

The Federal Flyer

Senate Appropriators Restore Highway Funding to FY 2002 Levels *Committee Action Would Erase Proposed Negative RABA Impact*

Taking a bold step in support of the nation's transportation system, the **Senate Appropriations Subcommittee on Transportation** on July 24 approved, by voice vote, a draft FY 2003 appropriations bill providing \$64.6 billion in budgetary resources for the U.S.

Department of Transportation (USDOT) and related agencies for next year.

The full Committee voted 29-0 on July 25 to move the bill to the Senate floor.

By far the biggest part of the bill is the \$31.8 billion limitation on Federal-aid highway obligations for FY 2003 -- the same amount as enacted last year, \$4.1 billion above the TEA 21 baseline and \$8.6 billion more than the Bush Administration requested. The Administration's request was low due to revenue aligned budget authority (RABA) calculations resulting from lower-than-expected gas tax receipts and faulty economic forecasts.

If the Senate committee's highway funding figure survives the legislative process, Texas could expect to receive approximately \$2.2 billion in highway obligation authority for FY 2003.

Prior to the committee's actions this week, the House and Senate endorsed the conference report for the FY 2002 supplemental appropriations bill, now on its way to the President's desk. That measure contained language that would ensure that FY 2003 highway program funding would be no less than

\$27.7 billion, the amount authorized in TEA 21. At the same time, the House and Senate authorizing committees and the full House of Representatives had passed separate legislation restoring the funding to the TEA 21 authorized levels. In addition, the Senate Budget Committee earlier this year had included in its proposed FY 2003 budget resolution language that would allow an additional \$1.3 billion above the TEA 21 authorized spending levels to be spent in FY 2003 for highways.

As a result, expectations going into the FY 2003 appropriations cycle were that we would see highway funding set at the TEA 21 authorized levels or perhaps a bit higher. So, the action by the Senate Appropriations Committee this week was a tremendous and welcome surprise for the transportation community, as it goes even further to restore the FY 2003 funding to the FY 2002 spending levels. That level of funding (\$31.8 billion) was made possible in FY 2002 by a distribution of additional RABA, based on the Treasury Department's estimate that Highway Trust Fund revenues would exceed authorizations by more than \$4 billion that year.

In taking this important action, **Transportation Appropriations Subcommittee Chairman Patty Murray** (D - WA) stated that "the proposed cut [by the Bush Administration] has been a

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source of great anxiety for the nation's governors, mayors and county executives, as well as the hundreds of thousands of families who work in our construction trades." Murray stated that restoring highway funding to the FY 2002 level is important to the economy and to the states.

If the highway program is not funded at the Senate Committee's proposed level, Texas faces the potential loss of \$600 million for planned projects in FY 2003. Congress must refrain from earmarking any of the restored funds to avoid displacing planned 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. As currently written, the Senate Committee's bill would do just that.

The bill also takes back \$200 million of the \$320 million rescission in FY 2002 highway authority that was included in the FY 2002 supplemental appropriations bill.

Members Continue Discretionary Project Earmarking. Once again the Appropriations Committee has decided to flex its influence by earmarking nearly 100% of the FHWA discretionary program. For instance, TEA 21 authorized the National Corridor and Border Infrastructure Program at \$140 million. However, the report accompanying the Senate bill contains 49 earmarks totaling more than \$250 million. Another example is the Transportation and Community and System Preservation Pilot Program, where TEA 21 authorizes \$25 million, but the Senate Appropriations Committee chose to nearly double that amount. The report language contains nearly 70 projects totaling more than \$45 million. The table on page 3 lists the Texas project earmarks in the bill.



The White House is likely to comment on the number of earmarks contained in the bill and the report language. During debate over the FY 2002 transportation appropriations bill, the White House weighed in against earmarking, which they said limits USDOT's discretion to choose the projects it deems worthy of funding. It is not clear whether the White

House is prepared to veto the measure over the issue.

Funding for Other Programs Is Also Up. The bill also contains \$1.2 billion for Amtrak (more than double the amount requested by the White House), which drew some criticism from subcommittee members. However, no member of the subcommittee tried to amend the bill, abiding instead by the wishes of Chairman Murray that any amendments be offered at the full committee level.

The measure fully funds the FAA at the AIR 21 levels and funds mass transit at the TEA 21 levels (plus an extra \$100 million for new starts above and beyond TEA 21 authorizations). The bill recommends just over \$6 billion for the Coast Guard, a 16 percent increase from last year (when one considers the \$300 million for the Coast Guard contained in the Senate's defense appropriations bill). The bill increases the Transportation Security Administration's FY 2003 budget by \$150 million to \$4.95 billion. The bill includes \$47 million in FHWA funding for the construction of motor carrier safety inspection facilities at the U.S. border with Mexico, as requested by the Bush Administration. It also continues last year's general provision language regarding motor carrier safety requirements that must be met before the USDOT can open the border to expanded Mexican motor carrier traffic in the United States.

What's Next? Both houses of Congress will begin their month-long August recess today, with members returning for legislative business after Labor Day. Since the Constitution requires that all spending bills originate in the House, the Senate will have to wait until it receives the House version of the appropriations bill before it can move forward on the FY 2003 transportation spending bill. The House Appropriations Committee will not consider its FY 2003 transportation appropriations measure until after the August recess. Given how late the two houses are in taking up and adopting their respective annual appropriations bills this year and the unlikelihood that members will be around in October for legislative duties, it is possible that Congress will not pass the final FY 2003 transportation spending bill until after the November elections. Stay tuned.

Texas Earmarks in Senate FY 2003 Transportation Appropriations Bill		
Project Description	Discretionary Program	Amount
I-30/I-35 Dallas, Construction of Bridges for Trinity River	Interstate Maintenance	\$6,000,000
I-35E Widening, Dallas & Ellis Counties	National Corridor and Border Infrastructure	\$5,000,000
I-69 Construction	National Corridor and Border Infrastructure	\$5,000,000
SR 130 ROW, Williamson, Guadalupe, Travis, & Caldwell Counties	National Corridor and Border Infrastructure	\$10,000,000
Corpus Christi Ferry Terminal	Ferry Boats & Ferry Terminal Facilities	\$500,000
Austin Buses	Buses Capital Investment Grants	\$8,000,000
El Paso Buses	Buses Capital Investment Grants	\$4,000,000
Galveston Buses	Buses Capital Investment Grants	\$2,000,000
San Antonio Transit Bus System Modernization	Buses Capital Investment Grants	\$3,000,000
DART's Suburban Areas Extension	New Starts Capital Investment Grants	\$60,000,000
Houston Advanced Metro Transit Plan	New Starts Capital Investment Grants	\$25,000,000
Austin Capitol Metro	Job Access Reverse Commute Grants	\$3,000,000
Corpus Christi	Job Access Reverse Commute Grants	\$750,000
El Paso	Job Access Reverse Commute Grants	\$500,000
San Antonio	Job Access Reverse Commute Grants	\$925,000
Corpus Christi	Terminal Air Traffic Control Facilities	\$700,000
Beaumont	Terminal Air Traffic Control Facilities	\$1,000,000
Abilene Airport	Airport Discretionary Grants	Recommended
Denton Municipal Airport	Airport Discretionary Grants	Recommended
Easterwood Airport - Texas A&M University	Airport Discretionary Grants	Recommended
Houston Municipal Airport	Airport Discretionary Grants	Recommended
McKinney Municipal Airport	Airport Discretionary Grants	Recommended

Texas Transportation Commission Adopts Trans Texas Corridor Action Plan *Move Sets in Motion Bold New Effort for Texas*



“The Trans Texas Corridor is not merely an extension of the current system, but the beginning of a whole new way of planning and building a transportation system, utilizing new tools and new ideas in a much more efficient way.” With these words, **Texas Governor Rick Perry** launched a new concept in transportation for Texas. That concept moved closer to reality last month when the Texas Transportation Commission approved the Trans Texas Corridor action plan.

The 95-page report accepted by the three-member commission at its regular monthly meeting in June outlines the basic design of a statewide 4,000-mile multi-use transportation system. The corridor — up to 1,200 feet wide — will include separate lanes for passenger vehicles and trucks, six rail lines (three in each direction for high-speed passenger rail as well as commuter and freight rail) and a dedicated utility zone for water lines, petroleum pipelines, electricity and data.

The report identifies four routes as priority corridor segments. These routes — only conceptual at this point — are from Denison to the Rio Grande Valley paralleling I-35, I-37, and the proposed I-69; from Texarkana to Houston to Laredo paralleling the proposed I-69; from Dallas-Fort Worth to Houston paralleling I-45; and from El Paso to Orange paralleling I-10. Nearly 4 million people live within 10 miles of these priority corridors.

Under the action plan approved by the commission, TxDOT has designated the Texas Turnpike Authority Division to oversee the development of the corridor. It is a process which could take up to 50 years, but the corridor report’s action plan sets forth a series of first steps beginning in August and continuing to December 2003. The action plan calls for changes in federal laws that will enable Texas to make the Trans Texas Corridor a reality. These changes, primarily focused on innovative approaches to finance transportation projects, will be a central element of Texas’ TEA 21 reauthorization efforts in 2003.

Estimated total cost of the corridor ranges from \$145.2 billion to \$183.5 billion. The report discusses a variety of funding possibilities, though planners generally envision a public-private effort paid for with tolls, bonds, and other financing tools.

“The Trans Texas Corridor is a Texas-sized idea,” stated **Mike Behrens, TxDOT’s executive director**. “It is the largest engineering project ever proposed for this state, much more extensive than the Capitol, the Galveston seawall, Texas’ portion of the Interstate highway system, you name it.”

The report is available at www.dot.state.tx.us/ttc/ttc_home.htm.

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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