

The Federal Flyer

SHARE Proposal Highlighted at House Subcommittee Hearing Governors, Local Officials Testify on State/Local Needs for Reauthorization

In testimony before the U.S. House Highways, Transit, and Pipelines Subcommittee on May 7, **Michigan Governor Jennifer Granholm** stated that making sure states get back as much money as possible is the top issue in the reauthorization of TEA 21. Granholm publicly stated her strong support for the efforts of the **States' Highway Alliance for Real Equity (SHARE)** to increase the highway program minimum guarantee to no less than 95 percent of a state's share of contributions to the Highway Trust Fund. "Congress must recognize the critical transportation needs of donor states and ensure a more equitable distribution of both highway and transit funds," Granholm said in her written statement. (Note: the SHARE coalition does not take a position on the transit equity issue.; it is solely focused on improving the equity of the federal highway program.)

Governors Call for Increased Transportation Investment. **Pennsylvania Governor Ed Rendell** commented that the donor-donee issue cannot be the primary focus of the TEA 21 reauthorization, because there are so many complex issues involved in providing adequate funding for the nation's diverse transportation needs. "I want all states to get more money," he said, adding that without additional funding, the donor-donee debate becomes a zero-sum game resulting in winners and losers among the states, all of which require additional funds to meet their transportation needs. Rendell's solution to the challenge of finding additional revenues for transportation is the creation of a federal capital budget. In addition, Rendell called a federal gas tax increase "appropriate, long overdue and essential."



Echoing the increased investment theme was **Kentucky Governor and National Governors Association Chairman Paul Patton**, who stressed the importance of increasing the national funding for highways and transit for the states and the nation's economy. "There is no better way to stimulate our economy, to put money into circulation immediately," Patton stated, than to invest in the nation's transportation system.

Mayors Call for Local Control of Federal Transportation Dollars. Also addressing the subcommittee was a panel of local officials, including several mayors and one county commissioner. To a person, each of the speakers called on Congress to increase federal funding for transportation and to suballocate more of the current federal transportation program funding to the Metropolitan Planning Organizations (MPOs) to determine the best use of the funds for meeting congestion and regional transportation needs. The mayors stated that local officials should be allowed to make decisions on which projects get funded.

Michigan & Texas Call for Separate Border Program. In their testimony before the House subcommittee, Michigan Governor Granholm and Laredo Mayor Betty Flores suggested that Congress strengthen and separately fund the Coordinated Border Infrastructure program created in TEA 21. The program is now jointly funded at \$140 million a year with the National Corridor Planning and Development Program. Flores testified that during the TEA 21 years (FY 1998-2003) 86 percent of the money in the combined programs went to corridor projects. Flores stated that she would like the programs separated, money allocated to the border program increased, and a reassurance that border cities would receive similar treatment in funding priorities as corridor cities.



In her written statement, Governor Granholm suggested that the highest priority should be to place adequate resources at our busiest ports of entry. Michigan recommended that the border program funds be apportioned to states based on proximity to border crossings and traffic volume at those crossings and by the value of goods crossing the border.

Senate Committee Passes Aviation Reauthorization Bill 3-Year Measure Provides Steady Increases for Aviation Programs

The **Senate Commerce, Science, and Transportation Committee** on May 1 gave voice vote approval to S. 824, the Aviation Investment Revitalization Vision (AIR-V), less than a month after its introduction by the bipartisan committee leadership. AIR-V, a 3-year \$43.5 billion proposal for AIR 21 reauthorization, would fund the Airport Improvement Program (AIP) in FY 2004 at \$3.4 billion (its current level funding), \$3.5 billion in FY 2005, and \$3.6 billion in FY 2006. The Federal Aviation Administration's (FAA) facilities and equipment programs would receive a 3-year total of \$8.9 billion to upgrade the air traffic control system and the bill would provide \$23.2 billion for FAA operations. AIR-V would also create an annual \$500 million Aviation Security Capital Fund to pay for security improvements, which are now being funded in large part out of the AIP. Finally, S. 824 would reauthorize the Small Community Air Service Development Pilot Program through FY 2006 and provide \$27.5 million annually to help localities attract and retain commercial air service.



AIR-V also would extend the Essential Air Service program (funded at \$125 million a year) through FY 2007—one more year of authorization than the other programs in the bill would receive. \$12 million of those annual fund would be set aside for new marketing-based incentive programs to improve the ability of communities to improve their air service. The legislation would also create a Community Flexibility program, to allow up to 10 communities to decide whether they wish to use their EAS program funds to improve their facilities, and an Equipment Flexibility program, to allow up to 10 communities to use their EAS funds to pay service providers for using smaller equipment.

As a block grant state, the Texas Department of Transportation administers approximately \$40 million in annual federal AIP funds for improvements to the state's general aviation and reliever airports system. The FAA also provides \$83.5 million in annual funding directly to the large commercial airports in Texas for needed infrastructure.

Joint Economic Committee Hears Toll/Congestion Pricing Proposals Proponents Offer Variety of Options for Transportation Funding

On May 6, the Congressional Joint Economic Committee held a hearing to receive testimony on various proposals for using tolls and congestion pricing as a way to reduce congestion and identify ways to fund transportation needs.

According to the *Bureau of National Affairs*, **Robert W. Poole, Jr.**, testifying on behalf of the Reason Foundation, introduced the group's proposal focused on dedicated bus lanes and premium toll charges as a way to improve traffic flow and self-finance network construction. The Reason Foundation's proposal would shift High Occupancy Vehicle (HOV) lanes to High Occupancy Toll (HOT) lanes, in which drivers could pay a market prices for access to high-speed travel through congested areas. The proposal would also continue the free use of HOV lanes for truly high occupancy vehicles such as buses and carpools. In addition, the Reason Foundation has called for toll truck lanes separated by concrete barriers to be built on existing interstate highway medians. The lanes would be financed by toll revenue bonds, backed by the projected toll revenues.



In written testimony submitted to the committee, the General Accounting Office (GAO) concluded that congestion pricing has the potential to reduce congestion by providing incentives for people to shift their travel to off-peak periods or less congested routes. It could also generate revenue to help fund investments in transportation systems directly from the users. However, the GAO statement also identified some of potential challenges facing implementation of congestion pricing concepts, including statutory restrictions on such use. The example cited is the restriction on tolling the Interstate Highway System.

Another witness before the committee was **Congressman Mark Kennedy** (R - Minnesota), who testified on behalf of his bipartisan legislation (H.R. 1767), the Freeing Alternatives for Speedy Transportation (FAST) Act. The FAST Act is designed to add highway lanes to the existing system through tolls paid by users on those lanes. Once the lanes are paid for, the tolls would end. The FAST Act would authorize states to toll portions of the Interstate Highway System.

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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