

Memorandum

To: Lara Larramendi
From: Justin Vogt
CC: Laurie Saroff, Jocelyn Olivas-Rivera
RE: **Legislative Update**

Summary

This is summary of major transportation issues in Congress, including the surface transportation reauthorization, Congresswoman Hahn's freight bill, and other issues of note.

This week in the House

Briefly, this week in the House, we are voting on Interior Appropriations, Education reform, Medical Research, and two resolutions (Bosnia genocide and the grievances of the Tibetan people).

The Interior bill includes many provisions to block clean water & air regulations, so the Congresswoman will oppose it. The education reform bill (Elementary and Secondary Education Act) is strongly opposed by Democrats as it takes funding away from low income and minority schools, in exchange for giving states more flexibility. The Congresswoman will also oppose this bill.

Surface Transportation

Unless Congress acts, on July 31 funding for the Highway Trust Fund will run out AND the authorization for federal highway programs will expire. This would mean no for federal formula or discretionary funding for projects in our municipalities. It is important to note, California does have ample State funds, and would likely to continue construction for some time. This is not the case in most states however.

How did we get here? The last time Congress passed a true long term surface transportation bill was 2005, which was a five year bill. This was followed by short term extensions until 2012, when Congress passed a two year bill (known as MAP-21). Since MAP-21's expiration in October 2014, Congress has once again reverted to short term extensions. The most recent extension was in May 2015, which set the new July deadline.

What will Congress do this month? While Democratic members, including Rep. Hahn as pushing for a true long term bill, such as President Obama's GROW AMERICAN Act, which is a six year bill, House Republicans have refused to consider a long term bill. The reason they have not is primarily determining how to pay for it. Democrats have pitched a variety of funding mechanisms, such as increasing the gas tax, raising taxes on the wealthy, or simply authorizing a new bill without specifics of how to pay for it. The most likely option, which is supported by virtually all industry is raising the gas tax, however Republicans are against raising any taxes. We will likely take up another short term extension this month which will get us somewhere from September to December.

What is the GOP's long term plan? Instead of the gas tax, or a Vehicle Mileage Traveled tax (VMT), the GOP would like to pay for a new bill through 'comprehensive tax reform', or in other words, massively overhauling our tax structure to eliminating loopholes. This plan lacks any detail at this point, and the GOP has chosen not to show details as it is likely dead on arrival with the President. As the President is unlikely to agree with the GOP on tax reform, the GOP is choosing to simply wait the President out.

Hahn Freight Bill

Right now, HR 935 is on hold. We have shared the language with the Committee, however until the Committee decides to move forward on a new long term surface transportation bill, our bill will also have to wait. Chairman Shuster, who will determine our path forward, has shown some support for the Congresswoman's proposal.

Merchant Mariners

Rep. Hahn has been trying multiple efforts to pass H.R. 563, the Honoring Our WWII Merchant Mariners Act – through the Defense Authorization, Coast Guard Authorization, and Defense Appropriations. Each time the bill has been blocked, however the Congresswoman intends to continue to fight for this fair compensation.

In summary, the legislation would provide \$25,000 to the roughly 5,000 surviving World War II Merchant Mariners. Today, the bill has 30 cosponsors (6 Republicans). It has been referred to the Veterans Affairs Committee, where Chairman Jeff Miller has declined to consider it.

Background on Gold Medal – The Congresswoman is also working now with Congresswoman Susan Brooks (R-IN) on a bill to award World War II Merchant Mariners a Congressional Gold Medal. The text of the bill has been written, and we are working to introduce the bill this week.

Trans-Pacific Partnership – TPP

The Trans-Pacific Partnership (TPP) is a proposed regional free trade agreement (FTA) among 12 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam. The TPP negotiations have been ongoing for nearly five years and may be concluded in the near term, although several challenging issues remain unresolved. In June, Congress pass Trade Promotion Authority (commonly known as Fast Track) to allow President Obama to wrap up negotiations with other member countries.

Why Rep. Hahn opposes TPP - There are a number of reasons Democrats have slowed down consideration of the TPP packs, primarily focusing on three issues: the impact on American jobs, human rights protections domestically and abroad, and the ability for foreign corporations to sue U.S. governments for regulations that impact profits. In addition, there is a push among Democratic members to include provisions stopping currency manipulation.

Iran Nuclear Deal

The deadline for P5+1 negotiations with Iran on its nuclear program have been extended to July 9. The Congresswoman sees successful negotiations with Iran would be a deal that requires both verification and transparency through anytime, anywhere inspections including access to Iran's military facilities. Iran must also disclose what it has already done to develop a nuclear weapon and dismantle that program. It is said that President Obama sees the likelihood of a deal at 50%. Obama privately stated recently that U.S. negotiators would sooner walk away than back away from Obama's core goals. The Congresswoman is reserving her position on the deal until text is released.

If a draft deal is released by July 9, Senators would have 30 days to vote on it. If it comes later than July 9, Senators would have 60 days.