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May 30, 2014

To: NAAA
From: Federal Advocates
Subject: May Monthly Report

Rental Cars/Used Cars Recall

Included in the President's proposed MAP-21 reauthorization bill (see separate heading below), the "Generating Renewal, Opportunity, and Work with Accelerated Mobility, Efficiency, and Rebuilding of Infrastructure and Communities throughout American Act" or the GROW AMERICA Act," is Section 4109, recall authority over rental car companies and used car dealers. While, as previously reported, the rental car recall issue has been dormant, we were recently advised by the Senate Commerce Committee that some form of a rental car recall provision will be included in its portion of the MAP-21 reauthorization bill. That being the case, the Committee requested NAAA's review of the President's proposed bill, including Section 4109. That reviewed concluded that none of the provisions, including Section 4109, directly impact the auction industry.

MAP-21 Reauthorization: The Senate

On May 15, the Committee on Environment and Public Works unanimously approved S.2322, the "MAP-21 Reauthorization Act" without amendment (the bill was introduced May 12, the text and summary having been previously provided). The bill would authorize spending of $38.4 billion for FY15, then increase with inflation to $39.2 billion for FY16, $40 billion for FY17, $40.8 billion for FY18, $41.7 billion for FY19 and $42.6 billion for FY20. That is approximately status quo funding levels plus inflation. The bill would also authorize $400 million a year in grants for projects of national and regional significance and $125 million a year, starting in FY16 subject to appropriation, for awards to states that show special innovation or brought projects in ahead of time and below budget. A new freight program would be authorized at $400 million as of FY16, growing by $400 million a year to reach $2 billion in FY20. The bill would also maintain the low-interest TIFIA infrastructure loans at current levels, while modifying the program to help states with infrastructure banks stretch their federal highway dollars. Funding for tribal transportation would be authorized at current levels.

At the markup session, Senator Boxer said: "Today's passage sends a powerful signal to our colleagues and to our nation that we are serious about addressing the looming funding crisis in the Highway Trust Fund. I am proud of this strong, bipartisan bill that helps provide the certainty that all of our states and cities need to move forward with critical infrastructure and transportation projects. Thanks to all of our Members for their work on this job-creating legislation."

Senator Vitter said: "It's important to improve our nation's roads and bridges and help provide traffic relief, so we can carry out on daily routine, like picking up the kids from practice," Vitter said. "Our nation's infrastructure needs attention and updates. Today's vote in the EPW Committee is a testament to the overwhelming bipartisan support of this urgently needed legislation."

Senator Carper said: "Today the Environment and Public Works Committee took an important step forward on the way to passing a long-term transportation bill. I thank Chairman Boxer and Ranking Member Vitter for leading a thoughtful and bipartisan process as this committee drafted and reported out this critical piece of the legislation. I understand that the other Senate committees with jurisdiction on the transportation package are also working diligently on their respective pieces of the bill. This is particularly important for those of us who also serve on the Senate Finance Committee. We need to work in a similar bipartisan fashion to quickly come to agreement on a fiscally responsible way to fund these crucial investments in our nation's infrastructure."

Senator Barrasso said: "Today, we made more progress in advancing legislation that will help ensure Americans continue to have a safe and working transportation system. This bill fulfills my top priorities: it's fiscally responsible and it provides new flexibility and equity for rural states like Wyoming. I'll remain focused on protecting taxpayer dollars and responding to the needs of rural Americans who rely on federal highways every day."

The legislation will still need to be merged with forthcoming titles from the Banking and Commerce Committees to address transit, rail, motor carrier and safety needs. Finding a way to pay for the bill falls within Senate Finance Committee's jurisdiction. Just to maintain current levels, tax writers would have to come up with about $18 billion a year to supplement motor fuels taxes and other excise taxes collected for the Highway Trust Fund.

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The opening statement of Chairman Wyden is as follows:

"The Finance Committee is here today to discuss how to meet the country's extraordinary need for investment in roads and highways and other infrastructure projects. My bottom line is that you can't have a big-league quality or big-league economic growth of life with little-league infrastructure. The status of our roads and highways affects all Americans, from commuters to exporters to folks in rural areas who drive long distances for just about everything. And in the global competition for investment and jobs, the condition of our infrastructure is a major determinant of how the outcome plays out. By any calculus, our investments in infrastructure lag way behind our competitors'. China, for example, invests 8.5 percent of its GDP in infrastructure, and in some parts of Canada, they're investing 10 percent. The U.S. invests only 1.7 percent. No American can be happy with the prospect that it's easier to move goods from a Chinese factory to a Chinese port than from an American factory to an American port. That's what's at risk.

The American Society of Civil Engineers – the trusted gurus of infrastructure – write an annual report card that grades the country's roads and highways. In 2013, the U.S. earned a D+, not exactly nobody's definition of success. The report found that nearly a third of our roads are in disrepair, and nearly half of highways around cities suffer from congestion. Americans waste millions of hours and more than a billion gallons of gasoline sitting in traffic every year. This has got to change. There are two priorities to consider. The first is reauthorizing and fixing the Highway Trust Fund, which feeds money into transportation projects. Unfortunately, it has less money coming in than it has going out. Fixing it in the short term will require $10 billion to keep the fund solvent through the calendar year. Getting through fiscal year 2015 will take another $8 billion.

What happens if the authorization expires or if the fund dries up? According to one report, 6,000 projects may grind to a halt, putting many thousands of construction workers out of a job and causing "traffic migraines" across the country. Then, for the long-term, Congress needs to find a sustainable source of funds that will keep this crunch from happening again. It would be a tragic mistake to let highway funding become another stop-and-go extender like Medicare physician payments and many important tax incentives. Relying on short-term policies, emergency patches, and temporary extensions makes forward-looking strategies impossible, and when it comes to infrastructure, planning ahead is absolutely essential.

Some proposals offered over the last few months, like using new tolls on existing roads or charging motorists based on the number of miles they drive, raise questions about privacy and feasibility that would need to be answered. We're going to examine them thoroughly. It's going to take $100 billion just to keep the Highway Trust Fund solvent for six years. Meeting that bar will give states a chance to think ahead, and construction workers won't have to worry about being laid off because of Washington inaction. And while Congress develops fresh, long-term policies for the trust fund, it should also consider ways to encourage Americans to use the cleanest and most efficient fuels.

But let's face it, fixing the trust fund is just the bare minimum in terms of investment. It's time to aim higher. That's where the second priority comes in – getting private capital off the sidelines and into this effort. There is a whole host of innovative proposals – including some from Senators Rockefeller, Schumer, Warner, Bennet and Blunt – designed to make that happen. And the only place you have to look to find proof that you can get private capital off the sidelines is the Build America Bonds program.

The Build America Bonds program had been proposed for years and years when it was finally included in a two-year bill in 2009. In this very hearing room, Senators hoped it might generate $5 to $10 billion worth of infrastructure projects over its lifetime. By the time the program ended, Build America Bonds helped finance more than $180 billion of projects in Oregon and from one end of America to the other.

The lesson is clear: there are hundreds of billions of dollars in private capital sitting on the American sidelines. Surely some of that can be invested in American infrastructure. I'd like to aim higher and do everything possible to build a bipartisan coalition for policies that generate $1 trillion in American infrastructure. From a purely commercial standpoint, investing that capital in critical American infrastructure projects certainly has the potential to be more profitable and improve more lives than the alternatives.

It's important not to punt investments further into the future. Maintaining a good-quality road is cheaper than rebuilding a failing one – especially while interest rates are low – and it's tougher to invest in new transportation projects if the country's roads and highways are falling into disrepair. The price tag for a strong national infrastructure will only grow in the future, so it's time to get to work.

This morning I also wanted to recognize the unfortunate passing of our former colleague Jim Oberstar. Jim spent his entire career working on transportation policy, first as a staffer who worked on the legislation that created the Department of Transportation in the 1960s, then while representing Minnesota's eighth district for more than three decades in the House. He was a titan of transportation policy – especially in aviation – and all who fly in America should be grateful to Jim Oberstar."

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Executive Officer, Massachusetts Bay Transportation Authority; and Gary C. Thomas, President and Executive Director, Dallas Area Rapid Transit.

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MAP-21 Reauthorization: The President

Last month, U.S. Transportation Secretary Foxx unveiled a long-term transportation bill the Administration is sending to Congress for consideration as the House and Senate face looming deadlines to avoid the economic uncertainty and job loss that would ensue if the Highway Trust Fund runs out of money this summer. The GROW AMERICA Act reflects President Obama's vision for a four-year surface transportation reauthorization bill that would create millions of jobs and lay the foundation for long-term competitiveness, rebuilding crumbling roads and bridges while providing much-needed certainty for local and state governments and addressing the country's future needs. The following is an overview of the proposal as prepared by the Department of Transportation.

Specifically, the GROW AMERICA Act will provide --

- $199 billion to invest in our nation's highway system and road safety. The proposal will increase the amount of highway funds by an average of about 22 percent above FY 2014 enacted levels, emphasizing "Fix-it-First" policies and reforms that prioritize investments for much needed repairs and improvements to the safety of our roads and transit services, with particular attention to investments in rural and tribal areas. The proposal would also provide more than $7 billion for the National Highway Traffic Safety Administration and Federal Motor Carrier Safety Administration to improve safety for all users of our highways and roads, providing a benefit of $21 for every Federal dollar used for infrastructure-related safety investments.
- $72 billion to invest in transit systems and expand transportation options. The proposal increases average transit spending by nearly 70 percent above FY 2014 enacted levels, which will enable the expansion of new projects that improve connectivity (e.g., light rail, street cars, bus rapid transit, etc.) in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. The GROW AMERICA Act proposes a powerful, $5.1 billion increase in investments to address public transit's maintenance backlog to reduce bus and rail system breakdowns; create more reliable service; and stop delays that make it harder for all commuters to get to work. The proposal also includes the innovative Rapid Growth Area Transit Program, which would provide $2 billion over four years to fast growing communities for bus rapid transit and other multimodal solutions to get ahead of the challenges caused by rapid growth.

- Tools and resources to encourage regional coordination and local decisionmaking. The proposal includes policy reforms to incentivize improved regional coordination by Metropolitan Planning Organizations (MPOs), which are local communities' main voice in transportation planning. The GROW AMERICA Act also strengthens local decision making in allocating Federal funding so that local communities can better realize their vision for improved mobility. High-performing large MPOs will be granted control of a larger portion of funds under two federal transportation programs – the Surface Transportation Program (STP) and the Transportation Alternatives Program (TAP) – and these MPOs will also receive funds through a set aside under the new Fixing and Accelerating Surface Transportation (FAST) program.

The GROW AMERICA Act will expand economic growth, and create jobs and new opportunities for Americans. The President is dedicated to enhancing opportunity for all Americans and US businesses by investing in transportation projects that better connect communities to centers of employment, education, and other critical services. The GROW AMERICA Act will -

- Support ladders of opportunity to the middle class. Today, 45 percent of Americans lack access to public transportation, limiting the options of many Americans to jobs, education and other necessities. The GROW AMERICA Act will provide improved access to safer and less expensive transportation options for millions of Americans in part by investing $72 billion in public transportation and expanding transportation options for millions of Americans. This proposal includes $2 billion for an innovative Rapid Growth Area Transit Program to provide new bus rapid transit and other multimodal solutions for rapidly growing regions. The GROW AMERICA Act includes $245 million for workforce development to enhance the size, diversity, and skills of our Nation's construction and transportation workforce through collaborative partnerships with the U.S. Department of Labor, States, and non-governmental organizations.
- Provide $10 billion for a multi-modal freight program that strengthens America's exports and trade. The U.S. transportation system moves more than 52 million tons worth nearly $46 billion each day, or almost 40 tons of freight per person per year, and freight tonnage is expected to increase 62 percent by 2040. The GROW AMERICA Act will help improve the operation of our transportation system to move freight while making critical investments to accommodate this future growth in part through providing $10 billion over four year to establish a new multimodal freight grant program to fund innovative rail, highway, and port projects that will improve the efficient movement of goods across the country. The GROW AMERICA Act will also give shippers and transportation providers a real seat at the table for making investment decisions and incentivizes States to collaborate and establish longterm freight strategic plans.
- Provide $19 billion in dedicated funding for rail programs. The proposal also includes nearly $5 of billion annually for high performance and passenger rail programs with a focus on improving the connections between key regional city pairs and high traffic corridors throughout the country.

The GROW AMERICA Act will provide more bang-for-the-buck through innovative project finance and delivery improvements. In a time of tight fiscal and budgetary constraints, the

President's proposal includes a number of measures to ensure that the American public is getting most out of Federal transportation infrastructure investments that lead to better outcomes for all Americans.

The GROW AMERICA Act will --

- Utilize competitive funding to spur innovation. The proposal will provide $5 billion over four years - an increase of more than 100 percent - for the highly successfully TIGER competitive grant program and $4 billion embedded in the highway and transit requests for a competitive grant program called Fixing and Accelerating Surface Transportation (or "FAST"). Modeled after the Department of Education's Race to the Top program, FAST will award States, Tribes, and MPOs that adopt bold, innovative strategies and best practices in transportation that would have long-term impact on all projects across the transportation programs.
- Improve project delivery and the Federal permitting and regulatory review process. The GROW AMERICA Act will build on recent efforts to expedite project approval timelines while delivering better outcomes for communities and the environment. The proposal expands on a series of successful efforts by the Administration to expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental laws or public engagement. Not only will important projects break ground faster, but the increased level of transparency and accountability will lead to delivering better environmental outcomes, as the proposal will improve interagency coordination by advancing concurrent, rather than sequential, project reviews and will improve transparency of project reviews and timelines through online "dashboards." It will also increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements.
- Incentivize cost effective investments. The proposal will strengthen the performance incentives to maintain safety and conditions of good repair, and expand research and technology activities in order to improve the productivity of our transportation systems, thereby increasing taxpayer return on investment.
- Provide $4 billion to attract private investment in transportation infrastructure. The Transportation Infrastructure Finance and Innovation Act (TIFIA) program leverages Federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The GROW AMERICA Act calls for $4 billion in funding over four years, which is estimated to support $40 billion in loans. The GROW America Act will strengthen the Railroad Rehabilitation and Improvement Financing (RRIF) financing Program by reducing the cost of obtaining a loan, making RRIF more accessible to short line and regional railroads. The proposal will raise the cap of Private Activity Bonds (PABs) to $19 billion, making room for more projects considering a public-private partnership approach to be able to take advantage of this cost-saving tool.

The Administration proposes to fund the GROW AMERICA Act through a pro-growth, business tax reform, without adding to the deficit. The President's Budget outlined a proposal to dedicate $150 billion in one-time transition revenue from pro-growth business tax reform to address the funding crisis facing surface transportation programs and increase infrastructure investment. This amount is sufficient to not only fill the current funding gap in the Highway Trust Fund, but increase surface transportation investment over current authorized levels by nearly $90 billion over the next four years. When taking into account existing funding for surface transportation, this plan will result in a total of $302 billion being invested over four years putting people back to work modernizing our transportation infrastructure. The Administration believes that a comprehensive approach to reforming our business taxes can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates current loopholes that reward companies for moving profits overseas and allow them to avoid paying their fair share. The Administration is putting forward this pro-growth financing plan to encourage bipartisan efforts to support a visionary infrastructure plan, but is open to all ideas for how to achieve this important objective, and will work closely with Members of Congress of both parties on a solution that will invest in more job creating transportation projects.

Auction Sales

We continue to report on this issue in recognition of its importance and the possibility of congressional action at some point. However, to date there have been no further developments either from the Hill or between the industry and law enforcement.

Legislation of Interest

Various Consumer Financial Protection Bureau Bills

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AMERICA Act,” is Section 4109, recall authority over rental car companies and used car dealers. While, as previously reported, the rental car recall issue has been dormant, we were recently advised by the Senate Commerce Committee that some form of a rental car recall provision will be included in its portion of the MAP-21 reauthorization bill. That being the case, the Committee requested NIADA’s comments on Section 4109 and a letter (attached) was submitted. Section 4109 (a) would limit the sale, lease or rental of vehicles or equipment that are subject to “notification of a defect or noncompliance about a motor vehicle or new item of replacement equipment.” As drafted, the provision not only subjects rental car companies (dealerships with a rental car fleet of 5 vehicles or more) to the process currently applicable to new cars – which, we believe, was the intent of the provision – but it also goes way beyond that process by including notification of ANY defect (emphasis added) related to a motor vehicle or replacement equipment whether or not the defect is safety related. That result is achieved by deleting the reference to “motor vehicle safety” and “applicable motor vehicle safety standard” in current law. Section 4109(b) would also limit the sale or lease of used motor vehicles subject to recalls. Both provisions are problematic: the first, because it affects small rental car operations and is broad in its application as it includes non-safety related recalls; and the second, because the notification process for learning that a vehicle is subject to a recall is flawed.

Annual Privacy Notice Requirement

NIADA has been monitoring legislation currently pending in the Congress – namely, House-passed H.R. 749, the “Eliminate Privacy Notice Confusion Act” and Senate introduced S. 635, the “Privacy Notice Modernization Act of 2013 – that would, in general, eliminate a costly and duplicative requirement originally passed under the Gramm-Leach-Bliley Act that all financial institutions mail their customers a copy of their privacy notice each year even if there has been no change in their privacy policy. While NIADA supports both bills in concept, our preference is for enactment of House-passed H.R. 749 given some concerns over the one addition to that bill that is included in the Senate bill.

Both bills would remove the annual privacy notice requirement if an institution has not, in any way, changed its privacy policies or procedures. The bills do not exempt any institution from an initial privacy notice, nor do they allow a loophole for an institution to avoid issuing an updated notice. Notwithstanding this, the Senate bill adds another qualifying condition for exemption - that customers be provided “access to such most recent disclosure in electronic or other form permitted by regulations prescribed under section 504.” By this addition, we suspect that the Senate bill envisions that financial institutions would post their privacy policy on their website or transmit it via email. However, while that may work for “traditional financial institutions,” some of our small dealers do not have websites and email transmittals by them may be costly, cumbersome and speculative at best. Of course, email transmittal assumes that the customer has the capability to receive them that may not always be the case. In addition, the reference to “section 504” creates a significant degree of uncertainty as that section, in part, gives the Bureau of Consumer Financial Protection and the Federal Trade Commission broad authority to issue regulations on an on-going basis, thereby, for purposes of this bill, leaving in doubt what “other form permitted by regulations” might take. Given this, the Association’s position is that subparagraph (3) of the S. 635 not be included in the final version of the bill.

On April 23, we met with staffs of the House and Senate Banking Committee to discuss the bills, expressing NIADA's support and raising questions about the Senate "add-on language." As a result, it the Association submitted a formal comment letter (provided with last month's report). In addition, the CFPB issued a proposed rule on the privacy issue. The comment period on it was just extended from Jun 12 to July 14. NAAA is preparing its comments.

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Chairman Shuster said he wants a bill with substantive changes to the current program. As for timing, given the challenge of dealing with the Highway Trust Fund shortfall this summer, he doesn't think a final bill gets done until the lame duck session although he plans to have a bill out in June/July and hopes to move it through the House before the election.

MAP-21 Reauthorization: The President

Last month, U.S. Transportation Secretary Foxx unveiled a long-term transportation bill the Administration is sending to Congress for consideration as the House and Senate face looming deadlines to avoid the economic uncertainty and job loss that would ensue if the Highway Trust Fund runs out of money this summer. The GROW AMERICA Act reflects President Obama's vision for a four-year surface transportation reauthorization bill that would create millions of jobs and lay the foundation for long-term competitiveness, rebuilding crumbling roads and bridges while providing much-needed certainty for local and state governments and addressing the country's future needs. The following is an overview of the proposal as prepared by the Department of Transportation.

Specifically, the GROW AMERICA Act will provide --

- $199 billion to invest in our nation's highway system and road safety. The proposal will increase the amount of highway funds by an average of about 22 percent above FY 2014 enacted levels, emphasizing "Fix-it-First" policies and reforms that prioritize investments for much needed repairs and improvements to the safety of our roads and transit services, with particular attention to investments in rural and tribal areas. The proposal would also provide more than $7 billion for the National Highway Traffic Safety Administration and Federal Motor Carrier Safety Administration to improve safety for all users of our highways and roads, providing a benefit of $21 for every Federal dollar used for infrastructure-related safety investments.
- $72 billion to invest in transit systems and expand transportation options. The proposal increases average transit spending by nearly 70 percent above FY 2014 enacted levels, which will enable the expansion of new projects that improve connectivity (e.g., light rail, street cars, bus rapid transit, etc.) in suburbs, fast-growing cities, small towns, and rural communities, while still maintaining existing transit systems. The GROW AMERICA Act proposes a powerful, $5.1 billion increase in investments to address public transit's maintenance backlog to reduce bus and rail system breakdowns; create more reliable service; and stop delays that make it harder for all commuters to get to work. The proposal also includes the innovative Rapid Growth Area Transit Program, which would provide $2 billion over four years to fast growing communities for bus rapid transit and other multimodal solutions to get ahead of the challenges caused by rapid growth.
- Tools and resources to encourage regional coordination and local decisionmaking. The proposal includes policy reforms to incentivize improved regional coordination by Metropolitan Planning Organizations (MPOs), which are local communities' main voice in transportation planning. The GROW AMERICA Act also strengthens local decision making in allocating Federal funding so that local communities can better realize their vision for improved mobility. High-performing large MPOs will be granted control of a larger portion of funds under two federal transportation programs – the Surface Transportation Program (STP) and the Transportation Alternatives Program (TAP) – and these MPOs will also receive funds through a set aside under the new Fixing and Accelerating Surface Transportation (FAST) program.

The GROW AMERICA Act will expand economic growth, and create jobs and new opportunities for Americans. The President is dedicated to enhancing opportunity for all Americans and US businesses by investing in transportation projects that better connect communities to centers of employment, education, and other critical services. The GROW AMERICA Act will -

- Support ladders of opportunity to the middle class. Today, 45 percent of Americans lack access to public transportation, limiting the options of many Americans to jobs, education and other necessities. The GROW AMERICA Act will provide improved access to safer and less expensive transportation options for millions of Americans in part by investing $72 billion in public transportation and expanding transportation options for millions of Americans. This proposal includes $2 billion for an innovative Rapid Growth Area Transit Program to provide new bus rapid transit and other multimodal solutions for rapidly growing regions. The GROW AMERICA Act includes $245 million for workforce development to enhance the size, diversity, and skills of our Nation's construction and transportation workforce through collaborative partnerships with the U.S. Department of Labor, States, and non-governmental organizations.

- Provide $10 billion for a multi-modal freight program that strengthens America's exports and trade. The U.S. transportation system moves more than 52 million tons worth nearly $46 billion each day, or almost 40 tons of freight per person per year, and freight tonnage is expected to increase 62 percent by 2040. The GROW AMERICA Act will help improve the operation of our transportation system to move freight while making critical investments to accommodate this future growth in part through providing $10 billion over four year to establish a new multimodal freight grant program to fund innovative rail, highway, and port projects that will improve the efficient movement of goods across the country. The GROW AMERICA Act will also give shippers and transportation providers a real seat at the table for making investment decisions and incentivizes States to collaborate and establish longterm freight strategic plans.
- Provide $19 billion in dedicated funding for rail programs. The proposal also includes nearly $5 of billion annually for high performance and passenger rail programs with a focus on improving the connections between key regional city pairs and high traffic corridors throughout the country.

The GROW AMERICA Act will provide more bang-for-the-buck through innovative project finance and delivery improvements. In a time of tight fiscal and budgetary constraints, the President's proposal includes a number of measures to ensure that the American public is getting most out of Federal transportation infrastructure investments that lead to better outcomes for all Americans.

The GROW AMERICA Act will --

- Utilize competitive funding to spur innovation. The proposal will provide $5 billion over four years - an increase of more than 100 percent - for the highly successfully TIGER competitive grant program and $4 billion embedded in the highway and transit requests for a competitive grant program called Fixing and Accelerating Surface Transportation (or "FAST"). Modeled after the Department of Education's Race to the Top program, FAST will award States, Tribes, and MPOs that adopt bold, innovative strategies and best practices in transportation that would have long-term impact on all projects across the transportation programs.
- Improve project delivery and the Federal permitting and regulatory review process. The GROW AMERICA Act will build on recent efforts to expedite project approval timelines while delivering better outcomes for communities and the environment. The proposal expands on a series of successful efforts by the Administration to expedite high priority projects and identify best practices to guide future efforts without undermining bedrock environmental laws or public engagement. Not only will important projects break ground faster, but the increased level of transparency and accountability will lead to delivering better environmental outcomes, as the proposal will improve interagency coordination by advancing concurrent, rather than sequential, project reviews and will improve transparency of project reviews and timelines through online "dashboards." It will also

increase flexibility for recipients to use Federal transportation funds to support environmental reviews, and help to integrate overlapping requirements.

- Incentivize cost effective investments. The proposal will strengthen the performance incentives to maintain safety and conditions of good repair, and expand research and technology activities in order to improve the productivity of our transportation systems, thereby increasing taxpayer return on investment.
- Provide $4 billion to attract private investment in transportation infrastructure. The Transportation Infrastructure Finance and Innovation Act (TIFIA) program leverages Federal dollars by facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects more quickly. The GROW AMERICA Act calls for $4 billion in funding over four years, which is estimated to support $40 billion in loans. The GROW America Act will strengthen the Railroad Rehabilitation and Improvement Financing (RRIF) financing Program by reducing the cost of obtaining a loan, making RRIF more accessible to short line and regional railroads. The proposal will raise the cap of Private Activity Bonds (PABs) to $19 billion, making room for more projects considering a public-private partnership approach to be able to take advantage of this cost-saving tool.

The Administration proposes to fund the GROW AMERICA Act through a pro-growth, business tax reform, without adding to the deficit. The President's Budget outlined a proposal to dedicate $150 billion in one-time transition revenue from pro-growth business tax reform to address the funding crisis facing surface transportation programs and increase infrastructure investment. This amount is sufficient to not only fill the current funding gap in the Highway Trust Fund, but increase surface transportation investment over current authorized levels by nearly $90 billion over the next four years. When taking into account existing funding for surface transportation, this plan will result in a total of $302 billion being invested over four years putting people back to work modernizing our transportation infrastructure. The Administration believes that a comprehensive approach to reforming our business taxes can help create jobs and spur investment, while ensuring a fairer and more equitable tax system that eliminates current loopholes that reward companies for moving profits overseas and allow them to avoid paying their fair share. The Administration is putting forward this pro-growth financing plan to encourage bipartisan efforts to support a visionary infrastructure plan, but is open to all ideas for how to achieve this important objective, and will work closely with Members of Congress of both parties on a solution that will invest in more job creating transportation projects.

Auction Sales

We continue to report on this issue in recognition of its importance and the possibility of congressional action at some point. However, to date there have been no further developments either from the Hill or between the industry and law enforcement.

Legislation of Interest

ALERT: Various Consumer Financial Protection Bureau Bills

On May 29, the House Committee on Financial Services marked up the following bills. There are no Senate companion bills to any of them.

H.R. 3770, the CFPB-IG Act of 2013
Introduced by Representative Stivers, the bill would create a separate, independent inspector general for the CFPB. The CFPB currently shares an inspector general with the Federal Reserve System (Board). Requires the President within 60 days of enactment to appoint a CFPB Inspector General.

H.R. 4262, the Bureau Advisory Commission Transparency Act
Introduced by Representative Duffy, the bill would clarify that the Federal Advisory Committee Act (Pub. L. No. 92-463) applies to the CFPB.

H.R. 4383, the Bureau of Consumer Financial Protection Small Business Advisory Board Act
Introduced by Representative Pittenger, the bill would direct the CFPB to establish a Small Business Advisory Board. The bill has 23 cosponsors.

H.R. 4539, the Bureau Research Transparency Act
Introduced by Representative Fitzpatrick, the bill would require that CFPB research papers made available to the public be accompanied by all studies, data, and analyses on which the paper was based.

H.R. 4604, the CFPB Data Collection Security Act
Introduced by Representative Westmoreland, the bill would require the CFPB to create an opt-out list for consumers who do not want the CFPB to collect personally identifiable information about them and to delete or destroy information about a particular consumer within a specified period of time following collection. It further requires CFPB employees accessing personally identifiable information about consumers to hold a 'confidential' security clearance. The bill has 13 cosponsors.

H.R. 4684, the Bureau Guidance Transparency Act
Introduced by Representative Stutzman, the bill would require that the CFPB, in issuing any guidance, provide a public notice and comment period before issuing the guidance in final form, and must make public any studies, data, and other analysis it relied on in preparing and issuing its guidance.

H.R. 3193, Consumer Financial Protection Safety and Soundness Improvement Act of 2013

Introduced by Congressman Duffy (R-WI-7) on September 26, 2013, passed the House on Feb. 27, 2014, received in the Senate on March 4, 2014,and amends the Consumer Financial Protection Act to authorize the Chairperson of the Financial Stability Oversight Council to issue a stay of, or set aside, any regulation issued by the Consumer Financial Protection Bureau (CFPB) upon the affirmative vote of the majority of Council members (currently, two-thirds), excluding the Director of the Bureau.

Requires the Council, upon the petition of a member agency of the Council, to set aside a final regulation prescribed by the CFPB if the Council decides that such regulation is inconsistent with the safe and sound operations of U.S. financial institutions. (Currently the Council is merely authorized, upon petition, to set aside a final regulation if it would put the safety and soundness of the U.S. banking system or the stability of the U.S. financial system at risk). Repeals the prohibition against Council set-aside of a regulation after expiration of a specified time period, and mandatory dismissal of a petition if the Council has not issued a decision within such time period. Requires the CFPB Director, when prescribing a rule under federal consumer financial laws, to consider its impact upon the financial safety or soundness of an insured depository institution.

Status Update: No change since the last report.

H.R. 2543, End Discriminatory State Taxes for Automobile Renters Act of 2013

Introduced on June 27 by Congressman Cohen (D-TX) with 6 (now 10) cosponsors. On September 13 the bill was referred to the Subcommittee on Regulatory Reform, Commercial and Antitrust Law of the Judiciary Committee. The bill prohibits states or local governments from levying or collecting a discriminatory tax (generally, a tax or tax assessment that is applicable to the rental of motor vehicles or motor vehicle businesses or property, but not to the majority of other rentals of tangible personal property within a state or locality) on the rental of motor vehicles, motor vehicle rental businesses, or motor vehicle rental property.

Status Update: Two additional cosponsors added since the last report.

S. 1585, Providing Replacement Automobiles for Certain Disabled Veterans and Members of the Armed Forces

Introduced on October 28 by Senator Sanders (I-VT) with no cosponsors. Hearing held by the Committee on Veterans Affairs on October 30. The bill would increase the amount of government assistance from $18,900 to $30,000 for military members to acquire a replacement vehicle for vehicles destroyed in disasters, provided that the eligible member does not receive property insurance compensation for the loss..

Status Update: No change since the last report.

H.R. 749, Eliminate Privacy Notice Confusion Act

This was H.R. 5817 that was introduced by Congresswoman Luetkemeyer last Congress and passed the House. He reintroduced it in the new Congress on February 15 and the bill passed the House (with 73 cosponsors) on March 12 without amendment. On March 13, it was referred to the Senate Committee on Banking, Housing, and Urban Affairs. The bill amends the Gramm-Leach-Bliley Act to exempt from its annual privacy policy notice requirement any financial institution which: (1) provides nonpublic personal information only in accordance with specified requirements, and (2) has not changed its policies and practices with regard to disclosing nonpublic personal information from those disclosed in the most recent disclosure sent to consumers. On March 21, Senator Brown (D-OH) introduced companion bill S.635, the Privacy Notice Modernization Act of 2013. With 20 cosponsors (now 59), the bill was also referred to the Committee on Banking, Housing, and Urban Affairs. Recently, the CFPB issued a proposed rule on the privacy issue with comment now due July 14.

Status Update: No change since the last report.

S.1029, the Regulatory Accountability Act of 2013

Introduced on May 23 by Senator Portman with 8 cosponsors (now 11) and referred to the Committee on Homeland Security and Governmental Affairs. A Subcommittee hearing was held on the bill on March 11, 2014.The bill amends the Federal regulatory process by specifying issues agency must consider in a rulemaking; various notice requirements for major and high-impact rules; public comment and hearing procedures; judicial review; and, final rulemaking.

Status Update: Two additional cosponsors added since the last report.

H.R. 1663, Promoting Automotive Repair, Trade and Sales Act of 2013 (PARTS Act)

Introduced on April 23 by Congressman Issa (CA-49) on a bipartisan basis with 7 cosponsors and referred on June 14 to the Judiciary Subcommittee of jurisdiction. The bill makes it not an act of infringement, with respect to a design patent that claims a component part of a motor vehicle as originally manufactured, to: (1) make, test, or offer to sell within the United States, or import into the United States, any article of manufacture that is similar or the same in appearance to the component part claimed in such design patent if the purpose of such article is for the repair of a motor vehicle to restore its appearance to as originally manufactured; and (2) use or sell within the United States any such same or similar articles for such restorations more than 30 months after the claimed component part is first offered for public sale as part of a motor vehicle in any country. Defines "component part" as a component part of the exterior of a motor vehicle only (such as a hood, fender, tail light, side mirror, or quarter panel), excluding an inflatable restraint system or other component part located in the interior of a motor vehicle. Specifies that an offer to sell include any marketing of an article of manufacture to prospective purchasers or users and any pre-sale distribution. Applies this Act to any patent issued, or application filed, before, on, or after the effective date of this Act. Also on April 23 Senator Whitehouse (RI) introduced on a bipartisan basis the identical bill (S.780) with 2 cosponsors. The bill was referred the same day to the Judiciary Committee. NIADA reviewed the legislation and determined at this point not to lend its name in support. We will continue to monitor further developments.

Status Update: Three additional cosponsors added since the last report.

H.R.2414, the Black Box Privacy Protection Act

On June 18, Congressman Capuano (MA-7) introduced H.R.2414, the Black Box Privacy protection Act with 10 (17) cosponsors. On July 15, the bill was referred to the Homeland Security Committee Subcommittee. The bill amends the Automobile Information Disclosure Act to require manufacturers of new automobiles to disclose on the information label affixed to the window of the automobile: (1) the presence and location of an event data recorder (commonly referred to as a "black box"), (2) the type of information recorded and how such information is recorded, and (3) that the recording may be used in a law enforcement proceeding. Sets forth similar requirements for motorcycle manufacturers. Defines "event data recorder" as any device or means of technology installed in an automobile that records information such as automobile or motorcycle speed, seatbelt use, application of brakes, or other information pertinent to the operation of the automobile or motorcycle. Prohibits the manufacture, sale, offering for sale, or import into the United States of an automobile manufactured after 2015 (bearing a model year of 2016 or later) that is equipped with an event data recorder, unless the consumer can control the recording of information. Requires the event data recorder in an automobile or motorcycle, and any data recorded, be considered the property of the owner of the automobile or motorcycle. Makes the retrieval or downloading of recorded data by any other person unlawful, except: (1) with the owner's consent, (2) in response to a court order, or (3) by a dealer or automotive technician to service the vehicle. Requires certain violations to be treated as unfair or deceptive acts or practices under the Federal Trade Commission Act.

Status Update: No change since the last report.