

January 2018 Monthly Washington, D.C. Report



To: Steve Heminger, Executive Director

From: Tom Bulger, President GRI

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RE: Monthly Report for January 2018

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- **Trump Infrastructure Plan Leaked**
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Fiscal Year 2018 Appropriations and Government Shutdown

After Congress failed to pass a spending bill to continue funding government operations, the government shutdown on Friday, January 19, 2018. By January 22, the government reopened after the Senate passed a new Continuing Resolution (CR) (H.R. 195) by an 81 to 18 vote. Later the House passed the bill on a 266 to 150 vote. The CR allows similar spending levels to February 8th. Congress still needs to pass a fiscal year 2018 funding bill.

Trump Infrastructure Plan Leaked

Last week a leaked draft of the White House infrastructure plan began circulating. Though the draft document does not include a specific funding request, it has been widely reported that the final plan will request \$200 billion in new spending to leverage another \$800 billion from state, local and non-government sources. The draft plan proposes half of the funds be directed to a new “incentive” grant program for transportation, water infrastructure and Brownfield/Superfund projects. Funds would be awarded primarily based on the non-federal share of new revenue, with maximum grant awards no more than 20 percent of the project’s costs. Of note, the draft plan references a lookback period for “new” revenues, but how it would actually work is unclear.

A quarter of the money would go to new rural infrastructure program distributed in block grants to the states, based on the state’s proportion of rural highway miles and population. Another 10 percent would go to transformative projects. On the transit side, the plan assumes a continuation of New Starts (Capital Investment Grant program) and would require all New Starts projects to include value capture financing in their funding plans. Also of note, the plan would remove the cap on Private Activity Bonds (which could be good for affordable housing financing in CA).

Though the draft document does not include a proposal for how to offset the \$200 billion, one White House official has stated that the plan would be paid for in part by cutting federal funding for transit and Amtrak.

The plan could be discussed in the “State of the Union” speech on January 30th and released in a couple of weeks. The Hill has been muted since the plan was leaked.

US Chamber of Commerce Proposes Fuel Tax Increase

Earlier this month, the U.S. Chamber of Commerce released their infrastructure package priorities, which include support for a 25 cent-per-gallon increase in the federal gas and diesel fee, phased in over five years and indexed to inflation. The Highway Trust Fund is estimated to have a \$138 billion deficit by 2027. The Chamber’s proposal would raise \$394 billion over the next decade and restore the trust fund to solvency with a little left over.

Senator Kamala Harris (D-Calif.) Leaves Senate Environment and Public Works (EPW) Committee

Senator Kamala Harris (D-Calif.) has left the Senate EPW Committee to join the Senate Judiciary Committee. She is also on the Senate select Committee on Intelligence. Interestingly, Senator Dianne Feinstein (D-Calif.) is also on both of these Committees.

MTC Washington March Trip Planning

Planning is well underway for the MTC's Washington, D.C. trip in March. Meetings are being scheduled for March 12th to March 14th. The annual California Transportation Congressional Reception will be on March 13th starting at 5:30 PM in the House Transportation and Infrastructure Committee room.

Meetings

- We helped set up an audio-visual conference with ABAG Board Member David Rabbitt for the CASA event on March 24th.
- Attended the US Conference of Mayors mid -winter meeting in Washington DC. The Trump Administration announced that their infrastructure plan will not contain specific "pay -for" to offset the cost of their infrastructure plan.

Coming and Going

In January there has been an unprecedented number of Congressional retirements. Specially, two stand out. Senator Orin Hatch (R-UT), Chair of the Senate Finance Committee – the committee responsible for identifying “pay-fors” (i.e., sources of revenue) for any infrastructure investment package – and Representative Bill Shuster (R-Pa.), the sitting Chair of the House Transportation and Infrastructure Committee.