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Memorandum

Date: November 23, 2011

To: Dana Fenton, City of Charlotte

From: Jeffrey F. Boothe

Re: FY 2012 Transportation, Housing and Urban Affairs Appropriations Bill

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The House-Senate conferees agreed to the FY 2012 Transportation, Housing and Urban Affairs Conference Report (H. Rept. 112-284) on Monday, November 14, 2011. The report now goes to the House and Senate to be approved. Approval is expected by tomorrow.

Transit Funding

Overall transit funding was $10.608 billion, which is an increase of $311 million over FY 2011. While the TIGGER program was not funded and the Research & Development program was reduced by $15 million, the transit formula programs were increased by $18 million to $8.361 billion and the New Starts was increased by $$358 million to $1.955 billion. The conferees did not allocate the formula programs across the existing formula programs leaving flexibility for the House and Senate authorizing committees in the Surface Transportation Authorization bill to decide program structure and authorization levels for those programs. The bill funds Washington Metro at $150 million, which is the same as FY 2011. The bill contains language that allows for up to $100 million of the formula monies to be used for fuel for vehicle operations, including the cost of utilities used for the propulsion of electrically driven vehicles, to be treated as associated capital maintenance.

In the New Starts program, while increasing funding for the New Starts program, the conferees moved $188.2 million of bus rapid transit (BRT) projects from the New Starts/Small Starts program to the section 5309 bus and bus facilities program. This action creates additional room for the rail projects in the New Starts pipeline. Of the $1.955 billion in funding, $510 million is not obligated to any project and can be used for preliminary engineering, final design and construction activities. The conferees left discretion to FTA to determine how to allocate those monies. The conferees also rejected the House language limiting New Starts fund to 50 percent of the project cost and reverted to the current limit of no more than 60 percent of the project cost.

Highway Funding

The conferees set the obligation limit from the Highway Trust Fund at $39.14 billion which results in an overall funding of $39.88 billion which is a very slight reduction from FY 2011.

The conferees recognize that the spending at this level will deplete the Highway Trust Fund and urge the authorizing committees to provide "substantial long term fundng to continue the federal-aid highways program."

TIGER

A total of $500 million was included in the FY 2012 THUD Bill. This is a reduction of $27 million from FY 2011 funding levels. DOT is allowed to use up to 35 percent of the monies ($175 million for TIFIA credit subsidy), not less than $120 million shall be spent in rural areas and DOT can use up to $20 million for project oversight activities. Grants in urban areas can't be less than $10 million and no more than $200 million while the minimum grant size for rural areas is $1 million. Thus, if DOT were to use the maximum amount of funding for TIFIA ($175 million), $120 million goes to rural areas and DOT uses $20 million for project oversight activities, this would leave $185 million for projects in metropolitan areas.