

# Legislative Update

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Legal Affairs Seminar

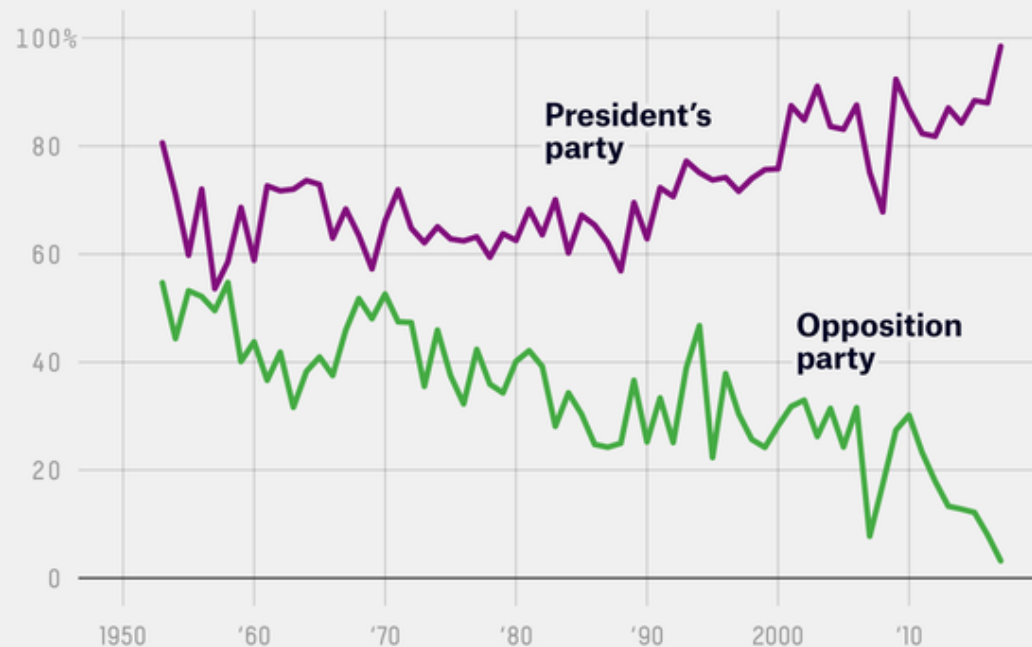
# Legislative Update

- 2018 Political Landscape
- Tax Reform Recap
- President's Budget
- FY18 and FY19 Appropriations
- Infrastructure Initiative

# Polarization in Congress

## The House is more polarized than ever

How often House members from the president's party and from the opposition party voted with the president, on average



FiveThirtyEight

SOURCE: CONGRESSIONAL QUARTERLY

# Partisan Lawmaking



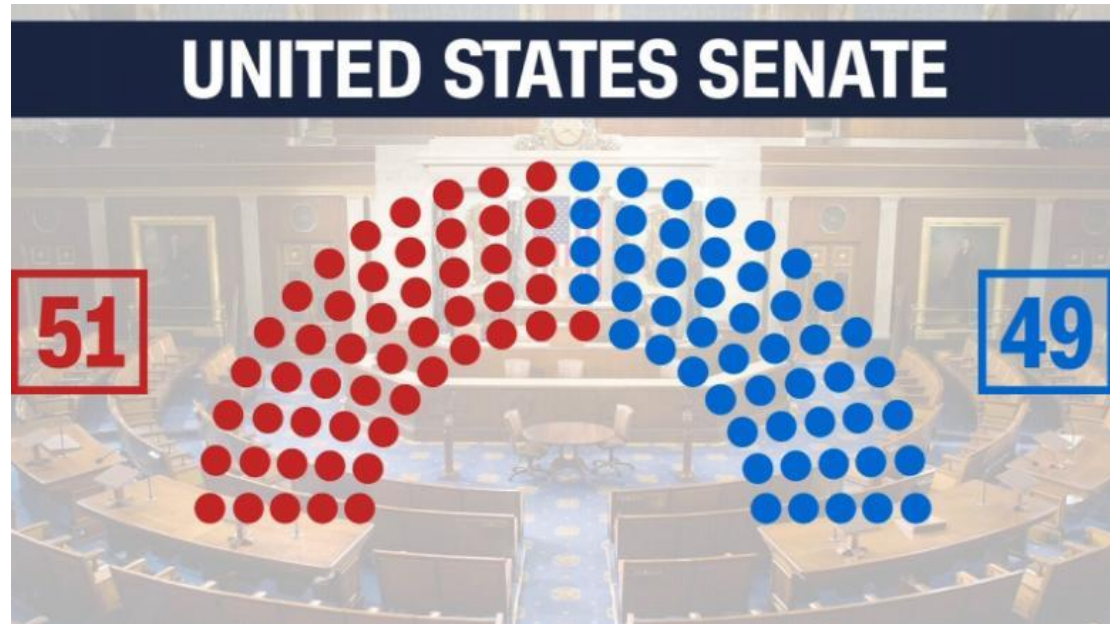
**Dems 2010**  
**Health Care**



**GOP 2017**  
**Tax Reform**

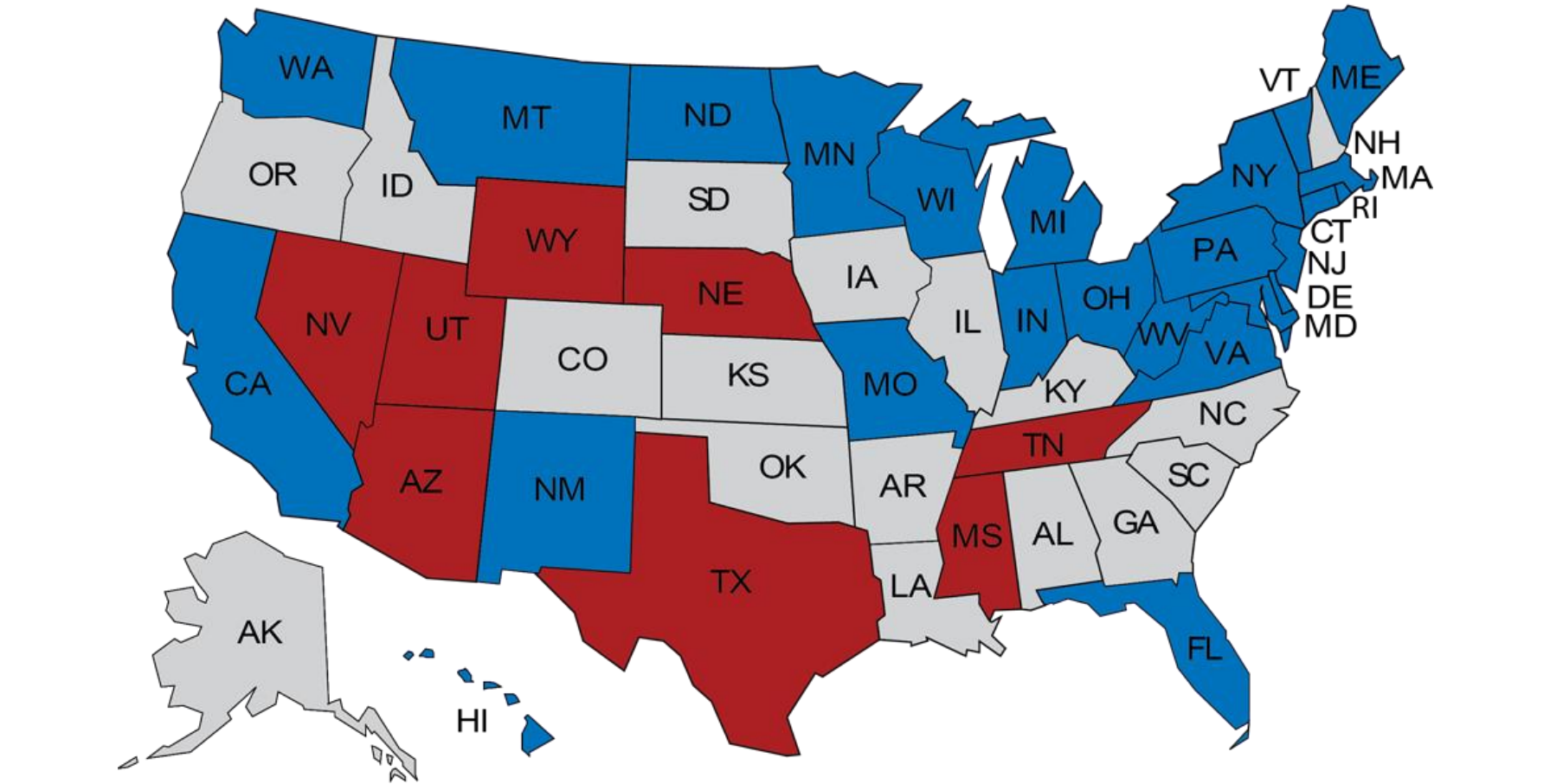
# Infrastructure Bills Can be Bipartisan

- 2015 FAST Act
  - Senate **83**-16
  - House **359**-65
- 2012 MAP-21
  - Senate **74**-19
  - House **373**-52



# 2018 Senate Elections

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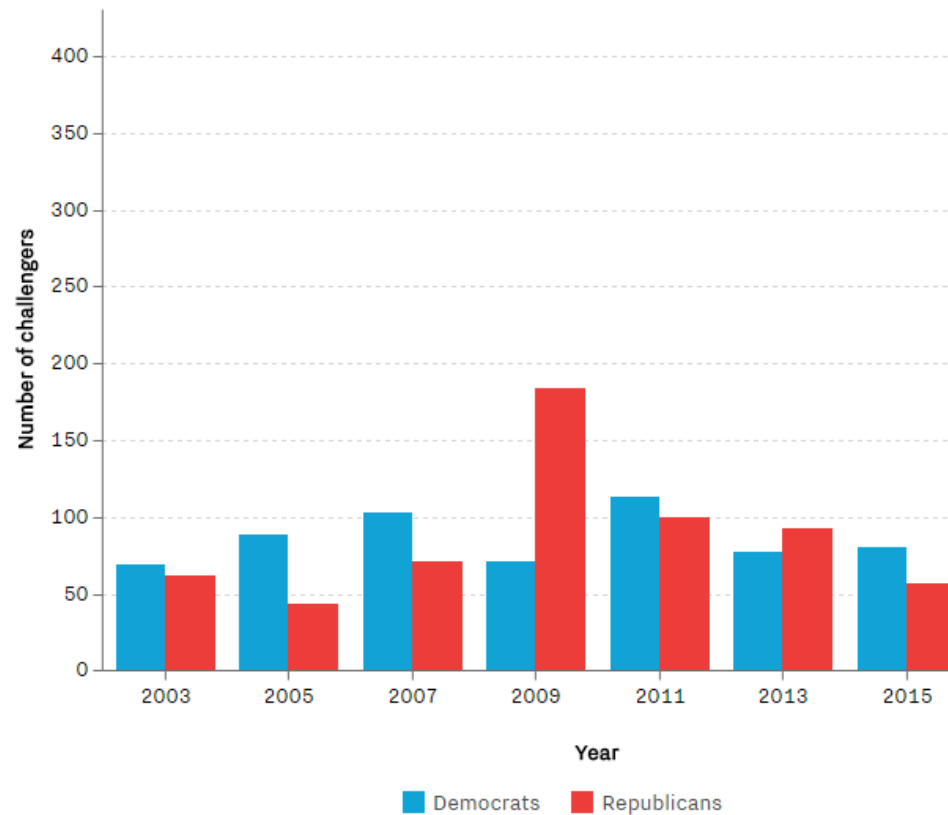
Democratic seats: 25

Republican seats: 8



# Challengers to House Incumbents

**Number of House challengers who have raised over \$5,000 as of Sept. 30**



# Challengers to House Incumbents

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# **Tax Reform Recap**



# Tax Reform Recap

- Tax reform bill signed on December 22, 2017
- Preserves Municipal Bonds, but eliminates the ability to advance refund
- Preserves Private Activity Bonds (PABs) (House bill would have eliminated)
- Preserves commuter tax benefit for both transit and parking, but prevents companies from deducting the cost of providing the benefit as a business expense

# Tax Reform Recap

- Does not subject certain investments by state and local government pension plans to the unrelated business income tax (proposed in the House bill)
- Does not fix the Highway Trust Fund



# **President's Budget**



# Trump Budget

- Fully funds Highway Trust Fund programs during the FAST Act – major cuts after 2020
- Again proposes phasing out the Capital Investment Grants (CIG) program
- Amtrak would receive \$738 million, as compared to \$1.495 billion enacted in 2017
- No funding for new FAST rail programs
- Eliminate TIGER
- Grants to WMATA are cut



# **FY18 and FY19 Appropriations**



# Appropriations

- Congress passed a continuing resolution (CR) to reopen the federal government and keep it funded through March 23, 2018
- Avoids sequestration. Raise the spending caps by about \$300 billion over two years
- Nondefense spending increases by \$63 billion this year and \$68 billion next year
- Promise of \$10 billion each year for broad infrastructure spending



# Appropriations

- APTA is advocating for increased funding for:
  - Bus and rail state-of-good repair
  - Rail grants including for Positive Train Control
  - Research, technical assistance, workforce development
  - Capital Investment Grants (CIG)
- Statutory language requiring DOT to advance CIG project agreements



# **Infrastructure Initiative**



# Trump Infrastructure Plan

- \$100 billion for a new "incentive grants" program that favors project sponsors that dedicate new, non-federal revenue streams to infrastructure
- \$50 billion for grants to rural areas
- \$20 billion for a new "transformative projects" program led by the Commerce Department
- \$14 billion for existing federal credit programs including TIFIA and RRIF
- \$6 billion to support expanded and increased Private Activity Bonds
- \$10 billion for federal real estate purchases
- Elimination of regulatory barriers and permitting streamlining
- Reform of workforce development programs

# Trump Infrastructure Plan

- Require Value Capture Financing as Condition of Receipt of Transit Funds for Capital Investment Grants
- Eliminate Constraints on Use of Public-Private and Public-Public Partnerships in Transit
- Codify Expedited Project Delivery for Capital Investment Grants Pilot Program

# How Will This Be Paid For?

- Deficit spending? Tax reform bill increased the debt by \$1.5 trillion.
- Cuts to other programs, including transportation?
- Gas tax has not been increased since 1993.
- Tolls, Vehicle Miles Travelled (VMT) or others?

# Highway Trust Fund

**Projections of Highway Trust Fund Accounts – CBO's June 2017 Baseline**  
(Billions of dollars, by fiscal year)

	ACTUAL											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>Highway Account</b>												
Start-of-Year Balance	9	51	42	32	21	10	a	a	a	a	a	a
Revenues and Interest <sup>b</sup>	36	36	37	37	36	36	35	35	35	35	35	35
Intragovernmental Transfers	52	0	0	0	0	0	0	0	0	0	0	0
Outlays	44	44	44	45	46	46	47	48	49	50	50	51
End-of-Year Balance	51	42	32	21	10	a	a	a	a	a	a	a
<b>Transit Account</b>												
Start-of-Year Balance	3	18	15	11	7	3	a	a	a	a	a	a
Revenues and Interest <sup>b</sup>	5	5	5	5	5	5	5	5	5	5	5	5
Intragovernmental Transfers	18	0	0	0	0	0	0	0	0	0	0	0
Outlays	8	10	10	10	11	11	11	11	12	12	12	12
End-of-Year Balance	18	15	11	7	3	a	a	a	a	a	a	a
<b>Memorandum:</b>												
Cumulative Shortfall <sup>a</sup>												
Highway Account	n.a.	n.a.	n.a.	n.a.	n.a.	-3	-16	-31	-46	-63	-80	-99
Transit Account	n.a.	n.a.	n.a.	n.a.	n.a.	-2	-8	-13	-19	-25	-32	-39

Source: Congressional Budget Office

# Highway Trust Fund





# APTA Legislative Conference

- **Hon. K. Jane Williams**, Deputy Administrator, Federal Transit Administration, Washington, DC
- **Hon. Rodney Davis, (R-IL)**, U.S. House of Representatives, Washington, DC
- **Hon. Jack Reed, (D-RI)**, Member, U.S. Senate, Washington, DC
- **Hon. Earl Blumenauer, (D-OR)**, Member, U.S. House of Representatives, Washington, DC
- **Hon. Peter DeFazio, (D-OR)**, Member, U.S. House of Representatives, Washington, DC
- **Hon. Sam Graves, (R-MO)**, Member, U.S. House of Representatives, Washington, DC
- **Edward G. Rendell**, Former Governor of Pennsylvania and Co-Chair, Building America's Future Educational Fund, Washington, DC

# APTA Reauthorization Process

- Using the existing committee structure
- APTA Legislative Subcommittees are currently soliciting comments to develop principles
- Goal is to advocate with one voice as an Association