

**To:** Jackson, Ryan[jackson.ryan@epa.gov]  
**From:** Morning Transportation  
**Sent:** Tue 10/17/2017 2:03:51 PM  
**Subject:** POLITICO's Morning Transportation, presented by the Embassy of the United Arab Emirates: Drone pilot program to drop any day now — Senate DHS approps up in the air — Ohio River lock back in service

By Brianna Gurciullo | 10/17/2017 10:00 AM EDT

*With help from Tanya Snyder and Adam Behsudi*

**ANY DAY NOW...** The White House is poised to issue an executive order as early as this week (though the timeline has slipped before) creating a pilot program within the FAA to delegate some of the agency's authority over U.S. airspace so localities can regulate drones. While Washington has so far kept federal preemption over state and local laws for driverless cars, drones have been a different story. Drones can fly far lower than traditional aircraft, creating a whole new set of questions involving safety and privacy.

**The fine print:** An early version of the plan involved 10 sites being selected using criteria that were never established, and it's unclear whether the pilot will still be limited that way or whether the FAA will open the door more broadly. It's also unclear whether the pilot plan will include a sunset provision or will continue in place as long as it's working. Tanya has lots [more](#) for Pros.

**IT'S TUESDAY:** Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. Send along tips, feedback and lyrics to [bgurciullo@politico.com](mailto:bgurciullo@politico.com) or [@brigurciullo](https://twitter.com/brigurciullo).

"Just listen to the music of the traffic in the city / Linger on the sidewalk where the neon signs are pretty / How can you lose?"

**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?

**SENATE DHS APPROPS UP IN THE AIR:** The Senate Appropriations Committee [postponed](#) the subcommittee markup of the fiscal 2018 spending bill for DHS that had been scheduled for today. The panel hasn't given a new date for the subcommittee markup, but the full committee markup is still on the schedule for Thursday. The committee announced the postponement the same day the office of Chairman [Thad Cochran](#) said health issues were preventing the Mississippi Republican from coming back to Washington. A spokesman for Cochran [told](#) our POLITICO colleagues that the chairman is looking to "get back as soon as possible."

**A RIVER RUNS THROUGH IT:** The Ohio River's Lock 52 is back up and running after multiple days of [closure](#). Vessels had been stuck in a backup more than 50 miles long. The lock and dam in southern Illinois were built in 1929 and have been slated for replacement since 1988, when the Olmsted Lock and Dam project was authorized. That project is now decades overdue and billions of dollars over budget.

**MAYBE NOT THIS YEAR?** President Donald Trump and Senate Majority Leader Mitch McConnell acknowledged Monday that Republican efforts to overhaul the U.S. tax code could continue into 2018, POLITICO's Brian Faler reports. "I would like to see it be done this year," Trump said to reporters. "But don't forget it took years for the Reagan administration to get taxes done - I've been here for nine months." And McConnell said: "The goal is to get it done this calendar year, but it is important to remember that Obama signed Obamacare in March of year two [of his first term], Obama signed Dodd-Frank in July of year two."

**TWEET(S) DU JOUR:** From Monday's Cabinet meeting, ABC News Politics: "Pres. Trump tells @jonkarl he understands how Steve Bannon feels in his targeting of GOP lawmakers. 'They're not getting the job done.'" POLITICO's Josh Dawsey: "McConnell's wife, Elaine Chao, sits two seats over and smiles the whole time."

**'A CLASH OF TITANS':** Florida Gov. Rick Scott still hasn't announced whether he will challenge Sen. Bill Nelson, the Commerce Committee's ranking member, in 2018. But Democrats are now "airing digital ad buys against the Republican, launching early voter registration drives and coordinating sometimes-fractious progressive groups to boost Democratic voter turnout," POLITICO's Marc Caputo and Edward-Isaac Dove report. "The all-hands-on-deck [effort] ... speaks to the deep concerns among Democratic activists and elites worried about the three-term senator's lagging fundraising and the difficulty of motivating Democratic voters in off-year elections." If Scott runs, it will be the hardest race of Nelson's career.

**\*\* A message from the Embassy of the United Arab Emirates:** It was the largest commercial aviation order in history - UAE airlines bought \$120 billion in US-made Boeing aircraft. That's hundreds of thousands of jobs for Americans. The UAE-US commercial aviation relationship is a win-win deal. <http://politi.co/2yFCemS> \*\*

**BOMBARDIER SEEKS OUT THE ENEMY OF ITS ENEMY:** Bombardier has an ace up its sleeve as it tries to escape almost 300 percent in combined duties that Boeing is trying to have slapped on the Canadian aerospace company's new C-Series aircraft. Bombardier announced late Monday that Airbus would take over a majority stake in the aircraft and would shift final assembly to its plant in Mobile, Ala., where the planes will be American made and not subject to tariffs, if those end up being finalized early next year. The move could create a situation in which Boeing arch-rival Airbus snuffs out a major trade victory for the U.S. company, ratcheting up the tension between two major companies that have been involved in a long-running trade war.

**The best-laid plans...** The news could throw a wrench into Boeing's strategy of using U.S. trade remedy laws to squelch the imports of Bombardier's new competing narrow-bodied aircraft. Delta Air Lines has already reached an agreement with Bombardier to purchase at least 75 of the aircraft. Boeing argues that Bombardier's plane is unfairly subsidized and being sold in the U.S. far below its cost of production. The U.S. aerospace giant has already prevailed in getting the Commerce Department to slap preliminary anti-dumping and countervailing duties totaling almost 300 percent on Bombardier. But it's still unclear if the move will exempt any C-Series aircraft from potential tariffs. The scope of the investigation also covers all 100-seat to 150-seat aircraft "regardless of whether they enter the United States fully or partially assembled."

**SCOTUS WON'T CONSIDER DIGITAL BILLBOARDS CASE:** The Supreme Court has declined to review an outdoors group's case against DOT guidelines on digital billboards. Last year, a federal appeals court shot down the effort by the group, Scenic America, to terminate the guidance to FHWA field offices on how they should evaluate state plans to stand up digital billboards on interstate highways. In a statement, Justice Neil Gorsuch said he was "persuaded that the proper course is to deny certiorari in this particular case even though the issues lying at its core are surely worthy of consideration in a case burdened with fewer antecedent and factbound questions."

**THE LATEST IN THE MENENDEZ TRIAL:** A federal judge on Monday wouldn't throw out any charges against Sen. Bob Menendez (D-N.J.), who is on trial for corruption. The decision came days after the judge questioned a theory that's serving as the foundation of the prosecution's argument. POLITICO New Jersey's Matt Friedman explains it all.

**ICYMI:** Trump has picked Kathleen Hartnett White to chair the Council on Environmental Quality. "As head of the CEQ, White would help guide federal environmental initiatives and develop the administration's policies on issues such as implementation of the National Environmental Policy Act, the landmark 1970 law that requires environmental analyses for federal projects," Pro Energy's Ben Lefebvre reports. "But she's drawn sharp criticism for her unconventional views, including her stance that carbon emissions are harmless."

**BILLIONS AND BILLIONS:** The Brookings Institution took a stab at estimating how much money automakers, technology companies and others have put toward self-driving vehicles. The researchers found over 160 deals from the last three years totaling about \$80 billion, based on public information. "The most striking feature of such investment is the timeline," Cameron Kerry and Jack Karsten of Brookings' Center for Technology Innovation wrote. "Most has been announced in the last two years, with the pace accelerating as 2016 went on."

**SHIFTING GEARS:** Tim Griffin is now executive vice president and chief marketing officer for Amtrak. Like Richard Anderson, the president and co-CEO of Amtrak, Griffin has experience in the airline world. Griffin had jobs at Continental Airlines, Northwest Airlines and American Airlines.

#### **THE AUTOBAHN:**

- "Federal judge hears challenge to third version of Trump's travel ban." POLITICO.
- "Self-driving cars could ease traffic, but increase sprawl." The Associated Press.
- "Toyota to test self-driving, talking cars by about 2020." Reuters.
- "U.K. transport minister: British aviation doesn't need EU open skies." POLITICO Europe.
- Top House Homeland Security Democrat voices concerns about Nielsen. The letter.

- "February derailment has Brightline officials, opponents sparring." [POLITICO Pro Florida](#).
- "Daimler recalls over 1 million vehicles worldwide for air bag fix." [Reuters](#).
- "Lufthansa confirms bid to restructure Alitalia." [POLITICO Europe](#).
- "Is Uber helping or hurting mass transit?" [The New York Times](#).

**THE COUNTDOWN:** DOT appropriations run out in 53 days. The FAA reauthorization expires in 166 days. Highway and transit policy is up for renewal in 1,080 days.

**\*\* A message from the Embassy of the United Arab Emirates:** UAE international airlines Emirates Airline and Etihad Airways are major Boeing customers. Emirates is the world's largest operator of Boeing 777s. And Etihad is responsible for nearly 20 percent of all Boeing 787-10s that are currently on order. Emirates and Etihad now serve 11 US gateway cities from Dubai and Abu Dhabi respectively with more than 260 weekly flights.

The growth of the UAE's aviation industry is the most visible sign of the UAE's overall economic success - a model of stability, growth and diversity in the Middle East. No country has benefitted more from this success than the US. Since 2009, the UAE has been the US's largest export market in the Middle East and North Africa. In 2016, the US had a \$19 billion trade surplus with the UAE, America's third largest trade surplus globally. <http://politi.co/2yFCemS> \*\*

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<http://www.politico.com/tipsheets/morning-transportation/2017/10/17/drone-pilot-program-to-drop-any-day-now-222846>

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