

# The *Federal Flyer*

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## **AIP Reauthorization Gets Early Attention *House Passes 6-month Extension Bill***

During its premier organizational meeting for the 106<sup>th</sup> Congress in January, the House Transportation and Infrastructure Committee voted out H.R. 99, a bill to extend by six months the authorization for the Federal Aviation Administration's programs. The current authorization, which was enacted as part of last year's Omnibus Appropriations Act, provides program funding and authority through March 31, 1999 for all of the FAA's programs, including the Airport Improvement Program (AIP).

The full House followed suit soon afterwards, passing H.R. 99 by a vote of 408-3 on February 3. The Senate is set to consider the bill soon.

H.R. 99, when enacted, would extend the AIP program authority through the end of the fiscal year, with an expiration date of September 30, 1999. This legislation is expected to pass both houses of Congress without controversy to give the Congress additional time to deal with a longer-term reauthorization bill.

The Senate Commerce, Science, and Transportation Committee on February 11 voted out S 82, their long-term reauthorization proposal. The bill would provide \$4.9 billion in FY 2000 for the AIP and other airport planning and development programs. Current AIP funding is set at \$1.7 billion for FY 1999.

The House has yet to propose a multi-year FAA reauthorization bill. We anticipate that the House multi-year bill will come as an attachment to H.R. 111, the House proposal to take the aviation, waterway, and harbor maintenance trust funds off-budget. H.R. 111 has not yet been reported out of the Transportation and Infrastructure Committee.

Since AIP funding is essential to the Texas general aviation and reliever airport system, the Texas Department of Transportation will be closely monitoring these important bills, together with the annual transportation appropriations efforts. Texas has approximately \$12 million in unreleased AIP funds at stake in H.R. 99.

## **Granger Wins Appropriations Seat *Other Delegation Committee Changes***

Fort Worth Republican **Kay Granger** has been appointed to the House Appropriations Committee, bringing to four the number of Texans serving on that important committee. Granger joins Representatives **Henry Bonilla** (R – San Antonio), **Chet Edwards** (D – Waco),

and **Tom DeLay** (R – Sugar Land) on the committee.

Granger also won a key appointment to the Transportation Subcommittee, which oversees the funding for the U.S. Department of Transportation and related agencies.

Granger's appointment to the subcommittee is a tremendous win for Texas transportation because, as a member of the House Transportation and Infrastructure Committee in the 105<sup>th</sup> Congress, she was responsible for making important funding equity gains for Texas. One role for Granger (and fellow Texan DeLay) on the Transportation Subcommittee will be to ensure that those funding gains are retained in the annual transportation appropriations process.

Other transportation-related committee

changes for the Texas Congressional Delegation include the appointment of Representatives **Nick Lampson** (D – Beaumont) and **Max Sandlin** (D – Marshall) to the Aviation Subcommittee on the House Transportation and Infrastructure Committee. Lampson and Sandlin join Representative **Eddie Bernice Johnson** (D – Dallas) on this key subcommittee.

Finally, Texas Senator **Phil Gramm** has risen in seniority to chair the Senate Banking Committee, which has authorizing jurisdiction over the nation's transit programs.

## **TxDOT Outlines Emphasis Areas for 1999** ***SIB, Aviation Top the List***

As we begin our efforts in the First Session of the 106<sup>th</sup> Congress, the Legislative Affairs Office at TxDOT will focus its efforts on four main issues.

First, Chairman Shuster has called 1999 "the year of aviation." TxDOT's federal team will help ensure that Texas gets the most out of the AIP reauthorization.

Second, Texas wants to see its State Infrastructure Bank (SIB) flourish. To accomplish that, we have to gain the ability to put part of our federal transportation funds into the SIB. We will work in 1999 to get that done.

Third, we will renew our efforts to bring as much of Texans' motor fuels tax payments back to Texas for use on the state's highways, transit, and highway safety programs. Through the annual appropriations process, we will work to

ensure that Texas projects and programs get fair treatment.

And finally, but not least, we will continue to monitor the federal government's implementation of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA 21) to guarantee that Texas does not lose any of the funding and program flexibility gains we accomplished in that legislation. In particular, we will look to see that highway and transit funds are distributed to the states as provided in the law. In addition, we will work to make sure that Texas projects submitted for discretionary funding receive fair consideration.

If you have any question about our federal legislative efforts for 1999, please contact Mr. David Soileau, Federal Section Manager, at (512) 463-6081.

## **Clinton Budget Would Reduce Texas Highway Funds** ***Delegation Asked to Preserve TEA 21 Funding Gains***

The Fiscal Year 2000 budget proposal introduced by President Clinton on February 1 contains some important changes that threaten the funding equity gains made in TEA 21.

TEA 21 included new language linking highway authorizations and obligation limits to receipts in the Highway Account of the Highway Trust Fund. (Transit expenditures were not linked to Transit Account receipts.)

Any Highway Account revenues beyond expectations were to increase spending on highways. In addition, TEA 21 requires all federal highway formula program and high priority project funds to flow through the

Minimum Guarantee program, which provides each state with a minimum 90.5 cents on the dollar rate of return in those categories.

Gasoline tax revenues for Fiscal Year 1999 will exceed expectations by about \$1.5 billion. These additional revenues should mean under TEA 21 approximately \$100 million in additional federal highway funds to Texas for Fiscal Year 2000. This trend will continue into the future if motor fuels tax revenues continue to exceed Congressional Budget Office revenue forecasts. This translates into additional federal highway funding to meet Texas transportation needs.

Section 1105 of TEA 21 provides that, in the case of an increase in revenues, a portion of the increase in authorizations is reserved for the Federal-aid highway and highway safety construction programs allocated by the Secretary of Transportation - programs that are not apportioned by statutory formula. These programs are to receive an amount of increased authorization in proportion to the programs' share of overall authorizations. Even so, the President's budget does not follow this formula. Instead, the budget goes beyond this authority by proposing to send \$291 million of the increased budget authority to the Federal Transit Administration (FTA) and \$35 million to the Federal Railroad Administration (FRA). In addition, the budget would provide additional funding for select non-formula highway and highway safety programs.

For example, the Clinton proposal would place \$341 million of this additional revenue directly into the Congestion Mitigation and Air Quality Improvement Program (CMAQ); this amount is in disproportion to the program's share of overall highway and highway safety funding. In addition, the administration would distribute the excess funds as follows: \$125 million to the National Highway Traffic Safety Administration; \$250 million to the Federal Highway Administration's research program; and \$25 million to the FHWA's

Transportation and Community and System Preservation Pilot Program. Of the \$1.5 billion in additional revenue, the President's budget would send only \$388 million to be distributed among other Federal-aid highway and highway safety construction formula programs.

To achieve this change, the Clinton Administration has asked for an exception to TEA 21's requirements. This proposal has sparked a battle between the White House and transportation leaders in Congress. Congressional leaders have pledged to fight this budgetary change. The House Transportation and Infrastructure Committee has pledged to prevent TEA 21 funds from being spent other than as authorized.

As mentioned above, one of TxDOT's goals for the 106<sup>th</sup> Congress is to preserve the equity gains made in TEA 21. To that end, the Legislative Affairs Office has informed members of the Texas Congressional Delegation that, according to FHWA tables, the President's proposed transportation budget would result in a net loss of approximately \$50 million in federal highway program contract authority for Texas. This is due to the fact that a significant portion of the revenues would not flow through federal highway program formulas nor be subject to the Minimum Guarantee program.

The expected limitation on obligations would allow us to go to contract with about 90% of our annual apportionment under TEA 21. Under the President's proposal, Texas would receive \$1.86 billion in highway obligation limitation. Under the TEA 21 distribution, Texas is set to get \$1.907 billion in obligation limitation.

We will monitor the budget process for any other impacts on Texas transportation funding.

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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 106th 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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