

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
Sent: Fri 5/26/2017 2:14:09 PM
Subject: POLITICO's Morning Transportation: Airlines buckle up for electronics ban expansion — Graves awaiting more infrastructure deets beyond budget — FRA: Some may miss certain PTC deadline

By Tanya Snyder and Brianna Gurciullo | 05/26/2017 10:00 AM EDT

With help from Lauren Gardner, Stephanie Beasley and Kathryn A. Wolfe

FASTEN YOUR SEAT BELTS: U.S. airlines think the Trump administration could announce any day now that its electronics ban will apply to airports in Europe and possibly elsewhere. Airline industry sources told our Kathryn A. Wolfe and Stephanie Beasley that they are preparing should the decision come at any moment. But a different source said the agency was "still doing stakeholder meetings" on Thursday and the roll-out probably won't happen until President Donald Trump is back on U.S. soil.

The implications: An expanded order banning electronics like laptops and tablets from the cabins of flights bound for the United States would breed further tensions between U.S. and European officials, as leaders in Europe have expressed frustration over what they've described as a lack of communication from the U.S. side. It's also guaranteed to trouble the travel industry and pose logistical challenges for airlines of all stripes.

Word from the top: On Thursday, Homeland Security Secretary John Kelly told lawmakers at an appropriations hearing that airlines and others have been pushing DHS not to extend the ban to more airports. "They're willing to do anything not to have me do some of the things that we're contemplating," Kelly said. He said he hadn't come to a final decision by the time of that hearing, but he made clear that it remains under consideration.

So what's the hold up? The risk of terrorists concealing bombs in electronics has to be weighed against the risk posed by stowing highly flammable lithium batteries in cargo holds. Kelly told airports on a conference call this week that learning more about the battery risk would help him make up his mind. On the same call, airport officials said DHS should zero in "on risk-based, multi-layered measures" - focused on travelers deemed to be high risk - "which could be implemented at the last point of departure airports instead of a wholesale ban on electronics," a source briefed on the matter told Steph.

HAPPY FRIDAY: Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. We are your MT hosts today, so please send tips, feedback and lyrics to tsnyder@politico.com or [@TSnyderDC](https://twitter.com/TSnyderDC) and bgurciullo@politico.com or [@brigurciullo](https://twitter.com/brigurciullo).

"Standin' at the crossroad, I tried to flag a ride / Standin' at the crossroad, I tried to flag a ride / Didn't nobody seem to know me, everybody pass me by."

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

PROGRAMMING NOTE - Due to the Memorial Day holiday, Morning Transportation will not publish on Monday, May 29. Our next Morning Transportation will publish on Tuesday, May 30. Please continue to follow Pro Transportation issues [here](#).

MEET THE NEW PEGGY: Welcome Ali Bahrami, who will [assume](#) the role vacated by Peggy Gilligan as the head of the FAA's Aviation Safety division. Bahrami formerly headed the FAA's Seattle office, before decamping for a position at the Aerospace Industries Association.

STAY TUNED? The infrastructure fact sheet OMB released Tuesday [may not be](#) the administration's last word on the matter. Rep. [Sam Graves](#) (R-Mo.) said Thursday that he "absolutely" expects more details later this month or "maybe the first part of June."

GETTING TO YES: Graves was one of just two Republicans to vote against the FAA bill when it was marked up in committee last year, and it could happen again if Chairman [Bill Shuster](#) (R-Pa.) doesn't include some protections for the general aviation community in the next iteration of his air traffic control overhaul proposal. "We're talking, seeing if we can get someplace," Graves said Thursday. "I don't know if we can or not. But we're trying." He noted that he still has "lots" of concerns about Shuster's plan, but that it comes down to "protecting the airspace for everybody that uses it." He added that he and Shuster "are good friends anyway, so that makes it easier."

RSAC IT TO ME: FRA's Railroad Safety Advisory Committee met Thursday for the first time since the election. They reached consensus on a proposal to update hazardous materials transport rules and provided an update on positive train control implementation (tl;dr: It's not great). But the agency was a bit limited in offering more regulatory updates, given DOT's plodding pace in filling out political staff (though Christopher Hess was mentioned as FRA's director of government affairs) and Trump's orders calling for a mass review and culling of federal rules.

A scoop of PTC, please: FRA chief safety officer Bob Lauby said the agency expects that some passenger railroads won't be able to access the two-year additional grace period for meeting the PTC implementation deadline because they won't have hit enough benchmarks, our Lauren Gardner [scooped](#) for Pros. The agency maintains an online dashboard showing each railroad's implementation status - and there are several that had made little to no progress as of the end of 2016.

What's next: While it's unclear what would happen to those lines, remember that as railroads teetered on the brink of missing the last deadline in 2015, there was much discussion about whether they'd have to drastically - or completely - cut service to avoid the liability of operating in contravention of the mandate. As for commuter railroads in particular, lawmakers this week [began announcing](#) lines in their districts that were recently awarded a portion of \$199 million in PTC implementation grant money that Congress included in the fiscal 2017 omnibus.

TAKING A FRESH LOOK: FRA is tweaking an upcoming proposed rule that would mandate both inward-facing and outward-facing cameras on passenger trains, as well as a pending final rule requiring, generally speaking, that at least two crew members staff all trains. The alterations come amid the administration's focus on cost-benefit studies of new regulations, as Lauren

reports for Pros. For example, Lauby said the camera rule likely won't include freight rail because "the cost-benefit analysis goes very negative and causes other issues." As for the crew rule, it will undergo a months-long review to consider "different changes that could be made to make the rule more acceptable both to the current administration and in response to some of the different comments that we have," Lauby said.

THE LATEST ON TRAVEL BAN 2.0: "President Donald Trump's revised travel ban executive order suffered another legal defeat Thursday, prompting the administration to vow an appeal to the Supreme Court," POLITICO's Josh Gerstein reports. "In a 10-3 vote that broke essentially along party lines, judges of the Richmond-based 4th Circuit Court of Appeals refused to disturb a lower court ruling that halted Trump's plan to deny visas to citizens of six majority-Muslim countries. Chief Judge Roger Gregory said in the court's majority opinion that the order was unconstitutional because it was deeply imbued with bias against Muslims - hostility the court identified as a staple of Trump's campaign trail rhetoric."

PROBS NOT GONNA HAPPEN: Sen. John Boozman (R-Ark.) on Thursday dumped on the White House budget request that TSA's passenger security fee increase from \$5.60 to \$6.60, saying the budget "failed to take into consideration any practical realities" and noted that it puts his Senate Appropriations panel in a "tough position." As Steph reports for Pros, the administration says revenue from the fee hike would pay for a good part of its TSA request.

Got your back: At the same hearing, Kelly defended the White House's recommendation that TSA officers no longer man exit lanes. "[Officers'] skills and expertise are not being put to good use while staffing airport exit lanes, and this is a waste of taxpayer dollars," Kelly said in his written testimony, adding that TSA could put 629 additional officers (or more) at security checkpoints if they were taken off exit lanes.

DO DRONES YOUR WAY: A bipartisan quartet of senators introduced a bill Thursday to allow for more local control of drones. That includes allowing communities to "create low-speed altitude limits, local no-drone zones or rules that are appropriate to their own circumstances," said Sen. Dianne Feinstein (D-Calif.) in a statement. While recognizing FAA's authority, the bill allows state, local and tribal governments to set their own restrictions on drone operations and encourages the testing of different approaches, in partnership with the FAA. Sens. Mike Lee (R-Utah), Richard Blumenthal (D-Conn.) and Tom Cotton (R-Ark.) are also sponsors of the bill.

AUTOMAKERS NERVOUS ABOUT NAFTA REBOOT: Automakers are urging Trump "not to make any changes to NAFTA that would jeopardize production ties with Canada and Mexico that have been built up over the last 25 years," Pro Trade's Doug Palmer reports. The companies are "performing at levels that really haven't been seen in decades," said Charles Uthus, the vice president for international policy at the American Automotive Policy Council, and he credits NAFTA for a large part of that success. Uthus fears that raising tariffs "would reduce the overall competitiveness of the North American region," Doug writes. Auto parts manufacturers also say NAFTA has been good for them and they don't want to "upset the supply chain."

WHAT'S SEPTEMBER WITHOUT A SHUTDOWN THREAT? With the House four

months behind schedule on appropriations and facing uphill battles over taxes and health care, Republican leaders are already starting to worry about a possible shutdown this fall, POLITICO's Rachael Bade and John Bresnahan [report](#). GOP leaders are also worried about getting the votes they'd need to raise spending caps to accommodate Trump's defense spending request. With the calendar so full and Trump's continued missteps eroding his political capital and emboldening Democrats, a third-quarter infrastructure bill could be a stretch.

MORE THAN HALF THE SENATE WANTS CUBA TRAVEL: Led by Sens. [Jeff Flake](#) (R-Ariz.) and [Patrick Leahy](#) (D-Vt.), a bipartisan group of 55 senators reintroduced a [bill](#) that would eliminate restrictions on U.S. tourist travel to Cuba. The bill had just eight co-sponsors when it was introduced in the last Congress. This version comes as the travel community awaits Trump's decision about whether he will maintain President Barack Obama's policy of opening diplomatic and travel ties with Cuba or whether he will return to a more hard-line approach against the Cuban government.

PRECHECK YOURSELF BEFORE YOU PREWRECK YOURSELF: PreCheck is [expanding](#) to include seven new carriers: Copa Airlines, Dominican Wings, InterCaribbean Airways, Silver Airways, Singapore Airlines, Swift Air and Turkish Airlines. That brings the total to 37 carriers that participate in the program, which is available in 180 U.S. airports.

MT MAILBAG: California Rep. [Duncan Hunter](#), the chairman of the House Transportation Committee's Coast Guard panel, sent a letter to Commandant Paul Zukunft on Thursday asking him to send an "unfunded priority list" to lawmakers within 10 days that includes three heavy icebreakers ("at the very least") and three medium icebreakers. "Any list that is produced without identifying these assets among other top acquisition priorities would surely raise questions about the Coast Guard's sense of urgency as well as the overall commitment to build icebreakers consistent with statements and testimony from you and the service's leadership," Hunter wrote.

Not impressed by Trump's budget: As Pro Defense's Jacqueline Klimas [reports](#), Hunter thinks the service should "produce an exhaustive list ... that fully represents both your short-term and long-term needs." He argues that such a list "is even more important given the president's budget request and its lack of adequate support for polar icebreaker funding." Trump's fiscal 2018 budget proposed \$19 million for a new Coast Guard icebreaker.

LOOKING TO STEER POLICY: Plurus Strategies, a firm that just started up in Washington, is [lobbying](#) for The Northeast Maglev. The company is pushing for maglev technology to be built through the Northeast Corridor, with a first leg envisioned between Washington, D.C., and Baltimore.

JOIN US: The General Aviation Manufacturers Association announced Thursday that Siemens and Meiya Group Global have joined the trade organization.

SHIFTING GEARS: Steve Rebillot has left the Associated Builders and Contractors to be senior director of federal affairs for the Wine & Spirits Wholesalers of America. Rebillot was director of legislative affairs for ABC. (h/t [POLITICO Influence](#))

THE AUTOBAHN:

- "Trump budget cuts funding for security at train stations, rail networks." [The Wall Street Journal](#).
- "Trump to EU: Germany is 'bad, very bad' for selling too many cars in the U.S." [New York Magazine](#).
- "Metro track workers will face disciplinary action after Yellow Line 'near miss.'" [The Washington Post](#).
- "Web of tracks, switches complicates NY Penn Station summer repairs." [Reuters](#).
- "Blackstone works with Saudi Arabia on U.S. infrastructure investments." [The New York Times](#).
- "Ex-TSA chief John Pistole in talks for top FBI job: report." [The Hill](#).
- "GM accused in lawsuit of deceit on diesel truck emissions." [The New York Times](#).
- "Ford lures engineer back from Uber to oversee self-driving cars." [The Wall Street Journal](#).
- "Doomed jet made late, hard turn into Teterboro, NTSB says." [NJ.com](#).

THE COUNTDOWN: DOT appropriations run out in 128 days. The FAA reauthorization expires in 128 days. Highway and transit policy is up for renewal in 1,224 days.

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