

# The Federal Flyer

## FY 2002 Transportation Appropriations Sent to Conference *Gramm, McCain, Bush Offer Compromise over Mexican Truck Safety*

On October 25, the United States Senate sent the Fiscal Year 2002 Transportation appropriations bill (HR 2299) to a House-Senate conference committee to work out the funding and policy differences in the versions coming out of each chamber. To get to this point, Senate leaders had to convince **Arizona Senator John McCain** (R), **Texas Senator Phil Gramm** (R), and the Bush Administration that the conference committee would work to reach a compromise that would satisfy their concerns about the House and Senate language in the bill limiting access of Mexican motor carriers to the United States.

McCain and Gramm had prevented appropriators from moving the bill by filibustering the appointment of conferees. The language in dispute would prohibit Mexican trucks from operating in the United States until the 1999 Motor Carrier Safety Act was fully implemented, language that Gramm and McCain say is in direct violation of the North American Free Trade Agreement (NAFTA).

But Gramm last week said that he believed that they had reached a “good compromise” with the Bush Administration and appropriators. Under Gramm’s hoped-for compromise, inspection of Mexican trucks would gradually be phased in until the infrastructure was in place to require inspections on par with the inspections required of and met by Canadian trucks traveling in the United States. Gramm said the Bush Administration proposed the new compromise language and that he had commitments from most Republicans and appropriators to support it.



However, **Senator Richard Shelby** (R - AL), ranking Republican on the Appropriations Transportation Subcommittee, said that the deal was not yet done. He said that he was pleased that they were able to break the logjam enough to get the bill into conference, but he noted that “nothing has been done yet. This is just a starting point.” For her part, **Subcommittee Chairwoman Patty Murray** (D - WA) said that her office has seen no proposal on the issue nor had they been involved in any discussions. Murray said that she continues to believe the issue should be resolved in conference negotiations with the House.

Senator McCain said that **Senator Ted Stevens** (R - AK), the ranking Republican on the full Senate Appropriations Committee, had assured him and Gramm that he would work on language more in tune with their approach.

The Bush Administration renewed its support for opening the border to Mexican trucking earlier this week. “The president’s position on allowing Mexican trucks into the country remains the same as it was,” **White House spokesman Ari Fleischer** said. President Bush has vowed to veto any bills that would bar any broadening of the present authority of Mexican trucks to operate in the border zones. Stevens can wield that threat to encourage conferees toward dropping some of the Senate bill’s requirements for Mexican trucks from the final version.

**Texas Senator Kay Bailey Hutchison** (R), a member of the Transportation Appropriations Subcommittee, is one of the conferees named by the Senate last week. House conferees, named today, include two Texans on the House Transportation Appropriations Subcommittee, **Tom DeLay** (R - Sugar Land) and **Kay Granger** (R - Fort Worth). The conferees will begin meeting next week.

## House Passes Tax Cut-Based Economic Stimulus Package *Spending Proposals Being Considered in Senate*

By a close 216-214 vote, the United States House of Representatives on October 24 passed H.R. 3090, a \$100 billion economic stimulus package. The measure includes no additional transportation infrastructure investments. Instead, the bill focuses solely on a variety of tax cut measures. A Democratic amendment that would have provided \$27 billion for infrastructure security improvements was overwhelmingly defeated on the House floor.



The bill now moves to the Senate for consideration, where the Democrat-led body is expected to reduce the overall bill to \$75 billion. In addition, the Senate is looking to include some spending provisions in the bill.

**Senator Max Baucus** (D - MT), Chairman of the Senate Finance Committee, has proposed a \$70 billion package, which contains \$35 billion in tax provisions and another \$35 billion in extended unemployment insurance and health care benefits for workers. In addition, **Senate Appropriations Committee Chairman Robert Byrd** (D - WV) has proposed a \$20 billion economic stimulus package that consists of spending for homeland security needs and transportation infrastructure. If combined, the two proposals would far exceed the total that **Senate Majority Leader Thomas Daschle** (D - SD) has said he would support. Daschle will look at the two proposals and work to trim them down to create a package closer to the \$50 to \$65 billion range.

Byrd's spending proposal includes the following:

- \$3.1 billion for bioterrorism prevention and response to food safety initiatives
- \$1 billion for state and local anti-terrorism investments for police and fire departments and \$600 million in firefighting grants
- \$1.7 billion for federal law enforcement and anti-terrorism investments for the FBI, Customs, the Coast Guard, the FAA, and other agencies
- \$1.6 billion for Immigration and Naturalization Service border enhancements
- \$1 billion for airport security
- \$1.1 billion for transit security
- \$300 million for Amtrak security and \$600 million for Amtrak improvements
- \$2.5 billion for highway enhancements
- \$1.2 billion for security at federal facilities such as nuclear plants, border facilities, and national parks.

There is no indication at this time how Byrd proposes to distribute federal transportation infrastructure funds among the states. TxDOT will work with the Texas Congressional Delegation to ensure that these funds are distributed fairly through formulas rather than project earmarks. We understand our fair share to be at least 7.5% of any highway funds distributed to the states. Under the Byrd proposal, that means Texas's fair share would be at least \$187 million of the proposed \$2.5 billion in highway funds.

To that end, TxDOT joined with 12 other states recently in a letter to Daschle and **Speaker of the House Dennis Hastert** (D - IL) to encourage the Congress to avoid earmarking of highway funds that might be made available in a stimulus package. This position is supported by transportation leaders in the Texas Legislature; **Senator Florence Shapiro** (R - Addison), **chair of the Texas Senate State Affairs Committee**, and **Representative Clyde Alexander** (D - Athens), **chair of the Texas House Transportation Committee**, sent a joint letter to the Texas Delegation supporting the highway formula distributions guaranteed in TEA 21 and urging Congress to ensure equitable distribution of any highway funds included in a stimulus package.

## House, Senate Committees Introduce Rail Legislation

### *Proposals Focus on Bonding, Investments*

**House Transportation and Infrastructure Committee Chairman Don Young** (R - AK) introduced legislation that would authorize \$71 billion to help states and railroad companies build high-speed rail lines that could ease highway and aviation congestion. The measure, known as RIDE 21, provides

\$36 billion in bonds to states over 10 years and \$35 billion in loans to railroads, with \$7 billion set aside for "short line" railroads that purchase or lease branch lines from larger railroad companies. It also would provide \$35 million a year through 2009 for high-speed corridor planning and technical development, including the purchase of engines and passenger rail cars.

In an effort to win support from congressional opponents of Amtrak, the bill would allow states to choose high-speed rail routes and then apply for federal funding by themselves or in concert with other states. The bonds would be exempt from federal taxes and would not count toward the \$225 million annual limit on bonds each state could issue. Projects that eliminate highway rail crossings, provide links to other forms of transportation, or receive state matching funds would have priority.

In the Senate, **Commerce, Science, and Transportation Committee Chairman Ernest Hollings** (D - SC) introduced S. 1530 to promote rail security and infrastructure development, borrowing some elements from a Republican proposal in the House of Representatives but also addressing important Democratic needs, especially the future of Amtrak. Hollings' bill, named RAIL 21 (the Senate's latest salvo in the Congressional acronym war), was introduced on October 11 and has nine Democratic cosponsors, including **Senator Joseph Biden** (D - DE), the foremost Senate defender of Amtrak, and three of the majority members of the Commerce, Science and Transportation Committee, which has rail jurisdiction.

Biden had essentially lifted part of Hollings' draft bill dealing with security funding for Amtrak and threatened to offer it as an amendment to the aviation security bill. However, a bipartisan agreement between Hollings and **Senator John McCain**, the ranking Republican on the Commerce committee, to oppose non-relevant amendments to the aviation bill led Biden to relent temporarily. The provision that Biden wanted to offer authorizes the appropriation of almost \$3.2 billion for Amtrak security, including \$471 million for security staff and equipment, \$998 million for tunnel upgrades in New York, Baltimore and Washington DC, \$949 million for Northeast Corridor improvements, \$656 million for cars and train sets, and \$77 million for increased operating costs.

RAIL 21 also extends Amtrak's overall funding authorization through FY 2003 at \$1.2 billion. Those provisions are guaranteed to bring strong Republican opposition, but S. 1530 goes further and repeals the existing statutory requirement that Amtrak be financially self sufficient by the end of FY 2002, a requirement that Amtrak surely will not meet.



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“We must free Amtrak from this requirement [self-sufficiency] so they can go back to running a passenger railroad with modern and safe equipment — not juggling bond payments and taking out mortgages on Penn Station just to meet an impossible self-sufficiency deadline,” said Hollings. “There is no truly national passenger train service in the world that makes a profit. Requiring Amtrak to do so has forced the railroad to short-change critical infrastructure investments in order to meet a questionable economic model.”

Many Republicans, led by McCain, have been waiting for September 2002 to come so that they can begin the dissolution of Amtrak. Other Republicans, such as **Senator Kay Bailey Hutchison**, ranking member on the Senate railroad subcommittee, support Amtrak but want to de-emphasize the importance of the Northeast Corridor (to which the Hollings bill would direct an increased share of resources).

S. 1530 contains a \$35 billion loan guarantee program for railroad rehabilitation and finance and reauthorizes the Swift Rail Act. Similar provisions are found in the House rail bill.



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# HAPPY HALLOWEEN!



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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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