

To: Jackson, Ryan[jackson.ryan@epa.gov]
From: Morning Transportation
Sent: Thur 6/1/2017 2:06:28 PM
Subject: POLITICO's Morning Transportation, presented by Delta Air Lines: Gas tax whiplash continues — Tolling door cracked open? — Shuster to talk FAA with Trump

By Tanya Snyder and Lauren Gardner | 06/01/2017 10:00 AM EDT

With help from Brianna Gurciullo

GAS TAX WHIPLASH CONTINUES: There's a new chapter in the Trump administration's ongoing gas tax saga - White House infrastructure adviser Richard LeFrak saying Wednesday that he's in favor of raising the gas tax. Though, he argued it wouldn't really be a raise since "you'd be leveling it to where it would have been had they adjusted it for inflation in 1993." He said the 18.4-cent gas tax is worth far less now than it was when it was imposed, and improved fuel economy has also eaten away at revenues.

This again? Last month, all on the same day, Treasury Secretary Steve Mnuchin threw cold water on the idea of including anything for infrastructure - like, for example, a gas tax - in the administration's tax overhaul plan; President Donald Trump said a gas tax increase was "something that I would certainly consider," noting that truckers are in favor of raising the gas tax "if we earmarked money toward the highways;" and press secretary Sean Spicer insisted that Trump "did not express support for it." LeFrak waded in that day too, praising Trump for his "political courage" in raising the issue.

The permitting 'horror': LeFrak also echoed the administration's favorite infrastructure talking point, noting that the red tape around project permitting has "morphed into a horror over the last 30 years." He said states provide the lion's share of infrastructure funding in the country, and the federal government provides a small contribution but a lot of "interference" in terms of "the morass" of permitting and requirements a project is subject to when it uses federal dollars. LeFrak said the administration is considering making agencies use "simultaneous review" - an idea he acknowledged got its start "a little bit" during the Obama administration.

Don't know when: LeFrak said he thought more would be coming from the administration soon on the infrastructure plan but that he's "not involved in how and when they're going to trot it out."

IT'S THURSDAY (AND IT'S JUNE!): Thanks for tuning in to POLITICO's Morning Transportation, your daily tipsheet on all things trains, planes, automobiles and ports. Hold up - Lauren's back in the saddle for a little while. 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).

"I'm a female rebel, can't you see? / Riding 'round your backyard, who could it be? / Pulling out the steering wheel right from the seat / Pumping his brakes to the sound of the beat."

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

TOLLING DOOR CRACKED?: In an interview with the Herald-Mail, House Transportation Committee Chairman Bill Shuster (R-Pa.), who has previously said expanding tolling on existing Interstates is a political nonstarter, appeared to nudge the door open a bit, saying there "may be some targeted tolling happening around the country in really congested areas" and suggesting those areas won't get fixed unless we "let them toll, at least temporarily, let them build out and do what they have to do."

FAA chat at 1600 Penn next week: Shuster also said he may meet with Trump Monday to talk overhauling the FAA. Additionally, he told the Herald-Mail that Trump might "want to travel to see proposed infrastructure projects in the coming weeks."

FOR YOUR RADAR: Transportation Secretary Elaine Chao will be testifying Wednesday morning at a Senate Commerce Committee hearing on the FAA reauthorization. It will be senators' best chance to date to quiz her on the administration's position on separating air traffic control from the FAA - a plan still encountering substantial trepidation among senators on the Commerce Committee.

SHOW ME THE MONEY: FRA and FTA announced nearly \$200 million in long-awaited grant money Wednesday for commuter railroads aiming to implement positive train control by the Dec. 31, 2018 deadline, Lauren reports. The money is being spread out over 17 projects in 13 states, and recipients range from those that are nearly done implementing the technology - like Metrolink in Southern California and Philadelphia's SEPTA - and others that are lagging behind, like Boston's Massachusetts Bay Transit Authority.

SOME FUNDING FOR THOSE 'THIRD WORLD' AIRPORTS: Hundreds of airports will receive grants totaling almost \$528 million to upgrade their infrastructure, DOT said Wednesday. Some of the airports will receive discretionary funding totaling more than \$213 million, which will come on top of the money they receive through entitlement funding. The Airport Improvement Program discretionary grants include a total of \$60 million for Chicago O'Hare International Airport and \$20 million for Fort Lauderdale-Hollywood International Airport, which both have planned or completed runway projects. (Those grants were announced May 19, according to DOT.) Trump's fiscal 2018 budget asked for \$3.35 billion for AIP - a status quo request.

YA, YOU BETCHA: Transportation Secretary Elaine Chao was in Fargo, N.D., Wednesday, proclaiming May 31 the first-ever National Autonomous Vehicles Day at the Drone Focus Conference. In a speech, she plugged the administration's proposal to split air traffic control operations from FAA into a "non-profit cooperative." "A key goal is to increase the capacity of our national airspace with the latest technology, so it can accommodate the expected increase in traffic as well as new entrants like drones," she said.

CRAM IT ALL IN: Sens. Ed Markey (D-Mass.) and Richard Blumenthal (D-Conn.) sent a letter to Homeland Security Secretary John Kelly Wednesday asking for more information about how checked-bag fees impact aviation security. The letter follows on comments Kelly made on "Fox News Sunday" this weekend, where he indicated that people trying to avoid checked-bag fees are stuffing carry-ons so full that TSA agents "can't tell what's in the bags anymore."

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WAIVE THE SWAMP: Chris Liddell, a former General Motors executive who Trump appointed to be his assistant and director of strategic initiatives, was one of more than a dozen the White House quietly released last night as having received an ethics waiver to allow him to participate in policy matters he once lobbied on. The waiver was temporary pending "disposition of certain trust assets," and no longer is in effect. (Reminder: In March CREW accused Liddell of having broken ethics laws by participating in meetings with Trump and executives from businesses in which he had a financial interest.)

LOST AT SEA: Recreational boating fatalities rose to 701 last year, the highest number since 2011 and a 12 percent increase over the year before, according to Coast Guard statistics. A top Coast Guard safety officer stressed the importance of boating safety education and vessel safety checks and reminded boaters that wearing a life jacket "is the single greatest factor in preventing death from drowning." Alcohol was the leading known contributing factor in fatal boating accidents, the Coast Guard said, having factored in to 15 percent of deaths. Operator inattention and inexperience, excessive speed and machinery failure were other factors.

WILL HE STAY OR WILL HE GO?: Tesla CEO Elon Musk drew a "line in the sand" in front of Trump Wednesday, warning the president via Twitter that he'll abandon advisory councils he's participated on for the White House if Trump pulls out of the Paris climate change deal, Pro Technology's Nancy Scola reports. "Musk's threatened break with Trump comes as the White House is trying to bring tech CEOs and other executives to Washington for a summit next month on modernizing government technology, cybersecurity, immigration and other topics," she writes.

EYE SCANNING AND VOICE RECOGNITION MUST BE NEXT: Delta Air Lines is testing a "biometric boarding pass" at Ronald Reagan Washington National Airport, allowing a select group of passengers to use their fingerprints as proof of identity without having to produce a boarding pass or photo ID. The airline is currently using the system at the entrance to its Sky Club lounge, exclusively for SkyMiles members enrolled in the CLEAR airport security program. In the next phase of testing, those passengers will be able to check a bag and board a flight the same way.

AUDIT BEGINS: After nearly a decade of attention to the problem of sexual assault and harassment at the United States Merchant Marine Academy, the DOT's inspector general has initiated an audit to determine how much progress has been made. Various policies and action plans have been only partially implemented and the Academy's attempts at "culture change" so far appear to have fallen flat, the IG suggested. The IG's office was required by statute to take up this audit, which should be completed by March 31, 2018.

SHIFTING GEARS: Four lobbyists who oversee the drone practice at Akin Gump are reportedly moving over to McGuireWoods Consulting. They include Michael E. Drobac, a

senior policy adviser and executive director of the Small UAV Coalition; Gregory Walden, a lobbyist and senior counsel at Akin Gump who specializes in aviation and government ethics; Amanda Armistead, a policy adviser at Akin Gump for nearly two years; and Casey Duggan, a public policy specialist and former House staffer.

A MAP OF THE MAZE: A new [white paper](#) from the Signal Group, a lobbying and PR firm, maps out the difficult path to passage of an infrastructure plan in Congress. "The House must wrangle with the 40-member strong Freedom Caucus," the report notes, while Democrats want to see more direct public investment and are "wary of giving Republicans and the Trump administration a significant legislative victory" ahead of the midterms. Still, lawmakers whose districts would benefit from such a plan could likely be swayed, the group said.

GROUP SEEKS REVIEW OF HARLEY SETTLEMENT: The free-market Cause of Action Institute is taking aim at a settlement the Obama administration reached with Harley-Davidson over after-market "super tuner" devices the company sold to boost motorcycles' performance that allegedly led to Clean Air Act Violations. The [August 2016 settlement](#) with EPA required the motorcycle manufacturer to fund a program to replace or retrofit wood-burning stoves with cleaner appliances. But Cause of Action says that approach violates the agency's own guidance, and the group says EPA Administrator Scott Pruitt ought to take another look at the settlement. "EPA is overstepping its authority by requiring Harley-Davidson to implement an emissions mitigation project that lacks such a sufficient nexus to the underlying violation," the group wrote today in [a letter](#) to Pruitt, along with a [FOIA request](#) for documents related to the settlement negotiations.

THE AUTOBAHN:

- "JetBlue will test facial recognition for boarding." [CNN Money](#).
- "'Money out of your pocket': New Yorkers tell of subway delay woes." [The New York Times](#).
- "Amazon's delivery drone system is getting parachutes for your packages." [Mashable](#).
- "Amtrak sues Union Station over Delta Air Lines ads." [NBC Washington](#).
- "Maryland suspends some pre-construction work on purple line, pending appeal." [WAMU](#).
- "Trump targets German trade, and the South grimaces." [The New York Times](#).
- "Trump considers rolling back Obama's opening with Cuba." [The New York Times](#).
- "Boeing finds an Ex-Im Bank alternative." [Wall Street Journal](#).
- Peep the Stratolaunch, a twin-fuselage airplane with six engines, 28 wheels and a payload capacity of half a million pounds. It's also the world's largest plane. [CNN](#).

THE COUNTDOWN: DOT appropriations run out in 122 days. The FAA reauthorization

expires in 122 days. Highway and transit policy is up for renewal in 1,218 days.

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