

SOUTHWEST COLORADO REGIONAL TRANSPORTATION PLANNING COMMISSION

Date: Friday, August 7, 2015

Place: Carnegie Building 1188 E 2nd Ave., Durango

For video conferencing join from PC, Mac, iOS or Android: <https://www.zoom.us/j/109670693>

Or join by phone: +1 (408) 638-0968 or +1 (646) 558-8656 (US Toll), Meeting ID: 109 670 693

Time: 9am to 12:00pm

AGENDA

- 9am** **I. Introductions** (additions/changes to agenda)
- II. Accept Minutes: June 2015***
 Accept Financial Report: June 2015*
- 9:05** **III. Reports**
1. **Federal Enhancement Grant:** Scott McClain, City Landscape Architect
2. **Sept. 24 Transportation Legislation Review Committee in Durango:** Nancy Shanks
3. **STAC update**
- a. **July meeting:** Kevin Hall
4. **Transportation Commissioner Report:** Sidny Zink
- 10:35** **IV. CDOT Report:**
1. **Federal Transportation Legislation:** Matt Muraro
2. **Construction Project Update:** Ed Archuleta
- 11:45** **V. Other Business**
1. **Transit Provider Updates**
2. **Community Updates –Round Robin** (pending available time)
- VI. Adjourn**

Next proposed meeting date: October 2, 2015

**vote requested*

**Southwest Colorado Regional Transportation
Planning Commission
Friday, June 5, 2015 - 9:00 a.m.
CDOT Maintenance Facility, 20581 Hwy 160 W, Durango**

TPR Members in Attendance:

Greg Schulte - Town of Pagosa Springs
Edward Box III - Southern Ute Indian Tribe
Rodney Class-Erickson - Southern Ute Indian Tribe
Keenan Ertel - Montezuma County
Bentley Henderson - Archuleta County
John Shepard - Archuleta County
Kevin Hall - City of Durango
Regina Lopez-Whiteskunk - Ute Mountain Ute Tribe
Matthew Salka - Town of Bayfield
Dan Naiman - Town of Ignacio (by phone)
Philip Johnson - City of Cortez (by phone)

Others in Attendance:

Tony Vicari - Durango-La Plata County Airport
Mike McVaugh - Colorado Department of Transportation
Nancy Shanks - Colorado Department of Transportation
Ed Archuleta - Colorado Department of Transportation
Michael King - Colorado Department of Transportation
Sidny Zink - Transportation Commissioner
Miriam Gillow-Wiles - Southwest Colorado Council of Governments
Jessica Laitsch - Southwest Colorado Council of Governments

I. Call to Order/Introductions

The meeting was called to order at 9:06 a.m. by Kevin Hall.

II. Accept Minutes and Financial Report

Accept Minutes: April 2015

Bentley Henderson motioned to approved the April 2015 minutes, Keenan Ertel seconded, unanimously approved.

Accept Financial Report: April 2015

Keenan Ertel asked if a new computer was purchased. Miriam Gillow-Wiles replied that they upgraded equipment to allow for video conferencing at the Southwest Colorado Council of Governments' office.

Keenan Ertel motioned to approve the April 2015 Financial Report, Bentley Henderson seconded, unanimously approved.

III. Reports

1. Airport Plans Presentation: Tony Vicari, Airport Operations Specialist

Tony Vicari, Airport Operations Specialist, presented an overview of the needs for the Durango-La Plata County Airport facility and the options identified to meet the facility needs.

Bentley Henderson asked whether the dotted line is the edge of the airport property. Tony Vicari replied that this represents the edge of the mesa.

Keenan Ertel noted that a significant portion of the existing facility is parking lot and asked whether relocating parking had been considered. Tony Vicari replied that this option had not been seriously considered because it would result in high operating cost and reduced passenger convenience. He added that there will be fixed costs regardless of where specific facilities are located so it is preferable that the highest value asset, the commercial terminal, be moved to the east side therefore allowing for future growth.

John Shepard asked how the airport plans to ensure future growth considering that the Four Corners Regional Airport in Farmington has recently seen dramatically reduced traffic. Tony Vicari replied that the Farmington Airport faced infrastructure limitations. He added that based on current operations and infrastructure, projections for the airport have consistently shown growth. Sidney Zink pointed out that the steep growth at the airport was due to traffic that would have been at the Farmington Airport. Tony Vicari replied that this factor was included in the projections and while some growth was attributable to Farmington, most of the growth was organic.

Kevin Hall asked for information about the planning process and the players involved. Tony Vicari replied that the airport is jointly owned by the City of Durango and La Plata County and functions as department of the City of Durango. He elaborated that direction comes from an advisory committee comprised of representatives from both the City and County in addition to required compliance with aviation regulations at the State and Federal levels.

Bentley Henderson asked if the airport is an enterprise fund. Tony Vicari replied that yes, the airport is an enterprise fund, and is self-sufficient with most the revenue derived from from parking, concessions, rental cars and airlines.

Kevin Hall asked whether the Federal Aviation Administration (FAA) would cover a portion of the costs in the future. Tony Vicari replied yes, however the FAA invests most heavily to ensure safety, generally focusing on runway projects as opposed to terminal facilities. He added that the airport anticipates future terminal facility updates to be small enough to be funded by airport revenues.

Tony Vicari stated that option number three is overwhelmingly the preferred alternative, the next step will be to look into funding options.

Kevin Hall asked whether potential uses for the vacated facilities has been taken into consideration. Tony Vicari replied that the existing terminal would remain and likely be leased or sold with the revenue used to help offset costs.

Dan Naiman asked whether the airport has had conversations with the airlines about increasing flights and destinations. Tony Vicari replied that this is an ongoing effort and there are multiple issues at play, ultimately the current facility is inefficient for both passengers and airlines and changes are necessary to maintain or increase service. He added that a new facility will not necessarily ensure that airlines will operate here, so costs to the airlines must remain low.

Dan Naiman asked whether option one and two had been examined and whether options for alternative usage such as vertical parking could be looked into. Tony Vicari replied that their aviation engineering firm have looked extensively into various options including vertical parking, but it was determined to be cost prohibitive and there is a long term fear that space concerns would remain.

Tony Vicari closed by mentioning the monthly airport tours available and invited the members of the TPR to contact him to schedule a tour at their convenience.

2. STAC Update

April and May Meetings: Kevin Hall

Highlights of these meetings included:

- Trans Bond II was discussed at the April meeting, a question related to rebonding for future funding as Trans Bond I is being paid off. The STAC had requested the TPR take a position they could pass on to the legislature, however having not discussed with the TPR he was not comfortable making a recommendation. He added that this spurred a lengthy discussion that brought out major differences of opinion between taking advantage of current interest rates versus addressing the larger issue at play. He noted that the issue died in committee, but he anticipates it will be back next fall so would like to have a discussion with the TPR to obtain direction for a recommendation to the legislature.
- There was continued discussion about the STIP update, it was approved by the Transportation Commission and will next go to the FHWA/FTA for consideration.
- CDOT Director Shailen Bhatt attended to discuss his vision for the future, including his belief that technology will continue to improve efficiencies in the future.
- Comments or input on the freight plan included in the agenda packet would be welcomed and there is a Freight Advisory Committee that is seeking volunteers to help represent freight interests moving forward. Michael King added that they would like to have varied representation to cover freight issues not covered in the statewide and regional transportation plans and suggested that he would be a good contact person.
- Staff presented a GIS mapping system for CDOT data and discussed efforts to ensure the data remains updated.

- There was discussion about setting up more active conversations among the rural TPRs to coordinate on issues of mutual interest. Bentley Henderson asked if this would exclude the Metropolitan Planning Organizations (MPOs). Kevin Hall replied that this could be helpful for areas outside of the major project areas to coordinate regarding similar needs and issues. Michael King added that the MPOs have specific requirements for which they must meet and the idea would be to mirror the additional discussions among the MPOs. There was general agreement that such additional discussions could be useful.
- The CDOT bus service will be starting next month as a pilot program mainly on the front range and is a work in progress.

3. Transportation Commissioner Report:

April and May Meetings: Sidny Zink

Highlights of these meetings included:

- Sidny Zink was unable to attend the April meeting, however the primary issue discussed relative to this area had been support for a Tracks Across Borders scenic byway. Edward Box III mentioned that the next meeting of the Byway Commission would be July 26 in Ignacio.
- At the May meeting they had discussed cash management, project scheduling, and making more refined projections and the challenges accomplishing this. Additionally, the criteria for approving changes to budgets or projects was refined to help streamline the process.
- She reported that she attended a memorial service for the CDOT employee who was killed on Monarch Pass.
- She mentioned that she is also a member of the Legislative Committee and they had discussed the Trans Bond II issue and ultimately chose not to support this approach due to long term concerns. They had also discussed proposed legislation for specific projects and fortunately all these failed.
- The June meeting will be a trip to Grand Junction by bus to visit various projects.
- There will be a special meeting in June to discuss real estate issues.

IV. CDOT Reports

1. Construction Project Update: Ed Archuleta

- US 491/160 New Mexico to Towaoc - This project is underway, paving has begun and the contract completion date is the end of July. Additionally, they are working with the Tribe to make some intersection improvements and median changes.
- US 160 Bayfield to Yellow Jacket - This project is underway. There was an embankment failure on the west side of Yellow Jacket due to the weather, he expects a temporary fix to be done this year with a more permanent fix next year.
- US 160 Wilson Gulch Road Extension - Mike McVaugh reported that this project is going well as the contractor was able to complete more work than anticipated this winter. There was a delay related to the relocation of a gas line.

- US 160 Mancos Hill to Hesperus - This project is scheduled to begin following the completion of the Bayfield to Yellow Jacket project. The project is expected to be completed on time.
 - R5 FY15 Bridge Preventative Maintenance - This project is completed with the exception of two structures, however work cannot begin on those until after September 1. They are moving forward on advertising for the third year project.
 - Region-wide Highway Striping - Mike McVaugh reported that region-wide striping has been underway since early April. The project is scheduled to be completed by the end of June, the only areas in Region 5 remaining are the passes, however completion will be dependant on weather conditions.
 - US 160 W. Wildlife Crossing at Dry Creek - This project is underway. This project is part of the larger US 160 EIS in preparation for the future four lane expansion.
 - US 550 Cribwalls Phase II/III Project - This project was delayed from last year due to Ruby Walls rockfall incident. There will be a significant traffic impacts from July through October. The project will be on hold through the winter and is expected to be completed by June 2016.
 - SH 145 at CR P North of Cortez - This project is expected to begin in September and should be completed this fall.
 - SH 172/151 Signalization - This project will be advertised in mid-July. He commended the Town of Ignacio for their collaboration. The goal is to have this project completed in the fall.
 - FY15 Priority Culvert US 160 MP 136.61 - This project was delayed due to the culvert project west of Pagosa.
 - US 491 Cortez to MCR 30 (CR M) - This project will be advertised in the fall for construction in 2016. They are working with the Town of Cortez on this as well as the CR P project.
 - US 160 McCabe Creek Pagosa - The cost estimate on this project is well over the budgeted amount, they will obtain an independent cost estimate then reevaluate how to complete the project. This project could be delayed by up to a year.
 - FY15 Priority Culverts, SH 141 - This project was slightly delayed, however they expect to advertise in June and construction in the fall.
 - Maintenance - They are surface treating a section of SH 184.
 - Ed Archuleta offered to provide a summary of the current shelf jobs available at the next TPR meeting.
2. Intersection Prioritization Study: Mike McVaugh
- In the past year, CDOT has taken traffic counts at every signalized intersection in the region and will continue to adjust signal timing.
 - CDOT undertook an Intersection Prioritization Study last fall looking at 104 intersections in Region 5. The top six projects identified were:
 - US 24 and Crossman Avenue - This intersection is in Buena Vista.
 - US 160 and SH 17 - This intersection is in Alamosa.
 - SH 172 and CR 318

- US 491 and MCR BB - The primary issue with this intersection is that it is a continual rise and therefore difficult to see cars coming. There was discussion surrounding possible alternatives and complicating factors related to this intersection.
- US 491 and MCR S - A significant factor with this intersection is access to the adjacent co-op.
- US 550 and 11th and 12th Streets - This intersection will likely require some realignment and will be designed to accommodate future signalization. They anticipate putting medians back in to improve safety.

Nancy Shanks distributed copies of Traffic Watchers, a summary of Region 5 projects. She said it is continually updated and she will try to provide updated versions to the TPR members monthly.

V. Other Business

1. Transit Provider Updates

There were no transit provider updates.

2. Community Updates - Round Robin

John Shepard:

- John Shepard, Planning Manager in Development Services for Archuleta County, introduced himself.

Bentley Henderson:

- Archuleta County has received funding from the FAA for the parallel taxiway, a joint project with CDOT Aeronautics.
- The Mountain Express bus service has changed from dial-a-ride service to offering a deviated fixed route.

Keenan Ertel:

- Montezuma County is preparing to resurface and chip seal five miles of CR G, which is one of the most heavily traveled and dangerous roads in the County.
- The County is in the process of building a new courthouse facility near the jail, completion is expected in 2017.

Edward Box II:

- The Southern Ute Indian Tribe is updating their Long Range Transportation Plan, currently working on the GPS and ADT of the roads.
- The Tribe is making progress on the Tribal Traffic Safety Plan and are working to establish a standing committee.
- The Tribe is in the subaward agreement stage for the CR 517 improvements and the signalization of SH 151/172.

Greg Schulte:

- Pagosa Springs held the ribbon cutting for the 6th Street pedestrian bridge.
- The Town is finishing construction of the sidewalk on the 200 block and US 160.
- The Town has begun work on the Piedra Street project.
- The Town will be collaborating with Archuleta County on the Trujillo Road project from town limits to the transfer station.
- The Town is hoping make progress on the Town-to-Lakes Trail project.

Matthew Salka:

- The Town of Bayfield is working on a number of crack and seal projects.
- He mentioned that the Bayfield to Yellow Jacket project seems to be going well inside town limits.

Regina Lopez-Whiteskunk:

- The Ute Mountain Ute Tribe is moving forward on their Long Range Transportation Plan.
- The Tribe is moving forward on negotiations with CDOT with respect to their Maintenance MOU and expect it to be formalized soon.
- The Tribe is in ongoing discussions about the Mancos Creek Ditch.
- The Tribe is working on safety improvements for the new intersection on US 491 at the Casino and Travel Center including signage to show how traffic now flows through the intersection.
- The Tribe is continuing negotiations on rights-of-way.

Kevin Hall

- The City of Durango has entered into an agreement with CDOT and La Plata County to update the 2030 TRIP Plan, which will be the 2045 TRIP Plan, work on this will begin later in the year.
- The City has entered into an agreement with CDOT to take over maintenance on a section of road near Mercury Payment Systems.
- The City has completed two FDA funded pedestrian projects to improve access near US 550.
- The City will be undertaking the Wilson Gulch Road project, a number of trail projects as well as basic maintenance activities.

VI. Adjourn

The next meeting date is scheduled for August 7, 2015. The meeting was adjourned at 11:30 a.m.

Southwest Colorado Council of Governments

Profit & Loss

January through June 2015

07/29/15

Accrual Basis

	<u>Jan - Jun 15</u>
Income	
4006 · Dues Revenue	7,679.00
4007 · TPR	15,680.85
	<hr/>
Total Income	23,359.85
	<hr/>
Gross Profit	23,359.85
Expense	
5510 · Travel Exp	7,434.17
5512 · Meeting Exp	123.10
5527 · Internet & software	89.00
5545 · Office Equipment/Computers	790.66
5580 · Salary & Wages	3,102.60
	<hr/>
Total Expense	11,539.53
	<hr/>
Net Income	<u><u>11,820.32</u></u>

SWTPR 2016 Member Dues

Name	Amount
Southern Ute Indian Tribe	\$ 428.00
Ute Mountain Ute Indian Tribe	\$ 451.00
Montezuma County	\$ 837.00
Town of Dove Creek	\$ 314.00
Archuleta County	\$ 667.00
City of Cortez.	\$ 457.00
City of Durango.	\$ 587.00
Dolores County	\$ 437.00
Ignacio	\$ 314.00
La Plata County	\$ 1,139.00
San Juan County	\$ 410.00
Town of Bayfield	\$ 341.00
Town of Dolores	\$ 305.00
Town of Mancos	\$ 329.00
Town of Pagosa Springs.	\$ 347.00
Town of Silverton	\$ 316.00
Total	\$ 7,679.00



TO: Southwest Transportation Planning Region Members

CC: Matt Muraro, CDOT Region 5 Planning Manager
Robert Shanks, CDOT Region 5 Off-Systems Engineer

FROM: Scott McClain, City Landscape Architect

DATE: July 22, 2015

SUBJECT: Request to Shift CDOT-Awarded Federal Enhancement Grant Funds

In 2012, the City of Durango applied for and received a CDOT FY 2015 Federal Enhancement Grant award in the amount of \$200,000 to assist with reconstruction of a section of the Animas River Trail (Project# STEM 350-020) south of Santa Rita Park. A construction start date for the project is anticipated prior to June 30, 2016. The total project cost is estimated at \$1.25M, of which the City of Durango has committed to using local funds to pay for all but the \$200,000 grant-funded portion of the project budget. Design engineering for the trail has not yet been initiated.

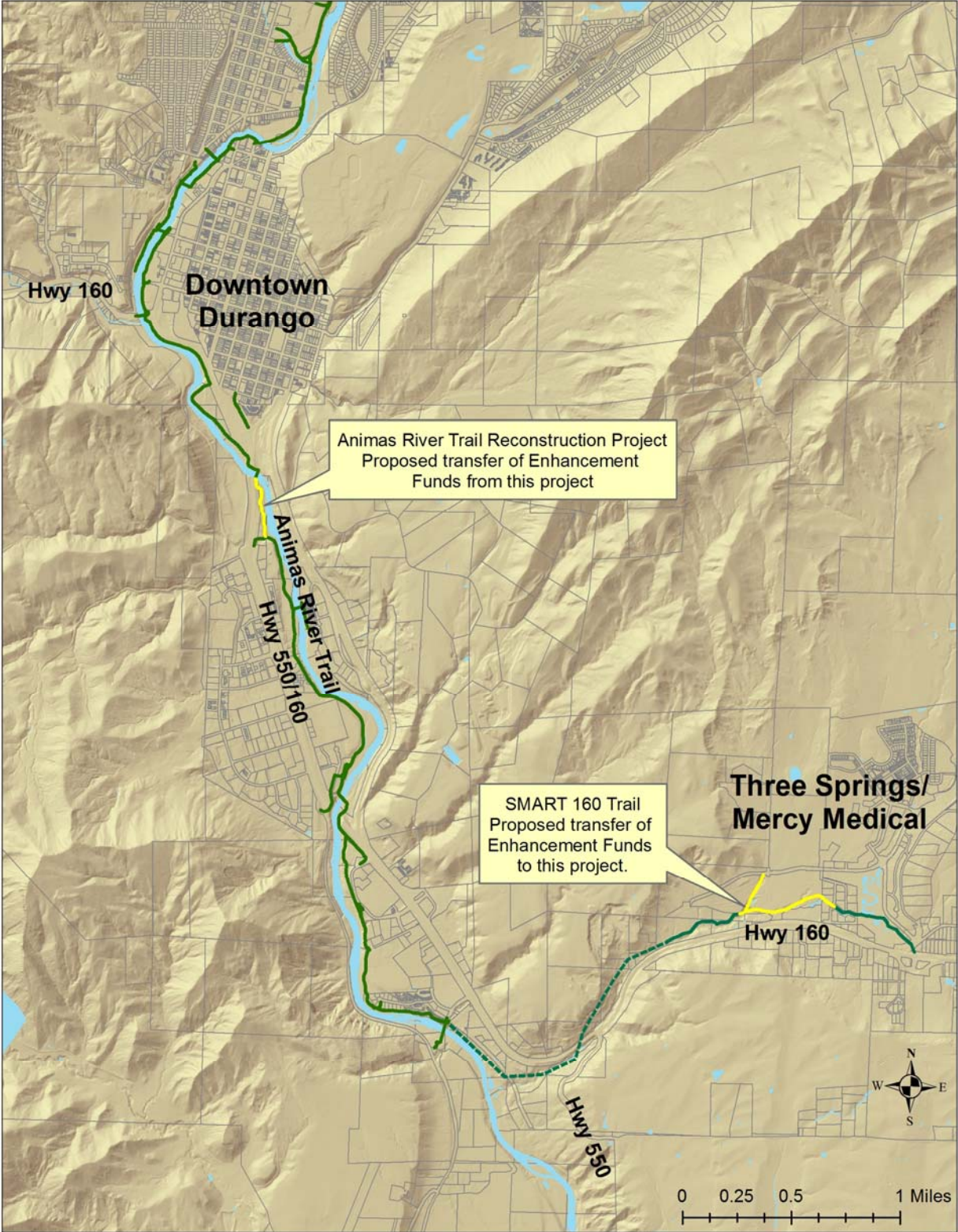
The City has also been working closely with CDOT on the development of the Crader section of the SMART 160 Trail in Grandview. The total project cost is estimated at approximately \$2.4M. This project is funded entirely through State and Federal grants administered by CDOT. Project design is 95 percent complete. The City anticipates the project will be ready for construction bid in the fall of 2015. Due to higher than anticipated trail right-of-way acquisition, administrative, and construction costs, the City is now expecting there to be a shortfall in funds available for the project.

The City is requesting approval to shift the \$200,000 Enhancement Grant from the Animas River Trail project to the SMART 160 project in order to ensure that the SMART 160 project is fully funded and ready for construction bid in the fall of 2015. With the Animas River Trail project not scheduled for construction until summer 2016, the City will be adequately positioned to replace the shifted grant funds with local funds at that time. By eliminating Federal funds from this Animas River Trail project, the project will be designed and built entirely with local funds, significantly reducing the administrative burden and costs typically associated with implementing a Federally-funded project. Because the SMART 160 Trail project is already Federally-funded, the additional Federal funds transferring into it will not substantively affect the project's administrative activities or costs.

A map identifying both project locations is attached. The City will provide a short presentation on project specifics and answer any questions you may have at the August 7, 2015 TPR meeting.

Thank you for your consideration.

City of Durango Request for Transfer of Enhancement Funds



Eno Transportation Weekly

House Passes 5-Month Surface Transportation Extension With \$8 Billion HTF Bailout by Bipartisan 312-119 Margin

The House of Representatives has passed, by a wide 312-119 [vote](#), a [bill](#) (H.R. 3038) providing a five-month extension of Highway Trust Fund programs to December 18, 2015 and depositing another \$8 billion in the Trust Fund to keep it solvent until roughly that time.

The vote was bipartisan – 180 Republicans and 132 Democrats voted in favor of the legislation, while 65 R’s and 54 D’s voted “no.” This was remarkably consistent – 73 percent of Republicans voting and 71 percent of Democrats voting supported the bill.

The legislation now moves to the Senate, where Majority Leader Mitch McConnell (R-KY) has scheduled a procedural vote for tomorrow to start bringing up an unrelated House-passed revenue bill (H.R. 22) that will eventually serve as the vehicle for a different surface transportation package to be named later.

While Democrats have long complained about short-term extension after short-term extension, and many had talked earlier this year about voting “no” on future short-term extensions, no revolt was at hand when the final vote was called. Democratic support was telegraphed early this morning, when the White House issued a [Statement of Administration Policy](#) on Wednesday morning stating that “While the country cannot

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Senate Begins Procedural Set-Up To Consider Surface Transportation Bill Next Week

(Ed. Note: The Senate Commerce Committee’s markup of its portion of the surface transportation bill, originally scheduled for 10 a.m. this morning, got moved to 4:45 p.m. today, so we will have an update tomorrow summarizing what happened there.)

Senate Majority Leader Mitch McConnell (R-KY) has taken the first procedural steps towards starting debate on surface transportation reauthorization – but he has done it in a roundabout way. Tomorrow, the Senate will vote to invoke cloture on a “motion to proceed” to an unrelated House-passed bill (H.R. 22, relating to military and veterans health care). If that cloture motion gets at least 60

CONTINUED ON PAGE 6

continue to rely on short-term patches as an approach to funding the Nation’s infrastructure, the Administration supports passage of H.R. 3038 to give the House and Senate the necessary time to complete work on a long-term bill this year that increases investment to meet the Nation’s infrastructure needs.”

During debate on H.R. 3038, Democrats seized on a happy (for them, anyway) coincidence – it was one year ago today that the House debated the first post-MAP-21 short-term program extension and Highway Trust Fund bailout (H.R. 5021, 113th Congress, later [Public Law 113-159](#)). During the House [debate](#) on that bill a year ago, House Transportation and Infrastructure chairman Bill Shuster (R-PA) said that “I know that the Transportation and Infrastructure Committee is going to work diligently with the Ways and Means Committee on funding a long-term solution to the funding [sic] and also to passing a strong long-term reauthorization bill.”

One year later, Shuster’s new Democratic counterpart, Pete DeFazio and Rep. Earl Blumenauer (both D-OR) gave speeches today that closely resembled the speeches they gave one year ago. Member after member stood and spoke about the need to quit passing short-term extension and pass a long-term surface transportation authorization bill.

However, as much as Democrats took Republicans to task and bemoaned the inadequacy of the legislation before them today (Rep. Alcee Hastings (D-FL) said that Congress deserves gold, silver, bronze and aluminum medals in the sport of kicking the can down the road), almost all of them made a point of not actually saying that they would vote “no” and not urging their colleagues to vote “no.” Instead, they gave themselves an opportunity to vote for something (in the form of a motion to pass part of their alternative bill), which failed on an almost exclusively party-line [vote](#) of 185 yeas to 244 nays (just one Republican voted “yes” and just one Democrat voted “no”) before most Democrats turned around and reluctantly supported the Republican-sponsored bill on final passage.

The Democratic alternative, as outlined by DeFazio, was the Obama Administration’s six-year, \$478 billion GROW AMERICA Act. However, in lieu of the \$238 billion in receipts from mandatory overseas income repatriation that GROW AMERICA would use to keep the HTF solvent for six years, the House Democratic gave just \$41 billion in “pay-fors,” all of which was from a ban on corporate “inversion” transactions.

CBO March 2015 Baseline - How Much Extra Money Is Need To Keep the Highway Trust Fund Solvent at Baseline Spending Levels Through Sept. 30 of Each Year?										
(Cumulative - billions of dollars)										
<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
2.7	15.9	29.5	43.8	58.9	74.9	92.2	110.8	130.4	151.0	172.9

(Assumes prudent end-of-FY target balances of \$4 billion for the Highway Account and \$1 billion for the Mass Transit Account.)

DeFazio said that the \$41 billion would be enough to keep the HTF solvent for the first two years of the six-year bill and that Congress would then have two years to figure out how to pay for the rest of it. (Ed. Note: Remarkably, it appears that both Senate Republicans and Senate Democrats are now also leaning towards this strategy – passing a bill with six years of contract authority that runs the Trust Fund to a zero balance after only two or three or possibly four years. This is dangerously akin to the “let the next President and a future Congress fix the problem” mindset behind the 2005 SAFETEA-LU law).

House Ways and Means chairman Paul Ryan (R-WI) spoke in opposition to the Democrats’ motion, noting that for jurisdictional reasons, the minority’s motion did not actually contain any new spending authority or new programs – it only contained the corporate inversion provisions. Ryan also noted that since inversions have little to do with transportation, the bill actually moves the system farther away from the “user-pays” philosophy espoused by DeFazio, Blumenauer and others in their earlier remarks.

H.R. 3038 now moves to the Senate where its fate is uncertain. As noted elsewhere in this issue, Majority Leader McConnell has filed a motion to use an unrelated bill as the vehicle for highway-related debate, and even if he were inclined to use H.R. 3038 instead, it would take several more days to place the House-passed bill on the Senate calendar and then cue up another procedural vote on bringing the bill to the floor.

The House’s quick action on passing H.R. 3038 appears to have had two main purposes – to show a broad base of support and thus give political momentum to the five-month extension option instead of whatever longer bill the Senate is planning, and to give the House additional time to consider the bill again if the Senate amends it with an Export-Import Bank extension and then sends it back to the House.

In addition to extending spending for surface transportation programs at current levels through December 18, H.R. 3038 also includes a transfer from the general fund of the Treasury to the HTF in the amount of \$8.068 billion, effective immediately. The cost is fully offset over a ten-year period by offsets that are explained [here](#) and fully cost-allocated by year (the tax collections, anyway) [here](#).

In addition to the \$5 billion in revenue increases from better tax compliance, the bill is also offset by \$3.1 billion in extended aviation security fee diversion, as fully explained elsewhere in this issue. The fees more than anything else cause the total offsets in the bill to be extremely back-ended. According to the Congressional Budget Office’s [cost estimate](#) for H.R. 3038, 55 percent of the bill’s \$8 billion in cost offsets are scheduled to

Rate At Which H.R. 3038's Funding Offsets Occur

<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>11-yr.</u>
-19	-171	-592	-385	-401	-426	-467	-534	-603	-2,199	-2,267	-8,068
0.2%	2.1%	7.3%	4.8%	5.0%	5.3%	5.8%	6.6%	7.5%	27.3%	28.1%	100.0%

Highway Bill Success Will Make Appropriations Problem Harder

Both the discretionary side of surface transportation spending (the annual appropriations bills funding the Department of Transportation) and the mandatory side of surface spending (the reauthorization bill that covers the Highway Trust Fund) face significant constraints. The reauthorization bill is held back by the fact that the Highway Trust Fund is almost out of money and that HTF spending levels and tax receipts have been systemically out of balance for a over decade. The appropriations bill, like all other 2016 appropriations bills, faces a Democratic filibuster in the Senate (requested by the White House) in hopes of forcing Republican leaders to the bargaining table in hopes of increasing the statutory ceilings on annual appropriations.

The likely solution to the reauthorization bill's problem appears to be a repeat of what Congress did in the 2012 MAP-21 law and the August 2014 surface transportation extension – a large and immediate transfer of general funds into the HTF, offset over a ten-year period with a mixture of revenue increases, mandatory spending cuts (“pension smoothing,” in the case of MAP-21) and possible user fee increases. The likely solution to the appropriations problem is a repeat of the Bipartisan Budget Act of 2013 (the Ryan-Murray law) – an increase in the annual appropriations caps for a year or two, offset over a ten-year period with a mixture of revenue increases, user fee increases, and mandatory spending cuts.

Read the preceding paragraph again and you will notice that the potential solutions to both problems rely on the same universe of “pay-fors” – revenue increases that are somehow still acceptable to the Republican majorities in Congress (which rules out increases in actual tax rates and instead means tweaks here and there in tax collection techniques or timing), mandatory spending cuts that are acceptable to Democrats, and user fees acceptable to everyone. This means that the bigger the surface transportation bill is, the harder it will be to provide significant relief to the Appropriations Committees later this year on their spending bills.

Imagine that Senate Majority Leader McConnell actually puts together \$50 billion in pay-fors in the next three weeks to offset the cost of a three-year transportation bill and passes that bill through the Senate (and then, hypothetically, assume that the House just goes ahead and passes that). Once that bill is signed into law, that's \$50 billion less in low-hanging fruit that can then be used to offset cap relief for appropriators.

The Budget Control Act of 2011 established annual caps on new discretionary appropriations, with work-arounds for overseas military operations, disasters, emergencies and a few other odds and ends. Appropriations enacted in excess of the cap levels will be reduced by across-the-board sequestration cuts. The failure of the Joint Committee on Deficit Reduction to actually produce one dollar of deficit reduction led to the BCA caps being automatically reduced by \$722 billion over the 2014-2021 period.

The December 2013 Ryan-Murray [law](#) increased the BCA caps by \$63 billion - \$45 billion in 2014 and \$18 billion in 2015 – each time split 50-50 between the defense cap and the non-defense cap. This increase was paid for by cuts in mandatory spending and new user fees (see [CBO summary](#)).

President Obama has proposed to increase the caps by \$364 billion over the 2016-2021 period, including \$74 billion per year in 2016 and 2017, split roughly 50-50 between defense and non-defense. A cap increase of that magnitude is far more than Congressional Republicans will stomach, but there has been hope amongst Democrats (and Republican appropriators) that by the end of the year, another smaller Ryan-Murray style cap adjustment for 2016 and possibly 2017 can be negotiated (possibly in concert with the debt ceiling increase).

But diverting billions of dollars of the easiest pay-fors to the highway bill before that time makes it more difficult to provide appropriations relief (as does the use of other low-hanging pay-fors to offset things like the drug research bill the House passed last week).

Discretionary Spending Caps Under the Budget Control Act								
<small>(Billions of dollars of budget authority. Excludes OCO (Iraq/Afghanistan/GWOT), disaster relief, emergency, and program integrity cap adjustments. The estimates of Joint Committee failure changes for FY 2017-2021 are from CBO, not OMB, but the bottom line cap totals for those years are from the FY 2016 President's Budget.)</small>								
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Original August 2011 BCA Caps								
Defense	556.0	566.0	577.0	590.0	603.0	616.0	630.0	644.0
Non-Defense	510.0	520.0	530.0	541.0	553.0	566.0	578.0	590.0
Total	1,066.0	1,086.0	1,107.0	1,131.0	1,156.0	1,182.0	1,208.0	1,234.0
Changes in 2012 ATRA law								
Defense	-4.0							
Non-Defense	-4.0							
Total	-8.0							
Changes From Joint Committee Failure								
Defense	-53.9	-54.0	-53.9	-53.9	-53.9	-53.9	-53.9	-53.9
Non-Defense	-36.6	-36.9	-36.5	-37.3	-37.3	-36.3	-35.1	-34.8
Total	-90.5	-90.8	-90.4	-91.2	-91.3	-90.2	-89.0	-88.7
Post-Joint-Committee-Failure Caps								
Defense	498.1	512.0	523.1	536.1	549.1	562.1	576.1	590.1
Non-Defense	469.4	483.1	493.5	503.7	515.7	529.7	542.9	555.2
Total	967.5	995.2	1,016.6	1,039.8	1,064.7	1,091.8	1,119.0	1,145.3
Changes from 2013 Ryan-Murray law								
Defense	+22.4	+9.2						
Non-Defense	+22.4	+9.2						
Total	+44.8	+18.5						
CURRENT LAW CAPS								
Defense	520.5	521.3	523.1	536.1	549.1	562.1	576.1	590.1
Non-Defense	491.8	492.4	493.5	503.7	515.7	529.7	542.9	555.2
Total	1,012.2	1,013.6	1,016.6	1,039.8	1,064.7	1,091.8	1,119.0	1,145.3
President's Proposed Increase*								
Defense			+37.9	+36.9	+34.9	+29.9	+21.9	+19.9
Non-Defense			+36.5	+37.3	+35.3	+30.3	+22.1	+20.8
Total			+74.4	+74.2	+70.3	+60.2	+44.0	+40.7
Caps in President's Budget*								
Defense			561.0	573.0	584.0	592.0	598.0	610.0
Non-Defense			530.0	541.0	551.0	560.0	565.0	576.0
Total			1,091.0	1,114.0	1,135.0	1,152.0	1,163.0	1,186.0
<small>*Other proposed conceptual changes in the caps such as transportation rescoring are not shown, and cap adjustments for OCO/disasters/PIA are not shown.</small>								

votes, then 30 hours later, H.R. 22 becomes the pending business of the Senate (sometime Friday afternoon, in all likelihood).

Once H.R. 22 is the pending business, at some point the Majority Leader will offer an amendment in the nature of a substitute that contains the text of the Senate Environment and Public Works Committee's DRIVE Act, a package of funding offsets from the Finance Committee and elsewhere, whatever the Commerce Committee approves today, and (if ready) some kind of mass transit reauthorization from the Banking Committee. (For what this might look like, see [Senate Amendment #1761](#) that then-Majority Leader Reid (D-NV) offered to the base MAP-21 vehicle on March 1, 2012.)

As the table on page two of this issue indicates, the cost of a six-year bill would be at least \$92 billion in excess of projected current law Highway Trust Fund taxes (actually a bit more, since the EPW panel's DRIVE Act would spend more than baseline levels) – but anyone who really knows how close McConnell's current plan is to the \$92+ billion level isn't talking.

Up until this week, the thought was that if the package of offsets fell significantly short of \$90+ billion, that the Majority Leader, in consultation with the committees, would shorten the length of the bill or lower annual funding levels, or some combination thereof. But Senators of both parties are now discussing another option – provide a full six years of contract authority at aspirational levels, but fail to provide enough extra HTF deposits to keep the Trust Fund solvent for the full six years.

This scenario would require another large HTF bailout midway through the bill – whether four years in, or three years, or two years, or just eighteen months – in order to prevent HTF insolvency.

Under this scenario, contract authority would be provided through the end of fiscal 2021 (moments ago on the Senate floor, EPW chairman Jim Inhofe (R-OK) repeatedly stressed that the Senate would bring up a six-year bill in the immediate future - he said that “I anticipate that we will actually have passed, in the next few days, a long-term, maybe a six-year highway reauthorization bill, at which time we will go to conference with the House and it will be business as usual”). But the package of offsets would fall far short of the \$92+ billion necessary to support all that contract authority.

In what may be a coincidence, House Democrats voted *en masse* for a similarly conceived plan today – on the motion to recommit H.R. 3038, Budget Committee ranking member Chris Van Hollen (D-MD) offered part of a plan conceived with Rep. Pete DeFazio (D-OR) to enact President Obama's six-year GROW AMERICA bill but only provide enough funding offsets to pay for the first two years.

Not coincidentally, the “six years of CA/ 2-3 years of HTF solvency” approach would shift the burden of a permanent fix for the HTF to the next President and a future Congress.

The Congressional Budget Office also recently released its [cost estimate](#) of the Senate EPW Committee's DRIVE Act (S. 1647), the scoreable deficit impact of which boils down to one consistent concept: "dead" means *dead*.

Since the late 1980s, highway bills have usually been scored by CBO as having no deficit impact, because all of the new contract authority provided by the bill is subject to subsequent ratification by the Appropriations Committees before it can be spent (except for \$739 million per year of highway money, which is already built into the baseline). As such, all of the outlays from that contract authority are scored against subsequent appropriations bills, not against the highway bill. But section 1207 of the DRIVE Act tries to bring about \$2.1 billion of "dead earmarks" from prior highway bills – over 1,300 of them – back to life and allow states to redirect that money elsewhere. The money for the dead earmarks has already been through the appropriations process, but for one reason or another, the project was never built or else there is money left over.

CBO has ruled that bringing dead earmarks back to life counts as new spending that they score as increasing mandatory outlays by \$1.9 billion over ten years. This will either add \$1.9 billion to the amount of "pay-fors" that the Finance Committee must provide for the bill, or else the bill (if enacted into law) goes on the "PAYGO scorecard" at the Office of Management and Budget. At the end of the year, if the total of all bills on this year's scorecard increases the deficit, then another round of across-the-board sequestration cuts in federal programs will be ordered to eliminate said deficit increase.

CBO has been consistent in this regard – in the past, when Congress has tried to claim budget offset credit for rescinding (killing) dead earmarks, CBO has refused to give them any credit towards outlays savings, saying that the project was dead anyway and thus killing it a second time would not save any money. (CBO staff actually call state DOTs and ask "if federal law stays as currently written, is there any way that this project moves forward?" If the state DOT answers "no," then CBO calls it a dead earmark.)

CBO also estimated that changes made by the bill relating to tax-exempt bonds would decrease federal tax collections by about \$59 million over ten years. Part of this is because the 2012 MAP-21 law gave the TIFIA credit program far more money than it could actually spend. MAP-21 gave TIFIA \$1.0 billion per year in contract authority in 2013, 2014 and 2015. But the estimate for FY 2015 is that the program will only use \$340 million of its 2015 money, and since the DRIVE Act sets new TIFIA funding at \$675 million per year, CBO scores that as an increase ($\$340 + \$335 = \$675$) in annual TIFIA funding instead of a decrease ($\$1,000 - \$325 = \$675$). The *increased* \$335 million per year for TIFIA will lead to more tax-exempt bonds, which will lead to slightly lower federal tax receipts.

House HTF Extension Continues TSA User Fee Mismatch

The House's five-month Highway Trust Fund extension bill (H.R. 3038) pays for \$3 billion of its \$8 billion HTF bailout by taking aviation security fees scheduled to go towards offsetting the Transportation Security Administration budget and instead setting them aside for general fund deficit reduction.

To make sense of the issue, it is necessary to look back to 2001. The [law](#) that created TSA and first levied the security fees went from original concept to signed law in the nine weeks following the 9/11 attacks. Compared to the preparation done for the creation of most major policy changes or new agencies, the law creating TSA was essentially written on the back of an envelope in the middle of the night. Steve Brill's excellent book *After* tells the story of how Congressional staff set the amount of the offsetting fee at \$2.50 per head because, based on the information they had at the time (some of which came from aviation lobbyists), they thought a \$2.50 per head charge, in combination with the \$420 million per year airlines were already paying for security pre-9/11, would bring in enough money to offset 100 percent of TSA aviation security expenses.

Instead, by 2013, the fees were only bringing in \$2.1 billion per year to offset a TSA aviation security budget of \$5.0 billion. The remainder of the TSA budget had to be paid from scarce general fund appropriations that, after 2011, were subject to the stringent caps in the Budget Control Act.

The 2013 Ryan-Murray law (the Bipartisan Budget Act) increased the TSA fees from \$2.50 per leg (\$5.00 one-way maximum) to \$5.60 per one-way trip. This was an 80 percent annual net increase in fee collections, forever (except that, to get airline buy-in for the proposal, Ryan-Murray also stopped collecting \$420 million per year directly from airlines – the 2001 law had also levied a special security fee on airlines equal to the amount they were paying for security in the year prior to 9/11). Under the ten-year Congressional Budget Office in use at the time, the amount of fees left over to offset the TSA budget directly would remain the same but the extra \$1.1 billion to \$1.5 billion per year would go towards general fund deficit reduction to offset an increase in the overall appropriations caps for two years.

The House Budget Committee's supporting documents said that the Ryan-Murray legislation "raises the portion of TSA's costs covered by the fees from 30 percent to 43 percent" but neglected to mention that since the fee increase was not used as a direct offset to TSA appropriations, almost all of the extra money would be spent on other things.

Because CBO only uses a ten-year baseline, the Ryan-Murray law could not specify how much of the fees to dedicate to the general fund after FY 2023. As a result, the amount of the fees left over as a direct offset for the TSA budget was scheduled to rise from \$2.5 billion in 2023 to \$4.1 billion and \$4.2 billion in 2025.

H.R. 3038 snatches this future money back away from the Appropriations Committees and redirects it as a pay-for for the latest Highway Trust Fund bailout. The rates and gross amounts being collected from aviation passengers do not change (they are projected to total \$4.4 and \$4.5 billion in 2024 and 2025 no matter what).

But this legislation once again points out that Congress has no intention of fixing the inherent problem of the original level of the security fee being set far too low for its intended purpose of offsetting the entire TSA aviation security budget.

Aviation Security Fees - Before and After the 2013 Ryan-Murray Law, and Before and After Changes Proposed in H.R. 3038, the House's Five-Month Highway Trust Fund Extension Bill

(Millions of dollars)

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>
<u>FY14 CBO Baseline</u>												
Passenger Fees Before R-M	1,950	1,990	2,030	2,080	2,120	2,170	2,220	2,270	2,330	2,380		
Carrier Fees Before R-M	420	420	420	420	420	420	420	420	420	420		
Minus Av. Sec. Capital Fund	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250		
Remainder for TSA Offset	2,120	2,160	2,200	2,250	2,290	2,340	2,390	2,440	2,500	2,550		
<u>Changes in 2013 Ryan-Murray Law</u>												
Increase in Passenger Fee	390	1,610	1,670	1,700	1,740	1,780	1,820	1,860	1,900	1,940		
Decrease in Carrier Fee	0	-420	-420	-420	-420	-420	-420	-420	-420	-420		
Net Fee Increase (Not for TSA)	390	1,190	1,250	1,280	1,320	1,360	1,400	1,440	1,480	1,520		
<u>FY14 Baseline After Ryan-Murray</u>												
Gross Aviation Security Fees	2,760	3,600	3,700	3,780	3,860	3,950	4,040	4,130	4,230	4,320		
Minus GF Deficit Reduction	-390	-1,190	-1,250	-1,280	-1,320	-1,360	-1,400	-1,440	-1,480	-1,520		
Minus Av. Sec. Capital Fund	-250	-250	-250	-250	-250	-250	-250	-250	-250	-250		
Remainder for TSA Offset	2,120	2,160	2,200	2,250	2,290	2,340	2,390	2,440	2,500	2,550		
<u>FY16 CBO Baseline</u>												
Gross Aviation Security Fees			3,630	3,710	3,800	3,890	3,980	4,080	4,180	4,280	4,390	4,490
Minus GF Deficit Reduction			-1,250	-1,280	-1,320	-1,360	-1,400	-1,440	-1,480	-1,520	0	0
Minus Av. Sec. Capital Fund			-250	-250	-250	-250	-250	-250	-250	-250	-250	-250
Remainder for TSA Offset			2,130	2,180	2,230	2,280	2,330	2,390	2,450	2,510	4,140	4,240
<u>Change in H.R. 3038</u>												
Extend GF Deficit Reduction from Set-Aside in Gross Fees by 2 Years											-1,560	-1,600
<u>Aviation Fee Structure Under H.R. 3038</u>												
Gross Aviation Security Fees			3,630	3,710	3,800	3,890	3,980	4,080	4,180	4,280	4,390	4,490
Minus GF Deficit Reduction			-1,250	-1,280	-1,320	-1,360	-1,400	-1,440	-1,480	-1,520	-1,560	-1,600
Minus Av. Sec. Capital Fund			-250	-250	-250	-250	-250	-250	-250	-250	-250	-250
Remainder for TSA Offset			2,130	2,180	2,230	2,280	2,330	2,390	2,450	2,510	2,580	2,640

House Committee Approves FY16 Homeland Appropriations Bill

The House Appropriations Committee yesterday by a 32 to 17 vote gave its approval to the fiscal year 2016 appropriations bill for the Department of Homeland Security.

A broad, account-level overview of the bill was contained in last week's issue of *ETW*, but the draft [committee report](#) provides much more detail about the specifics of the transportation funding contained in the bill. The table below shows that, as usual, there are not many significant deviations from the budget request for the Transportation

TRANSPORTATION SECURITY ADMINISTRATION BUDGET FOR FY 2016

(Thousands of dollars of budget authority.)

Agency or Bureau	FY 2014	FY 2015	FY 2016	FY 2016	FY 2016	FY 2016 House Bill vs.		
Budget Account	Enacted	Enacted	Request	House	Senate	FY 2015	Request	Senate Bill
Program, Project or Activity								
Transportation Security Administration								
Aviation Security (Gross)								
<u>Screening Operations</u>								
Privatized Screening	158,190	166,666	166,928	166,928	166,928	262	0	0
Screener Compensation & Benefits	3,033,526	2,923,890	2,872,070	2,843,305	2,843,305	-80,585	-28,765	0
Screener Training and Other	226,857	225,442	226,551	222,539	238,883	-2,903	-4,012	-16,344
Checkpoint Support	103,309	88,469	97,265	96,339	112,177	7,870	-926	-15,838
EDS Procurement and Installation	73,845	83,933	83,380	83,196	83,212	-737	-184	-16
Screening Tech. Maintenance & Utilities	298,509	294,509	280,509	280,509	280,509	-14,000	0	0
Subtotal, Screening Operations	3,894,236	3,782,909	3,726,703	3,692,816	3,725,014	-90,093	-33,887	-32,198
<u>Direction and Enforcement</u>								
Aviation Regulation & Other Enforcem.	354,437	349,821	349,013	345,083	346,878	-4,738	-3,930	-1,795
Airport Management and Support	587,000	587,657	596,233	589,278	592,881	1,621	-6,955	-3,603
Federal Flight Deck Officer & Crew Train.	24,730	22,365	20,095	21,456	22,541	-909	1,361	-1,085
Air Cargo Security	122,332	106,343	105,978	105,214	105,214	-1,129	-764	0
Subtotal, Direction & Enforcement	1,088,499	1,066,186	1,071,319	1,061,031	1,067,514	-5,155	-10,288	-6,483
Federal Air Marshals	818,607	790,000	816,745	805,076	790,000	15,076	-11,669	15,076
Total, Aviation Security (Gross)	5,801,342	5,639,095	5,614,767	5,558,923	5,582,528	-80,172	-55,844	-23,605
Offsetting Aviation Security Receipts	-2,153,522	-2,065,000	-2,131,950	-2,130,000	-2,130,000	-65,000	1,950	0
Total, Aviation Security (Net)	3,647,820	3,574,095	3,482,817	3,428,923	3,452,528	-145,172	-53,894	-23,605
Aviation Security Capital Fund (Mandatory)	250,000	250,000	250,000	250,000	250,000	0	0	0
Surface Transportation Security								
Staffing and Operations	35,262	29,230	28,510	27,410	28,329	-1,820	-1,100	-919
Security Inspectors and Enforcement	73,356	94,519	95,318	79,484	94,399	-15,035	-15,834	-14,915
Total, Surface Transportation Security	108,618	123,749	123,828	106,894	122,728	-16,855	-16,934	-15,834
Intelligence and Vetting								
Intelligence	44,561	51,545	51,977	48,205	51,635	-3,340	-3,772	-3,430
Secure Flight	93,202	99,569	105,637	101,072	105,276	1,503	-4,565	-4,204
Crew and other Vetting Programs	83,287	68,052	70,084	66,926	68,404	-1,126	-3,158	-1,478
Total, TTAC (Excluding Fee Programs)	221,050	219,166	227,698	216,203	225,315	-2,963	-11,495	-9,112
Transportation Security Support								
Headquarters Administration	272,250	269,100	276,930	256,953	272,751	-12,147	-19,977	-15,798
Information Technology	441,000	449,000	452,385	446,950	446,921	-2,050	-5,435	29
Human Capital Services	204,250	199,126	202,164	197,539	199,195	-1,587	-4,625	-1,656
Total, Transportation Security Support	917,500	917,226	931,479	901,442	918,867	-15,784	-30,037	-17,425
Total, TSA (Gross Appropriations + ASCF)	7,298,510	7,149,236	7,147,772	7,033,462	7,099,438	-115,774	-114,310	-65,976
Minus Discretionary Aviation Security Fees	-2,153,522	-2,065,000	-2,131,950	-2,130,000	-2,130,000	-65,000	1,950	0
Minus ASCF Mandatory Security Fee	-250,000	-250,000	-250,000	-250,000	-250,000	0	0	0
Total, TSA (Net Appropriations + ASCF)	4,894,988	4,834,236	4,765,822	4,653,462	4,719,438	-180,774	-112,360	-65,976

Security Administration. What looks like a large cut versus 2015 in screener pay is “primarily a result of efficiencies associated with risk-based security measures and new in-line baggage screening systems “ according to the report.

On the surface transportation side, the 17 percent reduction from the request for TSA surface inspectors and enforcement is “due to projected underexecution of funds for Surface Inspectors and Visible Intermodal Prevention and Response teams, and a reduction of \$1,100,000 that corresponds to the amount associated with the pay raise assumed in the President’s budget.”

Other cuts at TSA in the Intelligence and Vetting activity and in the Transportation Security Support activity also were due, according to the committee, to “projected underexecution of funds.”

At the Coast Guard, the draft committee report shows that the only real difference versus the request in Operating Expenses is a 5.5 percent increase in depot-level maintenance : “These additional funds are intended to replenish parts and execute deferred depot level maintenance for assets and shore facilities to reduce the backlog in critical depot level maintenance. “

The biggest differences between the House and Senate bill are in the Coast Guard capital account – Acquisition, Construction and Improvements – where the House bill is \$362 million above the budget request but still \$369 million less than the Senate bill.

UNITED STATES COAST GUARD BUDGET FOR FY 2016

(Thousands of dollars of budget authority. Excludes rescissions.)

Agency or Bureau	FY 2014	FY 2015	FY 2016	FY 2016	FY 2016	FY 2016 House Bill vs.		
Budget Account	Enacted	Enacted	Request	House	Senate	FY 2015	Request	Senate Bill
Program, Project or Activity								
United States Coast Guard								
Operating Expenses								
Military Pay and Allowances	3,416,580	3,449,782	3,466,088	3,486,751	3,480,279	36,969	20,663	6,472
Civilian Pay and Benefits	782,874	781,517	799,816	792,229	792,229	10,712	-7,587	0
Training and Recruiting	205,289	198,279	205,825	206,332	206,444	8,053	507	-112
Operating Funds and Unit Maintenance	1,033,610	1,008,682	1,010,317	1,019,263	1,013,004	10,581	8,946	6,259
Centrally Managed Accounts	331,935	335,556	329,684	329,849	329,874	-5,707	165	-25
Intermed./Depot-Level Maintenance	1,010,640	1,056,502	1,009,773	1,064,864	1,014,533	8,362	55,091	50,331
Overseas Contingency Operations*	227,000	213,000	0	0	160,002	-213,000	0	-160,002
Total, Operating Expenses	7,007,928	7,043,318	6,821,503	6,899,288	6,996,365	-144,030	77,785	-97,077
Environmental Compliance & Restoration	13,164	13,197	13,269	13,269	13,221	72	0	48
Reserve Training	120,000	114,572	110,614	110,614	110,614	-3,958	0	0
Acquisition, Construction & Improvements								
Vessels	999,000	824,347	533,900	616,400	1,069,900	-207,947	82,500	-453,500
Aircraft	175,310	180,000	200,000	295,000	200,000	115,000	95,000	95,000
Other	64,930	59,300	65,100	67,920	65,100	8,620	2,820	2,820
Shore Facilities/ATON/Military Housing	23,000	46,580	101,400	205,100	121,400	158,520	103,700	83,700
Personnel and Related Support	113,395	114,996	116,869	116,869	116,869	1,873	0	0
Total, A C & I (Regular Appropriation)	1,375,635	1,225,223	1,017,269	1,301,289	1,573,269	76,066	284,020	-271,980
Research, Development, Test and Evaluation	19,200	17,892	18,135	18,135	18,019	243	0	116
Medicare-Eligible Health Care Costs	185,958	176,970	169,306	169,306	169,306	-7,664	0	0
Retired Pay	1,460,000	1,450,626	1,604,000	1,604,000	1,604,000	153,374	0	0
Total, United States Coast Guard	10,181,885	10,041,798	9,754,096	10,115,901	10,484,794	74,103	361,805	-368,893

* Overseas Contingency Operations funding for the Coast Guard for FY 2016 may yet be requested by the Administration for FY 2016.

The table on the following page gives a full breakdown of the AC&I account. The biggest difference is that the House bill sides with the President and against the Senate on the National Security Cutter – both the request and the House bill finish paying for the 8th such boat but do not start building another, as the Senate bill would do, because in the words of the House report, “funding for additional NSCs beyond the program of record would be neither operationally necessary nor warranted, would create potentially unsustainable operational funding requirements in the future, and could potentially threaten funding for other Coast Guard acquisition priorities. “

The House bill is \$110 million above the Senate for Fast Response Cutters – it buys six additional boats, as requested. There are substantial increases for aviation facilities, a ship lift facility, and construction and renovation of training facilities and boat piers in the Major/Minor Construction” activity.

Coast Guard Capital and Procurement (AC&I Account)

(Thousands of dollars of budget authority.)

	FY 2014	FY 2015	FY2016	FY 2016	FY 2016	House Bill Versus...	
	Enacted	Enacted	Request	House	Senate	Request	Senate
Vessels							
In-Service Vessel Sustainment	21,000	49,000	68,000	68,000	68,000	0	0
Cutter Small Boats	3,000	4,000	3,000	3,000	3,000	0	0
Fast Response Cutter	310,000	110,000	340,000	340,000	230,000	0	110,000
National Security Cutter	629,000	632,847	91,400	103,400	731,400	12,000	-628,000
Offshore Patrol Cutter	23,000	20,000	18,500	89,000	18,500	70,500	70,500
Polar Ice Breaking Vessel	2,000	0	4,000	4,000	4,000	0	0
Polar Icebreaking Preservation	0	8,000	0	0	0	0	0
Response Boat Medium	10,000	0	0	0	0	0	0
Survey and Design	1,000	500	9,000	9,000	15,000	0	-6,000
Subtotal, Vessels	999,000	824,347	533,900	616,400	1,069,900	82,500	-453,500
Aircraft							
HH-60 Airframe Replacement	0	12,000	0	0	0	0	0
HC-130J Long Range Surveil. Aircraft	129,210	103,000	55,000	150,000	55,000	95,000	95,000
HC-144 Conversion/Sustainment	9,200	15,000	3,000	3,000	3,000	0	0
HC-27J Conversion/Sustainment	24,900	20,000	102,000	102,000	102,000	0	0
HH-65 Acq./Conver./Sustain.	12,000	30,000	40,000	40,000	40,000	0	0
Subtotal, Aircraft	175,310	180,000	200,000	295,000	200,000	95,000	95,000
Other Equipment							
C4ISR	40,226	36,300	36,600	36,600	36,600	0	0
Program Oversight and Management	10,000	18,000	20,000	20,000	20,000	0	0
Nationwide AIS	13,000	0	0	0	0	0	0
CG-LIMS	1,500	5,000	8,500	11,320	8,500	2,820	2,820
System Engineering & Integration	204	0	0	0	0	0	0
Subtotal, Other Equipment	64,930	59,300	65,100	67,920	65,100	2,820	2,820
Shore Facilities & Aids to Navigation							
Major/Minor Construct, ATON, S&D	2,000	19,580	41,900	124,600	61,900	82,700	62,700
Major Systems Infrastructure	0	16,000	54,500	54,500	54,500	0	0
Minor Shore	3,000	5,000	5,000	5,000	5,000	0	0
Subtotal, Shore Facilities & ATON	5,000	40,580	101,400	184,100	121,400	82,700	62,700
Military Housing	18,000	6,000	0	21,000	0	21,000	21,000
Personnel and Related Support	113,395	114,996	116,869	116,869	116,869	0	0
Total, A C & I	1,375,635	1,225,223	1,017,269	1,301,289	1,573,269	284,020	-271,980

UPCOMING EVENTS

Wednesday, July 15 – Senate Commerce, Science and Transportation – full committee business meeting to consider S. 1732, the Commerce titles for the surface transportation reauthorization bill – 4:45 p.m. (note time change), SR-253 Russell.

Thursday, July 16 – House Homeland Security – Subcommittee on Transportation Security – subcommittee hearing on the Federal Air Marshal service and its readiness – 10:00 a.m., 311 Cannon.

STATUS OF OBAMA ADMINISTRATION TRANSPORTATION NOMINATIONS

Federal Highway Administration	Greg Nadeau	Administrator	Nomination transmitted 5/11/15
Federal Railroad Administration	Sarah Feinberg	Administrator	Nomination transmitted 6/2/15
Federal Transit Administration	Therese McMillan	Administrator	Nomination transmitted 1/8/15
Pipeline and HazMat Safety Administration	Marie Therese Dominguez	Administrator	Nomination transmitted 6/2/15
Federal Maritime Commission	Mario Cordero	Commissioner for a term ending 6/30/19	Nomination reported 5/20/15 (Cal. No. 123)
Amtrak Board of Directors	Derek Kan	Member for a term of five years	Nomination transmitted 7/13/15
Amtrak Board of Directors	Anthony Coscia	Member for a term of five years	Nomination transmitted 7/13/15

STATUS OF MAJOR TRANSPORTATION AND PUBLIC WORKS LEGISLATION, 114TH CONGRESS

<u>Bill</u>	<u>Latest House Action</u>	<u>Latest Senate Action</u>	<u>Resolution</u>
FY 2016 Congressional Budget Resolution	H. Con. Res. 27 passed House 3/25/15 by a vote of 228-199	S. Con. Res. 11 passed Senate 3/27/15 by a vote of 52-46	Senate adopted conference report 5/5/15 by a vote of 51-48
FY 2016 Transportation-Housing Appropriations	H.R. 2577 passed House 6/9/15 by a vote of 216-210	H.R. 2577 reported 6/25/15 S. Rept. 114-75	
FY 2016 Homeland Security Appropriations	Ordered reported by House Appropriations 7/14/15	S. 1619 reported 6/18/15 S. Rept. 114-68	
FY 2016 Energy and Water Appropriations	H.R. 2028 passed House 5/1/15 by a vote of 240-177	H.R. 2028 reported 5/21/15 S. Rept. 114-54	
Surface Transportation Reauthorization	GROW AMERICA introduced in House as H.R. 2410 5/19/15	Senate EPW approved draft bill 6/24/15	
Surface Transportation Extension to 12/18/15	H.R. 3808 passed House 7/15/15 by a vote of 312-119		
Federal Aviation Admin. Reauthorization	Markup of draft bill scheduled for 7/9/15 but postponed		
Intercity Passenger Rail Reauthorization	H.R. 749 passed House 3/4/15 by a vote of 316-101	S. 1626 ordered reported by Senate Commerce 6/25/15	

Federal Reauthorization Deadline Approaching

As we reported last month, Congress passed yet another federal Authorization Extension for the highway and transit programs in late May. That current authorization extension authorizes federal expenditures from the highway and transit trust funds through July 31 of this month.

As this new deadline approaches, Congress is struggling to identify how to transfer as much as \$8 billion dollars of additional funding needed to maintain the current funding levels through the end of the calendar year (Congress could transfer as little as \$4 billion to maintain funding levels however the trust funds would have a zero balance at the end of the calendar year heading into the Presidential Primaries). Congress must take action prior to July 31st.

As always stay tuned to *Interchange* for the latest updates on the federal funding situation. If you have any questions on federal transportation issues feel free to contact Herman Stockinger, CDOT's Director of Policy & Government Relations at (303) 757-9077.

Director Bhatt Testifies before Congress

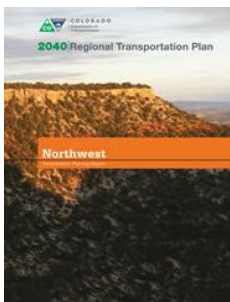
On June 25th, Colorado Department of Transportation (CDOT) Executive Director Shailen Bhatt was invited to Washington D.C. to testify before the full U.S. Senate Finance Committee on the second of two full committee hearings regarding the highway and transit trust funds. During the hearing titled: *"Unlocking the Private Sector: State Innovations in Financing Transportation Infrastructure"*, Director Bhatt testified how critical federal transportation funding is to Colorado. He highlighted that two out of three dollars we use in construction come from the federal government, underscoring how heavily reliant Colorado is on federal funding. The Executive Director also highlighted the many successful Public/Public and



Shailen Bhatt in D.C.

Public/Private Partnerships CDOT has entered into over the past several years to help speed transportation projects to the public. The hearing also included testimony from: The Honorable Mitch Daniels (President Purdue University); The Honorable Shailen Bhatt (Executive Director CDOT); Mr. David Narefsky (Partner Infrastructure Practice Group); Mr. Baruch Feigenbaum (Reason Foundation).

A link to the full hearing can be found at <http://www.senate.gov/committees/finance>



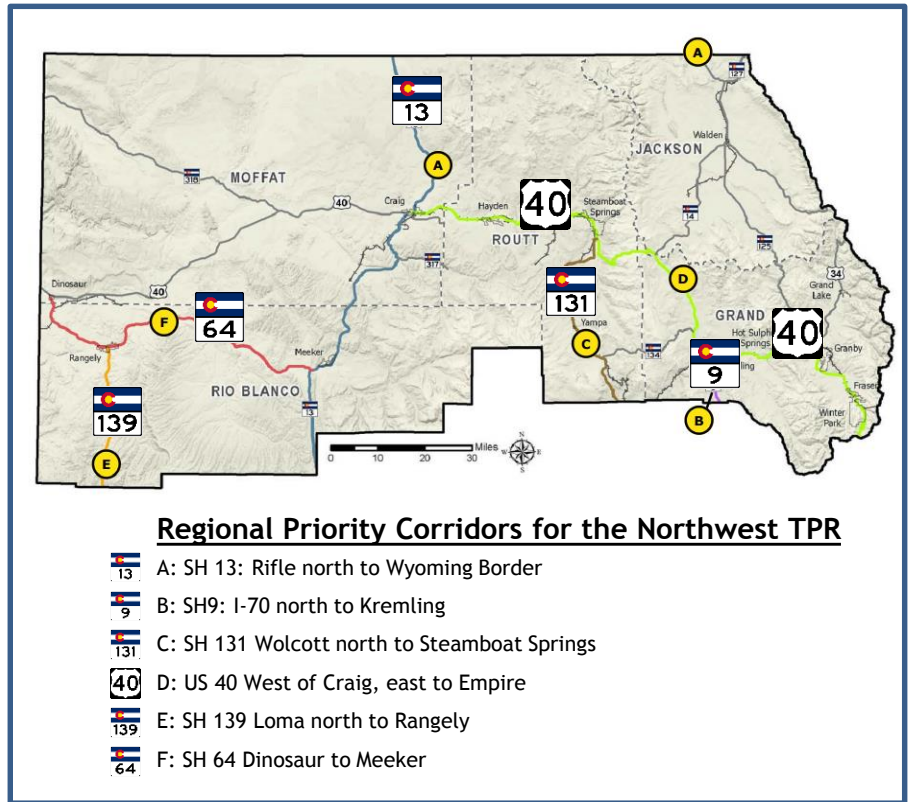
Cover of NW TPR Plan

Northwest TPR

The Northwest Transportation Planning region will be our focus in July as part of our ongoing series taking a closer look at all of the components of the Statewide plan. The Northwest (TPR) is made up of Grand, Jackson, Moffat, Rio Blanco, and Routt counties and comprises mountainous terrain and river valleys with agricultural land. With limited options for traffic diversions when winter time closures cause travel and connectivity issues. Recreation/tourism, oil and gas, and an increasing aging demographic all contribute to the transportation needs of the region.cont. on page 2

NW TPRcont. from page 1

This TPR emphasizes planning for transportation corridors. This approach is called corridor-based planning which connects the long-term vision of a corridor with goals, solutions, and strategies that the TPR has identified in order to get to their vision. The corridors that were selected by the members of the TPR were selected based on their standing as having a high level of importance to the transportation system in the region or the need for near-term improvements. Throughout the entire corridor prioritization process, the Northwest TPR confirmed the basis for the establishment of underlining the importance of the regional corridors with state officials, the public, and decision makers. This confirmation with other stakeholders helps underscore the message the planning region communicates with its priorities for the dedication of resources by the Colorado Transportation Commission.



The full Statewide Transportation Plan can be found at www.ColoradoTransportationMatters.com. To locate all the regional plans click the Regional Transportation Plans tab.

Projects

Two major projects have recently been celebrated by the Colorado Department of Transportation (CDOT) and our partners. On June 22nd, a celebration was held to mark the completion of Phase 1 of the US 36 Express Lanes Project along with the Regional Transportation District (RTD), the High Performance Transportation Enterprise (HPTE), the US Department of Transportation and the Federal Highway Administration (FHWA), together with elected officials and many crucial stakeholders. The ceremony marked the end of major construction impacts and the beginning of multi-modal choices on the newly reconstructed highway that will eventually connect Westminster to Boulder.

Meanwhile, The first project to reconstruct Interstate 25 through Pueblo held a groundbreaking ceremony on July 1st. Dignitaries with CDOT, FHWA, the City of Pueblo, Pueblo County Flatiron Constructors and the engineering firm HDR broke ground on the reconstruction of I-25 between City Center Drive (1st Street) and Ilex Street. The project also includes upgrading a number of bridges south of downtown. "I-25 through the heart of Pueblo is one of the oldest segments of freeway we have in the state so this reconstruction is long overdue. It has not seen any upgrades to modernize it since it was originally built in the 1950s." said CDOT Executive Director Shailen Bhatt.

Information regarding CDOT projects statewide is available at www.cotrip.org, on the the CDOT Mobile app or by calling 511. Information about weekly lane closures also is available at www.coloradodot.info/travel/scheduled-lane-closures.html.



CURRENT PROJECTS

US 491/160 New Mexico to Towaoc - 19202

Budget: \$19,708,000

Funding Type: RAMP- Surface Treatment

Ad Date: April 2014

Awarded: Skanska USA for \$13,715,000



Milling northbound lane at Indian Creek



Shoulder gravel operation

This is a RAMP Surface Treatment project from the New Mexico Stateline to Towaoc along US 491 and US 160. The funding includes a 1" leveling course and 2" overlay from the state line to the US160/491 intersection (milepost 6.422). A full depth reclamation overlay will then proceed north to Towaoc and tie into the Towaoc to Cortez Resurfacing Project constructed in 2013.

Work began July 8, 2014. Pipework, including headwalls and wingwalls, have been completed. Earthwork has been seeded and mulched ahead of schedule. The project was suspended in mid-January and construction resumed March 16, 2015. Current construction activities include HMA paving, curb and gutter, light standard installations and the placement of pavement markings. The 14-mile long project is expected to be completed in August, 2015.

US 160 Bayfield to Yellow Jacket - 19710

Budget: \$8,650,000

Funding Type: Surface Treatment

Ad Date: January 2015

Awarded: Oldcastle SW Group, Inc. for \$6,322,392

This project consists of 1" levelling course and 1.5" HMA overlay. It will include new guardrail, new mailboxes, shoulder gravel, rumble strips, pavement markings and other safety improvements. There will also be patching at milepost 109 and 113. The project was awarded to Oldcastle SW Group, Inc. for \$6,322,392. Work began March 24, 2015. Paving operations, leveling course, on US 160 commenced on May 7th and will progress eastward. Upcoming construction activities include milling the old asphalt adjacent to the concrete median and continued paving operations. This project is expected to be completed late summer 2015.



US 160 Wilson Gulch Road Extension - 19902

Budget: \$6,400,000 (CDOT: \$4,288,000; La Plata County: \$180,000; City of Durango: \$180,000)

Funding Type: RAMP

Ad Date: September 2014

Awarded: Oldcastle SW Group, Inc.

This is a RAMP Project which will be managed by the City of Durango. It will construct a connector road between the US 160 Interchange and the Grandview development. The roadway will serve as a frontage road for US Highway 160 from Three Springs Blvd to the Grandview Interchange, a distance of approximately 1.1 miles. Construction began January 26, 2015 and will be completed by the end of 2015.

US 160 Mancos Hill to Hesperus - 19632

Budget: \$8,250,000

Funding Type: Surface Treatment

Ad Date: January 2015

Awarded: Oldcastle SW Group, Inc. for \$5,953,190

This project consists of resurfacing and overlay from MP 62 to MP 71.1. Work began March 27, 2015. Paving is scheduled to begin July 22, 2015. This project is expected to be completed by the end of the year.

R5 FY15 Bridge Preventative Maintenance - 20305

Budget: \$2,800,000

Funding Type: CBR

Ad Date: December 2014

Awarded: G.A. Western Construction Co. for \$1,492,270



Class II Bridge Deck Repair



Sawcutting asphalt curb

This RAMP project includes maintenance on Bridges: M-01-C on US 491 at MM 60.919 in Dove Creek, O-05-AW on US 550 MM 36.627 over the Durango Silverton Railroad, P-05-R on SH 172 at MM 19.490 over the Florida River, and 3 on US 160 P-06-D MM 102.223 over the Los Pinos River, P-07-A MM 121.325 over the Piedra River, and P-07-B MM 124.963 over Devil Creek. This project is expected to be completed by the end of November.

Region-wide Highway Striping, all counties in Region 5 - 20567

Budget: \$1.6 million budget

Awarded: PMI (Pavement Markings, Inc.)

This project consists of epoxy and water-based highway striping and traffic markings (crosswalks, arrows, etc.) on 750 miles throughout the region. The project benefits motorists' visibility and provides safer travel. This project duration is March 30 through June 24, 2015

US 160 W. Wildlife Crossing at Dry Creek - 20430

Budget: \$6,546,331

Funding Type: HSIP

Ad Date: March 2015

Awarded: Crossfire, LLC for \$ 5,360,587

This project will consist of improvements for safer wildlife migration east of Durango between mile marker 97 and 98, which includes a large mammal underpass. Wider shoulders and wildlife fencing on either side of the highway is also in the plans. Construction to commence in June and end late spring 2016.

US 550 Cribwalls Phase II/III Project- 18928/19305

Budget: \$4M

Funding Type: Rockfall

Ad Date: May 2015

Awarded: Rock & CO. for \$ 4,632,800

The project is located on US 550 from MP 77.0-79.6. The scope of work includes widening the roadway to the west using blasting and scaling so that the centerline is shifted a maximum of 15 feet. Additional work includes the replacement of three cribwalls, two cross-culvert replacements, and guardrail installation. This project will also build a concrete cap at Ruby Walls, MP 89.7, which was damaged by rockfall in 2014. Construction to begin summer and should finish up late Fall 2016.

SH 145 at CR P North of Cortez - 19397

Budget: \$1,912,975 (Montezuma County: \$83,036)

Funding Type: RAMP

Ad Date: May 2015

Awarded: OldCastle SW Group, Inc.

This RAMP project consists of the intersection improvements and turn lanes north of Cortez at County Road P. Minor widening is needed to accommodate additional turn lanes. Construction to begin September and end in November.

UPCOMING PROJECTS

SH 172/151 Signalization - 19908

Budget: \$1,800,000 (CDOT: \$1,430,000; La Plata County: \$180,000; Southern Ute Tribe: \$180,000, Town of Ignacio: \$10,000)

Funding Type: RAMP

Ad Date: July 2015

This RAMP project consists of the signalization and intersection improvements in the Town of Ignacio at the intersection of SH 151 and SH 172. This is a partnership with the Town, La Plata County and the Southern Ute Indian Tribe. Construction will begin in September and should finish in November 2015.

FY 15 Priority Culvert US 160 MP 136.61 - 19791

Budget: \$961,480

Funding Type: Priority Culvert

Note: This project will be combined with other culverts to make a larger culvert project.

This project consists of the installation of a new culvert on US 160 at MP 136.61.

US 491 Cortez to MCR 30 (CR M) - 19399

Budget: \$7,500,000

Funding Type: FSA/RPP/SUR

Ad Date: January 2016

This project involves 3 components. (1) A full-depth reclamation from approximate milepost 26.3 to 27.3. This includes relocation of utilities, replacement of storm sewer system, new median islands and street lighting, and repaving with approximately 8 inches of concrete pavement. (2) Includes the re-alignment of the Lebanon Road (CR 25) with US 491 to improve sight distance and protect turning movements in to, and off of this roadway. (3) A 4" mill and 3" fill from approximate milepost 27.3 to 29.2 (CR M).

US 160 McCabe Creek Pagosa - 19263

Budget: \$7M

Funding Type: Priority Culverts

Ad Date: September 2016

This project consists of replacing the existing culverts on US 160 at MP 143.25, near downtown Pagosa Springs, with a box culvert. Construction to begin in spring of 2017.

FY 15 Priority Culverts, SH 141 - 20380

Budget: \$2,100,000

Funding Type: Priority Culvert

Ad Date: June 2015



This project consists of lining culverts at four locations on SH 141 which are located at MP 41.51, MP 43.49, MP 44.89, and MP 54.91. Construction to begin in September 2015.