

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
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Subject: POLITICO's Morning Transportation, presented by Delta Air Lines: Air (traffic control) temperature — CEOs oppose ATC spinoff — Ryan gives infrastructure shoutout

By Lauren Gardner | 06/19/2017 10:00 AM EDT

With help from Brianna Gurciullo

AIR (TRAFFIC CONTROL) TEMPERATURE: A bill to revamp the FAA's air traffic control functions could materialize as soon as this week. Rep. [Sam Graves](#) (R-Mo.), a noted general aviation booster and House Transportation chairman-hopeful, has openly signaled he's trying to find a way to get to "yes" with current Chairman [Bill Shuster](#) - and told MT last week he's "optimistic" about prospects. Of course, the pressure's on for Graves. He wants to lead the committee once Shuster is term-limited from the post next Congress, and he already bucked Shuster once on his marquee issue by voting against last year's bill. With President Donald Trump and now [House GOP leadership](#) on board with at least the broad concept, it's becoming increasingly difficult for members like Graves who want to move up the ladder to remain a hard "no."

That being said: Graves has maintained all along that he has to feel like the general aviation community is "protected" under any new regime in order to win his support. General aviation groups' main concerns are pushing back any new user fees, and the powers and leadership of the board overseeing the new corporation. Pros know that, under Shuster's 2016 bill, private turbine aircraft were exempt from any user fee charges - but that wasn't enough to win support of groups like the Aircraft Owners and Pilots Association. And the corporation's board of directors would have had two seats for GA interests, compared to four for the major commercial airlines. (Keep in mind the Trump administration's "principles" for an ATC overhaul would grant just one seat to general aviation, and two for airlines.) "What's being proposed [by the White House] is just the president's proposal," Graves told us after the committee's hearing the other week on FAA reauthorization. "What the House does in committee is going to be totally different."

How so? The makeup of the board seems ripe for tweaking, given the flak Shuster took last year for the airlines' dominance on it and the administration's suggestions. But any tinkering risks irking groups who were behind that earlier version and who may not be so keen to see competing interests get more goodies. That's particularly the case with the air traffic controllers' union, which has been silent on how it views the White House principles, so far. Then there's the tricky issue of fees. Any whiff of user fees for any segment of general aviation is likely to get a stiff arm. But can proponents stomach carving out more exemptions for GA planes, one of the major issues that consumed lawmakers trying to reauthorize the FAA a decade ago (remember [Edna](#))? And there's the whole issue of "access" and what it means for those smaller planes to have it. Those are the main issues we're watching.

Hot take(off): Anytime lawmakers contemplate major legislation, they have to manage multiple constituencies clamoring to protect their interests (like this little idea called "tax reform"). Most of those bills that make it to a president's desk don't please everybody, but the lead-up is always

a delicate balancing act. This one is no different. And while dynamics in the House appear to be shifting some (all while senior GOP appropriators continue to beat drums against it), the Senate is a totally different animal.

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

"I wanna be your vacuum cleaner / Breathing in your dust / I wanna be your Ford Cortina / I won't ever rust."

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SPEAKING OF FAA: More than 100 CEOs of various-sized businesses - many of whom are pilots themselves - are sending letters to House and Senate leaders today opposing the ATC spinoff. The executives include big names - like Continental Resources' Harold Hamm and Hewlett-Packard's Dion Weisler - alongside the heads of smaller companies that use planes to conduct business. "We stand by the belief and promise from the federal government to all Americans that our nation's airspace belongs to the public, and every person, business and community should have fair and equitable access, not just a few special interests in select cities and metropolitan areas," they wrote.

ICYMI: From Sunday's edition of Playbook - "Speaker Paul Ryan spent the weekend at the Homestead in Virginia for his annual 'Team Ryan' summer outing. His message to K Streeters and donors: the Republican agenda is on track. The Wisconsin Republican laid out his preferred timeline for Obamacare repeal bill, saying that it will be done by mid-summer and tax reform will be completed by the end of the year. ... Ryan also was bullish on infrastructure, telling the group that a series of infrastructure bills will be passed by the end of the year."

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THE WEEK AHEAD:

Tuesday - The Information Technology and Innovation Foundation will host a discussion with the German Embassy on policy and commercial issues around autonomous vehicles.

Wednesday - Former Transportation Secretary Ray LaHood, plus Reps. Marsha Blackburn (R-Tenn.) and John Delaney (D-Md.), will speak at a Bloomberg Government event focused on innovations for America's infrastructure. The Senate Commerce Committee will hold a hearing on David P. Pekoske, the Trump administration's nominee to lead TSA. Later that day, the committee's Space, Science, and Competitiveness panel will convene a hearing on partnerships between commercial space companies and the federal government.

Thursday - A bipartisan, bicameral group of lawmakers will hold the inaugural Capitol Hill National Security Forum to hash out ideas on how to improve U.S. defenses here and overseas. The House Transportation Committee will hold a hearing on passenger rail service.

LIES, DAMNED LIES AND STATISTICS? The Partnership for Open and Fair Skies has taken issue with a report from the U.S. Travel Association saying that last year Gulf airlines "brought nearly 1.7 million additional visitors to the U.S." The partnership - which accuses Qatar Airways, Emirates Airline and Etihad Airways of collecting large state subsidies, making them unfair business competitors - said Friday that the report's conclusions "are based on flawed assumptions that the Gulf carriers are creating new passenger demand, when in reality they are diverting passengers from U.S. airlines."

P3 TALES: The New York Times took a deep dive Friday into other countries' infrastructure spending approaches, comparing India's embrace of public-private partnerships to China's aggressive government investment. Take it away, Gray Lady: "In India, politically connected firms have captured contracts on the strength of relationships with officialdom, yielding defective engineering at bloated prices. ... By contrast, China has engineered one of the most effective economic transformations in modern history in part through relentless investment in infrastructure, traditionally financed and overseen by an unabashedly powerful state. China illustrates both the benefits and perils of state domination. ... The Trump plan was heralded as a way to lift America's sagging infrastructure while spurring growth. But it risks yielding India-like problems while failing to produce China's economic benefits."

SPOTLIGHT ON PORT TRUCKERS: A USA Today investigation published Friday found that southern California port trucking companies have compelled drivers to finance their trucks in a way that let their employers use the debt they amassed "as leverage to extract forced labor and trap drivers in jobs that left them destitute." The story details evidence suggesting port truckers in the state - where countless products manufactured in Asia first enter the country on their way to major retailers - regularly worked more hours than the 14-hour federal limit (of which driving time is capped at 11 hours) that triggers a minimum 10-hour rest period.

LOBBYING UPDATE: Baker & Hostetler registered to lobby for Global Automakers on "policy issues related to international trade and tax reform." And advocacy group Engage Cuba retained the same lobbyists as it pushes to stop the United States' embargo against the island nation.

THE AUTOBAHN:

- "Van hits pedestrians in north London." CNN.

- "Elaine Chao urges USMMA graduates to be 'principled leaders.'" Newsday.

- "Why Uber Might Have to Fire Travis Kalanick." Vanity Fair.

- "Md. lawmakers have plan to remake Metro and let each jurisdiction decide how to pay for it."

The Washington Post.

- "The Car Was Repossessed, but the Debt Remains." The New York Times.

THE COUNTDOWN: DOT appropriations run out in 104 days. The FAA reauthorization expires in 104 days. Highway and transit policy is up for renewal in 1,200 days.

**** A message from Delta Air Lines:** Delta believes that doing right by employees is essential to creating an exceptional customer experience. That's why Delta has an industry-leading employee wide profit-sharing program and has increased employee pay by 40% since 2008. Because happier employees lead to happier customers. Learn more at delta.com/dca **

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