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Texas Receives \$14 million in Border/Corridor Funding \$123 million Distributed to 32 States for 55 Projects

U.S. Secretary of Transportation Rodney Slater this week announced the award of \$123 million in two FY 1999 discretionary programs authorized under TEA 21. The National Corridor Planning and Development program and the Coordinated Border Infrastructure program provide funding to enhance the flow of trade traffic on major international trade corridors throughout the United States and at border crossings.

Five Texas projects were selected for partial funding. They include four along the border with Mexico and one at a choke point on Interstate 35.

Texas also will benefit from two multi-state

projects B one to study intelligent transportation system improvements on I-35 and the other to develop environmental studies for Interstate 69.

ATexas fared well in this fierce national competition,≡ said Texas **Commissioner of Transportation David Laney**. AWe have been persistently aggressive in our efforts on all fronts to improve our border trade transportation infrastructure and we heartily welcome any relief from the federal level.≡

Texas received more funding than any other state in this first year for these discretionary programs.

Shuster, Committee Amend AIR 21 Revised Version Cuts Funding to Allow Floor Action

In an effort to bring his multi-year Federal Aviation Administration (FAA) authorization bill to the House floor soon, House Transportation and Infrastructure Committee Chairman **Bud Shuster** (R B PA) marked up a slimmed down version of the bill this week. The newly revised H.R. 1000 (a.k.a. AIR 21) would provide \$57.3 billion for FAA programs for Fiscal Years 2000 through 2004. The previous version of AIR 21 had a total cost of nearly \$90 billion. The result of the changes is that AIR 21 proposes roughly current funding levels for FY 2000. Higher spending levels would not begin until FY 2001, the second year of the 5-year legislation.

Shuster and his committee made these changes to bring the measure in line with a deal Shuster and **House Speaker Dennis Hastert** (R B IL) made earlier this year to allow the bill to come to the House floor for consideration. The lower overall spending numbers will ensure more favorable budgetary scoring for the bill and improve its prospects when the House considers the measure in June.

How the New Bill Affects Programs. The revised AIR 21 legislation would provide \$28.5 billion over 5 years for FAA operations. The Airport Improvement Program (AIP) would receive \$16.7 billion over five years, a 24.8 percent reduction from the original AIR 21's \$25 billion funding level but still double the amount allocated in recent years. The bill provides \$11.5 billion for FAA facilities and equipment programs and \$600 million for research, engineering, and development.

To accomplish these still significant increases in program funding, AIR 21 retains language to take the Aviation Trust Fund off-budget. This language spurred a veto threat from the White House this week. The Clinton Administration opposes setting aside the trust fund for special budgetary treatment, fearing that other domestic programs will have to be cut to pay for aviation programs.

Shuster, for his part, refutes these arguments. He states that the additional funds provided in AIR 21 would come from unused aviation tax revenues; any cuts to the budget would have to come from

proposed tax cut plans. In addition, the revised AIR 21 bill does not affect FY 2000 spending levels. The increased spending would begin in FY 2001.

With several parties in Congress fighting for both domestic spending increases and tax cuts, AIR 21 still faces significant opposition when it comes to the House floor in mid-June.

Senate Appropriators Pass FY 2000 Transportation Bill *Measure Subject to Tight Spending Caps*

The full Senate Appropriations Committee this week passed its Fiscal Year 2000 spending bill for the U.S. Department of Transportation and Related Agencies. The bill provides a total of \$48.806 billion in budgetary resources for the transportation portion of the federal budget.

The Senate Appropriations Transportation Subcommittee on May 25 approved the measure in a plan that appears to honor the funding promised by TEA 21 for highways and transit programs. The higher spending levels for these two program put a squeeze on other transportation spending categories, with funding for FAA programs kept particularly low.

The total budgetary resources provided for highways for FY 2000 should be \$28.938 billion, up from the \$27.367 billion provided this year. In preserving the TEA 21 agreement, the committee rejected the Clinton Administration's proposal to distribute \$1.45 billion in extra gas tax revenues according to a different formula.

Transit programs will receive \$5.797 billion under the Senate measure. This represents the guaranteed level under TEA 21. Like the highway program, transit funding will increase over the FY 1999 amount of \$5.390 billion.

As stated above, aviation programs suffered the greatest cut in FY 2000 funding due to the tight budgetary spending caps. The committee bill would provide \$5.750 billion for FAA operations, an

amount just slightly higher than the current year's funding level. AIP funding would fall from \$1.95 billion this year to \$1.33 billion. However, the committee included a provision which proposes that these funds be made available only to smaller airports, specifically excluding large and medium hub airports from receiving AIP funds except those airports with existing Letters of Intent.

The committee also voted to rescind \$290 million in FY 1999 AIP funds, which represents the funds that would have otherwise been available between August 6 and the end of the fiscal year. If enacted into law, this provision would limit the FY 1999 AIP level to \$1.66 billion.

Senator **Slade Gorton** (R B WA), chairman of the Senate aviation subcommittee and a member of the Senate Transportation Appropriations Subcommittee, during subcommittee consideration of the bill, stated that AIP needs additional funding and that the subcommittee's request was too low. He added that the highest priority should be given to AIP funding for any additional money that becomes available to the subcommittee.

Although the House Transportation Appropriations subcommittee marked up its proposal on May 27th, no detailed information is available on that bill until after the full committee markup. That action is expected to take place around the same time the House will consider the revised AIR 21 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 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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