

POTOMAC DC PARTNERS

Monthly Legislative Report – May 2021

May Advocacy Meetings

Congressman Pete Aguilar (D-CA) – We facilitated a virtual meeting with Congressman Aguilar and his staff to discuss FY22 appropriations and the timeline for Committee Markups. On a separate call later in the month, we discussed support for a long-term surface transportation reauthorization bill with multi-year funding and policies aimed at expediting project delivery. We also discussed support for additional emergency COVID-19 funding, support for nationally significant passenger rail and goods movement corridors, and policies and funding that support zero-emission transportation solutions.

Senator Dianne Feinstein (D-CA) – We facilitated a call with Senator Feinstein and her staff to discuss support for a long-term surface transportation reauthorization bill and robust funding for transit. We discussed support for equitable formula funding. We also discussed the timeline for FY22 appropriations in the Senate. We also submitted two requests for Congressionally Directed Spending (CDS, called CPF in the House): (1) the West Santa Ana Branch High-Capacity Transit Study and (2) the Transit Security and Operations Center.

Congressman Jimmy Gomez (D-CA) – We facilitated a virtual meeting with the Congressman and his staff to discuss support for a long-term surface transportation reauthorization bill with multi-year federal funding. We discussed support for transit funding, long term solvency of the Highway Trust Fund (HTF), and other initiatives that advance equity in transportation.

Congressman Lou Correa (D-CA) – We facilitated a virtual meeting with Congressman Correa and his staff to discuss support for a long-term surface transportation reauthorization and long-term solvency of the Highway Trust Fund. We discussed support for emergency funding tied to the COVID-19 pandemic to augment CARES Act relief aimed at supporting ongoing projects and transit operations. We separately followed-up on our FY22 funding requests we submitted through the Community Project Funding (CPF) process.

Congressman Mike Levin (D-CA) – We facilitated a virtual meeting with Congressman Levin and spoke on the phone several times to discuss support for a long-term surface transportation reauthorization and specific project requests. We discussed support for emergency funding tied to the COVID-19 pandemic to augment CARES Act funding for local governments. We also discussed support for transit funding, and other initiatives that advance equity and inclusion in transportation.

Congresswoman Linda Sanchez (D-CA) – We facilitated a virtual meeting with Congresswoman Sanchez and her staff to discuss support for a long-term surface

transportation reauthorization bill and ways to ensure the long-term solvency of the Highway Trust Fund. We also discussed support for additional emergency COVID-19 funding, support for nationally significant passenger rail and goods movement corridors, and funding, legislation, and policies that advance equity and inclusion in transportation.

Congresswoman Grace Napolitano (D-CA) — We facilitated a virtual meeting with Congresswoman Napolitano's staff this month to discuss support for a long-term surface transportation reauthorization bill. We also discussed support for additional emergency COVID-19 funding, and support for nationally significant passenger rail and goods movement corridors. We also discussed the President's proposed budget and the likelihood of a full infrastructure proposal by August.

Congresswoman Julia Brownley (D-CA) – We facilitated a virtual meeting with Congresswoman Brownley's staff this month to discuss support for a long-term surface transportation reauthorization bill. We also discussed support for additional emergency COVID-19 funding, and support for additional transit funding.

Congresswoman Young Kim (R-CA) – We followed-up with Congresswoman Kim to discuss local OCTA projects and support for a long-term surface transportation reauthorization bill with multi-year direct federal funding. We also discussed support for emergency funding tied to the COVID-19 pandemic.

Congressman Alan Lowenthal (D-CA) – We followed-up with Congressman Lowenthal and his staff to discuss the timing for the House Transportation and Infrastructure Committee markup of the Surface Transportation Reauthorization.

Congresswoman Katie Porter (D-CA) – We followed-up with Congresswoman Porter's senior staff to discuss support for long-term surface transportation reauthorization bill with new multi-year direct federal funding. We also discussed support for additional funding to support recovery from the pandemic.

Congresswoman Michelle Steel (R-CA) – We have been in communication with Congresswoman Steel's senior staff to discuss the Surface Transportation Reauthorization process and support for a longer reauthorization.

Senator Alex Padilla (D-CA) – We have been in close contact with Senator Padilla's senior transportation staff to discuss the FY22 appropriations process and the surface transportation reauthorization draft and markup in the Senate Environment and Public Works Committee. We also submitted two requests for Congressionally Directed Spending (CDS): (1) the West Santa Ana Branch High-Capacity Transit Study and (2) the Transit Security and Operations Center.

House Appropriations: Transportation, Housing and Urban Development – We continue to be in close contact with professional staff in the Majority and Minority regarding FY22 appropriations to discuss the process for submitting successful CPF

requests, and the timeline for requests submitted by Members. We also discussed the markup timeline and the process for CPF requests during markup.

House Transportation and Infrastructure Committee — We have been in communication with Chairman DeFazio and his senior staff to discuss Member Designated Projects and their consideration during the upcoming markup scheduled for the second week of June. We discussed the timeline for additional Committee hearings on the infrastructure bill, and new opportunities for funding in that larger bill. With Minority staff, we discussed last year's tolling provisions included in the House Democrat's 2020 Invest Act.

Senate Banking, Housing, and Urban Affairs Committee – We spoke with professional staff to discuss progress on the Surface Transportation Reauthorization. We discussed the outlook for a Senate Banking draft in the coming weeks. We also discussed opportunities to submit stakeholder input to include additional funding for zero-emission buses.

Senate Commerce, Science, and Transportation Committee – We continue to be in close contact with professional staff on the Senate Commerce Committee to discuss the surface transportation reauthorization and the timeline for their markup.

President's Budget Request

On Friday, May 28th, the Office of Management and Budget (OMB) released the full President's budget for Fiscal Year 2022 (FY22). The full budget, which has no statutory authority, is used each year as a starting point for Congressional Appropriators. An outline of the Department of Transportation (DOT) budget request is included below:

Department of Transportation

- \$88 billion for overall funding in FY22.
- \$47.1 billion Federal-aid Highway Program.
- \$2.7 billion Highway Safety Improvement Program.
- \$24.2 billion National Highway Performance Program.
- \$12.1 billion Surface Transportation Block Grant Program.
- \$2.5 billion Congestion Mitigation and Air Quality Improvement Program.
- \$1.5 billion National Highway Freight Program.
- \$1 billion Nationally Significant Freight and Highway Projects Program.
- \$13.5 billion Federal Transit Administration
 - \$2.5 billion Capital Investment Grants (CIG), \$459 above FY21 enacted.
 - \$550 million Transit Infrastructure Grants, of which \$250 million will be set-aside for the Zero Emission Bus Program.
- \$2.7 billion Amtrak, a 35% percent increase compared to FY21 enacted.
- \$18.5 billion Federal Aviation Administration (FAA)
- \$1 billion for BUILD grants, no change compared to FY21.

- \$625 million *New* passenger rail competitive grant program to promote "competitive, low-carbon options for intercity travel."
- \$375 million Freight and passenger rail network safety and resiliency, no change compared to FY21.
- \$110 million through grants and technical assistance to communities to improve transportation equity.

House Democrats on both the Appropriations and Budget Committees have echoed their support for the top-line funding numbers included in the President's Budget.

<u>Surface Transportation Reauthorization Updates</u>

On May 26th, the Senate EPW Committee held a markup of the Surface Transportation Reauthorization Act of 2021 (STRA). The full text of the Surface Transportation Reauthorization Act can be found <u>HERE</u>. Additional materials include a <u>section-by-section</u> and tables for <u>apportionments</u> and <u>authorizations</u>. Chairman Carper (D-DE) applauded the bipartisan process on their Senate EPW Committee, stating that the bill provides \$303.5 billion over 5 years, a 34% increase above FAST Act levels. Senator Carper noted that the bill makes significant investments in reducing transportation emissions, improving safety, and addressing historic inequities in the transportation system, specifically citing the impact of I-95 on Wilmington. Ranking Member Capito (R-WV) also praised the bipartisan bill and its provisions that enable long term investments, provide funding certainty for states and local partners, maintain the nation's network of roads and bridges, streamline project delivery, and meet the demand for future innovation.

A day later, on May 27th, Senate Republicans released a counteroffer to President Biden's infrastructure proposal, the American Jobs Act. The Senate Republican proposal (factsheet <u>HERE</u>) would provide \$928 billion, as opposed to their initial offer of \$568 billion. Comparatively, President Biden's first offer was a \$2.65 trillion proposal. After discussions with Republican Senators at the White House, President Biden indicated he was willing to lower the spending amount in his proposal. On May 28th, Senate Majority Leader Chuck Schumer (D-NY) said that in June, Senate Democrats will draft an infrastructure bill with or without Republican input.

Similarly, the House Transportation and Infrastructure Committee will meet on June 9th to hold a markup of their Surface Transportation Reauthorization bill, to be called the INVEST in America Act. The 2021 version of the bill has not been released, but it is expected to follow a general outline of the 2020 version. A factsheet of the 2020 INVEST Act [The Moving Forward Act] can be found HERE.

On May 19th the House Ranking Member Sam Graves (R-MO) and Committee Republicans introduced their version of the Highway Bill, the *Surface Transportation Advanced through Reform, Technology & Efficient Review (STARTER) Act 2.0.*

This legislation lays out key GOP principles that they hope to include in a bipartisan bill.

Legislative text of the STARTER Act 2.0 can be found HERE.

Once again, the largest issue facing lawmakers in this process is how Congress will pay for a long-term surface transportation reauthorization and/or a broader infrastructure package. During a Senate Finance Committee hearing on the solvency of the Highway Trust Fund, the only bipartisan-supported funding mechanism was the use of Private Activity Bonds, or the creation of new municipal bond instruments. As previously reported, President Biden is opposed to raising the federal gas tax.