAP-21 protected transportation funding at current funding levels, but early drafts would have reduced spending by as much as a third. Senator Boxer’s bill would have provided level funding but a funding mechanism for that bill was never identified by the Senate Finance Committee.

**Project Funding**
Although Congress is currently operating under a self-imposed moratorium on project earmarks, SBCAG pursued funding for projects through DOT’s FY 2014 TIGER discretionary grant program. The projects that SBCAG sought support for through the TIGER discretionary grant process were:

- US 101 HOV Lane and Multimodal Improvements
- Highway 246 Passing Lanes

SBCAG Board members and staff met with senior DOT officials to advocate for these projects in February. This provided an opportunity to stress the regional significance of the US 101 widening project, to highlight its support as the highest regional priority by all SBCAG member agencies, and to emphasize the importance of Highway 101 to the Central Coast. SBCAG also briefed DOT the need for safety improvements on Highway 246.

Throughout the year, we lobbied DOT on the TIGER grant applications and assisted SBCAG staff in the application process. At SBCAG’s request, Congresswoman
Capps called DOT Secretary Foxx to convey her support for the project and noted the regional priority of the 101 Project. When DOT announced the grants in September, only 72 transportation projects in 46 states and the District of Columbia were funded, and SBCAG’s projects were not selected. The City of Goleta received $236,000 in TIGER Planning Grant funds for a complete Streets Corridor Plan for Hollister Ave. The competition for FY 2015 funding is expected to again be very fierce.

**Rail**

We arranged and attended meetings for SBCAG Board Members and staff in February to advocate for increased passenger rail in the Central Coast. The Passenger Rail Investment and Improvement Act of 2008 (PRIIA), expired at the end of fiscal year 2013. SBCAG met with the staff for the House Subcommittee on Railroads, Pipelines, and Hazardous Materials, as well as with staff for California’s Senators and the local House delegation to brief them on how PRIIA and ARRA were used to fund projects such as the Seacliff and Ortega sidings and on negotiations with Union-Pacific. SBCAG also briefed key Federal Railroad Administration officials. Because Congress did not move legislation to reauthorize PRIIA last year, legislation related to rail improvements and access is a possibility for 2015.

**II. 2015 - 114th CONGRESSIONAL OUTLOOK**

**Highway Trust Fund**

Although H.R. 5021, the *Highway and Transportation Funding Act of 2014*, was signed into law on August 8 to provide a $10.8 billion infusion to the Trust Fund to support programs through May 31, 2015, the Congressional Budget Office subsequently reported that additional transfers from the General Fund will be needed in order to keep the Trust Fund solvent through the end of Fiscal Year 2015. The CBO’s most recent report indicates that an additional $7 billion will be needed to support currently-enacted spending levels through the fiscal year ending on September 30, 2015. In addition, the estimated $100 billion in additional revenues that are needed to pay for a six-year surface transportation legislation reauthorization ensure that the Highway Trust Fund will continue to be a dominant transportation issue in the 114th Congress.

**Surface Transportation Reauthorization**

Many issues involved in MAP-21 reauthorization will not be clear until the Republican majorities in the 114th Congress begin drafting their bills.

However, legislative provisions impacting the Transportation Alternatives/Safe Routes to Schools programs, Metropolitan Planning Organizations and the National Freight Network will continue to be areas for SBCAG to carefully monitor, as noted above in the discussion of Surface Transportation Legislation Reauthorization. In addition, it is anticipated that some of the following may be issues in the debate:

*Funding*

MAP-21 protected transportation funding at current funding levels, but early drafts would have reduced spending by as much as a third. In addition, past
funding was protected by procedural rules to ensure it was spent on transportation programs. An estimated $100 billion in additional revenues into the Highway Trust Fund will be needed on top of currently projected revenues in order to maintain level program funding levels in a six-year bill.

*Environmental Streamlining/NEPA Delegation*

MAP-21 included several provisions designed to accelerate project delivery, including making the Surface Transportation Project Delivery Pilot Program permanent to allow the assignment to States of the responsibility of carrying out Federal agency environmental review responsibilities. The Republican majorities in the House and Senate will be very open to expanding these initiatives.

*Metropolitan Planning Organization PL Funding*

PL funding has remained essentially stagnant under MAP-21 and its predecessor SAFETEA-LU. At the same time, MPO responsibilities have grown due to new federal requirements regarding performance management. MPOs need more planning funds and the National Association of Regional Councils (NARC) is advocating for an additional $100 million in PL funds annually in FY 2015-2020.

*Mass Transit Account*

The House version of the MAP-21 legislation proposed to delete the dedicated Mass Transit Account and also eliminate the 2.86 cents per gallon that is put into the Account from motor fuel taxes. This would have forced transit programs to rely entirely on appropriations from the general fund, undermining funding levels in future years. The final version of MAP-21 did not include the language from the original House draft and preserved the dedicated Mass Transit Account. Some Republicans in the House continue to be interested in this approach.

*Devolution*

Proposals have been floated in previous surface transportation reauthorization debates to return nearly all transportation revenue raising and responsibilities to the States. These proposals have not obtained broad support in the past, but might be renewed and will need to be monitored carefully for any impacts on SBCAG.

*Multi-year bill*

Surface Transportation Legislation has historically been six years in length, although MAP-21 was only a two-year bill. A multi-year bill that locks in Federal funding would be preferable to allow SBCAG to plan and implement your projects.

*Small Transit Intensive Cities Program*

STIC rewards innovative operators who provide higher levels of service and has been a source of funding for public transportation in Santa Barbara County.
**Passenger Rail**
The Passenger Rail Investment and Improvement Act of 2008 (PRIIA), expired at the end of fiscal year 2013. PRIIA and economic stimulus funds were used to fund projects such as the Seacliff and Ortega sidings. Because Congress did not move legislation to reauthorize PRIIA last year, legislation related to rail improvements and access is a possibility for 2015.

**Tax Reform**
There is bipartisan support and interest in reforming the U.S. tax code. Many in Congress would like to restructure the tax rules for U.S. businesses to make them more competitive with foreign companies. This could involve lower tax rates for businesses that would be offset by elimination of various narrow tax breaks that corporations currently utilize. Staff on the tax-writing committees have told us that this type of package could also provide the opportunity to address other tax matters, including revenues needed for the Highway Trust Fund.

**Project Funding**
$500 million has been appropriated for National Infrastructure Investments through DOT in FY 2015, also referred to as TIGER Discretionary Grants. Competition for these funds has traditionally been very strong, but DOT has continued to encourage SBCAG to apply.