



WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,
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May 1, 2019

Yesterday, President Trump met with leading congressional Democrats, including House Speaker Nancy Pelosi (D-CA) and Senate Minority Leader Chuck Schumer (D-NY), to discuss how to proceed with - and pay for - a potentially large infrastructure plan. The day before the meeting, Pelosi and Schumer sent a letter to President Trump outlining several priorities for a comprehensive infrastructure bill. Here is a [link](#) to the letter. White House acting Chief of Staff and head of OMB Mick Mulvaney, a strong fiscal conservative and skeptic of infrastructure spending, did not attend the meeting. US DOT Secretary Elaine Chao did attend.

The meeting ended with initial agreement on several key elements:

- A \$2 trillion investment price tag.
- A tentative definition of what constitutes infrastructure. Beyond roads, bridges, and transit, the proposed package also would invest in upgrades to U.S. ports, airports, water and sewer systems, and internet broadband.
- A commitment to meet again in three weeks to explore options to pay for the package.

While this is a very positive development, which puts infrastructure investment back on the table and in the news, there are still many questions and issues to be worked out before the proposed plan can be put into motion. For instance:

- House T&I Committee Chairman Peter DeFazio (D-OR) and a number of other House Democrats support a federal gas tax increase. However, Senator Schumer opposes such an increase and prefers to pay for an infrastructure plan by undoing some of the 2017 tax cuts for wealthy individuals and corporations which is a non-starter for most Republicans.
- No congressional Republicans attended the meeting, including Senate Majority Leader Mitch McConnell (R-KY), who has downplayed the chances of moving an infrastructure spending bill through the Senate.
- President Trump said at the meeting that he doesn't like public-private partnerships and did not support the infrastructure proposal that his administration released last year.
- Members of Congress want the White House to take the lead in identifying potential ways to pay for a \$2T program, while the Trump White House usually looks to Congress to do the heavy lifting on funding. The President's leadership will be critical to attracting Republican support.
- There continues to be a disconnect between House Democrats who want to move a broad infrastructure bill and key Senate Republican committee leaders who prefer a



narrower approach focusing on early passage of a FAST Act reauthorization bill before its expiration on September 30, 2020.

- The window to pass major legislation continues to shrink as Congress heads into the summer with its many recesses and edges closer to 2020, a presidential election year.

In related infrastructure news, legislation to enable expenditure of tax revenues previously collected to maintain the nations ports and harbors was introduced today by the bi-partisan House T&I Committee leadership. The "Full Utilization of the Harbor Maintenance Trust Fund Act", [H.R. 2396](#), encourages full use of Harbor Maintenance Tax (HMT) revenues by exempting them from annual budget caps. This budget mechanism is discretionary; therefore, it does not require a budget offset and would apply to future revenues and the current \$9.3B Harbor Maintenance Trust Fund balance. Here is a [link](#) to the T&I Committee press release.

Today, the House T&I Committee is holding a "Members' Day" hearing on infrastructure investment and FAST Act reauthorization to hear from Members of Congress about their policy priorities. The Committee will accept written testimony from Members until May 15. In addition, the Committee is seeking input from stakeholder groups on policy priorities which can be submitted by emailing TISTakeholders@mail.house.gov

US DOT Personnel

Nicole Nason has been confirmed by the US Senate to be the FHWA Administrator – the first person to hold the position under the Trump Administration. She is expected to start her new position next week. Nason is joining FHWA from the US State Department. During the Bush Administration, she served at US DOT as the NHTSA Administrator and the Assistant Secretary for Government Affairs.

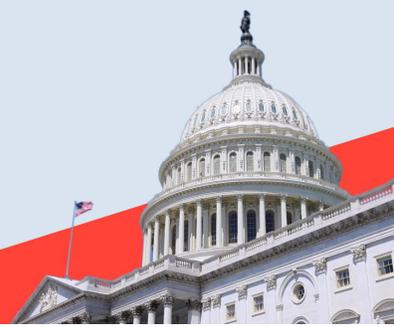
Dan DeBono has joined US DOT in the Office of the Secretary to oversee the infrastructure financing portfolio which includes the Build America Bureau (BAB) and the INFRA and BUILD grant programs. In 2018, DeBono ran unsuccessfully for Congress in New York. A former Navy SEAL, he has also worked as an investment banker, portfolio manager, and stock trader.

Morteza Farajian, the Director of the Virginia Department of Transportation's P3 Office, has been named the new Executive Director of US DOT's Build America Bureau.



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John Brennan has been named as FTA Chief Counsel. He joins FTA from a senior position at Union Pacific Railroad and he previously he served as the Staff Director of the House T&I Committee's Railroad Subcommittee under Chairmen John Mica (R-FL) and Don Young (R-AK).

Anne Reinke, previously a top lobbyist for CSX Railroad, is now Deputy Assistant Secretary of Intergovernmental Affairs at US DOT. She is responsible for outreach to industry stakeholders and state and local government officials.

Other News

As reported in an Interim Update on April 17, US DOT has released the NOFO for the next round of BUILD competitive grants, formerly known as TIGER grants. Applications for the \$900M in available FY'19 funding are due July 15, 2019. US DOT is holding a series of webinars on the BUILD program which are detailed below:

1. How to Compete for BUILD Transportation Grants – Tribal and Rural Applicants
Thursday, May 2, 2-4pm Eastern; register [here](#)
2. Preparing a Benefit Cost Analysis (BCA) for a BUILD Application
Tuesday, May 7, 2-4pm Eastern; register [here](#)
3. How to Compete for BUILD Transportation Grants – All Applicants
Thursday, May 9, 2-4pm Eastern; register [here](#)
4. Preparing a Benefit Cost Analysis (BCA) for a BUILD Application
Tuesday, May 14, 305pm Eastern; register [here](#)

The week of May 13 is the "real" Infrastructure Week (IW). Here is a [link](#) to information about IW and a calendar of events being held all around the country – most of which are free, but may require registration. The national kick-off event will be held in Washington, DC on Monday, May 13 at the Reagan Building. Other major regional events will take place in Lansing, MI, Houston, TX, and Las Vegas, NV. Over 500 organizations, companies and state and local governments are participating as Affiliate members. WSP is a top tier corporate sponsor of IW.

FTA has issued proposed changes to its Joint Development Guidance (Circular (7050.1A)). The changes would increase flexibility for transit agencies to pursue joint development projects, resulting in more value capture opportunities that help create value for both transit systems and surrounding communities. The guidance also would streamline FTA's regulations and approval process. FTA seeks public comment on the proposed changes to its joint development process by June 3, 2019. Here are links to the Proposed Updated



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Circular - [Federal Register: Joint Development: Proposed Updated Circular](#); [FTA's Joint Development website](#) ; and [Joint Development Guidance \(Circular \(7050.1A\)\)](#)

On April 5, US EPA issued a Federal Register notice announcing the availability of approximately \$6B in credit that could finance over \$12B in water infrastructure projects through the Water Infrastructure Finance and Innovation Act (WIFIA) program. Prospective borrowers seeking WIFIA credit assistance must submit a letter of interest by July 5, 2019. Here is a [link](#) to the notice and a [link](#) to information on how to apply for WIFIA assistance. Congress enacted the WIFIA program as part of the Water Resources Development Act (WRDA) of 2014. WRDA authorized a federal credit program for eligible water infrastructure projects to be administered by EPA in the form of direct loans or loan guarantees.

ARTBA's P3 Division will host a free webinar on May 9 exploring federal environmental review requirements for transportation projects and how they influence P3 projects. Eric Beightel, co-lead of WSP's Environmental Policy and Process practice, will be presenting. Click [here](#) to register.

Additional information and materials, including archived Washington Updates, are located on the WSP Federal Briefing website at www.federalbriefing.com