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## **San Joaquin Valley Regional Planning Agencies Policy Council** **Valley Voice 2017**

### *Meetings Summary*

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#### **White House**

We sat down with **Billy Kirkland**, Billy Kirkland, Special Assistant to the President and Deputy Director of Intergovernmental Affairs. He provided an overview of his office into two silos: state and local government. He oversees the local silo, which includes city and county government. He added that he wants his office to serve as, “a conduit and advocate” and that, “if we don’t agree, we want to hear your side of the story.” He said that many things can be solved at the agency level, and he meets regularly with the intergovernmental affairs teams within each agency. Billy mentioned the Administration’s work with the “Big 7” intergovernmental associations, but how they want to have a direct relationship with local governments as well and have been having “state days.”

Regarding the Buy America waivers, the delegation expressed that they are looking for expedited review and approval. Billy deferred the group to DOT and said it was good that the group was meeting with the agency while in town. On the RTP cycle, Billy was very interested in this proposal for potential inclusion in an infrastructure package. We forwarded him the draft legislative language authored by Majority Leader Kevin McCarthy. The Administration is working hard to reduce regulatory burdens. On the issue of the aviation fuel tax, Billy understands that the rule would be a matter of local sales tax preemption.

Billy was cognizant of the mid-size disadvantages that occur within “the other California” and along Highway 99. He inquired about the projects along the corridor and emphasized that local jurisdictions should be prepared to do “whatever you can do to stretch those local dollars.” Regarding Farm-to-Market Routes, Billy highlighted Secretary Perdue’s experiences, stating that the former Governor understands these needs. Billy recommended that the SJVV group should send a formal letter to Secretary Perdue inviting him to visit the Central Valley when his travels bring him west.

Finally, the White House has been inviting state and local elected officials to attend a series of infrastructure meetings organized by the Office of Intergovernmental Affairs. They started with

the Governors, moving on to County Commissioners, etc. Billy suggested that the group will be invited to next infrastructure meetings. We will follow up as appropriate.

### **Rep. Tom McClintock**

The group was joined by Congressman **Tom McClintock**, representing California's 4<sup>th</sup> Congressional district. On the Buy America issue, the Congressman said why spend all this money on trade and ports and then erect barriers to free trade. On the RTP cycle, he agreed the resources spend could go elsewhere. Acknowledged frustrations associated with process. Congressman mentioned the "old days" and how the region knows how to do P3s. On farm to market routes, the Congressman said we need to use money for roads instead of other purposes. He thinks that the dollars in the Highway Trust Fund should be preserved for use on highways only, which he believes would address the issue of solvency. The Congressman acknowledged the population has expanded, but capacity on Highway 99 has not. He thinks it is wrong to try to get people out of their cars, but to not expand the highway. On clean air, he remarked "one size fits all is insane." Congressman McClintock suggested that states should have the ability to implement plans that address their own unique environmental challenges and public health concerns. The Congressman thinks water problems will not be solved until reservoirs are built; he emphasized the need for greater storage and mentioned the various projects and options under consideration.

### **Senator Kamala Harris**

The Valley Voice delegation met with **Kevin Chang**, Legislative Assistant, and **William Niebling**, Legislative Counsel, representing the DC Office of Senator Kamala Harris. Both have backgrounds overseeing policy areas related to transportation, environment, and clean air. Mr. Niebling used to work in the Environmental Protection Agency (EPA) Office of Air and Radiation. Given his background, the Air District spent some time discussing their priorities and work with the Administration to date. Mr. Niebling firmly believes that EPA will try really hard to avoid placing sanctions on a jurisdiction if they are making legitimate attempts to mitigate pollution from sources within their control. There was reference to H.R. 806, which would ensure that EPA would not place such sanctions if pollutants are outside authority. Senator Harris's staff drew the group's attention to the mitigation and clean air funding forthcoming from the Volkswagen settlement. On the RTP priority, both staff members believe this policy will be on the table if there is an infrastructure bill eventually. The same applies for remedies to address any unresolved issues with the Buy American waivers. The issue of geographic and socioeconomic equity could be addressed in that package as well. They understand the inequity. The staff added that Senator Harris is learning early into her term, and she has asked for your guidance to demonstrate how you can help environment and agriculture needs simultaneously as the process moves forward with any infrastructure package.

## **Department of Transportation**

At the U.S. Department of Transportation (DOT), the group met with the following officials:

### **Office of Government Affairs**

**Anthony Bedell**, Deputy Assistant Secretary for Government Affairs

**Lori Urban**, Governmental Affairs Liaison Officer – Intergovernmental

**Chris Mitton**, Governmental Affairs Officer – Intergovernmental

### **Office of the Under Secretary for Policy**

**Grover Burtney**, Deputy Assistant Secretary for Transportation Policy

### **Office of Infrastructure Finance and Innovation**

**John Augustine**, Director

New DOT staff members **Sean Poole**, **Michael Russo**, and **Chris Farris** joined the Valley Voice group to observe the conversation.

Deputy Assistant Secretary Bedell informed the group that the Administration will issue supplemental guidance outlining legislative priorities and objectives for its major infrastructure package around the Thanksgiving holiday. He encouraged the Valley Voice delegation to educate their Congressional delegation on the needs of the region and upcoming projects.

Regarding the Buy America Waivers, DOT is aware that countless projects totaling millions of dollars of infrastructure investment are currently on hold. Deputy Assistant Secretary Burtney insisted that the agency is not closing door on waivers, but it needs to make sure that the proper criteria is being applied in the evaluation of each waiver request independently. The two criteria are that granting the waiver would either: 1) serve the public interest or 2) not have great impact in terms of economic scope in the nation. The Administration wants to be thorough in its review process. From a policy perspective, the agency maintains the ability to grant the waivers. Deputy Assistant Secretary Bedell understood waiver issues and said the agency will work toward a resolution soon.

On the RTP cycle, Deputy Assistant Secretary Bedell recommended that group should work with Congress for legislative fix to be included in the infrastructure package since the Department's "hands are tied" on the issue. He sees the value of putting those planning dollars toward project planning, but noted that a number of MPOs use a two-year cycle. He thinks that the Valley Voice should also pursue a legislative fix for midsize disadvantage issue. DOT hears a lot about farm-to-market routes. The agency pointed to the forthcoming infrastructure package again, and encouraged the delegation to engage with USDA.

Office of Infrastructure Finance and Innovation Director John Augustine highlighted both the TIGER and INFRA programs and the upcoming deadlines for each program. He stated that the TIGER program is pretty much the same as before.

VV asked how do we make INFRA more competitive?

- John Augustine responded that need to detail now non-federal funding is being leveraged – be specific on all aspects of the project.

- Vito asked about number of applicants – John Augustine said three are allowed, but you should limit it because so few applications will be submitted.
- John Augustine recommended “master INFRA” – all 8 counties united.

We were then joined by **Jim Wray**, Senior Advisor to the Secretary for Infrastructure who offered his thoughts on addressing the solvency of the Highway Trust Fund through corporate repatriation, stating the method is subject to debate and discussion and that it is on the table.

### **Department of Agriculture (USDA)**

The group closed out the first day with a meeting at the US Department of Agriculture (USDA). **Jannine Miller**, Senior Advisor for Rural Infrastructure, and **Turner Bridgforth**, Deputy Director within the Office of External and Intergovernmental Affairs, welcomed the Valley Voice delegation. Ms. Miller worked for Secretary **Sonny Perdue** when he served as Governor of Georgia. Her expertise is in the areas of economic development and logistics, which will enable her to help support prosperity and growth for the country’s farmers. She was impressed with VV brochure and might use it as model. The delegates stated that agriculture production is tearing up local roads and we need to find a better way to move goods. Jannine said the Administration’s infrastructure bill should help and asked for an inventory of pending grant applications. In regard to any upcoming infrastructure bill, she urged the local elected officials and staff to collect case studies and data in support of requests for federal support to address the needs of the region.

### **Rep. David Valadao**

Congressman **David Valadao** joined the Valley Voice group on Thursday morning. The delegation asked the Congressman to support any bills that help farm-to-market routes and other infrastructure needs in the Valley. The group highlighted their priorities including Buy America and the extension of the RTP cycles. Congressman Valadao believes there’s room to address the FAA rulemaking in the FAA reauthorization, the Appropriations process, or tax reform. On water, the group informed the Congressman of their earlier meetings with Republican Senate offices in support of his bill, the GROW Act (H.R. 23). He informed the delegation that he has submitted 30 scheduling requests to meet with Senator Harris, but he has been unable to meet with her to date. Congressman Valadao appreciates Senator Feinstein’s willingness to come to the table and meet, despite some policy differences.

### **Rep. Jeff Denham**

Congressman **Jeff Denham** met with the delegation next. He recognizes the numerous challenges that the COGs face with importing materials and products to satisfy DOT’s Buy America requirements. He thinks that “we need long-term reform on this policy.” The FAA reauthorization bill should be moving next week and it would be a good opportunity to address

the agency's implementation of the 2014 rule on sales taxes. The Congressman thinks it would be a good idea to create a mid-size grant category in the next surface transportation reauthorization, noting San Joaquin County's troubling experiences under past solicitations. He sees goods movement as a major national priority moving forward as the demand for logistics hubs and inland ports increases with Amazon's influence. It will have a much greater impact on I-5 and S.R. 99 as the region becomes a hub for freight. On the Clean Air Act, Rep. Denham thinks now is a good time to revisit those regulations. "There's a lot of good work we can do" in the realm of improving public health outcomes by expanding ACE and addressing traffic congestion through more efficient management and increased capacity throughout the region. There will be a number of forthcoming opportunities including the appropriations package, tax reform, and infrastructure in the fourth quarter or early next year. The major infrastructure bill will include water infrastructure, highlighting the need for an additional 5-10 million acre feet of water storage in the Valley.

### **Rep. Kevin McCarthy's Office**

House Majority Leader **Kevin McCarthy** could not participate due to his leadership obligations; however, we were joined by staff representing his DC office: **Kyle Lombardi**, Legislative Director, and **Trevor Smith**, Legislative Assistant. Congressman McCarthy's staff have drafted legislative language to extend the RTP adoption cycle to up to ten years, and they have been engaging with national associations including NARC and AASHTO to gain insight and support. On water, they noted that there has been trouble moving forward legislation in the Senate. They applauded the group for engaging with western Senate offices earlier in the week. Kyle and Trevor would be glad to direct Congressman McCarthy to place a call into the White House regarding the Buy America waivers that have been on hold in the region.

### **Rep. Jerry McNerney**

Congressman **Jerry McNerney** joined the group and expressed his willingness to work with DOT on legislation that will directly address issues with the Buy America waivers. On the Aviation Fuel Sales Tax and the bill from the last Congress (H.R. 4441), the Congressman stated he would work with Congressman Valadao, who is "a nice guy, impossible not to like," on that particular matter. However, Congressman McNerney is against proposals to privatize the Air Traffic Control System that are included in Chairman Shuster's current FAA reauthorization bill. For farm-to-market routes, Congressman McNerney recommends the upcoming farm bill as a great potential legislative vehicle to move those items forward. Lastly, on water policy, the Congressman has introduced a bill (H.R. 275).

### **Rep. Devin Nunes**

Congressman **Devin Nunes** joined the group to offer his thoughts on regional priorities and the legislative calendar moving forward. He directed blame on the other chamber, stating that the 60 vote threshold continues to be a problem in moving legislation like the bills to repeal or replace the Affordable Care Act. Tax reform will be similar. As a Member of the Ways and Means Committee, he thinks there is a chance for some reform that could be “good, but not transformative” maintaining that there is “a reason it hasn’t been done since 1980. It’s hard!” He hopes that Congress would be able to streamline the code, simplify it and make it smaller. He understands that major corporations are moving offshore because they have a consumption based system. “We need a bill by Oct. 1. We seem to only govern by crisis.” On the issue of water policy, the Congressman supports H.R. 23 and asked the group to educate his counterparts in the Senate saying “the more you guys can be back talking to Senators the better we are.”

### **Senate Environment and Public Works Committee**

We met with **Richard Russell**, the Senate EPW Committee Majority Staff Director. He inquired about how the Valley Voice group would want to address a number of issues including clean air, purchasing new vehicles, or building additional water storage. He affirmed that his boss, EPW Chairman Senator **John Barrasso** understands these issues as a westerner. The Committee is examining ways to modernize the *Endangered Species Act*, looking at giving the states more authority on the implementation locally. Looking ahead to the infrastructure package, the EPW Committee intends to focus on roads and bridges, drinking water and wastewater, and regulatory streamlining.

### **Rep. Jim Costa**

The Valley Voice group met with **Scott Peterson**, Deputy Chief of Staff for Congressman Jim Costa, who is currently recovering from knee replacement surgery. Scott offered a lot of insight on the Buy America waivers, informing the group that Rep. Costa had personally called National Economic Council Director **Gary Cohn** to discuss the issue. Scott believes that “it seems like this is something that should be resolvable.” Rep. Costa supports the Valley Voice efforts to stop the implementation of the FAA’s rulemaking on fuel taxes, and Scott believes it can probably be addressed in the FAA reauthorization piece. On the RTP cycle extension, Scott anticipates that Rep. Costa should be favorable, but he will check on sponsorship. On water, the office is looking for a permanent fix beyond the WET Act and the Congressman wants to engage on H.R. 23’s future to ensure that there is progress with solutions for storage, conservation, and diversification. The Congressman will be pleased that the Valley Voice group engaged with other westerners.

### **Senator Dianne Feinstein**

We sat down with **John Watts**, Legislative Director, and **Trevor Higgins**, Legislative Assistant, to kick off the discussion before **Senator Feinstein** joined us later. Trevor oversees transportation in his legislative portfolio. He believes that the Buy America waivers should be resolved soon. He indicated that Senator Feinstein has included language in the Fiscal Year (FY) 2018 THUD Appropriations bill to direct the Federal Aviation Administration (FAA) to delay implementation of the Final Rule from 2014, which should be helpful for the Valley Voice delegation depending on the outcome of the budget process.

The Senator joined the discussion as the group addressed the issue of geographic equity. She asked “why would I want to work on that change to the program when I could work on fighting for your applications?” She asked about specific INFRA projects to which the group responded with the complete list, stating the projects included would benefit the whole region. She emphasized that the counties should seek to consolidate or prioritize projects and put forward the strongest proposal with the most possible benefit for the entire region.

The issue of water came up, to which Senator Feinstein quipped “whiskey if for drinking, water is for fighting.” She believes that the McCarthy-Feinstein agreement was the “toughest thing we ever did.” The State of California needs to make a decision to select projects for Prop. 1 funding. Moving forward, she believes that advantage is with Sites Reservoir, which has an estimated total project cost of \$5 billion. They are still awaiting the feasibility study for Temperance Flats. The State is dealing with opposition from the environmentalist community on all projects.

- How can we help? Look at Governor’s water fix – how to pay for it?
  - Enormous lack of precision in all these options.
  - The key thing is to get some storage.

She noted that only a dozen smelt have been caught this year and lamented that the unimpaired flow rate totals approximately 40-60% of flow, which is dedicated to fish in certain rivers like San Joaquin. Kern suggested that the Delta tunnels would be necessary to get sufficient water for storage.

On DACA, Senator Feinstein is “a staunch believer in the Dreamer legislation” and the Senate is “looking for a vehicle.” She is “totally supportive – what is happening is awful.” The Senator thinks it would be “helpful if President will come out and support the bill.” She believes that addressing DACA will be piecemeal, and not a comprehensive immigration reform bill. A solution may address DACA along with E-verify requirements.