



Transfer

Surface Transportation Policy Project's Electronic Update

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Announcement



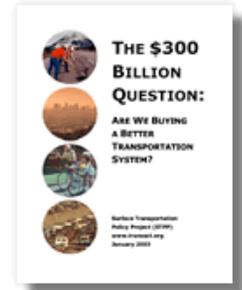
The National Trust for Historic Preservation is currently accepting nominations for the John H. Chafee Trustees' Award for Outstanding Achievement in Public Policy. This award honors an outstanding contribution to historic preservation in the field of public policy. For more information, visit www.nthp.org.

[Transfer Archives](#)

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New STPP Report Rates States on Spending Priorities: Recommendations Issued for Increased Accountability

[A new report issued by STPP](#) last week finds that federal transportation funding made available under ISTEA and TEA-21 has helped repair the nation's roads and bridges and sparked progress in curbing transportation-related air pollution. STPP's analysis credits the targeted funding made available through ISTEA & TEA-21 for much of the improvements, particularly the Interstate Maintenance, Bridge repair, and Congestion Mitigation and Air Quality (CMAQ) improvement programs.



Yet the STPP report also found that despite gains made in many states, there could have been greater improvement had Congress closed accounting loopholes in the current TEA-21 law that now allow states to shift funds out of road and bridge repair, traffic safety and clean air accounts. In the ten year period from FY'92 - FY'01, states neglected to spend a combined \$7.9 billion in road and bridge repair funds, \$2.2 billion in clean air money and \$1 billion in traffic safety funding in favor of other priorities. The report details five recommendations to help spend existing transportation funds more effectively and build more accountability into transportation finance.

STPP has released the ten years of federal spending data in the latest issue of Progress, in addition to detailed state by state spending, condition and performance data in a new series of four "transportation decoders" focused on road repair, bridge repair, traffic safety and clean air. Electronic versions of Progress and the decoders are available at www.transact.org.

Bush FY'04 Budget Ups Highways Slightly, No Change for Transit ↻

President Bush's budget request for the federal fiscal year that begins October 1, 2003 (FY'04) was unveiled February 3. The plan calls for a 6 percent increase in highway spending and no increase in federal transit spending. Working from TEA-21's guaranteed spending level of \$27.6 billion for FY'03, the final year of the six-year TEA-21 law, the Administration is requesting a 6 percent increase in highway spending for FY'04, budgeting \$29.2 billion for the core highway programs - the National Highway System, Interstate Maintenance, Congestion Mitigation and Air Quality improvement, the Surface Transportation Program, Bridge and Minimum Guarantee - and other spending programs subject to state obligation limitations. In contrast, the budget calls for no increase in transit spending for FY'04; it simply extends TEA-21's final year (FY'03) level of \$7.23 billion into the new fiscal year.



Budget Includes Elements of Administration's TEA-21 Renewal Plans

The Administration's budget detail also offers insights into some of the Administration's plans for TEA-21 renewal. For example, the Administration budget is proposing to make the heavily-earmarked Jobs Access and Reverse Commute (JARC) program part of a broader, annual formula allocation to states for certain transit activities. This would meld JARC resources with non-urbanized transit funds, and funds for the elderly and persons with disabilities under the President's New Freedom Initiative to improve transportation services for persons with disabilities. Under current law, JARC is a stand-alone program within U.S. DOT where states and local providers seek funding on a competitive basis.

Another TEA-21 renewal proposal will lower the federal share for "new starts" projects (e.g. rail transit and other fixed guideway systems) to 50 percent, from the current law share of 80 percent. The federal share for highway projects will remain at 80 percent.

While the budget does include an increase in funding for the "new starts" program, calling for \$1.5 billion, \$300 million more than the last year of TEA-21, the Administration wants to expand the eligibility for the program, including a small starts program and adjustments to facilitate Bus Rapid Transit (BRT) projects. The increase in funding is made possible by the assumed elimination of the Federal Transit Administration's "bus discretionary" program. In addition, most of the funding for the new starts program is slated to come from general fund revenues, not the Mass Transit Account of the Highway Trust Fund.

At the budget briefing, DOT officials indicated their renewal plans are expected to call for the continuation of the firewalls to ensure predictable highway and transit funding over the life of the renewal.

Amtrak Gets Less Than Requested

The Administration's FY'04 budget includes a request of \$900 million for the new fiscal year, which is about one-half the level that Amtrak President David Gunn has been seeking to continue his efforts to stabilize and improve services on the nation's passenger rail corporation. In their budget detail materials, the Administration's budget assumes the elimination of a number of long distance trains and substantially different financial agreements with state partners to continue these services, among with other changes in Amtrak's operations.



For additional details on the President's FY'04 budget request for U.S. DOT, [click here](#).

House Chairman Young Reacts to Budget Plan

House Transportation and Infrastructure Committee Chairman Don Young (R-AK), who will lead the House effort to renew TEA-21, reacted February 3 to the President's budget plan and its proposed funding levels for surface transportation investment. "Unfortunately, the President's budget proposal for highways and transit will



not close the funding gap that is needed to address the nation's infrastructure. In fact, the Department of Transportation reported in its 2002 Conditions and Performance Report that the needs of the nation's highway and transit infrastructure are greater than twice the number in the President's Budget," he said.

Young also applauded the Administration's planned initiative to provide \$1 billion for ready-to-go highway projects that address traffic bottlenecks and improve infrastructure conditions.

"Overall, we look forward in the coming year to working with the Administration, our colleagues in the House and Senate, and the transportation industry to authorize a highway and transit program that will meet America's growing infrastructure needs. To do less will allow congestion and gridlock to tighten their hold and strangle the U.S. economy and the American people," Young noted in a statement released on the budget plan.

For Chairman Young's full February 3, 2003 statement, [click here](#).

Congress Works to Finalize Current FY'03 Funding

Attention being paid to the new budget has overshadowed continuing efforts on Capitol Hill to craft a final agreement on funding for the current fiscal year (FY'03) which began four months ago. Congress is now considering further short-term extensions of the "continuing resolution" providing legislators more time to reach an agreement on final spending levels for the remainder of this fiscal year. Such an agreement is expected within the next week or two.



In regards to transportation in the FY'03 budget, there are still several unresolved issues. The Senate has provided \$1.2 billion for Amtrak for FY'03, substantially more than the House level. Amtrak President David Gunn has indicated that anything less than the \$1.2 billion will force him to begin shutting down the nation's passenger rail system beginning by late spring or summer. The Senate provided \$31.8 billion for highway spending, with the House following the TEA-21 baseline of \$27.6 billion. Funding for transit is set at the TEA-21 baseline of \$7.23 billion in both bills, although the Senate spending bill currently includes an across-the-board reduction in all domestic spending.

Senate Democratic Stimulus Package Released

Senator Tom Daschle (D-SD) unveiled the Senate Democratic Stimulus Plan in Cleveland on January 24, which called for \$141 billion in 2003, and \$112 billion over ten years. Earlier that week, Daschle met with MOSES, a Detroit faith-based organization, who urged him to maintain a 1:4 ratio for transit and highways. The plan specifically calls for \$4 billion for transportation infrastructure, including \$2.9 billion in highways, \$700 million for transit, and \$400 million for airport construction. Daschle's plan also calls for the elimination of state matching requirements.



In December, Senator Max Baucus (D-MT) released a similar economic stimulus package calling for \$160 billion in 2003 and \$135 billion over ten years. Baucus' plan gives \$4.3 billion for highway construction, and no provision for transit and airport projects.

Transfer is edited by John Goldener of the Surface Transportation Policy Project, with contributions by James Corless, Jeremy Gunderson, Nancy Jakowitsch, and Kevin McCarty. 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. 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.

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