



Monthly Legislative Report – July 2019

FY20 Budget and Appropriations Update

The House passed the budget deal ([H.R. 3877](#) – Bipartisan Budget Act of 2019) on July 25th by a vote of 284-149. The Senate is expected to pass the budget act before August 1st. The entire Orange County House delegation voted in favor of the bill.

The deal was reached on July 22nd between Treasury Secretary Steve Mnuchin and House Speaker Nancy Pelosi (D-CA). If enacted, this budget deal will set topline spending levels for FY20 and FY21 and suspend the debt ceiling for two years.

The agreement on these top line spending levels will pave the way for Senate appropriators to complete their FY20 appropriations bills and look to conference with the House after the August recess. The budget agreement would provide \$8 billion (above House passed provisions) in additional spending authority for discretionary defense spending. In contrast, the budget agreement sets discretionary non-defense spending levels \$95 billion below the House passed FY2020 appropriations bills (10 of which passed the House and 2 pending House Floor action).

House Speaker Pelosi (D-CA) and Senate Minority Leader Schumer (D-NY) released a joint press release before the bill's passage praising the deal's inclusion of additional funding authority for domestic programs, limited offsets, and a provision that will permanently remove sequester triggers put in place in 2011.

Senate Majority Leader Mitch McConnell (R-KY) also praised the budget deal, saying that he is pleased with its increased Defense spending levels, and that while neither party is 100% happy with the deal, it is a sign of progress despite the reality of a divided government.

A summary of the budget deal's details are as follows:

- The debt limit will be suspended for two years, through July 31, 2021. No additional restrictions will be placed on the Secretary's extraordinary measures authorities.
- The 2019 Bipartisan Budget Agreement limits:
 - **FY2020**
 - Defense - \$738 billion (\$22 billion above FY19 limit)
 - Non-Defense (Domestic) - \$632 billion (\$27 billion above FY19 limit)
 - \$2.5 billion to be used for 2020 Census
 - \$8 billion to be used in the Special War Account.

- **FY2021**
 - Defense - \$740.5 billion (\$2.5 billion above FY20 limit)
 - Non-Defense (Domestic) - \$634.5 billion (\$2.5 billion above FY20 limit)
 - \$8 billion to be used in Special War Account
- **Offsets** – \$77.4 billion
 - Extension of BCA mandatory sequester and customs user fees
- **Bipartisan Agreements:**
 - Specific spending decisions will be left to the members of the Appropriations Committees, with 302(b)s set through the regular process of the committees.
 - Congressional leaders and the administration agree that, relative to the FY 2019 regular appropriations Acts, there will be **no poison pills, additional new riders, additional CHIMPS**, or other changes in policy or conventions that allow for higher spending levels, or any non-appropriations measures unless agreed to on a bipartisan basis by the four leaders with the approval of the President.
 - Current transfer funding levels and authorities shall be maintained, and any modifications must be agreed to on a bipartisan basis by the four leaders with the approval of the President.
 - Any emergency spending levels must be agreed to on a bipartisan basis by the four leaders with the approval of the President.
 - Senate Leaders agree that if a bill has been reported on a bipartisan basis from the Senate Appropriations Committee and is consistent with BCA budget caps and has the support of the Chairman and Ranking Member, they will work together to minimize procedural delays.
 - The Majority Leader will continue to consult with the Democratic Leaders to sequence bills in a bipartisan way and acknowledges that bipartisan concurrence is required to expedite the consideration of any appropriations bill.
 - The President, Congressional Leaders, and the leadership of the Appropriations Committees shall work together to reach bicameral and bipartisan agreement on the orderly and timely consideration of FY20 and FY21 appropriations bills to avoid a government shutdown, and a 12-bill omnibus.

July Advocacy Meetings

Congressman Harley Rouda (D-CA) – We met with Congressman Rouda’s senior staff multiple times this month to discuss OCTA’s BUILD grant application for the State Route 55 Improvement Project and the ongoing aviation fuel tax issue with the FAA that impacts self-help counties. We also discussed the CIG hearing held by the House Transportation and Infrastructure Subcommittee on Highways and Transit and provided a full briefing of

the OC Streetcar project and our work with the FTA. We also discussed TIFIA reform proposed by OCTA.

Congresswoman Grace Napolitano (D-CA) – We met with Congresswoman Napolitano and her staff to follow-up on [H.R. 2939](#) to address the aviation fuel tax issues and possible next steps. The bill currently has nine cosponsors including Reps. Alan Lowenthal (D-CA) and Harley Rouda (D-CA). We discussed potential follow up from the State of CA Department of Finance with the Federal Aviation Administration (FAA). We also discussed the House Transportation and Infrastructure Committee’s progress on a surface transportation reauthorization and Committee hearings this month related to highways and transit issues.

Congressman Lou Correa (D-CA) – We met with Congressman Correa and his staff this month to follow-up on OCTA’s Buses and Bus Facilities grant application at the Federal Transit Administration (FTA) and the delegation support letter being spearheaded by Congressman Rouda (D-CA). We discussed support for Congresswoman Napolitano’s (D-CA) legislation (H.R. 2939) to address aviation fuel taxes. We also discussed support for OCTA’s State Route 55 BUILD grant application and funding for surface transportation security.

Congressman Gil Cisneros (D-CA) – We met with senior staff in Congressman Cisneros’ office to discuss progress on tax extenders in September when Congress returns from summer recess. We followed-up on the need for support for Congresswoman Napolitano’s legislation to address the aviation fuel issue. We also discussed support for OCTA’s BUILD grant application for the State Route 55 Improvement Project.

Congresswoman Linda Sanchez (D-CA) – We met with Congresswoman Sanchez and her staff this month to follow-up on our discussions on OCTA’s projects of interest to include work on the I-405 capacity expansion project. We discussed the timeline for tax extenders legislation and the need to address the aviation fuel tax issue. We also discussed support for OCTA’s BUILD grant application for State Route 55.

Congressman Alan Lowenthal (D-CA) – We met with Congressman Lowenthal’s staff to discuss the House Highways and Transit Subcommittee’s hearing on the Capital Improvement Grant Program (CIG). We also followed-up on our discussions regarding support for OCTA’s Low-No grant application, as well as support for our Buses and Bus Facility grant application at FTA in addition to OCTA’s BUILD grant application for the State Route 55 Improvement Project. We also discussed House T&I Committee’s timeline for a surface transportation reauthorization.

Congressman Mike Levin (D-CA) – We met with Congressman Levin’s staff this month to continue our discussions regarding support for OCTA’s BUILD Applications for State Route 55 and Buses and Bus Facilities. We also discussed the House Select Committee on the Climate Crisis’ hearing on heavy duty vehicles. During the hearing Rep Levin discussed the need to get to zero-emissions. Witnesses discussed the possibility of

implementing a “clean truck” mandate in the USMCA to at least harmonize US-Mexico-Canadian heavy truck emissions standards. We also discussed the timeline for tax extenders legislation and support for the extension of the alternative fuels excise tax credits.

Congresswoman Katie Porter (D-CA) – We met with Congresswoman Porter’s senior staff this month to follow-up on our discussions regarding support for TIFIA reform legislation and followed-up on our Low-No grant application. We also discussed support for OCTA’s BUILD grant application for the State Route 55 Improvement Project.

Senator Dianne Feinstein (D-CA) – We met with Senator Dianne Feinstein’s staff numerous times this month to discuss the timeline for FY20 appropriations in the Senate and the timeline for a deal on budget caps. We followed-up on possible TIFIA reform legislation. We also discussed the timeline for the Senate’s version of a surface transportation reauthorization and the possibility that Congress may need to pass an extension in 2020. We also follow up with the office earlier in the month of the timing of the INFRA grants which were released at the end of the month.

Congresswoman Julia Brownley (D-CA) – We followed-up with staff to Congresswoman Brownley to discuss her Green Bus Act legislation. We discussed their timeline for the bill, next steps, and possible companion bills in the Senate.

Ranking Member Sam Graves (R-MO) - We met with Ranking Member Graves’ staff to discuss updates on progress for the Surface Transportation Reauthorization and possible funding mechanisms for the bill. We also discussed the CIG hearing in the Highways and Transit Subcommittee and the legislative agenda for the T&I Committee in September.

House Transportation and Infrastructure Committee – We met with senior Majority staff on the House Transportation and Infrastructure Committee this month to discuss possible TIFIA reform legislation. We also discussed the opportunity to include TIFIA reforms in the upcoming surface transportation reauthorization or a stand-alone bill.

Senate Environment and Public Works Committee – We followed-up with senior majority and minority staff on the Senate EPW Committee to discuss TIFIA reform legislation to include additions to the bill introduced by Senators Cornyn and Kaine ([RAPID Act](#)). We discussed the need to change the rating system to an “investment-grade rating” that would be raised from \$75 million to \$150 million, and the need for more transparency in the TIFIA application process. We continued our discussions regarding including additional TIFIA reforms in the surface transportation reauthorization and the current outlook for the bill’s timeline. We also discussed the new proposed SAFE Vehicles Rules and the need for a minimum 3-year transition period to avoid project delays. Additionally, in a separate meeting with the majority and minority staff we updated them on the aviation fuel tax issue and the legislation that is currently pending in the House as well as the ongoing discussion with the State of CA and the FAA.

Surface Transportation Reauthorization

The Senate Environment and Public Works Committee is expected to release an initial draft of a surface transportation reauthorization before the August recess. EPW is tentatively calling the draft bill the American Transportation Infrastructure Act (ATIA). Early reports indicate that the bill will authorize \$287 billion for highways, an increase of 28%. Of this, \$259 billion (90%) would be disbursed to states by formula and would seek to address climate change by authorizing new formula-based and discretionary grant programs aimed at reducing emissions. According to some staff, the bill would keep and increase funding for the INFRA grant program. No word yet on if the bill would have more non-highway eligible for INFRA grants than the current program or what the small project set aside would be. The bill would also seek to support programs and projects to improve resiliency in roads and bridges the mitigate the impact of natural disasters. In addition, it would codify the “One Federal Decision” project and permit streamlining Executive Order signed by President Trump in April of 2017. The Senate Environment and Public Works Committee only has jurisdiction over the highways portion of the bill. The Senate Banking, Housing and Urban Affairs Committee is responsible for the transit portion, and the Senate Commerce Committee, Science and Transportation Committee is responsible for the rail portion.

How the Senate’s surface transportation reauthorization will be paid for is under the jurisdiction of the Senate Finance Committee. Senate Finance Committee Chairman Chuck Grassley (R-TN) told reporters on Wednesday that the Committee has not yet begun working on a way to pay for the bill, but that he is planning on meeting with the other Senate Committee leaders to discuss the financing portion soon.

We will follow-up with a detailed summary and analysis once the draft reauthorization is released.

Other Legislative and Administrative Updates

- On Tuesday, July 16th, the House Transportation Subcommittee on Highways and Transit held a hearing to examine the Capital Investment Grants (CIG) program. This program is a key funding mechanism for the OC Streetcar. Full Committee Chairman Peter DeFazio (D-OR) criticized the FTA for delays in disbursing funding for CIG programs. Acting Administrator Williams said that a large part of the delay had to do with the change in Administration after the 2016 elections and that data used to show delays is from the last two years of the Obama Administration and the first two years of the Trump Administration. Some of the Republicans on the Committee asked for additional funding from the program to address rural areas. Chairwoman Holmes Norton (D-DC) noted that the CIG program is designed for high-density areas and that even though this program may not be as beneficial to rural areas as it is to urban areas, she is willing to work with Republicans to ensure rural areas receive adequate resources in an upcoming surface transportation reauthorization.

- The House Select Committee on the Climate Crisis held a hearing this month entitled “*Solving the Climate Crisis: Cleaning Up Heavy-Duty Vehicles, Protecting Communities.*” During the hearing, witnesses asked Congress to significantly increase funding authorization for the Federal Transit Administration’s Low-No program. Another topic during the hearing was the impact of goods movement on the surrounding regions and witnesses discussed a number of possible solutions to reduce emissions including carbon trade programs, heavy truck electrification incentives, and the harmonization of international (US-Mexico-Canada) truck emission rules.
- The full Senate voted to confirm Steve Dickson to be the next Administrator of the Federal Aviation Administration on Wednesday by a vote of 52-40. The Senate also passed a waiver (S. 2249) allowing Dan Elwell to remain at the FAA as Deputy Administrator. The House also approved the waiver before leaving for recess.
- We met with senior staff in the entire Orange County Delegation, in addition to committee staff in both the House and Senate, to discuss the proposed SAFE Vehicles Rule at the Department of Transportation (DOT) and Environmental Protection Agency (EPA). During these meetings we specifically asked for support for maintaining the validity of current planning and programming documents and those under development using EMFAC2014 despite the final SAFE rule. We discussed how the finalization of the SAFE rule would invalidate California’s air quality emissions model used to make transportation conformity determinations, and how the proposed rule would cause delays in major projects. We discussed how there needs to be, at minimum, a three-year transition period and discussed the regional and national impacts of major project delays.

Legislative Tracking (Recent Status Changes are Highlighted)

- On May 23rd, Congresswoman Grace Napolitano (D-CA) introduced a bill to address the use of aviation fuel sales tax issue (H.R. 2939 – *State and Local General Sales Tax Protection Act*). The legislation currently has nine cosponsors, including Reps. Lowenthal (D-CA), Huffman (D-CA), Rouda (D-CA), Carbajal (D-CA), Garamendi (D-CA), Schiff (D-CA), Eshoo (D-CA), Lewis (D-GA), and Scott (D-GA). We spoke with the entire Orange County delegation regarding OCTA’s support for this legislation. The bill has yet to be considered by the House Highways and Transit Subcommittee. California Department of Finance sent a letter to the FAA this month saying that the State is working on complying with their concerns after the FAA sent a letter in May threatening to withhold federal grants to California Airports if the State does not provide data on aviation fuel tax receipts by local jurisdictions for the past two years. The State of California is concerned that they do not have sufficient data to isolate jurisdictional aviation fuel sales. CA and FAA officials are continuing to discuss a path forward, while Congresswoman Napolitano’s bill works its way through the legislative process.

- On June 18th, Congressman Mike Thompson (D-CA), Chairman of the House Ways and Means Subcommittee on Select Revenue Measures, introduced legislation ([H.R. 3301](#) – *Taxpayer Certainty and Disaster Tax Relief Act of 2019*) to address tax extenders. Section 133 of the bill would extend and clarify tax credits relating to alternative fuels until December 31, 2020. Moreover, the bill would back-date excise tax credits to January 1, 2018 and allow any such credit to be refunded for that period of time. The House Ways and Means Committee held a markup of the bill on June 20th, but staff are not sure when the bill will be considered on the House floor.
- Earlier this session, Congresswoman Grace Napolitano (D-CA) introduced a bill ([H.R. 1139](#) – *Transit Worker and Pedestrian Protection Act*) that would direct rail and bus operators to develop and implement operator and transit worker safety plans. The bill currently has 151 (up from 148 last month) cosponsors from both parties and has been referred to the House Highways and Transit Subcommittee. Orange County cosponsors include Congressmen Alan Lowenthal (D-CA), Gil Cisneros (D-CA), Harley Rouda (D-CA), Linda Sanchez (D-CA), and Mike Levin (D-CA).
- Congresswoman Julia Brownley (D-CA) introduced a bill last month ([H.R. 2164](#) – *Green Bus Act of 2019*). If enacted, this legislation would require any bus purchased or leased with funds provided by the Federal Transit Administration (FTA) to be a zero-emission bus by 2028. The bill provides new funding streams for zero-emission buses. At the time of this report the bill has nine cosponsors and has been referred to the House Highways and Transit Subcommittee. Orange County Reps. Gil Cisneros (D-CA), Alan Lowenthal and Harley Rouda are cosponsors on the bill.
- Senator John Cornyn (R-TX) introduced a bill earlier this session ([S. 846](#) – *Transit Infrastructure Vehicle Security Act*) that would prohibit the use of federal dollars for rolling stock that is manufactured by a company that is “owned or controlled by, is a subsidiary of, or is otherwise related legally or financially to a corporation based in a country” that is identified as a nonmarket economy country, or is subject to monitoring by the US Trade Representative. The bill would also require additional certifications in addition to requiring recipients to develop, maintain, and execute a written plan for identifying and reducing cybersecurity risks.
 - The bill was included in the House FY20 National Defense Authorization Act (NDAA) (Section 896 - [Page 581](#)), which passed the House on July 7th.
 - The bill was also included in the Senate FY20 NDAA ([Sec. 6015](#)), which passed the Senate on June 26th.