

July - August 2018 Monthly Washington, D.C. Report



To: Steve Heminger, Executive Director

From: Tom Bulger, President GRI

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RE: Monthly Report for July - August 2018

- **House Transportation and Infrastructure Committee Discussion Draft Release**
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- **Highway Devolution Bill Introduced in the Senate**
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House Transportation and Infrastructure Committee Discussion Draft Release

On July 23, House Transportation and Infrastructure Committee (T&I) Chairman Bill Shuster (R-PA) released his legislative proposal for a transportation and water infrastructure package. The bill includes a 15-cent gas tax increase along with a number of other provisions intended to restore solvency to the Highway Trust Fund (HTF) by adding \$284 billion in new revenues over the next ten years. All modes that receive funding from the HTF would increase contributions into it: Buses and diesel locomotives would pay the diesel user fee rate. Electric vehicles would pay a new battery tax and bicycle owners would pay a tax on tires. It would sunset the gas tax after 10 years and create another federal commission charged with recommending a replacement for those user fees. The proposal also includes new infrastructure funding and financing programs and project streamlining provisions intended to speed up the infrastructure permitting and approval process.

According to Chairman Shuster, who is set to retire at the end of this year, this legislative “discussion draft” is intended to spur a renewed discussion about a robust reinvestment in American infrastructure rather than serve as a formal infrastructure investment proposal (note that actual revenue increases are the responsibility of the House Ways & Means and Senate Finance Committees, not Chairman Shuster’s House T&I Committee). Notably, there is widespread consensus that Congress is unlikely to act on such a proposal in 2018, given the large number of competing time-sensitive priorities and the lack of interest from sitting Congressional leaders in raising revenues to pay for new infrastructure investment.

Senate Passes Minibus Appropriations Bill

In early August, the Senate in a rollcall vote of 92 to 6 passed four FY 2019 Appropriations bills including the Transportation, Housing and Urban Development (THUD) bill. The full House has not considered the committee-passed FY 2019 THUD bill but hopefully will when they return from the August recess on September 4th.

The Senate bill would increase spending on transportation and housing, consistent with the 2018 bipartisan budget deal. This is good news for the Bay Area. On the policy side, the Senate bill includes a one-year ban on using Federal Transit Administration funds to purchase rail cars and buses subsidized by the Chinese government. There is a broader ban in the House committee-passed proposal, which is expected to have a larger impact on transit operators across the country than the more limited Senate provision.

Three Bay Area Positive Train Control Grants

In August, the Federal Railroad Administration (FRA) announced the recipients of \$204 million in FY 2018 grants for the installation of positive train control (PTC) technology.

The Bay Area grant recipients are as follows:

- SMART for PTC installation from Sonoma County Airport to Windsor: \$5 million
- Caltrans commuter rail coast line (Oakland to San Luis Obispo): \$11.3 million
- Caltrain supplemental funding to test and validate its PTC system: \$18.7 million

The FRA also updated their list of commuter railroads “at risk” of failing to meet the deadline for PTC installation (December 31, 2018, unless the railroad qualifies for an alternative schedule). The Altamont Corridor Express and Caltrain remain in the “at risk” category, along with seven other railroads.

Highway Devolution Bill Introduced in the Senate

In July, Senators Mike Lee (R-UT), Ted Cruz (R-TX), and Marco Rubio (R-FL) introduced S.3190. The bill would reduce the Highway Trust Fund gas tax from currently 18.3 cents a gallon to 3.7 cents a gallon over a four-year period. The federal diesel tax would be reduced from 24.3 cents a gallon to 5.0 cents a gallon over the same four - year period. I don’t believe that this legislation will be enacted.

Joel Szabat Confirmation Hearing

Steve Heminger’s Georgetown University classmate and former California State Assembly Republican staffer breezed through his August Senate Commerce and Transportation Committee confirmation hearing to become the Assistant Secretary for Aviation and International Affairs at the United States Department of Transportation. The Committee is scheduled to vote on his nomination on September 5th.

Meetings

Met and talked with Senator Feinstein’s appropriations staff about amendments to the Senate’s FY 2019 THUD Appropriations bill impacting MTC priorities.