Congress Looks to Overhaul Tax Code and Fund Government Before End of 2017

Members of Congress return to Washington, D.C. this week after spending time with their families for the Thanksgiving holiday. With 2017 drawing to a close, legislators have less than a month to complete an ambitious to-do list, including tax reform and funding the federal government past December 8th.

With only 12 working days left this year, here’s what Capitol Hill lawmakers are trying to accomplish:

**Tax Reform**

In early November, House Republicans introduced the Tax Cuts and Jobs Act, a proposal to overhaul the U.S. tax code. Despite calls from transportation stakeholders for the legislation to address chronic transportation funding shortfalls, the bill lacked any such provision. Compounding the lack of transportation funding solutions, the proposal eliminates the tax-exempt status of private activity bonds (PABs), which are financing instruments that allow private sector project sponsors to benefit from the lower financing costs of tax-exempt municipal bonds, attracting private investment for projects yielding public benefit. Eliminating this tax exemption would raise bond interest rates, reducing the private sector’s incentive to participate in public infrastructure projects.

Although PABs have only been available to transportation projects for 12 years, already transportation projects constitute 20 percent of the PAB market, demonstrating their utility and popularity. Transportation stakeholders and industry associations, including CAGTC, the American Association of State Highway and Transportation Officials, and the American Society of Civil Engineers, called for the tax exempt status to be preserved. With the estimated $2 trillion shortfall in transportation investments, it is critical that a wide variety of funding and financing tools be available to project developers.
Senator Hatch published the Senate’s tax plan on November 15, 2017. Like the House bill, the Senate’s proposal does not address the transportation funding shortfall, but it does maintain the tax exempt status of PABs.

Republicans have made passing a tax bill before the end of 2017 their top priority. The Tax Cuts and Jobs Act passed the House on November 16, 2017 by a vote of 227-205. The Senate faces a potentially more difficult path to passage and has added a repeal of the individual mandate for health care in an effort to secure more support. Should the bill pass, the House and the Senate would then go to conference and vote on a final version of the bill.

Members of Congress and the Trump Administration have argued that Congress needs to complete tax reform to open the door to sufficient funding for a large infrastructure package, as promised by this Administration. Despite the absence of infrastructure pay-fors that some Members of Congress were hoping for, like a gas tax increase or the inclusion of a one-time “repatriation holiday,” the Administration maintains that an infrastructure package will be forthcoming after tax reform is passed.

### Fund the Federal Government

Fiscal Year 2018 (FY18) officially began on October 1, 2017 but Congress failed to pass the necessary appropriations bills before that date, instead passing a continuing resolution (CR) on September 8, 2017, extending Fiscal Year 2017 spending levels until December 8, 2017. This three month delay was intended to give Congress more time to pass the various appropriations bills, but other priorities have served as distractions (health care and tax reform), resulting in a delayed process. Still, Congress will either need to pass appropriations bills for FY18 or a second CR before this deadline in order to avoid a costly government shutdown. Due to the short period of time Congress has before the deadline, it is increasingly likely that another CR will be necessary to keep the Federal Government afloat beyond December 8.

The September CR also provided a three month suspension of the debt ceiling. In theory, this means that legislators should also need to address this debt ceiling prior to the end of 2018. However, the Administration noted recently that the Treasury can take measures to continue financing the federal government through January 2018 without Congress having to act to raise the ceiling. This loophole, which the Treasury also used last year when Congress was temporarily unable to come to a debt ceiling solution, means that it is unlikely we will see the debt ceiling debate before the end of this year.
Parsons: Local Investments for Global Returns

Parsons is a technology-driven engineering services firm with more than 70 years of experience in the engineering, construction, technical, and professional services industries. We’re a leader in many diversified markets, focusing on infrastructure, defense, security, and construction.

With unique capabilities as an infrastructure designer, builder, and developer, we’ve played a significant role in the delivery of projects that connect people, goods, and communities around the world. Our innovative approach combines creative design, state-of-the-art technology, and high-quality construction to deliver end-to-end solutions. By delivering cost-effective and reliable solutions, we achieve competitive advantages for our clients and have built a reputation for innovation, safety, and quality in everything we do.

Our projects have covered all areas of infrastructure, including airports, ports, and international crossings. We have proudly served as general engineering consultant for the Port of Los Angeles and the Port of Long Beach, which together serve as the United States’ primary gateway for international trade. Our reputation for quality continued when we were retained to develop the San Pedro Bay Rail Enhancement Program to increase the efficiency of the ports rail services to improve capacity and efficiency of cargo in the coming years.

We have a long history of providing services for the Buffalo and Fort Erie Public Bridge Authority on the Peace Bridge, which connects Buffalo, New York, with Fort Erie, Ontario, and provides a major commercial corridor between Canada and the United States. We’re also the general engineering consultant for the Gordie Howe International Bridge project, which will construct a new international crossing between Detroit, Michigan, and Windsor, Ontario, and is the largest bi-national infrastructure project between Canada and the United States.

For Los Angeles World Airports, which oversees and manages Los Angeles International Airport (LAX), one of the world’s busiest cargo airports, we provide program and construction management staffing services to support capital improvements like the Landside Access Modernization Program (LAMP), which includes airside, terminal, landside, utility, infrastructure, public safety, security, and environmental components.

While we’ve built our reputation through the success of internationally significant projects such as these, we take pride in our contributions to local economies through our small business partnership program; disadvantaged business workshops; and training initiatives, such as our HireLAX Apprentice Readiness Program (ARP). Our customer agencies encourage the use of small and disadvantaged businesses to complete projects, and Parsons has embraced these opportunities to provide mentorship to encourage the growth of smaller local businesses.
We’ve always considered ourselves woven into the fabric of the communities in which we live and work. With this sense of local pride and our cultural value of inclusion, we’ve always found ways to embrace community businesses and help them build relationships with project owners. Our small business partnership program, which began in Southern California, has been so successful in this regard that it now serves as a model for our efforts, and those of others, across the country.

We are also proud to invest in the local workforce through training programs. We partnered with Los Angeles World Airports, the Los Angeles Community College District (LACCD), the Los Angeles and Orange County Building Trades, and the Flintridge Center to establish the HireLAX ARP. This program provides training to help prepare people for careers in skilled craft labor and provides new opportunities for those who have previously experienced adversity. Students receive an intensive education from professional instructors and are given the opportunity to tour construction sites and speak with the construction workers. They learn about construction fitness, health and safety regulations, CPR/first aid, and labor history, and emerge prepared to take on an apprenticeship and begin working.

We’re proud to say that the first 26 students graduated from the program on November 3 and that they not only are well prepared to begin their careers but also reflect the cultural diversity of Los Angeles. The next group of students is expected to begin the program in January of 2018.

As a global firm with a local perspective, we see that the time and effort put into helping local people and communities ultimately results in the sustainable delivery of projects that can benefit the global economy and benefit the communities where we live, work, and play.

Save The Date
CAGTC Annual Meeting
May 16-17, 2018
Washington, D.C.

More information to come!
Don’t Miss the Buzz!
Follow @CAGTC and our Partners on Twitter
#FreightCantWait

FloridaPortsCouncil
@FloridaPorts

"#(FlaPorts can reach about 60 percent of the U.S. population in no more than 4 days" via @ILMagazine [http://bit.ly/2xMG8K7]

Port of Los Angeles
@PortofLA

#PortofLA has been named a winner of @GETRANSPORT’s 2017 Digital Innovator Award for our digital Port Information Portal project!

IANA
@Intermodal

Whoa! Big numbers: Imports set a second all-time record high this summer [https://t.co/Q5s20RZNuB]

CambridgeSystematics
@Camsys

CS celebrates 45 years of #leadership in #transportation. Watch this video about our past & looking to our future [http://bit.ly/2xHoF2N]

COMPASS
@COMPASSIdaho

Share your thoughts on proposed roadway and public transportation changes today: [http://bit.ly/2mu32AY]

IL Soybean Assn.
@ILSoybean

Animal ag is an economic engine for Illinois. See how it provides output and jobs in your county. [http://bit.ly/2lai8v3]

Give Freight a Fund
@CAGTC

Trucking bottlenecks must be mitigated. They cost shippers over $6.5 billion yearly, & account for 40% of all delays #FreightFriday
Industry News

ITS America Appoints Shailen Bhatt as New President and CEO

The Board of Directors of the Intelligent Transportation Society of America, the nation’s leading association dedicated to the development and deployment of intelligent transportation technologies, has named Shailen Bhatt as President & Chief Executive Officer. Bhatt joins ITS America with an extensive background in promoting and advocating for intelligent transportation, most recently as the Executive Director of Colorado Department of Transportation.

“Shailen Bhatt is uniquely positioned to drive the mission of ITS America forward as intelligent transportation and connected and autonomous vehicles are poised to dramatically alter the transportation landscape by increasing safety, equity, sustainability and economic opportunity in states and cities across the nation,” said ITS America Board Chairman Chris Murray, CEO of Kapsch TraffiCom North America.

Read the full release here:  http://bit.ly/2A0LF0O

Shailen Bhatt

Industry News

New Director Brings a Wealth of Experience to Transportation for America

After a nationwide search, Transportation for America is delighted to announce the hiring of Kevin F. Thompson as Director of Transportation for America, the signature transportation initiative of Smart Growth America.

Mr. Thompson brings a wealth of transportation experience to T4America, previously serving as the director of communications & legislative affairs during the Obama administration for the Federal Railroad Administration at the U.S. Department of Transportation. Earlier in his career, he spent time at the Chicago Transit Authority, directed the infrastructure sub-cabinet for former Chicago Mayor Richard M. Daley, and worked as a planner for the City of Chicago.

“Transportation policy and funding decisions, whether federal, state or local, are entirely interrelated, and we’re delighted to find someone in Kevin with experience at nearly every level,” said Beth Osborne, interim director of T4America. “His range of experience — working at the city level, at the country’s second biggest transit agency, and with USDOT — provide him with an invaluable perspective of how coalitions get built and decisions get made.”

Read the full release here:  http://bit.ly/2i294r2

Kevin F. Thompson
Trilateral Statement on the Conclusion of the Fifth Round of NAFTA Negotiations

On November 21, 2017 in Mexico City, the negotiating teams of Mexico, Canada, and the United States, concluded the Fifth Round of the renegotiation and modernization of the North American Free Trade Agreement (NAFTA), gathering nearly 30 negotiating groups.

In response to Ministerial instructions at the end of the Fourth Round, Chief Negotiators concentrated on making progress with the aim of narrowing gaps and finding solutions. As a result, progress was made in a number of chapters.

Chief Negotiators reaffirmed their commitment to moving forward in all areas of the negotiations, in order to conclude negotiations as soon as possible.

Read the full release here: http://bit.ly/2B3tLXM

FHWA Awards More than $15 Million to Six States for Exploring New Ways to Pay for Highways

The Federal Highway Administration (FHWA) announced $15.5 million in Surface Transportation System Funding Alternatives (STSFA) grants to six states that are exploring new ways to fund highway and bridge projects on October 6, 2017. Alternatives to conventional financing are seen as imperative, FHWA officials said, due to the Highway Trust Fund’s gradual inability to keep pace with increasing construction and repair costs nationwide.

“To ensure the U.S. road system is the best in the world, we can no longer rely solely on the federal gas tax and the Highway Trust Fund,” said Acting FHWA Administrator Brandye L. Hendrickson. “New sources of funding for the design, construction and repair of our nation’s roadways have never been more necessary, and these grants will help open the door to new financial innovations.”

The STSFA grants fund projects to test the design, implementation and acceptance of user-based alternative revenue tools. FHWA officials selected seven proposals from six states – California, Colorado, Delaware, Missouri, Washington and Oregon.

Read the full release here: http://bit.ly/2APtEzw
**Member News**

**Dewberry Wins VTCA Transportation Engineering Award**

The Virginia Transportation Construction Alliance (VTCA) has awarded the Route 7 Truck Climbing Lane project in Loudoun County with its VTCA Transportation Engineering Award for projects larger than $10 million.

Dewberry, as part of a design-build team with Shirley Contracting Company, completed the design and construction of the Route 7 westbound truck climbing lane, Route 7 access modifications, interchange modifications at West Market Street, multilane roundabouts at Route 9, and realignment and grade separation of the Washington & Old Dominion (W&OD) Trail for the Virginia Department of Transportation (VDOT).


**Member News**

**Tampa Hillsborough Expressway Authority Demonstrates Connected Vehicle Technology**

On November 13, the Tampa Hillsborough Expressway Authority (THEA) hosted its first public demonstration of the technology it plans to deploy as part of the Tampa Connected Vehicle Pilot, a research project that has the potential to change the way people walk and drive in downtown Tampa and beyond.

THEA plans to equip approximately 1,600 privately owned automobiles with connected vehicle technology by mid-2018. Volunteers’ automobiles will be equipped to communicate with downtown traffic and pedestrian signals to enhance safety, improve traffic flow and even reduce emissions of greenhouse gases. Hillsborough Area Regional Transit (HART) will also equip 10 buses and 10 TECO Line streetcars with this technology.

THEA is now recruiting volunteer drivers and pedestrians for the Tampa Connected Vehicle Pilot. As an incentive, participating drivers will receive a 30 percent toll rebate on the REL, up to a maximum of $550.

**Member News**

**Port Everglades Sets Record for Containerized Cargo Volumes in FY2017**

Broward County’s Port Everglades topped its previous record for containerized cargo volumes with 1,076,893 TEUs (the industry standard container measurement of 20-foot equivalent units) moving through the Port in Fiscal Year 2017, which ended September 30, 2017.

The Port also experienced slight increases in cruise passengers and petroleum volumes according to unaudited reports.

The containerized cargo increase represents a 4 percent boost compared to FY2016, and a 1.5 percent increase since the last record was set in FY2015 at 1,060,507 TEUs. Growth was steady throughout the year and spiked with record months in December and March.”

“The volumes of refrigerated produce coming into Florida through Port Everglades from Central America is significant. It represents more than half of all perishable cargo that arrives in Florida by ocean,” said Port Everglades Chief Executive and Port Director Steve Cernak. “Apparel, tile and beverages also rank among our top commodities. Notably, we are seeing growth in machinery and automobile parts as the number of vehicles being shipped in and out of the port also increases.”

Read the full release here: [http://bit.ly/2hCze0b](http://bit.ly/2hCze0b)

**Member News**

**Port of Oakland OKs $11 Million Rail Link to New Cool Port Project**

A refrigerated gateway to Asia for U.S. meat exports has cleared its last big hurdle here. Port of Oakland Commissioners OKd an $11 million rail spur to Cool Port Oakland in late September. It’s the final piece of an ambitious plan to make this city a vital link in the food chain.

The spur would connect Union Pacific Railroad tracks with Cool Port, a 280,000-square-foot distribution center now under construction on 25 acres of Port property. Burlington Northern Santa Fe Railroad would also have rail access.

When the project is completed, an estimated 27,000 20-foot containers of meat could ship from Oakland annually. The final destination: export markets in Asia.

“The concept is to bring vast quantities of chilled or frozen beef and pork to Oakland via the rails,” explained Port of Oakland Maritime Director John Driscoll. “At Cool Port, the product would be transferred in a temperature-controlled setting from rail cars to shipping containers, then whisked across the street to outbound vessels.”

The American Transportation Research Institute (ATRI) released its much anticipated assessment of the nation’s transportation investment options on November 8, 2017. The report entitled A Framework for Infrastructure Funding concludes that the only meaningful mechanism for attaining the administration’s vision for a large-scale infrastructure program is through a federal fuel tax increase. The inefficiency of other mechanisms, including mileage-based user fees and increased tolling, will fall far short of the needed revenue stream without placing undue hardship on system users.

In addition, ATRI’s research documents that a federal fuel tax increase will incentivize states to generate multi-million dollar matches to the new federal funds, ultimately moving the United States closer to the infrastructure investment goals proposed by both Congress and the President.


In December 2015, the Fixing America’s Surface Transportation Act (FAST Act) authorized DOT to award $4.5 billion in discretionary grants for fiscal years 2016 through 2020; DOT awarded $759.2 million in fiscal year 2016.

The FAST Act required GAO to assess FASTLANE’s processes for selecting grants. This report addresses: (1) the processes used to evaluate and award FASTLANE grants, (2) the extent to which DOT followed its FASTLANE evaluation plan, and (3) the extent to which the process aligned with recommended practices and DOT’s own guidance for awarding discretionary grants. GAO reviewed DOT and FASTLANE documentation, analyzed FASTLANE’s fiscal year 2016 data, and interviewed DOT officials and 13 FASTLANE applicants selected to include projects of varying sizes, locations, and modes.

Find the full report here: [http://bit.ly/2j8w1pn](http://bit.ly/2j8w1pn)

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Upcoming Events

**November 29-30, 2017:** Florida Ports Council’s Ports Security and Technology Conference  
*Orlando, FL*

**November 30 - December 1, 2017:** RAILTRENDS 2017  
*New York, NY*

**December 07-08, 2017:** 2017 National Accelerated Bridge Construction Conference  
*Miami, FL*

**January 07-11, 2018:** 2018 Transportation Research Board Annual Meeting  
*Washington, DC*

**May 16-17, 2018:** 2018 CAGTC Annual Meeting  
*Washington, DC*
Why Join CAGTC?

**Shape Policy**
CAGTC Members have the opportunity to help shape policy and legislation with an organization that is known for getting results on the Hill. Membership gives you a seat at the table as our positions are vetted, debated, finalized and carried to the halls of Congress, where we then pull out the votes. All members are invited and encouraged to participate in our various policy and planning committees, which meet by phone, email and, occasionally, in person.

**Timely Communication**
CAGTC strives to keep our members well informed and keyed in on important national freight developments. Because our work focuses solely on goods movement issues, we are able to disseminate concise, lightening-quick updates. Our members often tell us that CAGTC delivers information quicker than any of their other DC connections!

**Access**
CAGTC holds one annual, in-person meeting every spring, with impressive member turn out. In addition to our annual meeting, we frequently hold member events, such as a Fly In to engage in pressing issues during the fall of 2015, and a policy discussion in Miami, Florida, in the spring of 2016 to drill down on implementation events. We regularly boast members of Congress, senior members of the Administration, and their staff among our CAGTC speakers and attendees.

**Up to Date Information**
In all our endeavors, the Coalition highlights its member organizations as examples of good projects and how the process should work. We do this in our regular meetings on the Hill, at conferences and during presentations and in our newsletter, which goes out every other month. Members have a spotlight for recent achievements, a sounding board of experts for advice, as well as an opportunity to network with likeminded organizations.

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