



January 17, 2019

To: Legislative and Communications Committee

From: Darrell E. Johnson, Chief Executive Officer

Subject: Federal Legislative Status Report

Overview

An update is provided on the 2019 appropriations process and nominations to the Department of Transportation. A summary of a hearing on surface transportation reauthorization is also included.

Recommendation

Receive and file as an information item.

Discussion

Appropriations Update

As part of the “minibus” appropriations process, the President has signed bills to fund a portion of government operations for federal fiscal year 2019. Five of the 12 appropriations bills have been signed into law thus far. Unfortunately, the transportation funding bill has not yet been enacted. As such, the Department of Transportation was funded as part of a continuing resolution through December 7, 2018. On December 6, 2018, the President signed another short-term continuing resolution through December 21, 2018, after it passed both the House and Senate by voice vote.

On December 19, 2018, the Senate passed a continuing resolution by voice vote that would fund those agencies subject to the continuing resolution through February 8, 2019. The following day, the President indicated he would not sign the Senate-passed bill. The House then amended the seven-week continuing resolution to include \$5.7 billion for border security and approximately \$8 billion in disaster aid. The amended continuing resolution passed the House by a vote of 217-185. The Senate did not pass this measure, nor any other legislation to fund the agencies subject to the continuing resolution, before midnight on December 21, 2018. As a result, those agencies subject to the continuing

resolution, including the Department of Transportation, began shutdown procedures.

On January 3, 2019, the 116th Congress was sworn in with no resolution to the partial government shutdown. That day, the House of Representatives voted on two measures to reopen those agencies experiencing a lapse in appropriations. The first bill would have funded six of the seven remaining appropriations subcommittees for the remainder of the fiscal year, which would include the transportation funding bill. The second bill made the Department of Homeland Security subject to a continuing resolution through February 8, 2019. This bill included the \$1.3 billion of existing border funding and not the substantial increase in border funding that was the initial controversy in the funding negotiations. These measures passed 241-190 and 239-192, respectively. Later that same day, the President formally threatened to veto both bills, leaving Congress with no clear path forward on reopening the closed federal agencies.

As of the writing of this staff report, no legislation had been enacted to reopen those agencies closed due to a lapse in appropriations, which includes the Department of Transportation. A short-term continuing resolution does not directly affect most federal transportation programs since many of them are classified as directly related to the protection of life and safety of the public, although over one-third of the employees at the Department of Transportation are subject to furlough. The plan for the lapse in appropriations, released on December 19, 2018, is as follows:

- Air traffic controllers continued to operate, as did critical airline safety inspections and new aircraft registrations, according to statements made by the Federal Aviation Administration.
- The Transportation Security Administration continued to operate in airports across the country so that air travel would not be affected.
- The Federal Highway Administration and Federal Motor Carrier Safety Administration, which regulates trucking, continued their operations.
- Amtrak planned to continue its normal operations under a short-term shutdown, according to a spokeswoman.
- Work developing rules for self-driving cars, investigating vehicle safety defects, crash testing, enforcement efforts, and some research projects at the National Highway Traffic Safety Administration were all halted, according to the plan.

- Most functions of the Federal Transit Administration would cease, including the flow of federal funds through grants, contracts, and reimbursements to local and regional transit agencies. In the near-term, none of the Orange County Transportation Authority's projects or programs will be affected.
- Railroad inspectors and accident investigators at the Federal Railroad Administration remained at work.

Staff will provide a verbal update with the latest information pertaining to the partial government shutdown.

Hearing on Surface Transportation Reauthorization

On November 28, 2018, the Senate Committee on Environment and Public Works held a hearing entitled, "Addressing America's Surface Transportation Infrastructure Needs." The senators and witnesses discussed the need to avoid a series of short-term extensions and pass a surface transportation reauthorization bill that provides certainty to the transportation sector for years to come. The hearing also focused on the policy issues pertaining to the structural revenue deficit of the Highway Trust Fund. Notably, there was a discussion about the importance of projects like the Road User Charge West effort, to which California is a member, in finding a long-term solution to funding federal transportation programs. The senators and witnesses also discussed the need to address climate change, including through the deployment of new technologies, to ensure the long-term operability of our nation's infrastructure.

Nominations to the Department of Transportation

On January 3, 2019, the President nominated Nicole R. Nason, Assistant Secretary of the Bureau of Administration at the State Department, to serve as Administrator of the Federal Highway Administration. The nomination comes over a year after Paul Trombino withdrew his name from consideration for the same post. Nason previously served as Administrator of the National Highway Traffic Safety Administration and as Assistant Secretary for Government Affairs at the Department of Transportation. Nason's nomination awaits action in the Senate.

Summary

Updates are provided on the appropriations process, nominations to the Department of Transportation, and a surface transportation reauthorization hearing.

Attachments

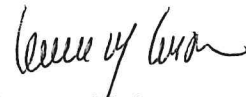
- A. Potomac Partners DC, Monthly Legislative Report – November 2018
- B. Potomac Partners DC, Monthly Legislative Report – December 2018

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