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From: Morning Transportation
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Subject: POLITICO's Morning Transportation: No, the infrastructure principles were 'among' the bushes — How 'bout that budget — At least one proposal would take a political toll

By Brianna Gurciullo and Tanya Snyder | 05/24/2017 10:01 AM EDT

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

NO, IT WAS 'AMONG' THE BUSHES: For a plan touted as much as the administration's \$1 trillion infrastructure vision has been, Tuesday's rollout was surprisingly quiet, posted with no notice alongside the fiscal 2018 budget as a "[fact sheet](#)." Is this the "statement of principles" Transportation Secretary Elaine Chao has been promising? (Peanut gallery: It does contain a section called "Key Principles.") On a call with reporters, Chao said the administration expects more details to be forthcoming, including a legislative package later this year, but described the fact sheet as "the main key principles." Lauren Gardner has [more](#) for Pros about the low-key bomb dropped with the budget on Tuesday.

THE NITTY GRITTY: So just what are these principles? Targeting federal investments to the "most transformative" projects; supporting states "moving toward a model of independence" from the feds; looking for opportunities to "divest ... certain functions" to the private sector; and leveraging private sector capital. The fact sheet also calls for overhauling the Inland Waterways Trust Fund; expanding the TIFIA program; lifting the cap on private activity bonds and expanding their eligibility; allowing more tolling on existing Interstates and rest area privatization; and, of course, more streamlining.

WE HAVE A WINNER: There are three winners, in fact. MT asked you all to guess when the Trump administration would unveil its infrastructure proposal, and we're counting the principles that were included with the budget release Tuesday. Patrick Wojahn, Bruce Upbin and Scott Harshman all guessed May 23, 2017.

THEIR PRIZE: Coffee and donuts with us.

IT'S WEDNESDAY: 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).

"Let the taxes rise, we'll economize and cut our budget in two / We can trade the car in for a horse or a bicycle built for two."

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

HOW 'BOUT THAT BUDGET: As expected, the fiscal 2018 budget request hewed to FAST Act-guaranteed levels (\$11 billion for transit formula grants and \$44 billion for highways, for instance), but the 13 percent in DOT discretionary cuts promised in the earlier "skinny" budget

did indeed materialize. That includes a \$1 billion cut to New Starts transit grants and defunding the TIGER grant program, doing away with appropriations for the Essential Air Service (leaving it to rely only on overflight fees), and deep cuts to Amtrak.

Blame it on the train: The budget request would peg Amtrak's Northeast Corridor funding at \$235 million, which, as Lauren [reports](#), "the document suggests would be steady funding from fiscal 2017" - but that's the level authorized by the FAST Act; the recently enacted fiscal 2017 spending deal included \$328 million for the NEC, which in fact means a cut. And that's as generous as the budget gets when it comes to Amtrak. It also slashes support for the national network by nearly 55 percent, essentially eliminating support for long-distance routes and funding only state-supported routes.

DEM TEMPERATURE: Courtesy of Senate Minority Leader Chuck Schumer (D-N.Y.): "President Trump's campaign promises on infrastructure are crumbling faster than our roads and bridges. The president's proposal to slash American infrastructure investments is a job-killing, 180 degree turn away from his repeated promise of a trillion dollar infrastructure plan. The fuzzy math and sleight of hand can't hide the fact that the president's \$200 billion plan is more than wiped out by other cuts to key infrastructure programs."

JUST THE STARTING LINE: "In all the time that I've been here, I've never seen a single president's budget survive the appropriations process," said Sen. Susan Collins (R-Maine).

IT WOULD TAKE A (POLITICAL) TOLL: One of the more explicit - and expected - pieces of the infrastructure "vision" released Tuesday is easing restrictions on tolling existing Interstates - but that's a difficult political proposition (and one that House Transportation Committee Chairman Bill Shuster (R-Pa.) has shied away from in the past.) Why? Because constituents are likely to chafe at the idea of paying to travel on a highway after years of driving on it for free, as Lauren [reports](#).

Dems already wary: Sen. Patty Murray (D-Wash.), a senior member of the Senate Appropriations THUD subcommittee, told MT that the idea is unlikely to gain traction. "If you just tell people, 'You're going to pay a lot more out of your pocket personally for your commute to work,' I don't think that's going to go very far." And the Senate Commerce Committee's top Democrat, Bill Nelson (D-Fla.) told MT that "at the end of the day, the public will not stand for every traffic problem to be solved with a toll."

More pitchforks: The American Trucking Associations executive vice president for advocacy, Bill Sullivan, responded to the tolling proposal by saying the group encourages lawmakers and the administration to "look for more efficient and sustainable funding mechanisms for this investment package," and noted that states like North Carolina and Virginia have deserted efforts to toll existing Interstates. The group that represents truck stop operators, the National Association of Truck Stop Operators, also came out against the tolling idea, as well as one related to rest stop privatization.

'CHRISTMAS MORNING' ALL OVER AGAIN? The administration used the budget as an opportunity to express support for separating air traffic control operations from the FAA - but

went a bit farther than before, explicitly praising Shuster's bill in a separate [three-page fact sheet](#) extolling the plan's virtues. The document calls Shuster's plan "an excellent starting point" and asserts it would maintain "this country's sterling aviation safety record." Shuster told reporters Tuesday that he got "smacked around" for saying last time that Trump's budget shout-out to separating air traffic control felt like "Christmas morning," but no doubt Shuster's pleased at the endorsement.

Smooth sailing ahead: The Trump administration also wants to overhaul the governance of the Inland Waterways Trust Fund and increase the user fee paid by commercial navigation. "In 1986, the Congress mandated that commercial traffic on the inland waterways be responsible for 50 percent of the capital costs of the locks, dams, and other features that make barge transportation possible on the inland waterways," the principles document says. "The additional revenue proposed in the budget will finance future capital investments in these waterways to support economic growth."

Everybody loves TIFIA: MAP-21 boosted the TIFIA loan program from about \$100 million to \$1 billion - but the FAST Act then cut it back down to \$275 million for this fiscal year. The infrastructure fact sheet suggests the administration wants to go back to \$1 billion a year for 10 years, an investment it says "could leverage up to \$140 billion in credit assistance, and approximately \$424 billion in total investment." It also says the administration supports expanded eligibility for TIFIA loans, but doesn't specify what requirements it'd like to relax - whether it be project size, creditworthiness or something else.

SIGNED, SEALED, DELIVERED: The CEO of Caltrain signed off on a \$647 million full funding grant agreement with FTA at DOT headquarters Tuesday. Expect to hear more about DOT's fiscal 2018 recommendations for projects pending in the Capital Investment Grant program today.

Nothing new: Meanwhile, FTA quietly posted its fiscal 2018 Capital Investment Grant [annual report](#) online Tuesday night and, as expected, recommended no funding for any new full funding grant agreements for projects winding through the pipeline. The report proposes funding projects with existing deals at \$1.1 billion, with nearly \$112 million left over to cover both Caltrain and Maryland's Purple Line project if it's able to move forward.

MAY FLOWERS BRING JUNE FAA BILLS? Rep. Sam Graves (R-Mo.) told MT on Tuesday that he expects the House Transportation Committee to mark up an FAA bill sometime next month, though a timeline is still unclear as Shuster continues working on the measure. We caught up with Shuster off the House floor, too, but he wouldn't comment on a timeline for the bill or elaborate on any changes he's considering to a bill for this year.

NO BUDGING ON TSA CUTS: Besides wanting TSA to hire 382 new airport screeners, the White House doesn't seem to have changed its mind about downsizing the agency's staff since releasing a budget outline in March, our Stephanie Beasley [reports](#). Trump's budget would cut TSA staff at airport exit lanes and reduce the number of bomb-sniffing dog teams from 31 to eight. That's a sharp contrast to Congress' approach. TSA also would be forced to hire at a reduced rate under Trump's plan, which calls for the agency to make only one hire for every two

vacancies.

Another crowd pleaser: Like the skinny budget, Trump's full budget calls for increasing the TSA airline passenger security fee from \$5.60 per one-way trip to \$6.60. A Department of Homeland Security official told reporters on a call Tuesday that revenues from the fee "would directly go to our ongoing efforts to mitigate current aviation threats."

MO FUNDING, MO FEES: The DHS budget would grow about 7 percent to \$44 billion if Trump's proposal became law. Customs and immigrations fees would rise while spending would focus on increasing security along the border with Mexico, with \$2.6 billion requested for that purpose. Trump also requested at least \$300 million to boost hiring at Customs and Border Protection and Immigration and Customs Enforcement. But as Steph [reports](#), it's remains unknown how much money would go toward hiring Customers offices at airports and seaports.

Cut off: In addition, the White House wants to get rid of BrandUSA. The travel industry has been quick to [come to the defense](#) of the U.S. travel advertising program. On Tuesday, the American Bus Association called Trump's proposal "short-sighted," and described BrandUSA as "one of the most successful public-private partnerships out there."

NO LOVE FOR USACE: Under Trump's budget, the Army Corps of Engineers would see its budget cut by more than 16 percent, as Pro Energy's Annie Snider [reports](#). "The nation's builder of locks, dams, levees and ports would receive \$5 billion under the Trump budget proposal, with \$1.02 billion tagged for its all-important construction account, a cut of more than 50 percent from 2017, when additional disaster funds were appropriated," Annie writes.

PAPERWORK NUGGETS: DOT undersecretary for policy nominee Derek Kan said in his disclosure [paperwork](#) for the Senate Commerce Committee that he'll resign from his position on the Amtrak board of directors if he's confirmed by the Senate. And here's a fun fact we dug up from Adam Sullivan's [disclosure](#): The prospective assistant secretary for government affairs donated \$1,000 to Sen. Bill Nelson's campaign in 2007. The Florida Democrat is the ranking member of the Commerce Committee.

ON ALERT: Following the bombing earlier this week in Manchester, England, Rep. Michael McCaul (R-Texas), the chairman of the House Homeland Security Committee, said on Fox News on Tuesday that the government needs to take a closer look at people traveling to the United States through Europe. As Steph [reports](#), McCaul's panel recently formed a task force that is studying loopholes in the Via Waiver Program, which lets visitors from some European nations come into the United States with no visa.

A NEW DIESELGATE? The federal government is suing Fiat Chrysler for allegedly selling nearly 104,000 diesel vehicles in which so-called defeat devices were installed. Pro Energy's Alex Guillén [writes](#) : "Those defeat devices, consisting of at least eight software features that were undisclosed to EPA during the company's certification process, boost performance under real-world driving conditions by increasing nitrogen oxide emissions, according to DOJ. Fiat Chrysler faces fines of \$37,500 to \$45,268 per vehicle sold, along with further penalties for each undisclosed software device and for reporting violations, which could add up to billions of

dollars."

2-for-1: 0, Plaintiffs: 1: A lawsuit from three public-interest organizations against Trump's two-for-one rule on regulations can go forward, POLITICO's Josh Gerstein and Alex Guillén [report](#).

THE AUTOBAHN:

- "Bombing suspect is named, and Britain goes on high alert." [The New York Times](#).
- "Trump advisers call for privatizing some public assets to build new infrastructure." [The Washington Post](#).
- "New Jersey's Newark Airport reopens after plane engine fire." [The Associated Press](#).
- "Christie, Cuomo plot out transit plans as 'summer of hell' looms." [POLITICO New Jersey/New York](#).
- "Ryanair ready to step in if Alitalia goes bust." [POLITICO Europe](#).
- "Drone, robot advocates push for automated package delivery." [SF Gate](#).
- "Proposed rules would allow U.S. to track and destroy drones." [The New York Times](#).
- "Uber shortchanged New York City drivers by millions of dollars." [The Wall Street Journal](#).

THE COUNTDOWN: DOT appropriations run out in 130 days. The FAA reauthorization expires in 130 days. Highway and transit policy is up for renewal in 1,226 days.

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