

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
Sent: Wed 10/18/2017 2:03:05 PM
Subject: POLITICO's Morning Transportation, presented by the Embassy of the United Arab Emirates: WH officials, senators to talk infrastructure today — NTSB prods FAA on balloon safety — PreCheck service provider takes aim at Senate bill

By Brianna Gurciullo | 10/18/2017 10:00 AM EDT

With help from Stephanie Beasley and Lauren Gardner

LET'S TALK: Republicans on the Senate Commerce Committee will sit down today with a quartet of White House officials to talk infrastructure. Those are Reed Cordish, an assistant to the president in the White House Office of Innovation; Jeremy Katz, the deputy director of the National Economic Council; DJ Gribbin, the special assistant to the president for infrastructure policy; and Joe Lai, a special assistant to the president in the Office of Legislative Affairs. A White House spokeswoman said the meeting on Capitol Hill "is a follow-up from previous discussions between the administration and Republicans on the Commerce Committee."

I'll show you my ideas if you show me yours: Commerce Chairman [John Thune](#) (R-S.D.) told reporters Tuesday that he wants "to find out a little bit more about what their thinking is and to give them an opportunity to hear from our members about what their priorities are." The White House hasn't revealed much more about its infrastructure plan since May, when it published a set of "[principles](#)" with President Donald Trump's fiscal 2018 budget proposal.

The pressure is on: Republicans have said that an infrastructure package will come after an attempt to overhaul the tax code. Thune on Tuesday said he hopes Congress will turn to an infrastructure bill in time for the 2018 elections. "If we can get a result on tax reform, get a budget done, confirm some judges, hopefully set up a debate about infrastructure perhaps for next year, I think we'll be in a good place," he said.

IT'S WEDNESDAY: Thanks for tuning in to POLITICO's Morning Transportation - your daily tipsheet on all things trains, planes, automobiles and ports - where your host just wants to be outside. Hit me with tips, feedback and lyrics: bgurciullo@politico.com or [@brigurciullo](#).

"Wish I was back on the bayou / Rollin' with some Cajun Queen / Wishin' I were a fast freight train / Just a chooglin' on down to New Orleans."

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?

MONEY IN YOUR EARS: POLITICO's new Money podcast brings you to the intersection of Washington and Wall Street with the most influential minds on the economy. Every Wednesday, Ben White will help you understand the economic and financial policies that move markets. While money never sleeps, you have to - so let Ben keep you up to speed and turn dollars into sense. The first POLITICO Money podcast, premiering with our launch sponsor, Morgan Stanley, features Treasury Secretary Steven Mnuchin. Click [HERE](#) to subscribe.

NTSB PRODS FAA ON BALLOONS: A hot air balloon pilot's poor decision-making, coupled with lax regulations and his medical history, led to a fatal 2016 crash in Texas that killed him and 15 passengers, the NTSB determined Tuesday. The board called on the FAA to throw out balloon operators' exemption from medical certification requirements and review how it conducts oversight of smaller balloon companies, which it found largely escape regulators' scrutiny. The combination of the pilot's medical conditions, like ADHD and depression, and the cocktail of prescription and over-the-counter drugs in his system - including diazepam, an opiate and enough of an allergy medication to produce an "impairing effect" akin to a drunk driver - "likely affected the pilot's ability to make safe decisions," NTSB found.

Fighting words: Chairman Robert Sumwalt had some harsh words for the FAA after a Friday email it sent lauding an industry-backed voluntary standards program for balloon operators. "They are abdicating their responsibility to provide oversight," he said. While Sumwalt said voluntary programs can be a good thing, he noted the pilot in question likely wouldn't have participated in the one established by the Balloon Federation of America, since he wasn't a member and didn't go to its events.

Not the first time: NTSB alerted FAA in 2014 that it considered its lax regulation of the balloon industry problematic, but Administrator Michael Huerta responded that the agency believed the risk to be low, given the tiny amount of ballooning domestically and pilots' understanding of the risks involved. "I think that the FAA has the responsibility to provide oversight. That's what the regulator does," Sumwalt said after the meeting. "And from what I've seen, it appears that they're just saying, 'Oh, the BFA is going to take care of that, so therefore we can keep doing what we're not doing.'"

For your radar: The Senate included a requirement for balloon operators to have second-class medical certificates in its long-term FAA bill (S. 1405 (115)), which is still pending. When asked whether he thinks Congress or the FAA will act first on the issue, Sumwalt said: "Well, this accident happened 14-and-a-half months ago. And what has the FAA done to this point? Have we seen any notion at all that they're going to move forward with a requirement for a medical? We've not seen that. I think that speaks for itself." (FAA has 90 days to respond to NTSB's recommendations.)

'CAUSE BABY, NOW WE'VE GOT BAD BLOOD: MorphoTrust USA is warning senators against passing a TSA reauthorization bill (S. 1872 (115)) that would expand the number of private companies the agency partners with for PreCheck marketing and vetting, citing the potential for it to lower security standards. The Senate bill encourages TSA to allow companies to vet applicants through means other than fingerprinting. As Steph reports, MorphoTrust, which has been the sole PreCheck service provider since the program's inception, is pushing lawmakers to abandon the language by arguing that no commercial technology is equivalent to the FBI's fingerprint-based database.

Let's play catch up: MT readers may recall that MorphoTrust filed a federal complaint against TSA last year when the agency opened the bidding process for PreCheck contracts. TSA eventually withdrew its request for applications because of cybersecurity concerns. However, the

agency's current contract with MorphoTrust expires next year, and the agency says it plans to begin soliciting new applications soon.

**** 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> **

BETTER LUCK NEXT WEEK: The Senate Appropriations Committee has moved all markups of its fiscal 2018 DHS spending bill to next week. The subcommittee markup had been scheduled for Tuesday of this week and the full committee markup had been set for Thursday. As Steph [reports](#), the change of plans "was due to uncertainty about when Senate Republicans might take up a budget resolution and will also allow more time to consider a supplemental appropriations bill, the committee press office said in a release." Plus, Senate Appropriations Chairman [Thad Cochran](#) (R-Miss.) just [came back](#) to Washington amid ongoing health problems.

Wish list: On Tuesday, Sen. [Jon Tester](#) (D-Mont.) said he was concerned that Democrats still hadn't seen the text of the bill. "I don't know what they're funding. I don't know what they're not funding. I don't know," he said. He said one of his biggest priorities will be to ensure TSA retains funding for airport security programs like VIPR, which has been targeted for cuts by the Trump administration. Sen. [Tammy Baldwin](#) (D-Wis.) also plans to offer an amendment that would provide funding for the Coast Guard to construct a second polar icebreaker that could be used to patrol the Great Lakes region.

SPEAKING OF POSTPONEMENTS: The Senate Environment and Public Works Committee [postponed](#) a meeting during which it was planning to vote on Paul Trombino's nomination to be FHWA administrator. The committee didn't give a reason for the postponement or a new date for the meeting, which was supposed to be this morning.

TRAVEL BAN 3.0 STOPPED COLD: A federal judge has halted parts of Trump's new travel ban. In granting a temporary restraining order, the judge in Hawaii found that the policy seemed to be violating immigration law, POLITICO's Josh Gerstein [reports](#). The new restrictions would have gone into effect today.

PEKOSKE'S PRIORITIES: Freshly-minted TSA Administrator David Pekoske told an ACI-NA security conference Tuesday that his top priorities include increasing enrollment in PreCheck and Global Entry and securing public transportation areas, Steph [reports](#). Recent incidents like the Las Vegas shooting have highlighted the risks associated with mass gatherings at places like airports, Pekoske told the audience. "In my ideal world, somewhere downstream, we won't have hundreds of people queued up to go through a security checkpoint," he said.

A look ahead: Pekoske emphasized the need for TSA to have procedures in place to help it deal with evolving threats and to start thinking more strategically. Specifically, Pekoske said he would like to increase TSA's focus on developing new technologies like automated screening lanes and maximizing use of existing technologies through partnerships with airlines and airports. His comments on TSA's need for innovation were reminiscent of former TSA head

Peter Neffenger, whom Pecoske name checked in his speech. "I'm a big fan of Peter Neffenger's," he said. "When I was I offered this position the first person I called was Peter." The Hill's Melanie Zanona spotted the two chatting at the event.

SELF-DRIVING CARS IN NYC: General Motors is looking to test self-driving Chevrolet Bolts in a 5-square-mile area of lower Manhattan beginning in 2018, POLITICO New York's Dana Rubinstein reports. "New York City is one of the most densely populated places in the world and provides new opportunities to expose our software to unusual situations, which means we can improve our software at a much faster rate," Kyle Vogt, the CEO of GM's Cruise Automation, said in a statement.

I'm walkin' here: Cornell University professor Bart Selman observed that pedestrian-heavy Manhattan could present a challenge: "pedestrians 'bullying' self-driving cars." He said: "Pedestrians don't step in front of human-operated cars because they are not sure the driver will stop - but self-driving cars will not have a choice but to stop."

FACE TIME: Kirstjen Nielsen, Trump's nominee to be DHS chief, was on the Hill on Tuesday and met up with Senate Homeland Security Chairman Ron Johnson (R-Wis.). They spoke about countering terrorism, security along U.S. borders, cybersecurity and hurricane response, according to a release from the panel.

ON THIS DAY... The Senate cleared the conference report for the first-ever DOT spending bill on Oct. 18, 1967, the Eno Center for Transportation's Jeff Davis writes.

TWEET DU JOUR: Rep. Mario Diaz-Balart (R-Fla.) tweeted Tuesday: "Welcomed @SecElaineChao this morning at @iflymia [Miami International Airport] for a working lunch with local #transportation leaders. #SFL."

SLICE OF PI: Our friends at POLITICO Influence report: "The Minnesota conglomerate 3M has added Gregory Cohen as an outside lobbyist working on 'research and deployment of innovative transportation safety technologies,' according to a disclosure filing. While 3M spent \$760,000 on lobbying in the second quarter, Cohen is one of only a handful of outside lobbyists the firm employs. The others: Baker Donelson and Schumacher Partners International."

THE AUTOBAHN:

- "Smartphones are killing Americans, but nobody's counting." Bloomberg.
- "CSX chief vows to win back lost business after service woes." The Wall Street Journal.
- "NAFTA talks hit impasse as U.S. slams trading partners." POLITICO.
- "Travel industry ramps up effort to promote Caribbean tourism." The Associated Press.
- "City fires 2 aviation officers involved in dragging man off United flight." The Chicago Tribune.

- "Airline delays and cancelations rise due to hurricane." [The Associated Press](#).
- "Trump's attack on Bombardier comes back to bite him." [POLITICO Europe](#).
- "In London, black cabs win a battle against Uber. But is the war over?" [The Washington Post](#).
- "Uber's top EU lobbyist to depart." [POLITICO Europe](#).

THE COUNTDOWN: DOT appropriations run out in 52 days. The FAA reauthorization expires in 165 days. Highway and transit policy is up for renewal in 1,079 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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