



## Monthly Legislative Report – May 2018

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### May Advocacy Meetings

**Chairman Mario Diaz-Balart (R-FL)** – We are continuing to follow-up with the Chairman and his staff regarding the Chairman's recent conversations with Secretary Chao where he has re-iterated his support for the CIG program and the OC Streetcar. We also met with senior Committee staff and discussed the FY19 appropriations process and language that related to the CIG programs. The FY19 appropriations bill mandates the Department of Transportation to expend 85% of appropriated funds for the CIG program by the end of the calendar year 2020. The FY18 omnibus included similar language with an end-of-2019 deadline. In past years, CIG funding was available until the DOT spent it. The full FY19 bill is summarized below, but the CIG program receives \$2.6 billion overall, which continues to ensure adequate funding for the OC Streetcar FFGA.

**Congressman Ken Calvert (R-CA)** – We met with staff in Congressman Calvert's office to continue our discussions on FY19 appropriations and support for the CIG program. We thanked the Congressman for his ongoing support on the Appropriations Committee and discussed progress on the FY19 bills. We also gave an update on the OC Streetcar and the potential costs incurred by delays at the Federal Transit Administration (FTA).

**Congressman Alan Lowenthal (D-CA)** – We met with Congressman Lowenthal and his staff to discuss the OC Streetcar and the need to press the DOT on the need for a timetable for an FFGA from DOT. We also followed-up on language that would address the aviation fuel tax issue that was ultimately not included in the FAA Reauthorization and next steps.

**Congresswoman Grace Napolitano (D-CA)** – We followed-up with Congresswoman Napolitano and her staff to the aviation fuel tax issue. We also discussed the President's upcoming infrastructure proposals and the timeline for hearings on potential legislation. We discussed the recently introduced Water Resources Development Act.

**Congressman Steve Knight (R-CA)** – We met with Congressman Knight and his staff to discuss passenger rail safety in the region and rail interoperability. We also discussed the FY19 appropriations process and support for funding the CIG program.

**Senator Dianne Feinstein (D-CA)** – We discussed with Senator Feinstein's staff next steps regarding the Senator's letter to Secretary of Transportation Chao, which outlines the FY18 appropriations for the CIG program including \$99 million for the OC Streetcar in 2018, asking the Secretary to support the projects and sign the necessary FFGAs. The



letter also restates the intent of Congress in supporting these projects. Senator Feinstein is also a member of the Senate Appropriations Committee. We discussed funding for the CIG program in the FY19 Senate THUD bill and other potential ways to press for the OC Streetcar FFGA.

**Congressman Lou Correa (D-CA)** – We followed-up with Congressman Correa and his staff throughout the month to discuss the OC Streetcar and support for the CIG program in FY19 appropriations legislation.

**Chairman Sam Graves (R-MO)** – We met with Chairman Sam Graves and his senior staff to discuss his recent conversation with Secretary Chao regarding the need for an expedited FFGA for the OC Streetcar. We are regularly following up with the staff on progress at DOT. We also discussed the timeline for the President's infrastructure proposal and opportunities for language that would facilitate key projects in any upcoming legislation and what to expect in the upcoming hearings regarding the proposal. The timeline for a possible bill is still in flux, but something could be released this summer. Passage of a larger infrastructure bill, however, is still not expected until after the November elections.

**Congressman Ed Royce (R-CA)** – We followed-up with Congressman Royce and his staff to discuss the OC Streetcar. We discussed next steps on the FFGA and gave an update on our conversations with the FTA and with Chairman Diaz-Balart. We discussed funding for the CIG program in the FY19 appropriations bill and support for language mandating DOT to expend the funds before a set deadline.

**House Transportation and Infrastructure Committee** – We met with senior staff on the House Transportation and Infrastructure Committee to discuss the CIG program and the timeline for an FFGA for the OC Streetcar. We discussed the FY19 appropriations process and movement at DOT. We also discussed Chairman Shuster's remarks that there could be a regulatory reform bill this summer that includes some of the President's principle reforms and funding principles.

**Senate Banking, Housing, and Urban Affairs Committee** – We met with Professional Staff from the Senate Subcommittee on Housing, Transportation, and Community Development multiple times this month to discuss the CIG program and report language and funding levels in the FY19 appropriations bills. We gave additional talking points to committee staff regarding costs incurred by delays at the FTA and the need for an expedited FFGA.

### **FY19 Appropriations and Budget Update**

On May 23<sup>rd</sup> the House Transportation, Housing and Urban Development Appropriations Subcommittee approved their FY19 appropriations bill on a vote of 34-17. Chairman Diaz-Balart (R-FL) said in his opening statements that this bill "builds on the accomplishments in the FY18 omnibus and that this bill is the infrastructure bill that Congress is dealing with". A summary of key funding provisions included in the bill is as

follows:

## **FY19 Transportation, Housing and Urban Development ([LINK](#))**

- **TRANSPORTATION** - \$27.8 billion (discretionary, 87.8 billion overall)
  - \$542 million above FY18 enacted
  - \$11.7 billion above President's FY19 request
  - \$750 million – BUILD (formerly TIGER grant program)
    - \$250 million set aside for Ports
  - \$17.7 billion – Federal Aviation Administration (FAA)
  - \$46 billion – Highway Trust Fund (\$4.25 billion discretionary)
  - \$3.2 billion – Rail Infrastructure and Safety Programs
    - \$2.1 billion above President's request
    - \$1.9 billion – Amtrak
    - \$500 million – State of Good Repair Grants
    - \$300 million – Consolidated Rail Infrastructure Safety Improvements (CRISI grants), a reduction of \$292.5 from FY18 enacted
    - \$150 million – MagLev investments
    - Prohibits funding for High-Speed rail in California
  - \$13.6 billion – Federal Transit Administration (FTA) \$
    - \$141 million above FY18 enacted
    - \$2.5 billion above President's request
    - \$9.9 – FAST Act funding
    - \$2.6 billion – Capital Investments Grant program (CIG)
      - \$1 billion for current FFGA projects
      - \$1 billion for new projects expecting FFGA
  - \$830.2 million – Maritime Administration
  - \$982 million – Safety programs

As mentioned earlier in this report, this bill would mandate the Department of Transportation (DOT) to expend the funds appropriated in this bill for the CIG program by the end of calendar year 2020. This bill would fund the CIG program at \$2,644,960,000, which is \$31.31 million below FY18 enacted but \$1.61 billion above the FY19 budget request. During FY19 Budget hearings with Secretary Chao, Chairman Diaz-Balart and Subcommittee Members voiced their support for the CIG program and asked why the DOT was experiencing delays in signing FFGAs. Secretary Chao said that part of the delay has been difficulty in confirming leadership positions at the department and the complicated nature of the projects in question. The Secretary said that the DOT will meet all statutory requirements and deadlines.

The Senate THUD bill has not been released, but the bill is scheduled for a full committee markup the week of June 4<sup>th</sup>. Senate Appropriations Committee Chairman Richard Shelby (R-AL) has said that he would like to have all of the individual bills ready for floor debate by the end of June. The Chairman hopes that a return to process of debating appropriations bills and their amendments on the floor of the Senate will help relieve the spending dysfunction the Senate has been experiencing for the last decade. Senior



Appropriators in both the House and the Senate are starting to coalesce around a strategy to package the THUD bill with one or two other appropriations bills and pass that bill before September 30<sup>th</sup>. This mini-bus strategy is in direct response to the President's threat to not sign another "omnibus" spending bill.

While T&I Chairman Bill Shuster (R-PA) has said that they would like to propose an infrastructure bill that would contain some regulatory, permitting, and process reforms over the summer, Senate Commerce, Science, and Transportation Committee Chairman John Thune (R-SD) said that he thinks "it's unlikely that anything gets done this year."

### **White House Rescissions Proposal Update**

When Congress returns from its weeklong recess for the Memorial Day holiday, one of the items it must consider is the fate of President Trump's proposal to rescind approximately \$15 billion in prior year unspent federal funds. There has been a great deal of resistance to the proposal in both parties, particularly since this comes on the heels of a bipartisan omnibus appropriations deal and the progress on the FY19 bills. We should expect the pressure on the House to mount as we get further into June with conservatives seeking to reinforce their bona fides on fiscal discipline, GOP moderates and appropriators uneasy about the bill and Democrats seeking to extract maximum political advantage. Even if the package passes the House its fate is uncertain in the Senate. In addition, Trump Administration officials continue to discuss sending additional rescissions proposals to Capitol Hill. To date, the proposals do not directly affect OC funding streams, though the proposed rescission in Children's Health Insurance Program prior year unspent balances would crimp the ability of appropriators to engage in fiscal slights of hand to expand their ability to fund social service programs in FY19.

### **Positive Train Control Update**

On May 16<sup>th</sup> the Senate Appropriations Subcommittee on Transportation, Housing and Urban Development (THUD) held a hearing entitled "*Review of Railroad Safety Initiatives*". Witnesses included Ron Batory, Administrator of the Federal Railroad Administration, Stephen Gardner, Executive VP of Amtrak, Patricia Quinn, Executive Director of Northern New England Passenger Rail Authority, and Art Leahy, CEO of Metrolink. Chairwoman Collins (R-ME) spoke about the several high-profile derailments that could have been prevented by the implementation of Positive Train Control. Ron Batory testified that the implementation of PTC is the FRA's top priority and that he and the administration will work to assist railroads in meeting statutory deadlines. Art Leahy testified that it is vital for Congress to support funding for the implementation of PTC systems, interoperability testing, and ongoing maintenance funding. Leahy also spoke about the region's importance as a freight corridor and how Metrolink has successfully reduced the number of cars on the road and how the agency is constantly working with freight partners and intercity rail to develop a roadmap to optimize services.



## **Hearing: House T&I Committee - FAST Act Implementation – Motor Carrier Provisions**

On Tuesday, May 22nd the House Transportation and Infrastructure Committee met for a hearing entitled “Fast Act Implementation – Motor Carrier Provisions.” In his opening statement Chairman Sam Graves (R-MO) spoke about how the FAST Act specifically impacted the safety and oversight of commercial motor vehicles by increasing funding for motor carrier grant programs and streamlining programs to reduce administrative costs and regulatory burdens. He also stated that he was proud that the FAST Act reformed the Compliance, Safety, and Accountability (CSA) program after hearing the concerns from the industry, the Government Accountability Office, and the DOT inspector general. The Committee heard testimonies from multiple vehicle safety executives including the Ray Martinez, Administrator of the Federal Motor Carrier Safety Administration. A major topic of discussion during the hearing was the Motor Carrier Safety Assistance Program, which provides grant funding important safety work like motor vehicle inspections. Witnesses thanked the Committee for the FAST Act changes saying that they helped streamline their grant programs and increased overall funding levels. Members of the Committee also questioned witnesses about traffic crash fatalities and why they increased over the past year, to which the witnesses responded that they are working with industry partners to maintain the safest transportation system possible by holding motor carriers accountable, promoting knowledgeable drivers, ensuring that vehicles are well maintained, and encouraging innovation to unleash technology that advances highway safety.

## **FAA Reauthorization**

Last month, the House passed [H.R. 4](#), the FAA Reauthorization Act of 2018, by a vote of 393-13 after adopting 105 amendments. Senate Commerce, Science, and Transportation Committee Chairman Thune (R-SD) is working on his own FAA bill and he has now reported [S. 1405](#) on May 9<sup>th</sup> with a recommendation to the Chamber to pass. The report can be found [here](#). Senator Thune’s bill was then moved from the Senate Commerce Committee and was placed on the Senate General Orders calendar. It will be placed on the Senate floor for a vote upon a request for unanimous consent from Majority Leader McConnell. This is expected to happen before August Recess. Chairman Thune wants the Senate to pass an FAA reauthorization bill before the July Fourth recess. House and Senate leaders are negotiating differences in the bills ahead of the vote, with the goal of getting a bill that can pass in both chambers without the need for conference negotiations.

A core difference between the two proposals is their duration, with the House providing five years of funding and the Senate providing three. The House also would provide more funding each year than the Senate.

The current authorization runs through September 30, 2018 however, disaster relief provisions in HR 4 could also stall the final passage this long-term reauthorization. These provisions would allow the president to use other FEMA funds to bolster pre-disaster hazard mitigation account funding and would loosen restrictions on disaster relief beneficiaries allowing them to receive relief aid from various related federal programs.

We will continue meeting and working with Commerce Committee Members and staff to look for opportunities to include language addressing aviation fuel taxes for self-help counties.