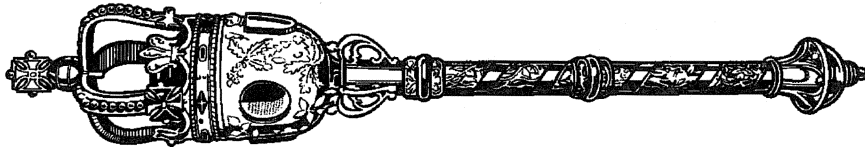


*Report of the
House Appropriations
Subcommittee*

on

Transportation



House Bill 1500

February 3, 2013

REPORT OF THE SUBCOMMITTEE

on

TRANSPORTATION

Mr. Chairman and Members of the Committee:

Increased investment in core infrastructure across the Commonwealth is critical to our continued economic growth and prosperity. Again this year I am pleased to report that the committee amendments retain the phased-transfer of an additional $\frac{1}{4}$ percent of the unencumbered general sales and tax revenues to the Highway Maintenance and Operating Fund pursuant to the provisions of House Bill 2313. While this will not solve all of our transportation problems, I appreciate the recognition that transportation is a core government service, worthy of support from the general fund. Let us not forget that this is not a new idea – we have used general fund revenues to support transportation since 1986.

I hope that before the current legislative Session adjourns the budget will reflect the additional nongeneral fund appropriations for transportation following adoption of comprehensive transportation funding legislation.

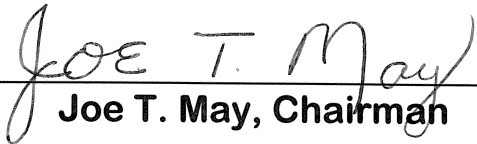
Mr. Chairman, the amendments to Chapter 3 also appropriate an additional \$258.8 million of Commonwealth Transportation Fund revenues. These amounts reflect the continued albeit gradual improvement we have seen in our economy. The revised Commonwealth Transportation Fund forecast for upcoming biennium assumes growth of 2.6% in fiscal year 2013 and 4.6% in fiscal year 2014.

Finally Mr. Chairman, and of personal interest to me, the amendments before you include language directing the Secretary of Transportation to evaluate the feasibility of purchasing the Dulles Greenway to ensure that toll rates remain supportable. While I have long supported, and continue to support, the use of public-private

partnerships to advance transportation solutions in the Commonwealth, there are times when the state's record of financial stewardship can be utilized to achieve lower interest costs on self-supporting facilities.


The details of the Subcommittee's report are contained in the attachments. Committee staff will review the report and the attached listing of our recommendations at this time, and I hope it will be the Committee's pleasure to adopt the report.

Respectfully Submitted by the House Appropriations Subcommittee
on Transportation:

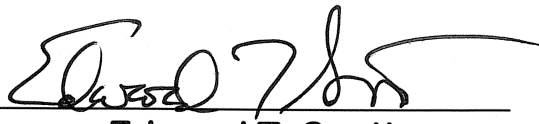

Joe T. May, Chairman

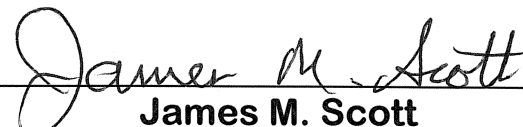

Beverly J. Sherwood


L. Scott Lingamfelter


John M. O'Bannon, III


Christopher K. Peace


Edward T. Scott


James M. Scott


Algie T. Howell, Jr.

Budget Amendment Recommendations

<u>HB 1500</u>	<u>2012-14 BIENNIAL TOTAL</u>		
<u>Amendment</u>	<u>General</u>		
	<u>Fund</u>	<u>NGF</u>	<u>FTE</u>

Transportation

Secretary of Transportation

Conditions on Provisions of Funding for Dulles Rail Phase II	Language
Source of Funding for Orbital Purchase Agreement	Language
Exploration of Purchase of Dulles Greenway	Language

Department of Rail and Public Transportation

Reflect Revised Funding Forecast	Language
Transfer Excess Paratransit Amounts to Transit Formula	Language
Hazardous Materials Dwell Times	Language

Department of Transportation

Scenic Byways Program	Language
Technical Correction - Additional Sales Tax to HMOF	900,000

Virginia Port Authority

Commonwealth Rail Line Safety Relocation Study	Language
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Part 3

Contingent Provisions on General Sales and Use Tax	Language
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Part 4

JLARC Review Prior to Port Transfer	Language
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Transportation Subcommittee

Item 430 #1h

Transportation

Secretary Of Transportation

Language

Language:

Page 398, after line 19, insert:

"N. Notwithstanding any provision of law, any agreement to transfer money from the Commonwealth Transportation Funds to the Metropolitan Washington Airports Authority (MWAA) in connection with Phase II of the Dulles Corridor Metrorail Project beyond Wiehle Avenue in Fairfax County to Washington Dulles International Airport and on to Virginia Route 772 in Loudoun County shall include provisions stating that the MWAA has implemented all of the recommendations included in the November 2012 report of the Inspector General of the U.S. Department of Transportation as a condition of transferring such money. The Governor may waive this requirement for one or more specific recommendations that have not been implemented by notifying the Chairmen of the House Appropriations and Senate Finance Committees of his reason for granting the waiver or waivers."

Explanation:

(This amendment prohibits the use of state funding on Phase II of the Dulles Metro project unless the agreement includes provisions stating that the recommendations identified by U.S. Inspector General report have been addressed or the Governor notifies the General Assembly as to why a certain recommendation has not yet been implemented.)

Transportation Subcommittee

Item 430 #2h

Transportation

Secretary Of Transportation

Language

Language:

Page 397, line 38, strike "unencumbered amounts in".

Page 397, line 38, unstrike "the Highway Maintenance and"

Page 397, line 39, unstrike "Operating Fund" and delete remainder of line.

Page 397, strike lines 40 through 42.

Page 397, line 43, strike "Sciences."

Explanation:

(This amendment restores language agreed to by the 2012 General Assembly

regarding the source of transportation funding used to fulfill commitments related to payment to Orbital Sciences for repayment of amounts associated with Launch Pad 0-A and liquid fueling facility improvements at the Mid-Atlantic Regional Spaceport.)

Transportation Subcommittee

Item 430 #3h

Transportation

Secretary Of Transportation

Language

Language:

Page 398, after line 19, insert:

"N. 1. The Secretary of Transportation and the Virginia Department of Transportation are hereby directed to initiate an evaluation of whether it would be in the best interests of the Commonwealth to enter into an agreement to purchase the Dulles Greenway, a privately owned toll road extending approximately 14 miles from Washington Dulles International Airport to the Town of Leesburg and connecting the same, as well as any commuter vehicle parking facility used primarily by Dulles Greenway commuters or Dulles Toll Road commuters; or any buildings, structures, parking areas, appurtenances, or other property needed to operate such facility with such parking facility located within one mile of any part of the Dulles Greenway. The intent of such a potential purchase would be to ensure that toll rates remain at reasonable levels and to encourage the implementation of distance tolling.

2. In undertaking this evaluation the Secretary shall solicit the input of the Director, Department of General Services and the Department of Treasury to evaluate appropriate financing structures. In evaluating the feasibility of such a plan, it must be shown that any potential purchase price would not exceed fair market value, and that the existing toll rates therefrom could be reasonably expected to pay (i) in full and when payable the debt service on any bonds or obligations issued to acquire and, if necessary, improve or upgrade the Dulles Greenway; (ii) the ongoing costs of operating and maintaining the Dulles Greenway; (iii) the costs of purchasing and installing electronic tolling equipment or other equipment for the Dulles Greenway if such equipment is determined necessary; (iv) ongoing necessary administrative costs relating to the Dulles Greenway. In addition, the tolls for the use of the Dulles Greenway must be reasonably expected to result in a debt service coverage ratio of at least 1.25 for any debt of other obligations proposed to support the purchase of the facility.

Amendments to House Bill 1500, as Introduced

3. The Secretary shall submit the findings of his assessment, to the Chairmen of the House Appropriations and Senate Finance Committees by August 1, 2013 for their review and comment.

4. Nothing in the language contained in this item shall be construed as authority to enter into a purchase agreement without notification to the General Assembly of the full details of any proposed purchase agreement no later than 45 days prior to the proposed completion of any proposed purchase agreement. If the recommendation is to proceed with the purchase of such facility, the report to the House Appropriations and Senate Finance Committee Chairmen shall be accompanied by a certification from the Governor that the proposed purchase price could be supported by 9(c) revenue bonds of the Commonwealth."

Explanation:

(This amendment directs the Secretary of Transportation to evaluate the potential benefits of purchasing the Dulles Greenway, a private toll road, to ensure reasonable toll rates to the traveling public.)

Transportation Subcommittee

Item 441 #1h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 403, line 19, strike "\$157,073,990" and insert "\$160,361,138".

Page 403, line 23, strike "Formula" and insert "Operating".

Page 403, line 28, strike "formula" and insert "operating".

Page 403, line 30, strike "\$32,233,194" and insert "\$33,315,285".

Page 403, line 45, strike "\$1,933,991" and insert "\$1,998,917".

Page 404, strike lines 15 through 19.

Page 404, line 31, strike "formula" and insert "operating".

Explanation:

(This amendment revises embedded numbers to reflect the most recent transportation funding forecast and reflect current terminology used by the Department of Rail and Public Transportation. This amendment also removes language directed to the treatment of local funds by the Northern Virginia Transportation Commission. The language is no longer needed in the Appropriation Act as it has been incorporated in grantee agreements the Department of Rail and

Public Transportation has made with local governments.)

Transportation Subcommittee

Item 442 #1h

Transportation

Department Of Rail And Public
Transportation

Language

Language:

Page 405, after line 28, insert:

"F.1. Prior to July 1, 2011, the director, Department of Rail and Public transportation, with the approval of CSX Transportation, shall initiate infrastructure improvement projects which promote safety or reduce the average dwell times of hazardous material shipments subject to regulation under Title 49 CFR Part 174 et seq. within rail yards, depots, sidings, and other intermediate terminals or facilities and properties located in the City of Fredericksburg to not longer than 24 hours. These improvements may include, but are not limited to, those that (i) increase capacity at existing storage facilities terminating near Fredericksburg; (ii) increase the physical distance between commodity storage areas and residential communities; and (iii) transfer intermediate storage of commodities to locations closer to terminus of the shipment.

2. Out of the funds available for Rail Industrial Access pursuant to § 33.1-221.1:1, Code of Virginia, up to \$450,000 in the first year and up to \$450,000 in the second year is hereby authorized for associated infrastructure improvements which may be constructed in any location in Virginia so long as their use results in increased safety in Fredericksburg or reduced average dwell times of hazardous materials currently staged in Fredericksburg. Such funds may be awarded to CSX Transportation or other entities or political subdivisions identified by the Department as having responsibility for implementing the associated infrastructure improvement. In the allocation of funds for this project by the Commonwealth Transportation Board, the requirements of § 33.1-22.1:1, Code of Virginia, with the exception of § 33.1-22.1:1 F., are waived.

Explanation:

(This amendment is need to provide flexibility to allow infrastructure to be constructed in other localities that will meet the goal of increased safety in Fredericksburg with regard to rail shipments of hazardous materials.)

Transportation Subcommittee

Transportation

Department Of Transportation

Language

Language:

Page 408, after line 5, insert:

"G. The Department of Transportation is hereby directed to evaluate the impact of the replacement of the federal Transportation Enhancement program with the Transportation Alternatives program pursuant to the adoption of "Moving Ahead for Progress in the 21st Century" (MAP-21) with a focus on determining how best to continue supporting corridor management and improvement projects enhancing Virginia Byways and other historic highway corridors. Such review shall include consideration of establishing a state-funded transportation enhancements program to continue supporting scenic and historic highway programs in the Commonwealth. The Department shall report its findings and recommendations to the Chairmen of the House Appropriations and Transportation Committees as well as the Senate Finance and Transportation Committees no later than November 1, 2013."

Explanation:

(This amendment directs the Commonwealth Transportation Board to examine the impacts of change in federal law and consider establishing a state funded transportation enhancement program. Changes to federal law exclude scenic or historic highway programs from what was formerly known as the Transportation Enhancements Program. Because of the wealth of historic tourism in Virginia as well as the many natural scenic beauty, continuing to support enhancements and corridor management plans associated with Virginia's Civil War Trail, Virginia Wineries Trail, the Crooked Road, and other scenic byways Program and similar programs enhances tourism throughout the Commonwealth and generates revenue.)

Transportation Subcommittee

Item 447 #1h

Transportation

Department Of Transportation

FY 12-13

\$0

FY 13-14

\$900,000 NGF

Language:

Page 408, line 7, strike "\$1,522,437,571" and insert "\$1,523,337,571".

Page 408, line 9, strike "\$394,284,449" and insert "\$395,184,449".

Explanation:

Amendments to House Bill 1500, as Introduced

(This amendment provides additional maintenance funding based on the latest calculations for the additional 0.05 percent sales and use tax that is being redirected for transportation activities.)

Transportation Subcommittee

Item 456 #1h

Transportation

Virginia Port Authority

Language

Language:

Page 417, after line 11, insert:

"D. The Virginia Port Authority is directed to further analyze the necessary improvements identified in the study undertaken under contract by the Virginia Port Authority in 2010 regarding the Commonwealth Rail Line Safety Relocation Initiative in the City of Suffolk. Such study shall focus on the improvements needed to implement the aforementioned study and is intended to help address the impacts of port-related rail traffic in the City of Suffolk. The Virginia Port Authority shall work with the Virginia Department of Transportation and the Department of Rail and Public Transportation to identify the respective share of project costs that should be borne by each entity, recognizing that the rail project seeks to address adverse highway delays caused by rail traffic emanating from the Virginia Port Authority operated facilities. Such review shall assess the availability of Rail Enhancement Funding, Rail Preservation Funding, Railroad Rehabilitation and Improvement Financing, Transportation Innovation and Finance funding, Highway Safety Improvement Funding, Rail Industrial Access grants and Virginia Port Authority funding available to finance the critical improvements. The Authority shall submit a report to the Chairmen of the House Appropriations and Transportation Committees and the Senate Finance and Transportation Committees by November 15, 2013 outlining the potential funding sources and a proposed schedule of completion for the detailed study."

Explanation:

(This amendment directs the Virginia Port Authority to undertake a study to further investigate the improvements identified in a 2010 study conducted for the Virginia Port Authority related to the Commonwealth Railway Mainline Safety Relocation in the City of Suffolk. State funds previously were provided to relocate the rail line through the Cities of Portsmouth and Chesapeake, but no such relocation was undertaken in Suffolk. Currently there are 51 public at-grade crossings in Suffolk, traversed by 167,046 vehicles per day, and resulting in 227 daily hours of

vehicle delay.)

Transportation Subcommittee

Item 3-5.09 #1h

Adjustments and Modifications to Tax Collections

Sales Tax Commitment to Highway Maintenance and Operating Fund Language

Language:

Page 491, after line 28, insert:

"D. If legislation proposed by the 2013 Session of the General Assembly implementing the provisions of paragraphs A of this item is not adopted by the 2013 General Assembly, the revenues generated by a 0.05 percent portion of the sales and use tax pursuant to § 58.1-638, Code of Virginia, shall not be paid to the Highway Maintenance and Operating Fund as outlined by paragraph A of this item, but shall instead be deposited by the State Comptroller in the Revenue Stabilization Fund as an advance payment of any required deposit to the Revenue Stabilization Fund attributable to actual tax collections for fiscal year 2013 or fiscal year 2014, as determined by the Auditor of Public Accounts, in the 2014-2016 biennium. This amount would be in excess of the minimum deposit for fiscal year 2014 as certified by the Auditor of Public Accounts on November 1, 2012 and also would be in addition to such deposits set out in Item 266 D.1. of this act."

Explanation:

(This amendment stipulates that if legislation is not adopted by the 2013 Session of the General Assembly depositing an additional 0.05 percent of the general sales and use tax to the Highway Maintenance and Operating Fund, such amount, estimated at \$49.0 million would instead be utilized as an advance deposit to the Revenue Stabilization Fund.)

Transportation Subcommittee

Item 4-5.12 #5h

Special Conditions And Restrictions On Expenditures

Agreements to Sell, Lease or Transfer Operation of Virginia Port Authority Facilities Prohibited Language

Language:

Page 522, after line 37, insert:

Amendments to House Bill 1500, as Introduced

"Notwithstanding any provision of law to the contrary, the Commonwealth, or any agency or instrumentality thereof, shall not enter into any agreement for the sale, lease, or operation of any seaport, or any other capital facility under the jurisdiction of the Virginia Port Authority, in Virginia prior to the completion of a comprehensive study of port operations by the House Appropriations and Senate Finance Committees, or by an agency or third party specifically designated by those Committees. These restrictions shall continue subsequent to the completion of such study and remain in force until an agreement for such sale, lease, or operation has been subsequently and specifically authorized in the general appropriation act adopted by the General Assembly."

Explanation:

(This amendment prohibits any agreement for the sale, lease, or operation of Virginia's port facilities until a comprehensive study of the port operations has been conducted and the General Assembly explicitly approves such an agreement as evidenced by language included in the general appropriation act.)
