

## September 2014 Monthly Report for MTC

**To:** Steve Heminger, Executive Director  
**From:** Tom Bulger, President, GRI  
**Re:** Monthly Report for September 2014  
**Date:** September 30, 2014

- **Congress Passes Short-Term Continuing Resolution**
- **House and Senate to Adjourn Until After Elections**
- **Senate Majority Leader Lays Out Lame-Duck Agenda**
- **U.S. DOT Holds Infrastructure Investment Summit**
- **House Panel Approves AMTRAK Budget Cuts**
- **Porsche Holdings Buys 10 Percent of INRIX**
- **U.S. DOT Announces \$584 Million in FY14 TIGER Grants Including Bay Area Core Capacity Transit Study**
- **Technology Company Registers Lobbyist for Capitol Hill**
- **Special T&I Panel Releases Report on Public-Private Partnerships**
- **Meetings**
- **Comings and Goings**

### **Congress Passes Short-Term Continuing Resolution**

On September 18, Congress passed a short-term Continuing Resolution (CR) to prevent a government shutdown at the end of the fiscal year. The legislation continues funding for government programs and services at the current annual cap rate of \$1.012 trillion until December 11. This rate of funding will remain in place for the length of the CR, or until Congress approves annual Appropriations legislation for fiscal year 2015. The CR also provides customs enforcement with budget flexibility to maintain staffing levels, border security operations, detention space and, immigration enforcement activities. It also includes \$88 million for government efforts to fight the Ebola virus, and extends the Export-Import Bank's operating authority through June 30, 2015. Another provision extends the Internet Tax Freedom Act through December 11.

### **House and Senate to Adjourn Until After Elections**

House Majority Leader Kevin McCarthy (R-Calif.) announced on September 18 that the House has moved up its adjournment for the November elections and will be out of session from now until the beginning of a lame-duck session in the middle of November begins. The Senate is expected to follow suit after passing the CR on appropriations that the House sent over on

September 17. Senate Majority Leader Harry Reid (D-Nev.) has set November 12, 2014 as the beginning of the lame-duck session.

### **Senate Majority Leader Lays Out Lame-Duck Agenda**

Senate Majority Leader Harry Reid (D-Nev.) has scheduled a busy work period between the November elections and Christmas that could end up being Democrats' final weeks as the Senate majority. Reid says the Senate will take up the Marketplace Fairness Act, a bipartisan measure that would allow states to collect taxes from online retailers; a package of tax extenders; an omnibus bill funding government for fiscal year 2015; the annual Defense Department authorization; and a resolution authorizing military action against the Islamic State in Iraq and Syria.

### **U.S. DOT Holds Infrastructure Investment Summit**

On September 8, the Department of Transportation, along with the Department of Treasury, held an infrastructure investment summit in Washington, D.C. to mobilize private sector investment capital, uncover new financing approaches, and to accelerate project development. The summit brought together transportation leaders from all over the country along with investors and developers who represented over \$50 billion in projected capital investment in the infrastructure market over the next five years.

Among the topics discussed at the summit, were the future investments potentially stemming from Public-Private Partnerships, maximizing the use of federal credit and, conjoining assistance programs. Speakers from Carnegie Mellon University announced that they will be creating Metro 21, a consortium of research universities focused on technology solutions for their region's infrastructure and urban systems. Representatives from the Department of Treasury announced that the department will be commissioning an independent, third-party research report highlighting the country's top 25 or 50 most economically significant proposed transportation and/or water infrastructure projects, highlighting the importance of strong national infrastructure for competitiveness and economic growth.

### **House Panel Approves Amtrak Budget Cuts**

On September 1, the House Transportation & Infrastructure Committee (T&I) unanimously approved a bill that would cut Amtrak's construction budget by 40 percent. The measure, which passed with very little debate, would cut funding for new construction projects from \$1.3 billion to \$770 million annually beginning next year. Republicans on the panel said that the new measure, named the Passenger Rail Reform and Investment Act, would keep funding levels in line for the company while forcing them to streamline their operations when it came to construction. Many had originally thought that the GOP would only support a bill that would completely eliminate Amtrak's federal funding and privatize its profitable Northeast routes. Democrats on the T & I Committee said they could live with the construction funding reduction because Amtrak's operating revenue was largely being left intact, though some believed that Congress should be considering increasing its funds. The bill is unlikely to move closer to

becoming law because Congress is scheduled to work a lighter schedule to accommodate campaigning for November's midterm elections.

### **Porsche Holdings Buys 10 Percent of INRIX**

On September 10, Porsche Automobil Holding SE, the holding company that manages the assets held by heirs to the Porsche family's automotive holdings, will pay about \$55 million in cash for a stake in the Kirkland, Washington-based INRIX. "Connectivity between cars and infrastructure is one of the mega trends in the automotive industry. The need for traffic-related information and data-driven solutions is therefore growing fast. We see tremendous potential in this segment of the automotive value chain," Philipp Von Hagen, the Porsche Holding board member in charge of investment, said in a statement.

### **U.S. DOT Announces \$584 Million in FY14 TIGER Grants Including Bay Area Core Capacity Transit Study**

On September 11, the Department of Transportation announced 72 Transportation Investment Generating Economic Recovery (TIGER) discretionary transportation grants totaling \$584 million for fiscal year 2014. One of the grants included funding for the Bay Area Core Capacity Transit Study, which received a grant of \$1 million. Out of seven projects submitted into the TIGER application process by the region, the Core Capacity Transit Study was the only one to receive any funding from the TIGER VI Grant program. DOT Secretary Anthony Foxx announced that applications for the TIGER Grants totaled \$9.5 billion, 15 times the \$600 million set aside for the program, demonstrating the continued need for transportation investment nationwide. In total, the Department received 797 eligible applications nationwide, compared to 585 applications in 2013.

### **Technology Company Registers Lobbyist for Capitol Hill**

On September 15, the Intelligent Car Coalition, a group composed of technology and telecommunications companies that launched last year, has registered a lobbyist to connect with Capitol Hill. Catherine McCullough, the executive director for the coalition, is now the coalition's official lobbyist. Founded by several blue-chip companies, the group will be talking with lawmakers about "connected car technology, innovation, data use and data privacy, distracted driving, spectrum." McCullough is a former counsel to the Senate Commerce Committee.

### **Special T&I Panel Releases Report on Public-Private Partnerships**

On September 17, 2014, we attended the House T & I Committee's panel on Public-Private Partnerships as they released its final report and recommendations on how to balance the needs of the public and private sector when undertaking P3s to finance the country's infrastructure. The panel was tasked with examining the current use of P3s across the Committee's jurisdiction including all modes of transportation, public buildings, water and, maritime infrastructure. The

Committee's Vice Chairman, Rep. John J. Duncan Jr. (R-Tenn.), led the P3 panel, and Rep. Michael Capuano (D-Mass.) served as its ranking member.

“Billions of dollars of infrastructure needs in the U.S. are in search of funding, and well-executed public-private partnerships can enhance the delivery and management of infrastructure.” Duncan said. “P3s cannot provide the sole solution to all of the Nation's infrastructure needs, but they can offer significant benefits, particularly for high-cost, technically complex projects that otherwise may risk dying on the vine.”

“The panel studied numerous P3s throughout the country and found a mix of successful partnerships as well as ones that did not meet expectations,” Capuano said. “Although a transparent and functioning P3 can meet certain transportation needs, when it comes to improving our nation's infrastructure there is no question that federal investment remains a key factor in project success.”

The final report makes recommendations to grow public sector capacity to better structure agreements and ensure the needs of the public sector are adequately protected. It also proposes improvements to traditional procurement processes to ensure better outcomes for all projects. The report includes a series of recommendations for breaking down barriers to P3s, and changes to federal programs to allow partnerships to be more easily considered by states and localities. The report also recommends steps to ensure transparency and accountability for P3s, which is critical to fostering public support for such complex agreements.

The Panel was founded in January, and also included Rep. Candice S. Miller (R-Mich.), Rep. Peter DeFazio (D-Ore.), Rep. Lou Barletta (R-Pa.), Rep. Eleanor Holmes Norton (D-District of Columbia), Rep. Tom Rice (R-S.C.), Rep. Rick Larsen (D-Wash.), Rep. Mark Meadows (R-N.C.), Rep. Sean Patrick Maloney (D-N.Y.), and Rep. Scott Perry (R-Pa.).

### **Meetings**

- September 16: Meeting with Harold Hancock, majority counsel for Ways & Means Committee, concerning the transit benefit bill and Joint committee on Tax Scores regarding the transit benefit bill

### **Comings and Goings**

- Karen J. Hedlund, deputy administrator for the U.S. Department of Transportation Federal Railroad Administration, has resigned.
- House T&I Committee Chairman Bill Shuster (R-Pa.) announced two staff changes for the Committee: Matt Sturges, former Aviation Subcommittee and Committee director of member services, has been promoted to deputy staff director; and Jennifer Hall, who will continue to serve as General Counsel to the Committee, has also been appointed to deputy staff director.