



# Transfer

Surface Transportation Policy Project's Electronic Update

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## Announcements

### New Decoder Touts Job Creation Benefits of Transit, Road and Bridge Repair

STPP recently released a new decoder, *Setting the Record Straight: Transit, Fixing Roads and Bridges Offer Greatest Jobs Gains*. The brief report takes a closer look at the oft-cited figure that \$1 billion in federal transportation spending creates 47,500 jobs, and finds that investments in road and bridge repair create 9 percent more jobs per dollar than building new roads or bridges. Likewise, spending on public transportation generates 19 percent more jobs per dollar than new road or bridge construction.

"This report will help make the case to Congress as it begins debate on renewal of TEA-21 that when it comes to job creation, investing in new public transportation, and repairing roads and bridges, creates significantly more jobs per dollar invested than does spending only on new highways," said Anne Canby, president of STPP. "As our findings demonstrate, balanced investment in transportation is not only good public policy but a good deal for America's workers."

STPP is finalizing a new *Decoder* that highlights the need for and timeliness of expanded rail investment. It discusses two emerging trends, an expected doubling in freight traffic over the next twenty years, and steep declines in air service within regions especially in small and medium sized cities. Look for it [here](#).

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### Senate Starts, Then Stalls on TEA-21 Renewal Effort in Uncertain Climate

A whirlwind of activity and uncertainty punctuated the Senate's initial consideration of legislation renewing TEA-21, a renewal plan (S. 1072) called the "Safe, Accountable, Flexible, and Efficient Transportation Equity Act" (SAFETEA).

So far, the Senate has not taken action on specific amendments to S. 1072 and its progress has stalled in the wake of numerous events, ranging from procedural objections from Senators opposing various aspects of the legislation to a biohazard alert that closed all Senate office building for most of last week.



As the Senate took up S. 1072 February 2, the President was releasing his budget request for Fiscal Year 2005, a plan that dramatically constrains domestic spending even though his plan found some additional resources for TEA-21 renewal. By allowing trust fund balances to spend down further, the Administration budget upped its TEA-21 renewal request by \$9 billion to \$256 billion, still well below the \$318 billion total spending package before the Senate.

Following the budget release, the U.S. Treasury and Transportation Secretaries joined on a letter conveying the Administration's position on funding levels for the renewal, an action that triggered much speculation and confusion throughout the week about whether the pending Senate bill satisfied the Administration's criteria for a Presidential veto. To view this letter, go to <http://www.dot.gov/affairs/strb020404.htm>

### Finance Committee Addresses Transit Shortfall

The Senate Finance Committee met just a few hours before the full Senate started debate on S. 1027, with panel members yielding to concerns about transit funding and agreeing to fix their financing package to honor the Senate's earlier commitment to a \$56.6 billion transit funding levels. The Senate Finance Committee bill, which is only required to

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address trust fund revenues for the transit program, committed nearly \$47 billion of this total.

The Finance Committee's action was particularly important to achieving the 60 votes needed to invoke cloture (actually passed 75-11), setting the rules for the Senate debate and giving the green light to move forward.

With the trust revenue issues settled, it is the Senate Banking Committee leadership that must now work to lock down the roughly \$9.5+ billion in general fund revenues which are need to fund fully the Senate's transit commitment. This issue remains a top concern for STPP and its many partner organizations, one that has not yet been resolved by the full Senate. To see the STPP partner letter of February 5 to Senate Banking Committee leaders, go to [http://www.transact.org/transfer/trans04/senate\\_transit\\_letter.pdf](http://www.transact.org/transfer/trans04/senate_transit_letter.pdf)

Once the trust fund commitments for transit were in place, the Senate Banking Committee, for the first time, was able to schedule time for approving the transit title to the bill.

Unfortunately, a biohazard alert in one Senate office building closed all Senate offices, slowing the Banking Committee's efforts to approve the transit program title. The Committee met February 5 in a small office inside the U.S. Capitol where members gave their approval to a \$56.5 billion spending plan (see related story below).

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### **Key Issues Looming**

When the Senate resumes its official work February 10 where votes are expected, Senators will be wrestling with additional transportation issues, such as provisions to increase investment in freight and passenger rail development, as well as other non-germane questions such as adding a scaled-back energy bill to S. 1072.

One such effort is expected to authorize a new initiative to promote intercity passenger and freight rail development over the next six years, providing resources to the states and railroads to support eligible projects.

Senate Energy Committee Chair Pete Domenici (R-NM), who has signaled his desire to offer a revised energy legislative package and seek Senate approval to add this legislation to S. 1072, may prompt another key debate. An energy title would certainly attract other related energy amendments that in the past have proven to be quite controversial, increasing the challenges before Senate leaders in getting this legislation through the Senate. Other non-transportation issues could emerge as the bill winds its way through Senate floor consideration.

Originally, Senate Majority Leader Bill Frist (R-TN) had hoped to complete work on S. 1072 by February 13, a target that is not expected to be met given current circumstances. Already, plans are being made for continuing action beginning February 23 when the Senate returns from its weeklong Presidents Day recess.

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### **Stormwater Provisions, Section 4(f) Early Targets**

While much of the Senate debate focused on Committee leaders explaining various provisions contained in S. 1072 and what was intended by the Committee-approved changes, the initial debate did allow some Senators to indicate what amendments they might offer.

Senator Kit Bond (R-MO), one of the four leaders on the Senate Environment and Public Works Committee, who helped craft the main elements of the highway and research titles, indicated his intention to offer an amendment to strike the stormwater program provisions that were added by his Committee during action last year on S. 1072.

Specifically, S. 1072 establishes a 2 percent set-aside within the Surface Transportation Program (STP) – reserving slightly less than \$1 billion out of the bill's \$255 billion total – whereby each state reserves a small portion of STP program funding for stand-alone stormwater projects to cleanup pollutants discharged from transportation facilities on the federal aid system. These provisions, which were included in the bill as a result of the efforts by Senators John Warner, Lincoln Chafee (R-RI) and Hillary Clinton (D-NY), are among the priorities that STPP and other partners are seeking to preserve in the final version of S. 1072.

To view what your state would reserve for stormwater projects out of their estimated STP funds, go to <http://www.transact.org/transfer/trans04/stormwater.pdf>

Senator George Voinovich (R-OH), a senior member of the Senate Environment and Public Works renewed his interest in making changes to the Section 4(f) standard, which has provided protections for historic, parks, wildlife and other resources for nearly 38 years.

His efforts has been largely driven by criticisms leveled by current law by the Ohio Department of Transportation and members of the American Association of State Highway and Transportation Officials (AASHTO), who tried to make Section 4(f) a "poster child" for why states can't deliver more timely and effective transportation projects, even though current information, be it surveys, case studies and reports, continue to dispute their contention. Senator Voinovich plans to offer an

amendment that reflects an agreement among a handful of organizations involved in the debate on Section 4(f).

It is likely that scores of amendments will be offered before the Senate completes its work on S. 1072.

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### **Transit Bill Preserves ISTEA/TEA-21 Framework**

Members of the Senate Banking, Housing and Urban Affairs Committee February 5 gave their approval to its \$56.5 billion, six-year renewal legislation, setting forth provisions for the transit title as well as the panel's recommendations for the planning title.

In a letter to Committee leaders, STPP and several of its partner organizations commended the panel for their work on provision under their jurisdiction. "We want to commend you and members of the Committee for renewing the key program elements of current law, ensuring that the recent successes in improving public transportation services under TEA-21 will continue into this next renewal period," a dozen organizations wrote.

Support for the panel's package, however, was conditioned on "resolving outstanding funding issues with the full Senate regarding funding guarantees and firewalled spending to ensure that the critical feature of TEA-21 that made expanded transit investment and improved services possible is part of the final package."

The groups also indicated strong support for the Banking Committee's efforts to preserve current law environmental protections in their work on the planning title. The letter supported the "Committee's affirmation of current law protections for clean air conformity and other clean air-related provisions as well as preserving other important current law policies governing NEPA and other project delivery elements. It is our firm position that final provisions in the Senate bill must fully account for the need to consider fairly and fully transportation alternatives that minimize or avoid adverse impacts and affirm locally determined priorities."

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### **Rail Title with Funding for Intercity Rail Expected**

As passed by the Senate Commerce Committee, S. 1072 included placeholder language put in by Senator Hutchison (R-TX) that would create a dedicated program for intercity rail infrastructure improvements and a six-year Amtrak reauthorization. Floor amendments to flesh out a rail title in the bill are expected.

One key effort is likely to draw upon an earlier bi-partisan

proposal called ARRIVE-21, supported by Senators Carper (D-DE), Hollings (D-SC), Specter (R-PA) and Collins (R-ME), splitting this initiative into two parts.

The first is expected to authorize \$11 billion in U.S. DOT rail infrastructure support over six years, a proposal which would not threaten any funding for highways or transit. In addition to a 20 percent match, it is likely that \$5 billion would be reserved for high-speed and intercity passenger rail projects developed by states and another \$5 billion would be apportioned to states by formula for freight rail capital projects with significant public benefits. The remaining \$1 billion would give federal tax credits to shortline and regional railroads for qualified rehabilitation projects. Another package is likely to address the funding reauthorization for Amtrak.

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### **TEA-21 Extension on Horizon**

With the fast approaching expiration date of February 29 for the 5-month extension law passed in late September, the House Transportation and Infrastructure Committee is preparing another extension bill that could extend the current TEA-21 law through the end of June.

This legislation, which is now being drafted by House Committee aides, is expected to come before the full House of Representatives by February 12.

The Senate has not announced where it stands on the extension, but some Senators have signaled interest in a two-month extension to keep the pressure on for more timely action on the legislation.

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### **President's '05 Budget Holds Key Transportation Programs Constant, Amtrak Cut**

On February 2, U.S. Transportation Secretary Norman Mineta unveiled details of the Administration's spending plan for FY2005. (See: <http://www.dot.gov/> )

More broadly, the President's FY'05 budget request calls for the elimination of about 65 federal programs and reduced funding for 63 others including transportation, housing and urban development, and environmental programs as part of an effort to curb domestic spending.

For TEA-21 renewal specifically, the Administration's proposal calls for funding highway programs at \$33.6 billion and transit at \$7.26 billion, holding current spending levels (i.e. FY'04) constant for the remainder of the TEA-21 renewal period (through FY'09).

In a departure from holding to current spending, the budget calls for \$900 million for AMTRAK, far less than the current \$1.26 billion budget of the

nation's passenger rail system.

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