



Washington Update

PREPARED BY CATHY CONNOR
MANAGER OF GOVERNMENT AFFAIRS

**PARSONS
BRINCKERHOFF**

September 17, 2013

Congress has returned to session following its traditional August break with a very full agenda to tackle. The international crisis in Syria and the possibility of military intervention has taken some attention away from the many pressing domestic issues. Among the numerous items Congress would like to address this fall, in addition to the “must do” FY’14 appropriations bills and the debt ceiling increase, are immigration reform, a farm bill including funding for the food stamps program, a tax reform bill, and bills on gun control, domestic energy production and cybersecurity. On the infrastructure front, Congress hopes to pass a Water Resources bill (see more below) and potentially a rail reauthorization bill.

Congress will not be able to pass any of the 13 federal agency FY’14 annual appropriations bills before the fast approaching October 1 start of the new fiscal year. Therefore, last week, House leaders introduced a “clean” Continuing Resolution (CR) that would temporarily fund all federal programs through December 15 (20% of the year) at the FY’13 post-sequestration funding level – in other words, the same as current funding levels.

The goal had been to pass the CR quickly so that the House could go out on its scheduled recess the week of September 23. However, once again, House Republican leaders are having trouble controlling some of their members who are demanding a vote to defund the Affordable Care Act (Obamacare) before they will vote to approve the CR. Speaker Boehner has now threatened to cancel the recess unless the CR is passed this week.

Under the CR, transportation programs would be funded at current levels which means that the MAP-21 FY’14 authorized increases for the highway and transit formula programs (\$600M and \$200M respectively) will not be funded – at least in the short-term. Also, the CR prohibits the release of any discretionary program funds until a longer term bill is passed. This includes the FAA Airport Improvement Program (AIP), TIGER grants, and FTA New Starts/Small Starts funds.

The other “must-do” legislation is an increase in the debt ceiling. The ceiling is expected to be reached in early October. While it is generally agreed that no one wants to see the US government default on its financial obligations, especially now during a time of international crisis, many in Congress want to extract a price for their vote to increase the ceiling, usually in the form of sharp funding decreases. Once again, Congress may try to craft a “grand bargain”, encompassing FY’14 funding, the debt ceiling, tax reform, etc, in order to give everyone something that they want; however previous efforts to craft such a broad deal have not met with much success and many think current conditions are still unfavorable.

Congress continues to work behind the scenes on a massive overhaul of the US tax code. The goal is to introduce a bill in the House this fall and try to pass something by early



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spring. Of particular interest to the transportation industry, such a bill could be a legislative vehicle for an increase in the gas tax. A gas tax increase could be offset by closing existing tax loopholes or cutting other taxes in order to make the overall package “revenue neutral”, a compromise that some fiscal conservatives may be willing to support.

Given the desire to keep the pressure on Congress to pass a major tax reform bill, congressional leaders do not seem interested in passing the usual, end-of-the-year tax extenders bill. One area that a lack of an extenders bill would be very problematic for is the pre-tax transit commuter benefit. As of December 31, the transit benefit once again would revert to \$125 from the current \$245 parity with the parking benefit, unless Congress opts to extend it. Efforts are being made to include a permanent extension in any broad tax reform package.

Water Resources Reauthorization

Last week, House T&I Committee Chairman Bill Shuster (R-PA) introduced HR 3080, a bill to reauthorize the Water Resources Development Act (WRDA). The Senate version of the bill was passed by that body on May 15. The House bill, which includes an extra “R” for Reform, will be marked in full committee this week on Thursday, September 19. Speaker Boehner has committed floor time for the bill in early October.

The House WRRDA bill was drafted and introduced on a bi-partisan basis. It authorizes funding for capital projects carried out by the Army Corps of Engineers. Key provisions include:

- Limiting Corps studies of potential projects to three years and \$3M in federal costs per study.
- Ramping up spending from the Harbor Maintenance Trust Fund to 80% of annual receipts by the year 2020.
- Requiring construction on new projects to begin within seven years or face expiration of the project’s authorization.
- Cancelling \$12B from 15 old, inactive projects to offset the \$10B cost of 23 new projects authorized in the bill. The new projects, plus three modified previously authorized projects, have all been reviewed by the Corps and have approved “Chiefs Reports”. There are no congressionally earmarked projects in the bill.
- Having government agency review of Corps-approved projects occur concurrently, not consecutively.

The bill does not include the popular Water Infrastructure Financing and Innovation Act (WIFIA) provision that was included in the Senate version of the bill. Instead, the House hopes to move a WIFIA bill separately.



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Here are links to a variety of information about the House WRRDA bill:

[Bill Text](#)

[Section by Section Explanation](#)

[Information Booklet](#)

[Press Release](#)

[Fun Video](#)

Congressional Hearings

There are three major infrastructure-related hearings in the Senate in the next two weeks:

September 18, 10:00AM – Senate Environment & Public Works Committee – Implementing MAP-21 Provisions to Accelerate Project Delivery – Details [here](#)

September 24, 2:30PM – Senate Commerce Committee, Surface Transportation Subcommittee – Chairman Mark Warner (D-VA) will hear from witnesses about his new infrastructure financing bill. He plans to introduce the bill this week. It will be similar to his “Build Act” bill introduced in 2011 which would have established a \$10B fund to leverage up to \$640M in private investment. It would provide loans and loan guarantees for large infrastructure projects, but not direct grants.

September 25 – Senate Environment & Public Works Committee – Solvency of the Highway Trust Fund

US DOT Personnel Changes

With the arrival of Anthony Foxx as the new US DOT Secretary, there have been a number of personnel changes announced recently in the Office of the Secretary.

Foxx’s new Chief of Staff will be Sarah Feinberg, a former White House staffer, who is currently the director of policy communications for Facebook in California. After heading up communications for the House Democratic Caucus and the Democratic Congressional Campaign Committee (DCCC) under former Rep. Rahm Emanuel (D-IL) (now mayor of Chicago), Feinberg followed Emanuel to the White House where she was his senior advisor when he served as Chief of Staff. She has since held private-sector jobs at Bloomberg and Facebook.

The Deputy Chief of Staff will be Mr. Vinn White. White previously served as the US DOT Associate Director for Policy and as Special Assistant to the Deputy Secretary.



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Neither of these positions requires Senate confirmation.

In the Office of the Assistant Secretary for Policy, Beth Osborne has been promoted to Acting Assistant Secretary for Policy, replacing Polly Trottenberg who was recently confirmed to be the Undersecretary for Policy, the number three spot at US DOT. Beth had been the Deputy Assistant Secretary for Policy. The other Deputy, Amy Scarton, has announced her departure from DOT.

The White House has sent to the Hill the nomination of Paul Nathan "Chip" Jaenichen as Administrator of MARAD. He is currently the Deputy Administrator. He was a Submarine Officer in the Navy and prior to his 2012 retirement was the Navy's Deputy Chief of Legislative Affairs.

Additional information and materials can be found on the Parsons Brinckerhoff Transportation Update website at www.PBTransportationUpdate.com