

RBC TRANSPORTATION SOLUTIONS-LLC

Ray B. Chambers raybchambers@gmail.com 202 257 4099

To: RAILCET
From: Ray Chambers
Date: August 29, 2022

Subject: Intelligence Report - 117th Congress- 2nd Session Winding Up

Most Important Congressional Action for RAILCET. The summer congressional recess is ending on September 6. Congress will then adjourn permanently about September 26 as campaign fever takes hold. There are no major transportation issues on the table in the coming session. A lame-duck session is a possibility. However, lame-ducks are not known for their productivity. The November 6 election may change the balance of power in Congress.

During this Congress, the one important accomplishment that can benefit RAILCET contractors was the Bipartisan Infrastructure Law. BIL contains advanced appropriations of \$66 Billion for rail over the next 5 years. This is more money than appropriated in total for rail over the last half century. Within that pot there are significant discretionary funds for intercity passenger rail corridors. These can be applied for by either Amtrak or States/authorities. In the coming months RAILCET will focus like a laser on these capital funds. We will push to see they are directed to the states/authorities who promote competitive bidding for capital projects. We will work closely with the Association for Innovative Passenger Rail Operations (AIPRO—centered on rail operations contractors) as we have the same goals.

The significant issues in the remaining weeks of Congress revolve around government funding, defense policy, and a complicated cryptocurrency measure. The FY 2023 appropriations for rail capital are still in play. However, emerging House and Senate proposals are generous to rail.

Politico, to which we subscribe, recently held a briefing to breakdown the list that Congress needs tackle in the closing days. Transportation is not on the table. A Seminar Summary follows.

SUMMARY OF THE POLITICO SUBSCRIBERS SEMINAR

A stopgap and a spending deal

Lawmakers will return from the summer recess with just weeks to pass a short-term funding fix that averts a government shutdown after Sept. 30.

Once that continuing spending resolution is passed, the upper chamber's two most senior appropriators — Senate Appropriations Chair [Patrick Leahy](#) (D-Vt.) and Vice Chair [Richard Shelby](#) (R-Ala.) — will be feeling the heat to strike a fiscal 2023 government funding deal as they both speed toward retirement at the end of the year.

But as Caitlin noted, a bipartisan, bicameral funding agreement will hinge on the outcome of the midterm elections, which will determine the makeup of Congress next year.

The next big brawl: energy permitting

Senate Majority Leader [Chuck Schumer](#) secured West Virginia Sen. [Joe Manchin's](#) support for [Democrats' party-line domestic spending bill](#) by promising to ease the permitting of energy projects through an upcoming continuing spending resolution to keep the government open. But progressives and Republicans are not exactly on board.

Progressives say the provisions would serve as a boon for the fossil fuel industry, including a natural gas pipeline in Manchin's home state, Anthony said. Senate Republicans, meanwhile, are not exactly ready to help Democrats smooth over their climate legislation, despite GOP support for such permitting reforms in recent years. An effort was made by the high-speed rail lobby to include \$10 Billion for HSR. That was knocked out of the Manchin-Schumer deal.

Another must-pass problem: NDAA

Annual defense policy legislation has yet to make its way through Congress, and the massive must-pass bill likely won't be final until November or December, Connor said.

While the National Defense Authorization Act reliably passes every year, it becomes a magnet for miscellaneous provisions that have no bearing on national defense. For example, the House added cannabis banking legislation to its version of the bill, and such issues can present major pitfalls as the House and Senate work toward a final agreement.

A 'judicial minting factory'

That is how Anthony described the Senate for the next several months as Democrats look to defend their slim majorities in Congress and contest an aggressive swath of conservative judicial nominees that were confirmed when Republicans controlled Congress in recent years.

“There’s no bigger personnel issue than federal judges,” Anthony said. “President Biden has been pretty aggressive in nominating people. ... The Senate has confirmed a lot of folks, and I would expect that to very much continue.”

The sleeper crypto issue: stablecoins

If there is any urgency to move cryptocurrency legislation — and the recent crypto market crash would suggest there might be — it would probably address stablecoins.

Treasury Department and Federal Reserve officials have warned that tokens with fixed values pegged to traditional fiat currencies like the U.S. dollar could pose a risk to the financial system if they continue to grow unchecked.

House Financial Services Chair [Maxine Waters](#) (D-Calif.) and ranking Republican [Patrick McHenry](#) of North Carolina are working on a bill that would require stablecoin issuers to hold certain assets in reserve to support their dollar peg and would also direct the study of a crypto-friendly digital dollar that would be issued by the Federal Reserve.

Both lawmakers said they hoped to introduce that measure in September, though negotiations are still ongoing.