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Despite Amendment Attempts, House Approves AIR 21 \$57 Billion Bill Now Faces Uphill Battle in Senate

Facing serious threats raised to its passage, the Aviation Investment and Reform Act for the 21st Century (AIR 21) made it out of the House virtually unscathed. The House voted 316 to 110 to pass the bill (H.R. 1000) and its \$57.3 billion in funding on to the Senate for consideration.

Young-Kasich Amendment Attempts to Lower Spending Levels and Off-Budget Treatment.

House Transportation and Infrastructure Committee Chairman **Bud Shuster** (R – PA) fought off several proposed amendments which would have effectively gutted the bill's spending levels and funding options. The most serious threat came from the leaders of the House Budget, Appropriations, and Ways and Means Committees. Representatives **Bill Young** (R – FL), **David Obey** (D – WI), **John Kasich** (R – OH), **John Spratt** (D – NC), and **Bill Archer** (R – TX) led an attack against the high spending levels in the bill. Their amendment would have removed AIR 21's off-budget treatment for the Aviation Trust Fund and eliminated the \$3 billion annual contribution from the General Fund for aviation services.

In defending his amendment, Appropriations Committee Chairman Young stated that the House must maintain the fiscal discipline set by the budget agreement. While acknowledging that AIR 21 itself was important, Young declared that the Federal Aviation Administration (FAA) must remain subject to the appropriations process for fiscal accountability. Shuster responded that the bill maintains appropriators' ability to set obligation ceilings on FFA programs but does not allow trust fund dollars to be used for non-aviation purposes.

Shuster stated at the outset that the Young amendment would kill the bill. "There ain't no beef left in the hamburger" if you pass this amendment, Shuster said. He promised to pull the bill off the floor if the amendment passed. Despite concerns that the amendment might succeed, the House voted 179-248 to defeat the amendment.

PFC Increase Also Threatened. Another major amendment threatening AIR 21's overall funding structure was one sponsored by Representative **Lindsey Graham** (R – SC) and other lawmakers to remove the section of the bill that authorizes a doubling of the passenger facilities charges (PFCs), which airports can collect to fund airport improvements. The current limit is \$3 per trip segment.

These lawmakers and the airline industry opposed the provision, arguing that the increase is a regressive and unjustified tax increase. Shuster argued that the bill requires airports to first show they cannot meet their needs with other resources before raising the PFC. In addition, the airports would have to justify the increase to the U.S. Department of Transportation (USDOT) and use the PFC revenues to satisfy priority safety, security, noise, and competition needs. The House defeated the amendment by a vote of 183-245.

Texans Among Those Voting Against Off-Budget and Increased Spending Levels. Once the Young-Kasich amendment failed, it became clear that the bill would pass the full House. Among those voting with Young and Kasich were 16 Texans, including all Texas Appropriations, Budget, and Ways and Means committee

members. Most opponents to the bill disagreed with giving aviation programs a priority over other spending, such as the proposed large tax cut or increases in funding for other domestic programs. On final passage, 12 Texans voted against the bill, including Representatives Archer, Bentsen, Bonilla, DeLay, Doggett, Edwards, Hall, S. Johnson, Paul, Sessions, Stenholm, and Thornberry. Voting for AIR 21 were Representatives Arme y, Barton, Comb est, Frost, Gonzalez, Granger, Green, Hinojosa, Jackson-Lee, E.B. Johnson, Lampson, Ortiz, Reyes, Rodriguez, Sandlin, Smith, and Turner. Representative Kevin Brady was listed as Not Voting on final passage.

AIR 21 Faces Tough Fight in Senate.

Attention now turns to the Senate, where the

Commerce Committee's aviation program reauthorization bill (S. 82) has not yet been scheduled for consideration by the full Senate. Commerce Committee Chairman **John McCain** (R – AZ) opposes AIR 21's off-budget treatment for the trust fund, the overall size of AIR 21's funding, and raising the PFC limit.

In addition, the Clinton Administration continues to threaten a veto for the bill if it is finally approved with large funding increases and the off-budget treatment. However, Shuster downplayed those concerns by stating that he is in negotiations with Transportation Secretary Rodney Slater. "We're quite prepared to compromise as this legislation moves along," Shuster said.

House Appropriators Pass FY 2000 Transportation Bill Measure Follows TEA 21 Spending

The full House Appropriations Committee on June 8 passed its Fiscal Year 2000 spending bill for the U.S. Department of Transportation and Related Agencies. The bill provides a total of \$50.699 billion in budgetary resources for the transportation portion of the federal budget. The committee was given an 8.5% increase (\$3.5 billion) in outlays for the coming fiscal year, while the non-defense discretionary budget as a whole is at a hard freeze.

The House committee 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 programs put a squeeze on other transportation spending categories. Nearly 70% of the bill's budgetary resources is controlled by TEA 21's firewalls for highway and transit spending. The remaining \$12.7 billion includes appropriations and budgetary resources for Amtrak, Coast Guard, FAA, the office of the secretary, Research and Special Programs Administration, and a number of smaller agencies.

Highway Funding. The committee rejected the Clinton Administration's request to use part of the \$1.45 billion in increased motor fuels tax

revenues for non-highway programs. The total budgetary resources provided for highways for FY 2000 should be \$28.938 billion, up from the \$27.367 billion provided this year.

Transit Funding. Transit programs will receive \$5.797 billion under the 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. Texas will receive \$163.2 million in transit formula program funds, a \$13.2 million increase above FY 1999 levels. Of this amount, \$147.6 million is for Urbanized Areas, \$11.7 million is for Non-urbanized Areas, and \$3.9 million is for the Elderly and Persons with Disabilities program. In addition, Texas will receive \$5.7 million from the Fixed Guideway Modernization program.

Aviation Funding. Despite tight spending caps, the House committee tried to keep aviation programs at steady funding levels for FY 2000. The committee bill would provide a total of \$10.548 billion for the FAA, an increase of \$685.4 million above the current year's funding level. AIP funding would also see an increase, rising to \$2.25 billion from \$1.95 billion this year.

Other Funding. The bill provides \$181.884 million for motor carrier safety operations, research, and grants, an increase of \$22.1 million above FY 1999. The committee provides \$70.484 million for motor carrier safety operations, an increase of \$9.3 million above FY 1999 levels. The committee provides \$105 million for motor carrier safety grants.

The National Highway Traffic Safety Administration operations and research programs are funded at \$161.4 million, the same level as in FY 1999. However, the bill provides a \$6.8 million increase in funding for highway traffic safety grants, at \$206.8 million for FY 2000.

Key Policy Provisions. The committee report includes some significant policy provisions.

- The committee included language in the bill that prohibits funds from the Act from being used to carry out the functions and operations of the Office of Motor Carriers and Highway Safety within the Federal Highway Administration. This language is included to urge the authorizing committees to report legislation that transfers the office out of FHWA before the end of the current legislative session.
- The committee earmarked the entire FY 2000 program for the TEA 21 Transportation and Community and System Preservation Pilot Program. Two Texas projects (Fort Worth corridor redevelopment and transit linkages - \$3 million and Houston Main Street corridor livable communities - \$1 million) received earmarked funding.
- The bill includes general language that deletes the 10 percent non-federal match for the section 130 grade crossing program. The

committee directs the Federal Railroad Administration and FHWA to identify the ten most deadly crossings in each state and identify ways to close or reconfigure them to reduce or mitigate the inherent dangers.

- The bill includes language that provides that grants for operating assistance in fiscal years 1999 and 2000 under section 5307 of title 49, U.S. Code, for certain urbanized areas may not be more than 80 percent of the net project cost. This provision applies to certain small transit entities in the Dallas-Fort Worth region.
- The committee has allocated \$10 million from the FHWA border program for border states to acquire portable scales, computers, and facilities and lease land necessary to conduct federal inspections. In addition, the bill provides \$816,000 to hire additional federal inspectors to man border crossings in Arizona, California, New Mexico, and Texas.

Key Texas Project Earmarks. Other than those mentioned above, here are the projects the House committee earmarked for Texas:

- \$2 million for a replacement tower at Corpus Christi International Airport
- ITS Deployment Projects: Fort Worth (\$5 million); TTI Center for Excellence (\$2 million); and Houston (\$3 million)
- Bus and Bus Facilities Earmarks: Austin buses (\$1 million); Brazos Transit district (\$2 million); Fort Worth (\$7 million); Galveston (\$1 million); Texas Statewide Small Urban and Rural (\$1 million)
- New Starts Earmarks: Dallas north central light rail extension (\$35 million); Houston advanced transit program (\$4 million); and Houston regional bus project (\$52.77 million)

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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