

The Federal Flyer

Congress Continues Work on FY 2003 Spending Bill Senate Sets Highway Funding at \$31.8 Billion

As we reported in the last issue of the *Federal Flyer*, the first task of the 108th Congress is to complete work on the 11 remaining annual appropriations bills, including the USDOT and Related Agencies spending bill, that have yet to be enacted. Until that is done, the majority of all federal programs have been operating under a series of Continuing Resolutions at last year's spending levels. The Congress this week adopted yet another CR to provide funding through February 8.

Last week, the United States Senate passed HJR 2 by a 69 to 29 vote. HJR 2 is an omnibus spending bill for FY 2003, combining the 11 remaining appropriations bills into one. To meet President Bush's target of total non-defense domestic discretionary spending of \$750 billion for FY 2003 and still fund several new provisions, the Senate bill would require a 2.9% across the board "haircut" for all federal programs, including transportation. The Senate's version of the bill would set the pre-haircut funding level for the federal-aid highway program at \$31.8 billion, the same as enacted for FY 2002. This is an important development, as the House version of the FY 2003 transportation appropriations bill would set the program funding level at \$27.7 billion. The fate of the highway program funding in the FY 2003 appropriations bill is important because it will set the baseline for future spending, to be authorized later this year in the reauthorization of TEA 21.

The House and Senate began the conference on HJR 2 this week, with the goal to complete the difficult task of resolving differences between the two chambers' spending priorities by February 5. Conferees include **Senator Kay Bailey Hutchison** (R - Texas) and **Congressman Henry Bonilla** (R - San Antonio). The House conferees will be working from the 11 bills that the House Appropriations subcommittees approved in the 107th Congress last year. In addition to the difference in highway spending levels, one of the other key issues to be addressed is funding for Amtrak, which would receive a significantly higher funding level thanks to a Senate floor amendment sponsored by **Senate Transportation Appropriations Subcommittee ranking member Patty Murray** (D - Washington). Conferees will also have to tackle the task of accommodating the various discretionary program earmarks included in both bills.

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Inhofe, Bond Pledge Funding Equity Fix in TEA 21 Reauthorization Inhofe Set to Introduce SHARE Legislation



Senator James Inhofe (R - Oklahoma), chairman of the **Environment and Public Works Committee**, and **Senator Kit Bond** (R - Missouri), chairman of the committee's Transportation and Infrastructure Subcommittee, this week pledged that the committee's surface transportation authorization bill would address the way that highway program funds are distributed to and among the states. At a press conference announcing the new committee structure and members (see related article), both senators said that they would like to see the return for donor states increased to 95 percent, compared to TEA 21's 90.5 percent guarantee on highway formula and High Priority Project distributions.

Inhofe to Introduce SHARE Bill. Inhofe also said this week that within the next 60 days he plans to introduce legislation that would increase the level of annual guaranteed highway funding for states that pay more into the system than they get back. He indicated that his bill would increase the minimum guarantee to 95 percent and include within that calculation the funds distributed through highway discretionary programs.

Inhofe is serving as the lead Republican Senate sponsor for legislation encompassing the principles of the **States' Highway Alliance for Real Equity** (SHARE). For more information on this effort, visit the SHARE website at www.sharestates.org.

Inhofe to Seek Additional Funding. At the EPW Committee's organizational meeting this week, the chairman stated "I plan to work with my colleagues on this committee, and with the administration, to find the resources we need to pay for our transportation priorities. While ruling out a gas tax increase, Inhofe indicated support for indexing the gas tax, spending down the Highway Trust Fund balance, and recapturing to the Trust Fund the tax money from the gasohol subsidy now deposited in the General Fund.

Party Leaders Propose Competing Economic Stimulus Bills Democrats Include Transportation Spending

President George W. Bush recently unveiled his proposal for a \$600 billion, ten-year economic stimulus plan, focused primarily on tax cuts to stimulate investment and job creation. The Bush proposal does not include any infrastructure investment components.

Democratic Congressional leaders responded that the President's plan would not create immediate economic stimulus. **Senate Finance Committee ranking member Max Baucus** (D - Montana) introduced a \$160 billion plan calling for, among other things, \$4 billion in tax credit bonds, with the proceeds from the bonds deposited in the Highway Trust Fund and then sent out to the states as FY 2003 apportionments. **Senate Minority Leader Tom Daschle** (D - South Dakota) built on that plan to include assistance to states facing looming deficits.

Just this week, **House Minority Leader Nancy Pelosi** (D - California) unveiled the House Democratic Caucus economic stimulus plan, which would provide an immediate boost of \$136 billion in 2003. Among the components of the Pelosi plan is the proposal to add \$5 billion to the Highway Trust Fund for each of the next ten years and allow states to postpone their matching share for up to two years.

Key Committees Complete Member Assignments Homeland Security Forces Appropriations Subcommittee Shuffle

As the First Session of the 108th Congress picked up steam this week, several key committees affecting transportation announced new committee structures and membership assignments.

Authorizing Committees Take Shape. On the Senate side of Capitol Hill, the **Environment and Public Works Committee** held its organizational meeting and gave voice vote approval to shrinking the transportation subcommittee's jurisdiction to focus on TEA 21 reauthorization issues. At the end of the 107th Congress, the subcommittee jurisdiction included nuclear safety issues. Now, those issues are being handled under the restructured Clean Air, Climate Change, and Nuclear Safety subcommittee. The resulting transportation subcommittee is called the Transportation and Infrastructure Subcommittee. Members of the transportation subcommittee include its chairman, Kit Bond (R - Missouri), ranking member Harry Reid (D - Nevada), George Voinovich (R - Ohio), John Warner (R - Virginia), Lincoln Chafee (R - Rhode Island), **John Cornyn** (R - Texas), Lisa Murkowski (R - Alaska), Max Baucus (D - Montana), Bob Graham (D - Florida), Joseph Lieberman (D - Connecticut), and Barbara Boxer (D - California).

In the House, the **Transportation and Infrastructure Committee** announced the final Democratic committee assignments. No Texans were added to the committee in this final set of appointments, leaving the Texas committee representation at three (freshman Republican **Congressman Michael Burgess** (Lewisville) and Democrats **Eddie Bernice Johnson** (Dallas) and **Nick Lampson** (Galveston)).

Appropriations Chief Plans Radical Changes to Subcommittee Structure for Homeland Security. To accommodate the consolidation of various existing agencies into the new Department of Homeland Security, **House Appropriations Committee Chairman Bill Young** (R - Florida) this week announced a significant shuffling of the existing 13 subcommittees. Young plans to create a separate homeland security subcommittee, headed by former transportation subcommittee chairman **Harold Rogers** (R - Kentucky), and combine the committee's Transportation and Treasury panels. The Homeland Security subcommittee will also take over security-related jurisdictions from many of the other subcommittees.

The new Transportation-Treasury subcommittee will be chaired by **Congressman Ernest Istook** (R - Oklahoma). Texas **Congresswoman Kay Granger** (R - Fort Worth) will leave the transportation subcommittee to join the new Homeland Security subcommittee. Replacing her as the Texas voice on the Transportation-Treasury subcommittee is **Congressman John Culberson** (R - Houston). Democratic subcommittee assignments are yet to be announced.

The *Federal Flyer* is a publication of the TxDOT Legislative Affairs Office. It is intended to provide up-to-date information on major legislative activities in the 108th Congress for the management of the Texas Department of Transportation, state leaders, and others interested in Texas transportation issues. This report will also feature key activities in the national transportation community. Sources include news services and staff reports.

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