

**Metropolitan Transportation Commission and Association of Bay Area Governments  
Joint MTC ABAG Legislation Committee**

**July 8, 2022**

**Agenda Item 4b**

**Washington D.C. Legislative Update**

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**Subject:**

July 2022 Report from Washington, D.C. advocate.

**Issues:**

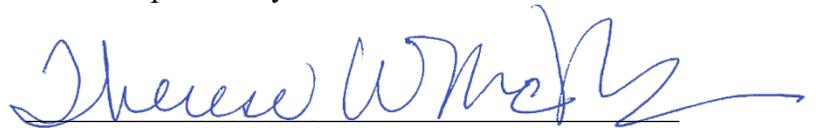
None identified.

**Recommendations:**

Information

**Attachments:**

- Attachment A: Summit Strategies Team Report – July 2022



Therese W. McMillan



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**Summit Strategies Team Report – July 2022**

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**From: Summit Strategies Team**

**To: Therese McMillan, Executive Director**

**Date: July 8, 2022**

**Subject: July Federal Policy Monthly Report**

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- **MTC and ABAG June 2022 Washington, D.C. Advocacy Visit**
  - **House Appropriators Advance Fiscal Year 2023 (FY23) Transportation and Housing and Urban Development (THUD) Bill**
  - **Manchin, White House Continue Behind the Scenes Discussions**
  - **President Biden Calls for Gas Tax Suspension**
  - **Agency Actions and Competitive Grant Update**
  - **National Transportation News Roundup**
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Below is a status update on issues of interest to MTC and the actions that we have taken to date.

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### **MTC and ABAG June 2022 Washington, D.C. Advocacy Visit**

In June the joint-MTC-ABAG team came to Washington, D.C. to meet with the California delegation and key policymakers, and advocate for your priorities. Your federal affairs team worked hard to prepare a schedule that included the relevant elected officials, congressional staff, and executive agency employees that influence public policy in the housing and transportation spaces. In addition to the in-person official meetings, your team was able to have meaningful off the record time with important officials as well. The visit is described in more detail in Agenda Item 4a.

### **House Appropriators Advance Fiscal Year 2023 (FY23) Transportation and Housing and Urban Development (THUD) Bill**

On Thursday, June 30th, the House Appropriations Committee marked up the THUD funding bill. The THUD subcommittee advanced its portion of the legislation earlier in June. It includes a twelve percent increase in total funding compared to FY22, including a \$2.4 billion increase in budgetary resources for the Department of Transportation (DOT), with a total of \$105.4 billion in DOT funding. For the Department of Housing and Urban Development (HUD), the \$62.7 billion total represents a nearly 17% increase above FY22 levels, with a \$1.1 billion expansion of the Housing Choice Voucher (Section 8) program.

The legislation includes the following relevant provisions for DOT:

- \$775 million in national infrastructure investments (the Rebuilding American Infrastructure with Sustainability and Equity (RAISE) discretionary grant program), on top of the \$1.5 billion authorized by the Bipartisan Infrastructure Law (BIL) for a total of \$2.275 billion for FY22.
- \$17.5 billion for the Federal Transit Administration, including:
  - \$13.6 billion for Transit Formula Grants
  - \$3 billion for Capital Investment Grants, combined with \$1.6 billion in advance funding provided by the BIL – \$764 million more than FY22
  - \$646 million for Transit Infrastructure Grants

- The THUD bill included 1,827 earmarks for a total of \$3.7 billion, including 90 by members representing districts within MTC. Funding amounts varied from \$400,000 to \$5 million, with most projects falling between \$750,000 and \$3 million.

The legislation includes the following relevant provisions for HUD:

- \$12.8 billion in funding for new affordable housing and safety improvements for public and low-income housing
- \$1.1 billion in voucher expansion, totaling over 140,000 individuals and families to be served
- \$11.8 billion in Community Planning and Development funding, including \$3.3 billion for Community Development Block Grants
- \$983 million in clean energy investments to improve energy and water efficiency in public and low-income housing

Additionally, the THUD report included language urging HUD and DOT to consider regional governments and councils of governments as eligible entities for funding programs – potentially creating new funding streams for MTC.

Despite this progress in the House, the timing of the final FY23 appropriations bill is uncertain. Disagreements between the Chairs and Ranking Members of the House and Senate Appropriations Committees over relative increases in defense and non-defense outlays and the role of government spending during an inflationary economy are hindering negotiations on the broader FY23 spending bill. Additionally, the Senate is well behind the House in advancing annual spending measures at the subcommittee level. If an agreement is not reached, Congress will likely pass a Continuing Resolution in the fall to avoid a government shutdown.

Your D.C. team has been working with key committee staff and members to ensure that MTC's needs are being addressed.

### **Manchin, White House Continue Behind the Scenes Discussions**

With the reconciliation package repeatedly stalling over the past years, President Biden and his congressional allies are engaging in closed-door negotiations with swing-vote Senator Joe Manchin (D-WV). Discussions are centered around clean energy, inflation and deficit reduction, and price controls on prescription drugs. Proposed financing mechanisms include tax hikes for the upper-income bracket, bolstering common ground between the President and Sen. Manchin. The urgency of negotiations is underscored by the increased likelihood of losing Democrat control over one or both chambers of Congress if a deal is not reached. Without unified control of Congress and the White House, Democrats would be unable to enact legislation through the partisan reconciliation mechanism.

### **President Biden Calls for Gas Tax Suspension**

President Biden has called for Congress to impose a three-month federal gas tax holiday. The White House released a [fact sheet](#) on the proposed holiday on June 22nd, 2022, highlighting temporary relief for consumers as fuel costs and inflation continue to rise. While it is unclear how much of the suspension would flow to consumers, the federal tax rate is 18.4 cents per gallon of gasoline and 24.4 cents per gallon of diesel.

Despite assurances from the White House that the move will *not* result in decreased federal spending on transportation, critics are concerned that the negative ramifications of the holiday would outweigh its benefits. Chair of the House Transportation and Infrastructure Committee Representative Peter DeFazio (D-OR) stated that the over \$10 billion reduction in Highway Trust Fund revenue would stall critical infrastructure initiatives. Lawmakers from California, with the highest gas prices in the country, also responded to the suspension. Representative Huffman (D-CA-02) disapproved of Biden's proposal, citing a lack of meaningful relief and advocating for an alternative solution of rebates or public transit vouchers. Representative DeSaulnier (D-CA-11) has called for legislation combatting domestic oil producer price gouging and establishing a tax rebate program. House Speaker Nancy Pelosi (D-CA) and Senate Majority Leader Chuck Schumer (D-NY) have yet to commit to attempting codification of Biden's proposal through legislation.

## Agency Actions and Competitive Grant Update

### **Federal Highway Administration (FHWA) Announces Bridge Investment Program**

#### **Funding**

On Friday, June 10th, the FHWA announced \$2.4 billion in funding available during the FY22 application cycle for DOT's competitive bridge program. Planning applications are due on July 25th, large bridge project applications are due on August 9th, and small bridge project applications are due on September 8th. [The Notice of Funding Opportunity \(NOFO\) can be found through this link.](#)

### **DOT Announces Reconnecting Communities Pilot Discretionary Grant Program**

On Thursday, June 30th, DOT opened applications for \$195 million in FY22 funding for the Reconnecting Communities Pilot Program. Created in the BIL, this program aims to use transportation to make economic opportunities more accessible. Improvements can include adaptation of existing infrastructure or creation of new infrastructure. The application is due on October 13th, 2022, and awards are expected to be announced in early 2023. [The NOFO can be found through this link.](#)

### **National Transportation News Roundup (links to articles)**

- [Biden Infrastructure Head Defends Repair Over Building New Roads. \(Bloomberg\)](#)
- [The States Shifting Road Safety Dollars Away From Safety Programs. \(Route Fifty\)](#)
- [Soaring inflation and crashing rates are sparking trucking's 'Great Purge.' \(Freight Waves\)](#)
- [North Coast trail plan complicated by US rail ruling. \(Mercury News\)](#)
- [Biden's incredible shrinking infrastructure plan. \(Politico\)](#)
- [S.F. streets are as dangerous as ever. Voters just shot down a chance to make them safer. \(SF Chronicle\)](#)