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July 2015 Monthly Report for MTC

To: Steve Heminger, Executive Director
From: Tom Bulger, President, GRI
Re: Monthly Report for July 2015
Date: August 30, 2015

- **Challenging Fall Awaits Congress**
- **Senate Passes Six-Years Surface Transportation Authorization Bill**
- **House Refuses to Accept the Senate Six-Year Bill**
- **Transit Benefit Included in Senate Tax Extender Bill**
- **Bay Area Council Washington, DC Meetings**
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Challenging Fall Awaits Congress

When Congress returns in September, after a nearly six-week recess, it will face a number of fiscal deadlines. They include finding a way to fund the federal surface transportation programs, keeping the government open and lifting the debt ceiling. Getting all of these finished before the end of the calendar year will be a challenge, and at the same time deciding the nuclear deal with Iran, the Pope's visit and a shorter schedule in September due to the religious holidays.

In August, the Republican leaders are staying calm. The next deadlines hit between Labor Day and Halloween. However, there is a good chance that most, and possibly all, of them will be pushed to the end of the year. Look out for another busy December.

Already, the Republican leaders have said that they cannot finish the annual appropriations bills before the end of the Federal Fiscal year or September 30. That means another stop gap funding bill, or a continuing resolution (CR). Senate Majority Leader Mitch McConnell (R-Ky.) has vowed that there will be no government shutdown and no government debt default. However, there is a contingent of conservatives ready to fight him.

Deadlines:

September 30: Fiscal year ends

The Democrats have successfully blocked the annual appropriations bills to force the Republicans to negotiate. They want a deal that raises the spending limits for defense and domestic programs. Negotiations have yet to begin. So next month a CR will be needed to keep the government running.

End of October: Debt Limit reached

Treasury Secretary Jack Lew told Congress in July that they would have to act before the end of October. Many of the hard line conservatives who opposed raising the debt limit two years ago are running for President.

October 29: Funding for the Federal Surface Transportation Programs expires

In July, Congress approved another Highway Trust Fund and Surface Transportation program patch to October 29. In September, Congress will revisit surface transportation funding. Time is short and another extension is possible.

Senate Passes Six-Year Surface Transportation Authorization Bill

In late July, the Senate, on a 65 to 34 vote, passed the DRIVE Act H.R.22. The DRIVE Act authorizes six years of surface transportation authorizations but only includes three years of funding.

Under the Senate's bill, mass transit spending from the Highway Trust Fund for the three years of secure funding (FY 2018) is 12.7 percent higher than this fiscal year.

House Refuses to Accept the Senate Six-Year Bill

They balked at taking the Senate's six-year surface transportation bill H.R. 22. Instead, they passed another three-month extension to the current surface transportation program. Then they left DC and forced the Senate to accept this extension.

Transit Benefit Included in Senate Tax Extender Bill

The Senate Finance Committee approved S.1946, a two-year package of tax extenders. Included is the transit benefit at \$250/month and at parity with the parking benefit. In the House, it is unclear how these expiring tax provisions will be treated.

Bay Area Council Washington, DC Meetings

On July 28 to July 30, I participated in the Bay Area Council's Washington, D.C. Advocacy activities. The Council had two groups Transportation/Water and Cybersecurity. Meetings were held with Senator Dianne Feinstein (D-Calif.), Victor Mendez- Deputy Secretary United States Department of Transportation, Therese McMillan - Federal Transit Administration Acting Administrator, Rep. Nancy Pelosi (D-Calif.), Rep. Jared Huffman (D-Calif.), Rep. Mike Honda (D-Calif.), Rep. Barbara Lee (D-Calif.) and Senator Tom Carper (D-Del.).

Senator Carper Introduces 16 cents/gallon Gas Tax Increase

Before the Congressional August recess, Senator Tom Carper (D-Del.) introduced S.1994. The bill would increase the federal gas and diesel fuel excise taxes by 16 cents/gallon for deposit in the Highway Trust Fund. The bill's 16 cents/gallon would be phased in over four equal four-cent steps from calendar 2016 to 2019.

Meetings

- Numerous meetings with the Senate Committee on Environment and Public Works staff associated with the Senate's DRIVE Act.

Coming and Going

- Janet Kavinsky is leaving the US Chamber of Commerce to join Vulcan Industries in Birmingham, Alabama.
- Gregory G. Nadeau was sworn in as the Administrator of the Federal Highway Administration on August 11. No news on Therese McMillan's confirmation as FTA Administrator.