



# Transfer

Surface Transportation Policy Project's Electronic Update

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**August 1, 2003; Volume IX, Issue 16**

### **House Appropriations Committee Votes to End Transportation Enhancements Program, Puts Amtrak at Risk, Cuts JARC Funds and Holds Transit Funding Level**

#### ***House Floor Fight on Enhancements, Other Issues Likely for Mid-September***

In the absence of timely action on a TEA-21 renewal bill, the full House Appropriations Committee stepped into the vacuum and embraced provisions of its Subcommittee on Transportation, Treasury and Independent Agencies that change existing surface transportation laws, including elimination of the very innovative and broadly supported Transportation Enhancements program.



During action on the FY'04 transportation appropriations bill, the full Committee raised the Subcommittee's funding levels for Amtrak to \$800 million, eliminated a cut in new start funding that shortchanged federal financial agreements with local sponsors now building rail transit projects and affirmed a substantial cut in the Jobs Access and Reverse Commute program. No action was taken to correct bill language that will make it more difficult for state and local areas to initiate future "new starts" projects, including report language that affirms the Bush Administration's policy request for a 50/50 matching share on future fixed guideway transit projects. Amtrak President David Gunn has already publicly advised the Congress that the proposed Amtrak funding level will lead to the shutdown of the nation's intercity passenger rail corporation. JARC funding was reduced by Subcommittee to \$85 million, well below the \$150 million that TEA-21 guaranteed for FY'03.

Working to wrap-up action on pending appropriations bills for the new federal fiscal year that begins October 1, members of the House Appropriations Committee voted July 24 to defeat an amendment that would have restored the Transportation Enhancements to current law provisions as first set forth in the 1991 ISTEA law. An amendment by Rep. John Olver (D-MA) to restore the 10 set-aside of Surface Transportation Program (STP) funds for the Transportation Enhancements program was defeated 29-33. Only two Republican Committee members - Reps. Ray Lahood (R-IL) and Mike Simpson (R-ID) - supported the Olver amendment. Aside from policy provisions affecting the transit program, the proposal to eliminate the Transportation Enhancements program was the only substantive change in the funding bill that affects any of the core highway programs set forth under ISTEA and TEA-21.

At the same time overall transit funding was being held essentially constant at \$7.2 billion for the next fiscal year, the Committee bill raises highway funding, providing an obligation limitation of \$33.3 billion to the states, up from the current spending level of \$31.6 billion and substantially above the TEA-21-set level of \$27.8 billion.

A major House floor fight on the transportation funding bill is expected in mid-September, where an amendment to restore the Enhancements program

will be offered as well as an amendment to increase Amtrak's funding level.

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**Report: Transportation Second Highest Cost for America's Families; Expenses Exceed Food & Health Care Costs Combined** 

A new STPP report shows that transportation costs are taking an even bigger bite out of the family pocketbook, with America's families now spending more than 19 cents out of every dollar earned on transportation, an expense second only to housing and greater than food and health care combined. The report says that the nation's poorest families are especially hard hit, spending more than 40 percent of their take home pay just to get around, an expenditure that has risen 33 percent since 1992 and is making it all the more difficult for lower income families to afford housing, health care, and other critical services.



The report, titled *Transportation Costs and the American Dream: Why a Lack of Transportation Choices Strains the Family Budget and Hinders Homeownership*, uses data from the Bureau of Labor Statistics to rank metro areas according to the portion of household expenditures devoted to transportation. Transportation costs are highest in sprawling areas such as Tampa, Phoenix and Dallas, due to spread out development patterns, the lack of transportation choices and the absence of convenient neighborhoods within walking distance of shops and schools. For many low and middle income families, the costs of owning and maintaining several vehicles may even be prohibiting their ability to own a home, one of the most reliable forms of wealth creation.

"We are very concerned about what the House Subcommittee plan will do to America's working families. The cost of owning and operating a car is straining our families' budgets. The plan before the House Committee would mean even less money for families to pay for food, health care, education and housing," said Anne Canby, President of STPP.

National co-releasers of the report included the National Urban League, the National Low Income Housing Coalition, the Center for Community Change, and the Center for Neighborhood Technology. The full report is available online at <http://www.transact.org/report.asp?id=224>.

Selected Press Links:

[L.A. Times](#)

[Arizona Republic](#)

[Tampa Tribune](#)

[Minnesota Star Tribune](#)

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**Congress Adjourns for August Recess, TEA-21 Slated for Action in September** 

The Senate adjourned for the August recess after completing work on a number of pending issues, planning to reconvene immediately after Labor Day. Senators will now join their House counterparts who recessed a week earlier and are already in their home districts meeting with constituents.



House and Senate authorizing committees again missed

their self-imposed deadlines for releasing formal proposals for renewing TEA-21, the federal surface transportation law that is set to expire September 30. Efforts to develop full renewal proposals in both the House and the Senate have been hindered by financial conditions and the lack of agreement on how to generate new revenues to support funding increases for highway and transit investment over the next six years. House Transportation and Infrastructure Committee Chairman Don Young (R-AK) recently indicated his intention to have plan ready in September; leaders of the Senate Environment and Public Works have also targeted September for the release and action on their renewal plan.



With the likelihood that Congressional action will not complete by September 30, concerns are being raised about the need for a short-term extension bill (e.g. six months, one year) to reauthorize the nation's surface transportation programs beyond the end of September. The House Appropriations Committee exploited this vacuum when it voted to end the Transportation Enhancements program and set new transit policies in legislation providing funds for the fiscal year that begins October 1.

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#### **FAA Bill Grounded for Now**

House and Senate conferees recently reached an agreement on a multi-year renewal of the federal aviation law, only to find the proposal stalled over a dispute on Administration-backed provisions allowing for privatizing of the nation's air traffic controllers.

In a July 25th agreement, House and Senate transportation leaders signed off on a four-year, \$14.2 billion renewal of the AIR-21 law that largely builds upon existing FAA operating and grant programs, generally following the Administration's budget recommendations, and adopts new policies in selected areas with an emphasis on airport security and expedited project delivery. The agreement further empowers U.S. DOT to oversee and dictate progress on airport improvement projects, an effort driven by longstanding calls for increased runway capacity. The agreement was handed down as new preliminary data shows air travel continuing its post-9/11 decline.

What was expected to be a smooth ride to full House and Senate approval has now given ways to controversy in the Senate over provisions granting the Administration authority to pursue privatizing the nation's air traffic controllers, a provision that was inserted into the legislation during the House and Senate conference committee. The Administration's privatization language was rejected in both the House and Senate during action on the bill, which makes the insertion of these provisions during the conference committee all the more controversial.

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#### **Bush Plan Shifts Amtrak Funds to States, Dismantles National System**

The Bush Administration weighed into the debate on Amtrak's future, unveiling a proposal July 29 that shifts Amtrak's funding and even decisions about the ultimate fate of the nation's passenger rail system to actions by state governments. The plan would fundamentally change how Amtrak now operates the national passenger rail system, dismantling a longstanding commitment to a national system with a new arrangement that relies on states stepping up to underwrite passenger rail services. The plan



largely recasts U.S. DOT's role to that of a grant administrator to the states.

The Administration's plan phases in the establishment of three new entities: a private company that would contract with a state and several states operating under a compact to operate passenger rail services; a private company that would maintain and operate the infrastructure on the Northeast Corridor under an agreement with a multi-state Northeast Corridor Compact; and the National Passenger Rail Corporation that would retain Amtrak's rights to access freight rail lines.

Under the proposal, U.S. DOT's role would transition to one that parallels the Federal Transit Administration program in funding major transit projects. U.S. DOT would provide 50/50 matching grants to an individual state or combination of states for the capital improvements pertaining to intercity passenger service. All operating costs, like transit projects, would be the responsibility of state grantees.

[Click here](#) to read the Passenger Rail Investment Reform Act of 2003.

#### **Four GOP Senators Seek \$60 Billion for Passenger Rail Investment**

The day after the Bush Administration plan was released, four senior Republican senators stepped forward with their own legislative proposal to reauthorize Amtrak, recommending funding of \$60 billion over six years to keep the nation's intercity passenger rail system operating and providing new capital resources for expansion.



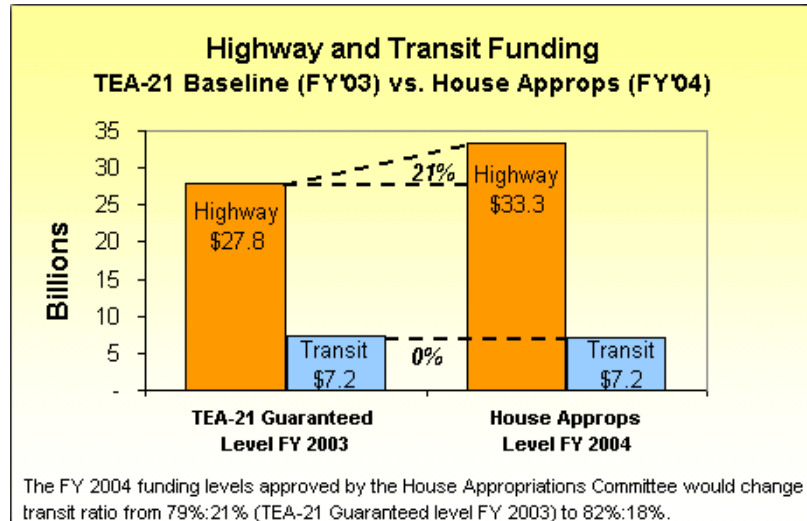
Senator Kay Bailey Hutchison (R-TX), who leads the Senate Commerce Subcommittee on Surface Transportation and Merchant Marine, was joined by Senators Conrad Burns (R-MT), Trent Lott (R-Miss.) and Olympia J. Snowe (R-Maine), all members of the Senate Commerce Committee, would provide more support to a national passenger rail system, while recasting many of Amtrak's current responsibilities and authorities. Comments by the Senate leaders at a Capitol Hill press conference on their proposal indicates the Administration's plan is an approach they do not embrace.

The Senate proposal also relies on the states to step up and participate in building out a national system. The plan provides for \$2 billion annually to support operating expenses and proposes tax-credit-backed bonds to support \$48 billion over six years for capital investments.

#### **House Committee Action Distorts Balance of Funding Between Highways and Transit**

The House Appropriations Committee action on its FY'04 transportation spending bill signals a disturbing trend: ever-rising highway commitments while transit funding is level funded. The growth in transit use, despite the fall-out from 9/11, substantially outpaced highway usage over the TEA-21 period, and yet federal transit commitments are flattening, as highway funding continues to rise.

As the debate on TEA-21 renewal continues in September, it is useful to compare the sixth and final year (FY'03) of the 1998 law with the recent House Appropriations action. In FY'03, TEA-21 guaranteed spending of \$27.8 billion for highways and \$7.2 billion for transit. In contrast, the House panel proposes highway spending of \$33.3 billion for FY'04 and a slight increase of a few million dollars for the transit program.



#### **Conserve by Bike Act Approved by U.S. Senate**

On July 25, the Senate unanimously approved the Conserve by Bike Act as an amendment to the Senate Energy Bill. Senators Richard Durbin (D-IL) and Susan Collins (R-ME) introduced the Act. The House of Representatives adopted a Conserve by Bike Amendment to H.R. 6, the Energy Policy Act, on April 11. When the Senate completes action on its full Energy Bill, a conference committee will meet to work out differences in the two energy measures.

Senate passage of the Energy Bill and conference consideration will not begin until after Labor Day. For more details on the Conserve by Bike Act, visit the League of American Bicyclists at <http://www.bikeleague.org>.

#### **STPP President Offers Statement on Debate Surrounding Issue of Older Drivers**

In the wake of a recent tragedy in Santa Monica, California, a national debate has reemerged over older drivers and safety standards. In a press release, STPP President Anne Canby noted that all too often older Americans are determined to hold onto their drivers' licenses simply because they have no other choice -- more reliable public transportation services and safer, more walkable neighborhoods are a key part of the solution to maintaining seniors' independence.

"It is critical - now more than ever - that we in the transportation community refocus our efforts on meeting the safe mobility and access needs of seniors," wrote Canby. "Unfortunately, so much of the debate in the past two weeks - and the release of the report from The Road Information Program (TRIP) today is no exception - has failed to address one of the most significant problems underlying the entire issue. Older Americans are reluctant to give

up driving simply because they have no other choice.”

To read the press release, visit <http://www.transact.org/news.asp?id=25>.



Transfer is edited by John Goldener of the Surface Transportation Policy Project, with contributions by Kevin McCarty and DeAnza Valencia. Readers are invited to reprint newsletter items; proper citation is appreciated. If you are not currently subscribed, please send us a note via e-mail to: [transfer@transact.org](mailto:transfer@transact.org). Be sure to include your full mailing address and name of your organization, phone and fax numbers. For comments and suggestions about Transfer's content, contact John Goldener at [jgoldener@transact.org](mailto:jgoldener@transact.org).

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