

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
Sent: Fri 11/3/2017 2:04:22 PM
Subject: POLITICO's Morning Transportation: New drone pilot program takes off — Problem Solvers hold out hope for an infrastructure solution in tax plan — Tax plan treads lightly on commuter tax benefit

By Tanya Snyder | 11/03/2017 10:00 AM EDT

With help from Stephanie Beasley and Brianna Gurciullo

TAKING OFF: DOT rolled out its new drone [pilot program](#) Thursday, putting a [draft notice](#) in the Federal Register that outlines how to apply. The final notice will go up next week. The roll-out shindig, featuring drone industry members, public officials and others, was at DOT headquarters, with speakers including: FAA Deputy Administrator Dan Elwell, FAA Administrator Michael Huerta, New Mexico Gov. Susana Martinez, Sen. [John Hoeven](#) (R-N.D.), Rep. [Jeff Denham](#) (R-Calif.), AUVSI President and CEO Brian Wynne, Florida Power & Light's David Herlong, Deputy U.S. Chief Technology Officer Michael Kratsios and Transportation Secretary Elaine Chao.

TI;dr: Huerta said the best applications "will have a well-defined framework for federal and non-federal entities in managing drone flights" and will "have a strong industry partner on board to help explore innovative operations that the FAA currently restricts, like flights beyond visual line of sight, flights at night or flights over people." DOT will pick at least five communities once all applications are in.

THANK GOD IT'S FRIDAY: Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. Tanya has her bike helmet on and is ready to roll, so be sure to send her your tips, well wishes and random thoughts: tsnyder@politico.com or [@TSnyderDC](https://twitter.com/TSnyderDC).

"New York City, Old St. Joe, Albuquerque, New Mexico / This old rig is humming and rolling and she's doing fine / If somebody wants to know what's become of this so and so / Tell em' I'm somewhere looking for the end of that long white line." (h/t Ben Lefebvre)

GET LISTENING: Follow MT's [playlist](#) on Spotify. What better way to start your day than with songs (picked by us and readers) that are all about flying, driving, commuting and sailing?

TIME CRUNCH? After the Federal Register drone pilot document officially publishes, governments will [have](#) 20 days to send in a "notice of intent," or else they won't be able to apply to be in the program this time around.

Workin' hard: In the wake of this year's hurricanes, the FAA "worked overtime to process more than 300 authorizations for drone use in the search, rescue and delivery efforts," Chao said.

And it's worth mentioning: Denham told Chao during his remarks that he and his colleagues "look forward to working with you" on a long-term FAA bill, "as well as this huge infrastructure package that is coming very, very soon."

HOPE SPRINGS ETERNAL: The White House invited members of the infrastructure working group of the Congressional Problem Solvers Caucus over Thursday, following a meeting the group had with Gary Cohn last week. According to one of the attendees, lawmakers renewed their call to combine an infrastructure package with a tax overhaul, even in the face of administration resistance. Rep. Elizabeth Esty (D-Conn.) said she still thinks it could happen - and that it could help turn the tax package from a partisan food fight into a unifying cause with overwhelming support.

IS THERE SOMETHING IN THAT BIG BLACK BAG FOR ME? The GOP tax overhaul plan introduced Thursday would remove a key incentive for employers to offer commuter tax benefits. While employers would still be allowed to either give employees untaxed transportation money as a fringe benefit or to deduct it as pre-tax income from their paychecks, the businesses themselves would not be able to write off the expense. The cap for the transit and parking subsidies (or pre-tax contributions) would still each be \$260 per month for 2018. Several well-positioned urban Republicans, including Reps. Pete King of New York, Barbara Comstock of Virginia and Mike Bishop of Michigan, worked hard to keep the benefit.

And... The legislation would also nix private activity bonds. That provision is likely to irk localities that use them for infrastructure upgrades.

THAT NEW SCANNER TECH: TSA has awarded a \$4 million contract to Analogic Corporation to develop new 3D baggage scanners. Analogic gets 12 months to develop prototypes of computed tomography scanners with 3D imaging and "advanced threat detection algorithms" for airport security checkpoints. The scanners will be provided to TSA with a two-year warranty. "We are honored to receive this contract, which represents the next step toward CT technology taking a predominant place at airport checkpoints to improve security, airport efficiency and passenger satisfaction," Analogic President and CEO Fred Parks said in a statement.

CBO SCORES SENATE TSA BILL: The Congressional Budget Office released a score for the Senate Commerce Committee-approved TSA reauthorization bill, S. 1872 (115). CBO estimated that it would cost \$16 billion to implement the three-year bill, which would not increase direct spending or affect revenues. The Senate bill would renew TSA authorities for the first time in its history and authorize a total of \$24 billion in spending. It includes several provisions aimed at improving airport security including mandates for TSA to expand the PreCheck program, increase its use of bomb-sniffing dogs and to more rapidly deploy new screening technologies.

AIR TRAVEL FROM MIDDLE EAST STILL DRAGGING: Airline traffic between Middle Eastern countries and the United States has not bounced back from the cumulative impact of the Trump administration's bans on in-flight electronics and travel from certain Middle Eastern countries, despite the electronics ban being lifted over the summer, according to the latest International Air Transport Association industry report. The group noted that the 3.7 percent increase in demand Middle East carriers saw in September was the slowest rate of increase since February 2009. "Traffic between the region and the U.S. has fallen for six consecutive months

through August," IATA said.

CALLING FOR BOLLARDS: In the wake of Tuesday's terrorist attack in which a man drove a truck into a bike lane, New York political leaders called for more traffic barriers to separate bike lanes and pedestrian walkways from vehicle traffic. Ydanis Rodriguez, chairman of the City Council's transportation committee, is promoting hit bill requiring the city DOT to install bollards around schools, pedestrian plazas, and high-fatality intersections, reports Conor Skelding. Sen. Kirsten Gillibrand (D-N.Y.) introduced a similar bill in the U.S. Senate on Wednesday. Law or no law, the city started installing dozens of jersey barriers throughout the city on Thursday.

HOUSE BILL WOULD REVIVE TSA AIR CARGO DIVISION: Rep. Bennie Thompson (D-Miss.) introduced legislation, H.R. 4176 (115), on Thursday that would direct TSA to establish an office for air cargo security and set up a pilot program to expand its use of 3D cargo scanners, among other items. Industry groups such as the Cargo Airline Association and the Airforwarders Association have been pressing TSA to consolidate its air cargo staff into one division, as it had previously, and raised the issue during a House Homeland Security Committee hearing back in July. Thompson, who is the top Democrat on the committee, said in a statement that "the threat of a terrorist attack using air cargo on passenger planes is very real and should not be understated".

TRYING TO KEEP UP: At the drone event, Chao also mentioned self-driving vehicles, saying DOT is starting to revise the guidelines that it published two months ago. "This technology also has tremendous potential to reduce highway fatalities and provide greater mobility for underserved communities, such as the elderly and the disabled," Chao said. "So work is advancing quickly on all these fronts. In fact, it's advancing so quickly that an updated version is already in the works for 'A Vision for Safety 3.0.' And that's how fast technology is changing."

Not driving alone: Finch Fulton, who's deputy assistant secretary for transportation policy at DOT, said at a separate event Thursday that the next iteration of the guidance will include other modes, per Eno's Greg Rogers.

SLICE OF PI: Jeff Bezos' spaceflight company, Blue Origin, has followed lobbyist William Stiers to Maynard Cooper & Gale, where Stiers moved after 20 years with Balch & Bingham. (h/t Politico Influence)

SHIFTING GEARS: The Railway Supply Institute has scrambled its Board of Directors roster after the passing last month of Dan O'Neal, who was set to become vice chair. Now Jason Connell will become the secretary-treasurer, taking the place of Bob Hulick, who will become board vice chair. Jack Isselmann will also serve on the board.

THE AUTOBAHN:

- Amazon to start package delivery by drone - in India. The Economic Times.
- "Etihad pares back U.S. service after split with American Airlines." The Wall Street Journal.

- DOT adviser Jim Ray fills in infrastructure plan details in Tampa. [Florida Politics](#).
- "New Tesla autopilot functions are coming in 'the next several months.'" [Futurism](#).
- "Los Angeles, Long Beach port officials adopt new clean air plan." [Press-Telegram](#).
- "'Keep on riding.' Bicyclists pedal on after deadly terror attack on America's busiest bike path." [The Washington Post](#).
- "Regional Metro funding plan delayed again, leaving outcome in doubt." [WAMU 88.5](#).
- "Behind the scenes: The making of Singapore Airlines' new A380 suites." [USA Today](#).
- "In closing argument, Melgen attorneys tell jurors prosecutors 'are lying to you.'" [POLITICO New Jersey](#).

THE COUNTDOWN: DOT appropriations run out in 36 days. The FAA reauthorization expires in 149 days. Highway and transit policy is up for renewal in 1,063 days.

To view online:

<https://www.politico.com/tipsheets/morning-transportation/2017/11/03/new-drone-pilot-program-takes-off-223163>

To change your alert settings, please go to <https://secure.politico.com/settings>

This email was sent to jackson.ryan@epa.gov by: POLITICO, LLC 1000 Wilson Blvd.
Arlington, VA, 22209, USA

Please click [here](#) and follow the steps to unsubscribe.
