

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
Sent: Mon 6/5/2017 2:03:52 PM
Subject: POLITICO's Morning Transportation, presented by Delta Air Lines: The infrastructure week remix — Who's in, out of Trump's ATC plan — Commuter railroads to huddle on PTC progress

By Lauren Gardner and Tanya Snyder | 06/05/2017 10:00 AM EDT

With help from Stephanie Beasley and Daniel Lippman

THIS IS THE REMIX: ... to Infrastructure Week, everyone. The White House announced Saturday it's kicking off its own week of infrastructure festivities, starting with "legislative principles" President Donald Trump will sign today outlining his vision for Congress to split air traffic control operations away from the FAA, your MT co-host [reports](#) for Pros. House Transportation Committee Chairman [Bill Shuster](#) (R-Pa.), whose ATC spinoff legislation is the basis for the White House plan, is expected to join Trump for the White House announcement today, and your Pro Transportation scribes have some early details.

The principles: Our Kathryn A. Wolfe snagged a [copy](#) of the White House principles, which called Shuster's 2016 bill a "good foundation" that needs improvement and indicated the administration will back any effort that hews to myriad concepts pertaining to fees, governance, labor and national security. The document also states that "the new entity 'must maintain access and services to rural communities and general aviation users' but doesn't outline how, beyond that DoD, diplomatic and public safety aircraft will be exempt from any fees," Kathy [reports](#).

The principles, again: Your MT co-host obtained another [copy](#) of the principles late Sunday containing more details on the administration's expectations for military access and its ideal makeup of the board that would oversee the new ATC body. The administration's proposal would give commercial airlines two seats on the board, as opposed to the four they commanded under Shuster's 2016 bill. The controllers' and pilots' unions would be represented by two seats, while general aviation and airports would each get a seat. The government would have two representatives. Those eight members would choose a CEO and then select four independent members to round things out.

WHO'S IN/OUT: Nothing in either document suggests that general aviation users will be exempt from whatever fee structure the new governing body would set - and that more than likely means general aviation groups won't get behind Trump's plan. However, it appears to include the principles that the National Air Traffic Controllers Association required to support Shuster's bill, primarily that they will essentially be able to retain their current pay and benefit structure under the new plan (which the union [stressed](#) to The New York Times must be a nonprofit entity for their support to remain steady). That spells, essentially, much the same battle lines as have already been drawn, assuming other tweaks the White House outlines aren't enough to sway either side.

Lines in the sand: That all means the White House will have to court the myriad interest groups that have painted their own bright lines since Shuster began his effort in earnest. General aviation groups don't want user fees assessed against their usage of national airspace, and have

worried about their representation on the board. National Economic Council Director Gary Cohn said Friday the administration will embrace user fees in lieu of the current excise tax system, but didn't get into specifics. Rural airports want to be sure they can maintain service; Cohn vowed that they and GA pilots would be "protected" under the overhaul.

Wait, there's more: The makeup of the corporation's board is another major item to watch as aviation interests digest the administration's position. Shuster's 2016 bill would have given commercial airlines and their allies in labor the greatest share of board seats, a proposal that didn't sit well with many. Democrats have made a stink about the Pentagon not getting any representation on the board when DoD plays a significant role in monitoring U.S. airspace, and Trump's respect for the military is well-known. But any tinkering to its makeup could threaten the buy-in Shuster had previously won from his coalition of supporters - though key players like Senate Commerce Chairman [John Thune](#) (R-S.D.) have already said changes must be made to the earlier iteration of the legislation to convince members with significant interests in the GA community to back any major ATC changes.

Not to be outdone: Throughout the week, Trump will highlight his vision for other transportation modes like roads, rail and inland waterways. He'll make a speech highlighting rural infrastructure Wednesday along the Ohio River and will visit DOT headquarters on Friday to talk about the federal permitting process.

WELCOME TO MONDAY: Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. Send us tips, feedback and lyrics to tsnyder@politico.com or [@TSnyderDC](https://twitter.com/TSnyderDC) and lgardner@politico.com or [@Gardner_LM](https://twitter.com/Gardner_LM).

"They say, walking women home is a thing of the past / Women want to ride and ride around in class / Some like Cadillacs, boys, some like Fords / Some like anything as long as it rolls." (h/t John Edwards, Norfolk Southern Corporation)

Want to keep up with MT's song picks? Follow our [Spotify playlist](#).

WILL DEMS PLAY BALL? Democrats' outrage over the Trump administration's decision to stonewall lawmakers' requests for information unless they come from committee or subcommittee chairmen could make them less eager to work with the administration on infrastructure, [reports](#) John Bresnahan.

PTC HELP WANTED: The American Public Transportation Association is holding an all-day meeting Wednesday with commuter railroads, FRA and congressional staff "to share lessons learned that will help commuter rail systems implement the federally mandated positive train control installation deadline," per a spokeswoman. DOT just announced a slew of grants to railroads to help them with PTC implementation by the end of 2018, but some commuter lines are lagging behind their counterparts to the point where FRA officials don't expect all of them to hit enough milestones to even qualify for a limited extension up to 2020 allowed under the law.

The latest numbers: FRA [published](#) the first quarter 2017 statistics on PTC implementation Friday, and passenger railroads are still inching along compared to freight carriers responsible

for a far greater share of route miles and locomotives. The number of passenger route miles in PTC operation even declined a percentage point between the first quarter of 2017 and the last quarter of 2016, due to some track being taken offline.

What they're saying: Grant recipients MT reached said they would either meet the 2018 deadline outright (though some hedged and said they expect to), or hit enough of the benchmarks to qualify for additional time. Many commuter lines have had a harder time complying with the requirement due to cost and resource constraints, which is why Congress authorized and appropriated nearly \$200 million in grants for them to get the technology installed. But others - like Metrolink in Southern California and Philadelphia's SEPTA - stayed well ahead of the deadline and are close to having their systems certified, leaving some wondering why other big-city systems like Chicago's Metra and Boston's Massachusetts Bay Transportation Authority are straggling.

What they'll say: Congressional staff isn't expected to have much appetite for entertaining more wiggle room for railroads, though keep in mind we're still a year and a half away from the cutoff. FRA's hands are pretty tied under the law, and Obama-era Administrator Sarah Feinberg threatened noncompliant railroads with daily fines if they chose to flout the mandate's original 2015 deadline. But before Congress granted the extension, railroads had warned lawmakers of an unprecedented halt to interstate commerce that would occur under the status quo, as most would likely decide to stop operating altogether rather than taking on the liability of breaking the law. It'll be a tough sell to get Congress to provide more relief, given the structure of the current deadline and the progress made by some major commuter agencies.

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THE WEEK AHEAD:

Monday - Trump signs legislative principles on an air traffic control overhaul at the White House. NHTSA kicks off a weeklong conference in Detroit on vehicle safety developments. Transportation Secretary Elaine Chao is expected to attend.

Tuesday - Homeland Security Secretary John Kelly will testify before the Senate Homeland Security and Governmental Affairs Committee on the department's fiscal 2018 budget request. The National Air Transportation Association holds its annual Aviation Business Conference, and association members will meet with Senate offices to discuss the upcoming FAA reauthorization.

Wednesday - Chao will appear before the Senate Commerce Committee to testify on FAA reauthorization. Later that evening, she will deliver remarks at a dinner hosted by the Competitive Enterprise Institute. The House Transportation Subcommittee on Coast Guard and Maritime Transportation will hold a hearing on the Coast Guard's air, land and sea capabilities.

Thursday - Chao will testify before the House Transportation Committee on the FAA reauthorization. Senate Commerce holds a hearing to consider executive branch nominees,

including Derek Kan to be undersecretary of transportation for policy and Robert Sumwalt to be member and vice chairman of the National Transportation Safety Board. The Hudson Institute [hosts](#) an infrastructure event featuring Sen. John Boozman (R-Ark.) and Virginia Transportation Secretary Aubrey Layne.

Friday - Trump will be at DOT to announce more details on his infrastructure plan.

FMCSA PUTS BRAKES ON CRASH COMPENSATION HIKE: Bus and truck groups are celebrating the Federal Motor Carrier Safety Administration's decision to withdraw an advanced notice of proposed rulemaking that would have raised insurance requirements for buses and trucks so that they match the rising costs of medical care. As our Stephanie Beasley [reports](#) for Pros, the agency announced Friday that it would withdraw the proposal, saying that it did not have sufficient data to support the change. The Owner-Operator Independent Drivers Association quickly issued a statement celebrating the demise of what they considered a "potentially devastating regulation" for small truck companies. The American Bus Association agreed, saying individual companies can best determine what level of insurance is appropriate.

WHO'S MINDING THE MINDERS? The FAA's system for training and evaluating check pilots - those that oversee and evaluate the commercial pilots - isn't working, says a report released Friday by DOT's Inspector General. The IG estimates that the FAA can't verify that 204 of 3,334 check pilots received mandatory training or reviews by an FAA inspector. Further, the people who oversee check pilots are also not being properly authorized, with the FAA unable to prove the proper training and observation of as many as 41 percent of them between 2011 and 2015. Check pilots are also failing to meet requirements for recurring training and observation. Tanya has [more](#) for Pros.

READ 'EM AND WEEP: FTA posted a bunch of WMATA's safety inspection data and [corrective action plans](#) online Friday. FTA has had direct safety oversight of WMATA since October 2015 and makes no bones about the fact that it's looking forward to being rid of it - though first, Virginia, Maryland and the District of Columbia have to build a State Safety Oversight Program that complies with federal guidelines, something FTA has complained is taking too long. [Inspection reports](#), [SafeTrack data](#), [oversight reports](#) and more are now available for the viewing pleasure of transit nerds and masochists.

POST-TURKEY DAY DELAY: FRA has delayed its system safety rule for passenger railroads for another six months, the agency announced late Friday in a pre-publication notice in the Federal Register. The agency says it needs the longer window to review petitions for reconsideration; some state DOTs that sponsor rail service have expressed concern that they're considered "railroads" responsible for developing risk reduction plans under the rule when they don't actually operate trains.

MT MAILBAG: Thune and ranking member [Bill Nelson](#) (D-Fla.) [asked](#) Transportation Secretary Elaine Chao Friday for answers about the Takata airbag recall. The move came the day after Nelson [released](#) new independent figures showing that two-thirds of airbag inflators subject to the recall have yet to be repaired or replaced. More for Pros [here](#).

ARRIVAL LOUNGE: *Heath Hall* starts this week as FRA's deputy administrator. The Mississippi native has a public relations background and did stints early in his career in the George H.W. Bush administration. *Reagan Payne* is starting on June 12 at Cruise Automation, an autonomous vehicle startup out of San Francisco that was acquired by GM last year. She'll be on Rebecca Mark's D.C.-based government relations team and will manage the eastern region. Payne previously worked for Rep. Susan Brooks (R-Ind.).

THE AUTOBAHN:

- "Supreme Court sets deadline for travel ban filings." [POLITICO](#).
- "Fresh safety concerns hang over global airlines conference." [Reuters](#).
- "G.M. Wants to Drive the Future of Cars That Drive Themselves." [The New York Times](#).
- "In Germany, Metro's troubles garner sympathy from around the world." [The Washington Post](#).
- "Trump's sluggish hiring could hamper anti-terror plans." [POLITICO](#).
- "America's Truckers Embrace Big Brother After Costing Insurers Millions." [The Wall Street Journal](#).

THE COUNTDOWN: DOT appropriations run out in 118 days. The FAA reauthorization expires in 118 days. Highway and transit policy is up for renewal in 1,214 days.

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