

Infra Americas Article

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Federal transportation legislative outlook uncertain

President Obama signed a USD 10.8bn bill on 8 August that extends funding for transportation programs until May 2015.

But, while he supported the short-term funding patch, Obama, Secretary of Transportation Anthony Foxx, members of Congress, as well as transportation and industry trade groups have all called for the passage of a long-term transportation funding bill.

A truly long-term funding solution is anything but a sure thing in 2015, according to two experts on transportation and legislative issues.

“While Congress was able to finally pass a short-term funding bill, Republicans and Democrats have not been able to reach agreement on a crucial issue, that is, how to fund transportation programs,” said Marcus Lemon, partner and chair of the Infrastructure and P3 group at Polsinelli.

With Congress unable to agree on that, other policy initiatives, such as whether to liberalize tolling on interstate highways, or how to encourage P3s, are unlikely to be addressed by lawmakers, Lemon, former Chief Counsel to the Federal Highway Administration, said.

A different Congress

“Transportation funding is typically not one of Congress’ highest priorities,” Lemon said, and some issues, such as immigration reform, may push the transportation funding issue to the legislative back burner in 2015.

“After this November’s elections, Congress in 2015 may look quite different,” said Joshua Schank, president of the Eno Center for Transportation, a transportation policy think tank, “so it is difficult to make predictions. If Republicans do gain control of the Senate, committee chairmanships will change,” he said.

Preferred delivery

“The new Congress may want to display bipartisanship, and could express that by passing a comprehensive transportation bill,” Schank said. Transportation funding has historically been a non-partisan issue.

But Lemon and Schank do not see the stalemate in Washington, DC slowing down the momentum of transportation P3s in the US.

“States are increasingly looking to use transportation P3s to transfer risk, and to find innovation and cost savings in their projects,” Schank said.

“Many states see their transportation P3 programs as ‘the only way to go’ to deliver their large transportation projects,” Lemon said, “and are getting more ‘comfortable’ with the delivery method.”