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November 2012 Monthly Report for MTC

To: Steve Heminger, Executive Director
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From: Tom Bulger, President
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Re: Monthly Report for November 2012

Date: November 28, 2012

- **National Elections Finally Over**
- **What's Ahead for Transportation?**
- **San Francisco MTA Receives \$942.2 Full Funding Grant Agreement**
- **Coming and Going**
- **November Meetings**

National Elections Finally Over

President Obama's re-election victory ensures the continuation of his administration's approach to transportation policy. At the Department of Transportation's top level, Secretary Ray LaHood is on the fence about returning to his post when President Obama's second term begins in January. Other major administration transportation changes will likely hinge on Secretary LaHood's next move.

The Senate will remain in Democratic hands and with a larger majority. The Democrats gained a net of two seats, bringing their total numbers to 55 (although this assumes Senator-Elect Angus King of Maine, an Independent, and caucuses with the Democrats). We don't expect many changes to the committees. Senator Barbara Boxer will continue to lead the Environment and Public Works Committee (EPW). Senator Tim Johnson will lead the Banking Committee, with jurisdiction over public transit, and Senator Rockefeller will lead the Commerce Committee. They will be joined, however, by new ranking members. Senator David Vitter of Louisiana will lead the Republicans on EPW, Senator Jim DeMint of South Carolina will lead them on the Commerce Committee, and Senator Mike Crapo of Idaho will take the top GOP spot on Banking. Senator DeMint could be troublesome for federal infrastructure investments. On the Senate Appropriations panel, the players are largely expected to remain the same.

On the House side, the lower chamber will remain in Republican control, although the Republicans will have 10 fewer seats. In addition, there will be many new faces throughout the body, as dozens of House members are leaving. Rep. Lyn Woolsey has been replaced by Jared Huffman and Rep. Pete Stark lost his re-election to Eric Swalwell. The House Transportation and Infrastructure Committee will be led by a new Chairman, Representative Bill Schuster of Pennsylvania, a well-regarded member in policy circles. Representative Nick Rahall of West Virginia survived re-election and will serve as the ranking member. On Appropriations, Representative Tom Lathan won re-election in Iowa, ensuring he will remain in control of the House T-HUD Committee. Ranking member John Olver of Massachusetts is retiring and will be replaced by Representative Ed Pastor of Arizona, a huge supporter of mass transit.

The Homeland Security and Governmental Affairs long time leaders, Senators Joseph I. Lieberman and Susan Collins, are stepping out of those roles next year. They will be replaced by Senator Thomas R. Carper of Delaware and Senator Tom Coburn of Oklahoma. Senator Carper is a big supporter of mass transit as he previously served on the AMTRAK Board of Directors. The House Homeland Security panel will also have a new Chairman. Representative Peter King of New York is stepping down after seven years. Representatives Michael McCaul of Texas, Candice S. Miller of Michigan and Mike D. Rogers of Michigan are potential replacements. Representative Bennie Thompson of Mississippi is expected to be the lone holdover as the top ranking Democrat.

The Senate Finance and the House Ways and Means Committees will not see much change. Senator Max Baucus of Montana and his Republican counterpart Representative Dave Camp of Michigan will remain as chairmen.

What's Ahead for Transportation?

The election did not resolve the fact that we have gridlock and continued polarization in Washington; therefore we are looking to the Obama Administration to play a leadership role in pushing forward a plan to shore up the Highway Trust Fund. As of this report, the White House has not engaged to deal with this task. The Administration has put forward big ticket transportation spending totals. The President's budget proposed \$476 billion in spending for the six year surface transportation authorization bill. They have yet to produce a realistic way to pay for that spending. The President's FY 2013 budget suggests a "Peace Dividend" which has been repeatedly rejected by Congress.

The White House is expected to continue to focus on High Speed Rail. To date, the country has invested \$10.5 billion. However, the desire to spend that amount of money has dwindled in Congress. The next opportunity for the White House will be the release of the President's budget early 2013.

Can transportation funding find a way into the negotiations over the "Fiscal Cliff"? It is a long shot. Nevertheless, we continue to have discussions with the Senate Environment and Public Works Committee to raise revenue to shore up the Highway and Transit Trust Funds. We have suggested that they, at a minimum, propose a financing plan to keep transportation stakeholders engaged. In addition, to recommend a short term revenue increase along the lines that we have proposed for over two years, namely a small sales tax on gasoline and diesel to pay back the General Fund the \$40 Billion that has been given to the Highway Trust Fund.

San Francisco MTA Receives \$942.2 Full Funding Grant Agreement

Secretary Ray LaHood announced a \$942.2 million Full Funding Grant Agreement (FFGA) for the SFMTA Central subway project in early November. Senator Feinstein and House Minority Leader Nancy Pelosi attended the event with San Francisco Mayor Edwin M. Lee.

Coming and Going

Joyce Rose, our longtime friend at the House Transportation and Infrastructure, Highways and Transit Subcommittee has left the Hill to run a railroad crossing safety organization called Operation Lifesaver. No replacement has been named.

Jim Koon, Chief of Staff of the House Transportation and Infrastructure Committee under Chairman John Mica has left the Committee to head up the National Air Transportation Association.

Frederick G. "Bud" Wright, former Executive Director of the Federal Highway Administration (FHWA) has been named the Executive Director of the American Association of State Highway and Transportation Officials.

Michael Huerta's nomination to be the Federal Aviation Administrator (FAA) is now moving forward since Senator Jim DeMint (R-S.C.) has released his hold on the nomination. Mr. Huerta is the former Chief of Staff to Secretary Norm Mineta in the Clinton Administration.

November Meetings

After the elections, Congress left Washington and was not in session due to the Thanksgiving Holiday.

Met with Dan Veoni, Professional Staff of the Subcommittee on Highways and Transit on ITS.

Met with Anna Taylor at Senator Charles Schumer (D-N.Y.) on the transit benefit.

Met with ITS America Legislative Committee on MAP-21.