



## Monthly Legislative Report – August 2019

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### **FY20 Budget and Appropriations Update**

On August 2<sup>nd</sup>, the President signed a two-year budget deal ([H.R. 3877](#) – Bipartisan Budget Act of 2019) that suspends the debt limit for two years and sets topline spending levels for defense and non-defense spending for FY2020 and FY2021. Now that a budget deal has been reached, House and Senate Appropriators can begin work in earnest on the 12 individual appropriations bills. When Congress returns to session on September 9<sup>th</sup>, Congress will have 13 legislative days to pass the 12 individual appropriations bills or pass a Continuing Resolution (CR) that would extend funding for the federal government to avoid another partial government shutdown.

During the recess, staff on the House and Senate Appropriations Committees have been working on an initial draft of a Continuing Resolution (CR) in the likely event that Congress is unable to pass all 12 appropriations bills. On August 23<sup>rd</sup>, House Majority Leader Steny Hoyer (D-MD) told reporters he is urging House Appropriations Committee Chairwoman Nita Lowey (D-NY) and Senate Appropriations Committee Chairman Richard Shelby (R-AL) to do everything they can to come to an agreement on as many bills as possible. Hoyer also said if a Continuing Resolution is necessary, House Democrat Leadership will likely support a short-term extension no longer than 60 days.

Senate Appropriations Committee Chairman Richard Shelby (R-AL) has reportedly given the Subcommittee Chairman tentative 302(b)s, the individual spending caps for each bill. The budget caps under the new deal are \$44 billion higher than the FY19 caps and broken down, this equates to a \$19.5 billion increase for defense and a \$24.5 billion increase for non-defense (domestic) spending. Senator Shelby has mentioned in the past that he is considering a set aside of \$5 billion for non-defense border enforcement and/or wall construction. This could escalate an already contentious fight between Democrats and Republicans on border and immigration funding.

### **August Advocacy Meetings**

**Congressman Harley Rouda (D-CA)** – We followed-up with Congressman Rouda's staff this month potential House T&I Committee hearing and markups in September. We also discussed potential TIFIA reforms and new grant programs for the Surface Transportation Authorization bill.

**Congresswoman Grace Napolitano (D-CA)** – We followed-up with Congresswoman Napolitano's staff on [H.R. 2939](#) to address the aviation fuel tax issues and possible next steps.

**Congressman Lou Correa (D-CA)** – We followed-up with Congressman Correa's staff on a possible reform of the TIFIA program. We also discussed the progress on the OC Streetcar.

**Congressman Gil Cisneros (D-CA)** – We followed-up with senior staff in Congressman Cisneros' office to discuss progress on tax extenders in September when Congress returns from summer recess. We also followed-up on the Congressman's possible support for Congresswoman Napolitano's legislation to address the aviation fuel issue.

**Congresswoman Linda Sanchez (D-CA)** – We followed-up with Congresswoman Sanchez's staff this month on the timeline for tax extenders legislation and the possibility of opportunities to include an extension of the alternative fuels excise tax in a Continuing Resolution should it become a solution for funding the government.

**Congressman Alan Lowenthal (D-CA)** – We met with Congressman Lowenthal's staff to discuss the timeline for the House T&I Committee's Highway Bill and policy potential requests that they Committee may be soliciting for that legislation.

**Congressman Mike Levin (D-CA)** – We met with Congressman Levin's staff this month to follow-up on our discussions regarding beach erosion issues between Capistrano Beach and Dana Point and other rail issues.

**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 the FY20 appropriations process.

**Senator Dianne Feinstein (D-CA)** – We followed-up 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 additional progress on the Senate's version of the Highway Bill (to include the Senate Banking, Finance, and Commerce Committees titles) and the possibility that Congress may need to pass an extension in 2020.

**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 again this month to discuss possible TIFIA reform legislation. We also discussed the opportunity to include TIFIA reforms in the upcoming surface transportation reauthorization and the timing of their 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 continued our discussions TIFIA reforms in the Highway Bill and the current outlook for the bill's remaining titles. We also discussed the new proposed SAFE Vehicles Rules and the need for a minimum 3-year transition period to avoid project delays.

**Senate Banking Committee** – We met with senior majority and minority staff on the Senate Banking Committee to discuss the timing of their transit title for the Highway Bill. We were told that the Committee staff is still waiting for direction from Senate Leadership. At this time, they do not yet have that direction. However, they would be interested in any OCTA priorities, as they prepare to write their title.

### **Surface Transportation Reauthorization**

On July 30<sup>th</sup>, the Senate Environment and Public Works Committee unanimously approved S. 2302 – *America's Transportation Infrastructure Act of 2019*, a portion of the Senate's Surface Transportation Reauthorization. In the House, the Transportation and Infrastructure Committee writes the entire bill with the exception of the funding title which is written by the Ways & Means Committee. As it relates to the other titles of the Senate's Highway Bill, the Senate Banking Committee has not yet begun the formal drafting process of their transit title, with senior staff telling us that they are waiting for direction from Senate Leadership. The Senate Commerce Committee similarly has not made much progress this month on their rail titles. The Senate Finance Committee, which undoubtedly has the most important role in determining how to pay for the bill, has also not yet begun drafting their title. Traditionally, increases in funding to the Highway Bill have come from federal gas tax increases, however for more than ten years Congress has been unwilling to increase the federal gas tax and relied on "general fund" transfers. Current Highway Trust Fund revenues, which come from the federal gas tax have not been sufficient to keep up with the national demand for highway maintenance and capacity expansion. The last three Highway bills Congress enacted did not include a federal gas tax increase.

While there is a belief that there could be sufficient votes in the Senate to increase the gas tax, Senate Environment and Public Works Committee Chair, John Barrasso (R-WY), came out against a gas tax increase. Nevertheless, Senate Finance Committee Chair Charles Grassley (R-IA), recently stated he supports a gas tax increase and has the Majority Leader's commitment to allow a vote on the gas tax increase on the Senate Floor at some point.

Should the Senate successfully increase Highway Trust Fund revenues in their version of the Highway Bill with a federal gas tax increase, the House is expected to increase Trust Fund revenues even further. Most House T&I Committee members are hoping for

increased Trust Fund revenues in order to pass a robust Highway Bill that begins to get back on pace with the national infrastructure demand.

As it stands now, the EPW 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. 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.

- Link to the full bill: [LINK](#)
- Bill Summary: [LINK](#)
- Section-By-Section Summary: [LINK](#)

### **Other Legislative and Administrative Updates**

- The Federal Railroad Administration is planning to delay the System Safety Rule by another six months. This is the seventh time the rule has been delayed, now to take effect on March 4<sup>th</sup>, 2020.
- Georgia Senator Johnny Isakson (R-GA) to resign at the end of 2019. Senator Isakson was recently diagnosed with Parkinson Disease, which he says is progressing and will require significant care and recovery treatment.
- Congressman Sean Duffy (R-WI) has also announced his resignation at the end of September 2019. Congressman Duffy told reporters that he will be resigning to spend more time with his wife and 9 children, especially because he and his wife recently learned that their new child, due in October, is expected to be born with major heart complications.