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To: RAILCET
From: Ray Chambers
Date: January 24, 2023

Subject: **January Intelligence Report-** DeFazio Gonzo –New House Transportation & Infrastructure Line Up - Chance for the Safe Transit Project Improved

Summary - With Republicans taking control of the House (by five votes) and House Transportation Chair Peter DeFazio retiring, the House Transportation and Infrastructure Committee (T&I) will look quite different in the 118th Congress. This should prove a plus for our RAILCET competition agenda, but on the downside, there may be an effort to repurpose or claw back already appropriated rail and transit grants for deficit reduction.

118th Congress - The New House Transportation and Infrastructure Committee. Yesterday House Minority Leader Hakeem Jeffries (D-NY) and Speaker Kevin McCarthy announced they have agreed T&I will consist of 35 Republicans and 30 Democrats. The make-up of the subcommittees is expected next week. The new Chair is Congressman Sam Graves (R-MO.) The Ranking Democrat is Rick Larson (D-Wash). In a bitter battle Larson beat the more senior Eleanor Holmes Norton (D) who is the long time Delegate from Washington, D.C

The Downside – In the 117th Congress appropriated unprecedented billions for commuter, intercity and freight rail projects. Much, including \$65 billion for intercity passenger rail was pre-appropriated to be spent over the next five years. A major battle to cut spending is expected to come to a head in June when the Government runs out of borrowing authority and the National Debt hits nearly \$32 Trillion. The Republican Freedom Caucus, which stalemated McCarthy's Speaker election through 15 votes, will insist on massive cuts to offset additional borrowing authority. One plan is to propose all spending be held to 2022 levels until the budget comes into balance. President Biden and the Democratic Leaders say, "No way!" This will be a gigantic battle, where RAILCET will have little influence, but could cause a reduction in the newly available rail capital funds.

The Upside -- The prospects for the RAILCET Safe Transit Project (STP) to require competition for FTA state of good repair grants is greatly improved. With a \$90 billion shortfall in transit and commuter rail state of good repair this could prove a significant source of projects for RAILCET. Last year when RAILCET was developing the STP, we made an effort in the Appropriations Committee with language our Congressional Champion David Joyce (R-Ohio) circulated. This was really more in the jurisdiction of the House T&I Committee, so we took some informal soundings. DeFazio and staff would not support competition for state of good repair projects. When we tried to insert actual language in the Transportation Appropriation, we were blocked. Following the July meeting with RAILCET at the Laurello Vineyards with Congressman David Joyce, staff strongly recommended we seek support from the new T&I Republican Leadership. Sam Graves in his years as Ranking Republican on the T&I Committee has been a strong supporter of rail construction, maintenance, and operations contractors. I have briefly discussed the RAILCET Safe Transit Project with his staff. I believe Sam will support the idea in the T&I Committee. With Joyce as a powerful member of the Appropriations Committee, we should be in a strong position to move forward in this Congress.

DeFazio proves one thing—Old Congressmen Never Die – They become Lobbyists. Last week I was invited by the French Ambassador for a reception and discussion on urban transportation issues. One highlight was a one-on-one discussion with the Mayor Phoenix who is very interested in designing a program for Arizona intercity rail. I promised to get her a concept paper. Recently retired Peter DeFazio also participated in the Ambassador's discussion. He had just accepted a new job and appeared quite relaxed!

Article from Politico -- DeFazio joins lobbying firm as strategic consultant

By Alex Daugherty

Former House Transportation Chair Peter DeFazio (D-Ore.) is joining a Washington and Oregon-based lobbying firm with deep ties to T&I staffers on Capitol Hill.

DeFazio, who left Congress in January, joined Summit Strategies as a senior strategic advisor focusing on transportation issues including highways and transit, aviation, water resources and the infrastructure law, the firm announced in a press release Monday.

The former committee chair will also conduct independent consulting.

"As I begin this next chapter in my career, I am eager to use the skills and knowledge I have gained in new ways" and tackle "some of our country's most critical infrastructure needs," DeFazio said in a statement.

Summit, which represents a variety of public and private sector clients in the infrastructure world like state DOTs and airports, is led by founding partners Jim Beall, Jim Kolb, Mark Dedrick, Michelle Giguere and Hal Hiemstra.

Kolb is a former T&I committee staffer while Dedrick's wife Kathy Dedrick is currently the staff director for T&I Democrats and a former chief of staff for DeFazio.

“From the upcoming FAA Reauthorization to implementation of the IIJA, Peter’s skill, experience, and encyclopedic knowledge of transportation policy will be critical as stakeholders and clients navigate these complex issues over the next few years,” the founding partners said in a joint statement.

Background: Former lawmakers are hot commodities on K Street for their relationships and expertise on Capitol Hill but are barred from directly lobbying their former colleagues during a cooling off period of one year for House members and two years for senators.

But lawmakers can begin lobbying immediately for entities outside of Capitol Hill. Former Democratic Rep. Filemon Vela (D-Texas) left office last year before his term ended and registered within weeks to lobby for the Port of Corpus Christi Authority.

Former T&I Highways and Transit Subcommittee ranking member Rodney Davis (R-Ill.) [recently joined](#) lobbying firm Cozen O'Connor as a managing director. Other former lawmakers to join lobbying firms in recent months include Ed Perlmutter (D-Colo.), G.K. Butterfield (D-N.C.) and Mike Doyle (D-Pa.).

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