



# WASHINGTON UPDATE

PREPARED BY CATHY CONNOR,  
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## September 9, 2019

Congress is back in session after its summer recess. The first order of business is to pass the pending FY'20 appropriations bills. FY'20 begins in a few short weeks on October 1, 2019. The House has passed all but one of the 12 federal agency funding bills, including all the major infrastructure-related bills. However, the Senate has not yet introduced or passed any Senate versions of the funding bills. The Senate opted to wait until Congress had agreed to a high-level budget deal before putting pen to paper. At the end of July, right before the recess began, Congress agreed to a two-year budget deal (FY'20 and FY'21) that increases both the defense and domestic budget caps and eliminates the possibility of an across the board sequestration of agency funds. The higher caps should allow for healthy funding levels for most government programs.

With the start of the new fiscal year looming, it is likely that Congress will need to pass a short-term Continuing Resolution (CR) to avoid a government shut-down while Congress finalizes the appropriations bills. Under a CR, funding for government programs generally remains at current levels. The two big questions are: 1) how long will the CR last? and 2) will it be a "clean" bill? At a minimum, it appears that the CR will extend through November 22, right before Thanksgiving, but it could extend through the end of the calendar year. A longer CR takes the pressure off Congress to act, but allows Congress to avoid the potential for a series of very short CRs. Congressional leaders usually prefer to keep CRs "clean" meaning without extraneous, often controversial, provisions attached, but the Administration has already expressed interest in adding provisions to the CR providing additional funding for construction of the southern border wall.

## FAST Act Reauthorization

It appears that a massive \$2 trillion infrastructure bill addressing water, power, broadband, as well as transportation infrastructure, etc. is unlikely to occur this year and possibly next year as well since it is a presidential election year. The desire to pass such a comprehensive bill remains strong, but there is still no agreement on how to fund it.

In the meantime, the Senate is focusing first on passage of a FAST Act surface transportation (highways, transit and passenger rail) reauthorization bill. The current FAST Act expires on September 30, 2020, right before the November presidential election. Congress needs to move a bill in the next few months in advance of the election year or extend the current law until some point in 2021 since passing legislation in a presidential election year is very difficult given the truncated legislative session and highly partisan political environment.



As previously reported, the Senate Environment & Public Works (EPW) Committee approved a bill, S. 2302, America's Transportation Infrastructure Act (ATIA), on July 30 which reauthorizes the federal highway program.

The EPW committee only has jurisdiction over the highway program. Other committees, including Commerce (safety, rail), Banking (transit) and Finance (revenue), are responsible for producing their respective bills that will eventually be combined on the Senate floor into a comprehensive surface transportation authorization bill. At this time, there is no schedule for introduction or consideration of the other committees' bills. House leadership has not yet indicated how or when they plan to proceed with their version of reauthorization.

The Senate bill includes a repeal of the \$7.6B rescission of unobligated FHWA contract authority that was included in the last year of the FAST Act and scheduled to take effect July 1, 2020. The Committee also voted to approve a stand-alone bill to repeal the rescission.

EPW Committee leaders plan to work with the Senate Finance Committee to identify additional revenues for the Highway Trust Fund (HTF) to fill the current gap and support the funding increases proposed in their bill. The gap between what the HTF can currently fund and the funding levels proposed in the Senate EPW bill, and as well as an eventual transit title, is over \$100B. Complicating matters, the Chair of the EPW Committee, Senator John Barrasso (R-WY), and several other key Senate Republican leaders have indicated that they do not support a gas tax increase which will make funding a new bill very difficult.

Here is a [link](#) to the bill text and a [link](#) to a 13-page summary of the bill and a [link](#) to a short overview which were prepared by the EPW Committee.

## US DOT Competitive Grants

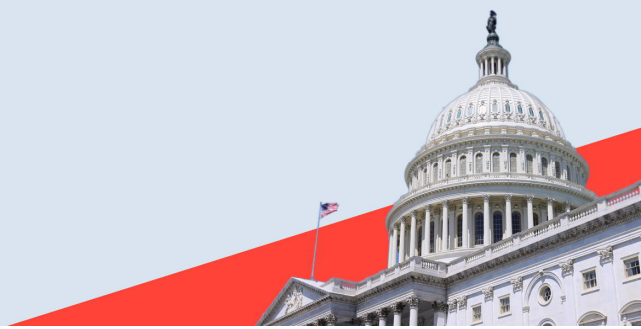
US DOT has released a Notice of Funding Opportunity (NOFO) for a key competitive grant program as well as awarded grants for several other programs.

On August 14, FRA issued a NOFO for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program. The FY'19 program provides \$244M in funding for projects that increase rail transportation safety, efficiency, and reliability. Projects that address congestion challenges, highway-rail grade crossings, upgrade short-line railroad infrastructure, relocate rail lines, improve intercity passenger rail capital assets, and deploy railroad safety technology are eligible for funding. Both freight and passenger rail infrastructure projects are eligible.



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The CRISI grant program also directs investment to rural America, with at least 25 percent of available funds reserved for projects in rural communities. The Department will also consider how projects support key objectives including enhancing economic vitality; leveraging federal funding; adopting life-cycle cost accounting; using innovative approaches to improve safety and expediting project delivery; and holding grant recipients accountable for achieving specific, measurable outcomes. Preference will be given to projects where the proposed federal share of total costs does not exceed 50 percent. Applications for funding under this NOFO are due by October 18, 2019. Here is a [link](#) to the NOFO.

On August 29, FHWA announced the FY'18 discretionary grant awardees under the newly created Competitive Highway Bridge Program (CHBP). This is a new program currently funded only for FY'18 and FY'19. It was created by congressional appropriators with General Fund revenue (not Highway Trust Fund money) as a result of additional funding for infrastructure provided by the FY'18/FY'19 budget agreement. \$225M in grant funding was awarded to 20 projects in 18 states. The grants will fund a variety of bridge improvements including replacement and rehabilitation. Here is a [link](#) to the US DOT press release which lists the grants and a [link](#) to more information about the CHBP program.

On August 21, FRA announced more than \$272M in FY'17/FY'18 grant funding to 10 rail projects in 10 states. Funding is provided through FRA's Federal-State Partnership for State of Good Repair Program (SOGR) and will help to repair and rehabilitate railroad infrastructure around the country. The SOGR Program provides funding to repair, replace, or rehabilitate publicly or Amtrak owned or controlled railroad equipment, infrastructure and facilities. The SOGR program is intended to improve intercity passenger rail performance. Eligible projects include upgrading infrastructure such as track, switches, bridges, and highway-rail grade crossings; stations; and equipment, including passenger cars. Here is a [link](#) to the grant awards and a [link](#) to the November 2018 NOFO.

FTA announced allocation of \$125M to the Santa Clara Valley Transportation Authority (VTA) for the Bay Area Rapid Transit (BART) Silicon Valley Phase II project. This is the first project to receive a funding allocation under FTA's Expedited Project Delivery Pilot Program (EPD) which was authorized by the FAST Act. The EPD program streamlines project delivery of new transit infrastructure by encouraging innovative partnerships and funding from a variety of sources, including the private sector. Here is a [link](#) to the FTA press release with more details.

FTA has announced approximately \$32.8M to improve the safety and reliability of passenger ferries and enhance mobility for ferry users across the U.S. A total of nine projects in nine states will receive funding from FTA's Passenger Ferry Grant Program. The program funds projects to purchase, replace or rehabilitate ferries, terminals and infrastructure and equipment. Here is a [link](#) to the list of projects selected.



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## US DOT Personnel

There have been a number of senior-level personnel changes recently at US DOT.

Office of the Secretary (OST) – Derek Kan, the Under Secretary for Policy (the number 3 position), has left US DOT to join OMB as Executive Assistant Director. Joel Szabat, the current Assistant Secretary for Aviation and International Affairs, will serve as Acting Under Secretary for Policy.

OST - General Counsel Steven Bradbury will get the additional title of Acting Deputy Secretary, filling the spot left behind by Jeffrey Rosen after his move to DOJ to be Deputy Attorney General.

FHWA – Deputy Administrator/Acting Administrator, Brandye Hendrickson, has left US DOT to join AASHTO as Deputy Director. Brandye left shortly after Nicole Nason was sworn in as FHWA Administrator.

FHWA – Mala Parker, currently FHWA Associate Administrator for Policy and External Affairs (a political appointee), has been named to be Acting Deputy Administrator, replacing Brandye.

FRA – Quintin Kendall, a former CSX executive and US DOT Chief of Staff in the Bush Administration, has been named as the new FRA Deputy Administrator.

FTA - Felicia James has been named as FTA Associate Administrator for Planning & Environment. The office administers the metropolitan and statewide planning process, the CIG program, and environmental programs and policies. She previously was in the FHWA Office of Project Development and Environmental Review and at Maryland State Highway Administration.

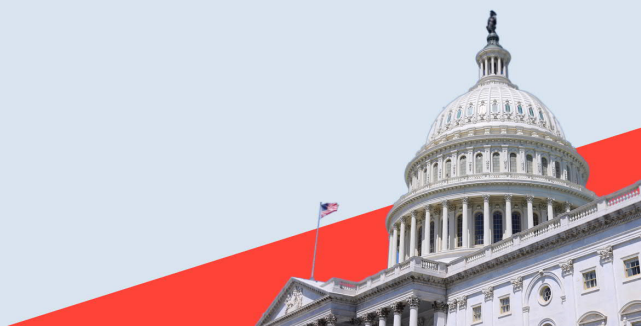
FAA – Steve Dickson, a retired Delta senior executive, has been confirmed by the Senate and sworn in as FAA Administrator, a set five-year term – filling an 18-month vacancy. Dan Elwell will stay at the FAA in the role of Deputy Administrator. Congress passed special legislation waiving a provision of federal law stipulating that the Administrator and Deputy cannot both be former military officers.

NHTSA – Heidi King, Acting NHTSA Administrator, has resigned after waiting in vain for over a year for Senate confirmation to be the Administrator. She'll be replaced as NHTSA Deputy and Acting administrator by James Owens, previously DOT's Deputy General Counsel.



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