

**Staff Evaluation of Services Provided by
Potomac Partners, DC for 2023**

The following narrative provides specific information with respect to major issues addressed by Potomac Partners, DC (PPDC) as the Orange County Transportation Authority's (OCTA) primary federal legislative advocate for 2023. Each issue has been evaluated based on effort and outcome using a rating of excellent, very good, good, fair, or poor.

Appropriations and Grant Funding Opportunities

Effort: Excellent; Outcome: Very Good

Both the House and Senate continued to entertain requests for earmarks this year, rebranded as "community project funding" requests in the House and "congressionally directed spending" requests in the Senate. Subject to added transparency requirements and limitations on overall amounts a member could request, PPDC ensured OCTA projects and programs were included. In the final fiscal year (FY) 2023 appropriations bill, OCTA received almost \$13 million in earmarks for projects including the Orange County (OC) Loop, Santa Ana-Garden Grove Rails to Trails, State Route 74 Improvements, and the State Route 91 Project from Lakeview to State Route 55. For FY 2024, PPDC worked equally diligently to submit several OCTA proposals, and successfully ensured these proposals were included in draft FY 2024 appropriations bills. This includes funding for the State Route 91 Improvement Project, the Coastal Rail Corridor Relocation Study, and the OC Loop. While an appropriations bill has yet to be passed, the fact that PPDC was able to get these projects included in the draft omnibus bill demonstrates a high potential for successful inclusion in the final FY 2024 appropriations bill.

In order to be successful in these project submittals, PPDC had to invest significant time to ensure project submittals met all updated guidelines for submittal, which differs by member, the pot of funding being earmarked, and whether it's a member of the Senate or House that is seeking the funding. This required PPDC to answer several questions about each project prior to submittal, working with OCTA staff to get the details necessary. In addition, PPDC assisted OCTA staff in securing support letters and other documents necessary to meet the requirements.

Related to discretionary grants, PPDC again led efforts to secure support from delegation members for projects pursued by OCTA. This included projects for several new programs authorized by the Infrastructure Investment and Jobs Act (IIJA), including the Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) program. OCTA is beginning preparations to undertake a study for the Coastal Rail Infrastructure Resiliency Project, which will evaluate strategies to ensure uninterrupted rail operations in southern Orange County in the short- and medium-term. The funding being requested through the PROTECT program would allow OCTA to move identified strategies to the next phase of project approval

and environmental documentation. The political support for the grant application PPDC was able to obtain was critical to ensuring a comprehensive application. Continued work will need to be done moving forward to better position OCTA for other grant opportunities.

IIJA Implementation

Effort: Very Good; Outcome: Good

Most all transportation policy discussions this year at the federal level revolved around the implementation of the IIJA. Entering 2023 without an annual appropriations bill approved stalled some of the most immediate implementation activities as the funding levels provided via continuing resolution were aligned with previous authorizations. PPDC remained engaged throughout the appropriations process to ensure funding levels in the final appropriations bill matched at least what was provided by the IIJA. Programs such as the Buses and Bus Facilities Discretionary Grant Program and the Capital Investment Grant Program ultimately received even more funding than authorized, demonstrating the emphasis Congress had on investments in transit capital projects. Additionally, Congress had to act this year to suspend the debt ceiling, since the United States Treasury Department was not going to be able to meet its financial commitments. This resulted in the passage of the Fiscal Responsibility Act of 2023. This legislation established budgetary caps on both defense and nondefense spending for FYs 2024 and 2025. In FY 2024, total nondefense spending, which includes transportation funding, is \$703.7 billion, which is a \$40.2 billion (5.4 percent) decrease compared to FY 2023 funding levels. During the appropriations discussions for FY 24, which remain ongoing, PPDC continued to communicate the importance of maintaining authorized levels for transportation funding. The House has proposed significant cuts to transportation programs in their draft appropriations bill; however, this has yet to be fully negotiated with the Senate.

Beyond appropriations discussions, much of the IIJA implementation activities were correlated with required rulemaking and guidance documents from the Administration. A continued concern this year was a rulemaking related to Buy America required by the IIJA to expand applicability to construction materials, and a memo from the Federal Highway Administration (FHWA) deprioritizing highway investments in federal grant programs in favor of multimodal projects. Since the work done last year, the Government Accountability Office issued a decision that the memo meets the definition of a rule and therefore, the FHWA would need to have submitted a Congressional Review Act report on the memo to enforce such action, for which was not done. For the Buy America conversations, OCTA worked with PPDC to submit comments on this rulemaking, urging continued waiver of enforcement until more information about the feasibility of meeting these requirements, and not adversely impacting transportation projects, could be put together. Waivers have been granted to include some flexibility, but it is expected that conversations related to Buy America will continue next year.

General Services

Effort: Very Good; Outcome: Very Good

PPDC was highly successful in securing key meetings for OCTA on trips to Washington, DC this year. This included meetings with Orange County delegation members as well as key members of committee leadership, including Chair of the House Transportation & Infrastructure Committee Sam Graves (R-MO), Ranking Member of the House Transportation & Infrastructure Committee Rick Larsen (D-WA), and Chair of the Subcommittee on Railroads, Pipelines, and Hazardous Materials Troy Nehls (R-TX). These meetings provided OCTA the opportunity to advocate for policy and funding priorities, including maintaining mode neutrality on federal grant programs, securing community project funding for OCTA projects, and ensuring transportation agencies remain eligible for federal funding programs, including those included in the Inflation Reduction Act. PPDC was also able to timely secure a meeting with the Federal Railroad Administration, which allowed for a key opportunity to discuss the environmental impacts happening on the Los Angeles – San Diego – San Luis Obispo Rail Corridor.

While many of these issues did not lead to ultimate resolution this year, the groundwork was laid for next session to move forward in several areas. Plans have already been formed as a result of these meetings to have a more corridor-wide discussion about the coastal rail lines in the State, and what potential funding and permitting needs may be required to preserve rail operation in the long-term.

While the majority of PPDC's work for OCTA surrounded informing federal policy discussions, PPDC also worked on several other issues on behalf of OCTA including promptly responding to questions from federal delegation members and advising on new policy proposals. This included participating in meetings requested by Orange County delegation staff and in tracking policy proposals by transportation advocacy groups.

Overall Rating

Effort: Very Good; Outcome: Very Good

PPDC's efforts overall are rated as very good based on responsiveness, time dedicated to advocating for and advancing of OCTA's positions and policies, timeliness of information, assisting in building cooperative relationships with Congress and members of the Administration, and availability. PPDC's outcomes overall are rated as very good based on the outcomes of the issues discussed.