

The Federal Flyer

House Reaches Accord on Highway Funding Restoration Senate Action Uncertain

Leaders of the **House Transportation and Infrastructure Committee** and their counterparts on the **House Appropriations Committee** have reached agreement on language to authorize \$4.4 billion more in highway funding than requested in President Bush's Fiscal Year 2003 budget. Under the accord, language from H.R. 3694, the authorizing committee's restoration bill, would be included in the FY 2002 supplemental appropriations bill. In exchange, the Transportation Committee leadership agreed to accept a provision that would authorize 49 highway projects earmarks in the FY 2002 transportation spending bill that USDOT had deemed ineligible. The provision would not cost any additional money.

Transportation authorizers united last week during an emergency meeting to give unanimous support to H.R. 3694. The authorizers wanted to move the measure quickly to block an expected attempt by the appropriators to attach H.R. 3900 to the supplemental. By voting H.R. 3694 out, the authorizers demonstrated that, of the 320 House members who cosponsored their bill, at least the 75 members on the authorizing committee would resist including similar language from H.R. 3900, the appropriators' restoration measure, making revenue aligned budget authority (RABA) "null and void" for FY 2003.

One of the projects that would be authorized under the agreement is the Woodall Rogers bridge, which is currently ineligible for the Interstate Maintenance Discretionary Program funds it received in the FY 2002 transportation spending bill. Although the bridge is not on the Interstate system and therefore cannot receive IM funds, the compromise language would allow the project to proceed.

The next step is House floor consideration of both H.R. 3694 and the FY 2002 supplemental appropriations bill. The House will consider H.R. 3694 the week of May 13. When the supplemental appropriations bill reaches the House floor, the appropriators agreed to accept the authorizers' RABA language, which would provide that for FY 2003 the RABA calculation would "be deemed to be zero" dollars.

"The principle that highway spending should equal highway revenues is the cornerstone of TEA 21," **Transportation and Infrastructure Committee Chairman Don Young** (R - Alaska) said. "We must not let the appropriators repeal RABA--not even for one year." H.R. 3694 would restore highway funding to at least the \$27.7 billion level guaranteed in TEA 21, would place the \$4.4 billion behind TEA 21's budgetary firewall to guarantee it gets used for highway

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spending, and would treat the RABA adjustment for just that one year as zero dollars, a technical way around completely ignoring RABA for FY 2003. "We must send a loud and clear message to the House of Representatives that we will not agree to restoring these funds at the expense of the RABA principle," Young said. Finally, the legislation includes a "sense of Congress" statement that discusses the \$8.6 billion swing that occurred in highway funding from FY 2002 to FY 2003 because of the RABA provision. The Transportation Committee-endorsed language says that the RABA provision "should be amended in the future to more accurately align highway spending with highway revenues while maintaining predictability and stability in highway funding levels."



Meanwhile, on the other side of Capitol Hill, **Senate Environment and Public Works Committee Chairman James Jeffords** (I - Vermont) pulled his version of the funding restoration bill (S. 1917) from the scheduled committee markup due to bipartisan disagreement on how much funding should be restored in the bill. The bill was originally set to be marked up by the committee April 11 but was postponed while Jeffords and Democrats on the committee waited for Republicans to signal their support for adding \$5.7 billion, \$1.4 billion more than the House measure.

The Highway Funding Restoration Act "serves as a statement of support for TEA 21 and its funding guarantee provision," an aide to the committee's ranking member, **Senator Bob Smith** (R - New Hampshire) told the *Bureau of National Affairs*. The senator feels "it is very important as we move forward [with TEA 21's 2003 reauthorization] to maintain the TEA 21 connection."

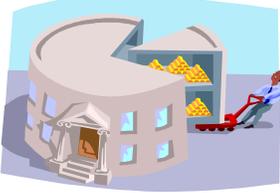
It now appears that the Senate will get its chance to make clear its position on the RABA restoration language if and when the FY 2002 supplemental appropriations bill reaches the Senate.

House/Senate Budget Committees, Bush Administration Support Funding Restoration. Whether the authorizers' bills are ultimately moved out of the committee or passed by either chamber is not important. The budget committees of both the House and the Senate have expressed support for adding money to President Bush's \$23.3 billion request for the federal-aid highway program. The House Budget Committee included in its resolution additional funding that would raise the program's level to \$27.7 billion, equal to the amount guaranteed in TEA 21. Although the language serves as a floor for transportation funding, House Transportation Committee Chairman Young is fighting to hold the increase to the \$4.4 billion that the House budget committee and House leadership agreed to.



The Senate Budget Committee's resolution would allow the Senate Appropriations Committee to fund the FY 2003 highway program at \$28.9 billion, \$1.3 billion over the amount guaranteed in TEA 21. The core federal highway program received \$31.8 billion in FY 2002. In recent statements President Bush's staff has indicated that Bush will support the higher spending level established in the House version of the bill.

Texas Impact. State departments of transportation, including TxDOT, have already committed the anticipated FY 2003 funds to projects in their transportation plans. If no action is taken, Texas faces the potential loss of \$600 million for planned projects. If appropriators are allowed to earmark any of the restored funds, Texas is likely to receive less than its fair share of those funds since Texas has not historically fared well in the appropriations earmarking process. In addition, since these funds have already been integrated into the FY 2003 plan, any funding earmarked to projects not in the 2003 plan will both delay planned projects and require Texas transportation planners to revise the plan to include the earmarked projects. The best solution for Texas is for Congress to distribute the restored funds to the states according to TEA 21 formulas, thereby guaranteeing Texas its fair share of those funds and minimizing the impact on planned highway projects.



AASHTO Board Sets Surface Transportation Reauthorization Goals Focus on Funding Increase & Protection

As reported in the *AASHTO Journal*, at the AASHTO Spring Meeting in Pennsylvania on April 23 the Board of Directors set a reauthorization goal of increasing the federal-aid highway program from \$34 billion in FY 2004 to \$41 billion in FY 2009. The goal for transit is to increase funding from \$7.5 billion to \$10 billion over six years. Concepts being explored would yield an estimated 34 percent growth in state highway apportionments over the life of the legislation.

AASHTO's priority objectives also include maintaining funding guarantees and firewalls and adjusting the revenue-aligned budget authority mechanism to make it less susceptible to economic swings; retaining the basic program structure; increasing flexibility to meet priority needs for security, safety, congestion relief, freight, preservation, and capacity; and improving environmental stewardship and streamlining.

The comprehensive reauthorization policy position adopted by the Board addressed the following topics: planning and conformity, environmental stewardship and streamlining, interjurisdictional and intergovernmental issues, surface transportation, research, operations/ITS, safety, security, freight, transit, and finance.

After consultation with the departments of transportation, other transportation officials throughout government, and fellow transportation groups, the AASHTO staff will bring a refined set of proposals to the Board of Directors for action at the AASHTO Annual Meeting in October.



House Rail Subcommittee Adopts Amtrak, High Speed Rail Funding Bills Proposals Would Authorize Immediate and Long-Term Financing

Over the past year, several proposals have been introduced to provide new financing for the nation's proposed high speed rail system. This week, the **House Transportation and Infrastructure Railroads Subcommittee** moved that discussion one step forward with the passage of H.R. 2950 to authorize \$59 billion for high speed passenger, commuter, and freight rail improvements.

H.R. 2950 would authorize states or interstate compacts to issue \$12 billion in tax-exempt bonds and \$12 billion in federal tax-credit bonds for infrastructure improvements for high speed passenger railroad improvements. **House Transportation and Infrastructure Committee Chairman Don Young** called the bill "an historical commitment from this Congress to improve and expand the nation's rail infrastructure and develop a viable high speed rail system." The bill would also expand the Rail Rehabilitation and Infrastructure Financing program by increasing funding authority from \$3.5 billion to \$35 billion.

The subcommittee also passed H.R. 4545 to authorize Amtrak at \$1.9 billion for one year. This measure would postpone the greater question of what to do with passenger rail service until 2003.

TxDOT Staff Briefing Texas Groups on Reauthorization Effort to Build "One Texas" Approach

In an effort to build consensus within Texas for the state's surface transportation reauthorization goals, the staff of the Federal Legislative Affairs Section of TxDOT's Legislative Affairs Office has begun a series of briefings across the state. These briefings, targeted to the state's 25 Metropolitan Planning Organizations (MPOs) and other major transportation groups, have emphasized the need for all Texans to speak with one voice, as "One Texas," on the key funding and program structure issues related to the reauthorization of TEA 21, scheduled to be taken up by Congress in 2003. LAO staff will continue these briefings throughout 2002.

Contact us at the numbers listed below if you'd like to schedule a briefing.

The key reauthorization goals for Texas are to increase the federal investment in the nation's surface transportation programs, to ensure that Texas is guaranteed at least a 95 percent rate of return on the state's contributions to the Highway Account of the Highway Trust Fund, and to provide expanded decision making, funding and program flexibility, and streamlined project delivery processes to state and local transportation officials to enhance our ability to meet Texas' growing transportation needs. TxDOT will also work in concert with local officials to identify and provide to the Texas delegation the best transportation projects for Texas as possible earmarks in the reauthorization legislation.

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 107th 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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