



# Transfer

Surface Transportation Policy Project's Electronic Update

## IN THIS ISSUE

- ▶ [Young Seeks Funding Boost in TEA-21 Renewal](#)
- ▶ [Transit & The Economy](#)
- ▶ [Commuter Choice Toolkit](#)
- ▶ [Congressional Update](#)
- ▶ [Senators Push For Transit](#)
- ▶ [Pedestrian Safety Report](#)
- ▶ [Reconnecting America Report](#)

## Announcement

STPP's new 30 page calendar is full of stunning photos and contains many important dates regarding TEA-21's reauthorization agenda. This is a must-have for advocates, elected representatives, reporters and agency officials. [Click here for more information.](#)



## [Transfer Archives](#)

January 6, 2003; Volume 9, Issue 1

### ***House T&I Committee Chair Seeks Big Boost in TEA-21 Funding Levels***

House Transportation and Infrastructure Committee Chair Don Young (R-AK) has signaled his intent to seek the most significant jump in federal gasoline taxes ever, proposing to boost the 18.4 cent federal gas tax two cents a year over each of six years. This increase is part of a broad revenue package to dramatically increase future highway and transit spending levels in legislation renewing TEA-21. In addition to the rise in federal gas tax, which now accounts for about two-thirds of total revenues to the highway/transit trust fund, the Chairman is offering companion proposals to index the gas tax for inflation, spend down accumulated balances in the highway trust fund, capture the interest on the highway trust fund balances, and remove the so-called "ethanol subsidy," measures that would about double federal transportation spending by the end of the renewal period. As initially outlined, the Chairman is calling for a revenue package that would boost federal spending from TEA-21's FY'03 level of about \$28 billion a year to \$60 billion a year by 2009, and increase annual public transit spending from TEA-21's final year level of \$7.3 billion to roughly \$12 billion over the same period. While not finalized, the initial allocation plan would erode the 80/20 spending split between highways and transit that has been a central tenet of prior policy.



Rep. Young and other lawmakers admit that the funding proposal -- still in draft form -- represents a significant challenge given the current economic climate and the Bush administration's focus on tax cuts, not tax increases. "It will require crafting the broadest coalition possible," said one Capitol Hill staffer. "There'll have to be something in it for everyone."

### ***Transit Providers Confront Ill-Effects of Economy***

Like other state and local service providers, transit agencies, which have nearly all experienced a surge in ridership between 1995 and 2000 as new extensions and other services came online, now face budget shortfalls due to the effects of the weak economy. The difficult choices facing transit agencies, according to a November survey by the American Public Transportation Association, include increasing fares, reducing frequency of service, eliminating some routes and associated paratransit service, delaying capital projects, and implementing hiring freezes and staff reductions. The survey found that 90% of large agencies are implementing fare increases and 34% of all agencies are providing less frequent service. Transit agencies that rely on sales tax revenues are being hit the hardest.



### ***Transit Agencies, Employers, and Employees Win with Commuter Choice Toolkit***

A new Commuter Choice Resource Toolkit by Environmental Defense seeks to help more employers, transit agencies, and transportation management associations make current law commuter benefits more widely available. Since its inception, the commuter choice program has attracted nearly 1,300 employers serving 600,000 employees.

Existing tax law helps employers and employees with the costs of commuting by allowing both to save on federal income and payroll taxes. Employers can reduce net payout for FICA, federal unemployment tax, and federal income tax and employees receive monthly commute benefits as tax-free income. This program is one pathway that transit providers can use to grow revenues in the near term, particularly as so many agencies currently face budget shortfalls.



For more information on the toolkit and new advertisements by Environmental Defense, visit [www.environmentaldefense.org](http://www.environmentaldefense.org). To find out about metro-area programs, visit [www.commuterchoice.com](http://www.commuterchoice.com).

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### Congressional Update

#### ***Inhofe to Chair Environment and Public Works Committee***

Senator James Inhofe (R-OK) will ascend to chairman of the Senate Environment and Public Works Committee, replacing Senator James Jeffords (I-VT) who is slated to become the panel's Ranking Minority Member. While the new Committee Chair has not yet publicly announced his agenda for the panel, Inhofe has pledged to make renewal of TEA-21 a top priority. While regarded as an outspoken critic of the Clean Air Act and other environmental statutes, generally urging more attention to better science and cost/benefit analysis, Inhofe has already indicated that any legislative proposals to amend the Clean Air Act will be taken up by the Committee after completing action on TEA-21. Foremost on his TEA-21 agenda will be correcting what he perceives are funding imbalances among the states, often called the donor/donee issue (i.e. Oklahoma contributes more highway-related tax dollars than it gets back in program spending). This concern is one that he shares with Senator Kit Bond (R-MO), the new incoming chair of the panel's Subcommittee on Transportation, Infrastructure and Nuclear Safety. Inhofe is also expected to pursue TEA-21 proposals that would emphasize highway capacity improvements, including provisions to streamline applicable environmental and other rules to move such projects forward more expeditiously. Public and environmental review processes, transportation and air quality conformity provisions, and the Congestion Mitigation and Air Quality program are among several issues that are expected to receive particular attention by the new chairman during Committee action on legislation renewing TEA-21.



#### ***Shelby to Chair Senate Banking Committee***

As the 108<sup>th</sup> Congress convenes, Senator Richard Shelby (R-AL) is slated to take the reins of the Senate Banking, Housing and Urban Affairs Committee, the panel with jurisdiction over the transit title of TEA-21. Shelby, in his capacity as a leading appropriator on transportation funding issues, has been extensively involved in transit



and other transportation funding issues. In addition to leading the Banking Committee, he will again chair the Senate Appropriations Subcommittee on Transportation. In the past, Shelby has been a strong proponent of "minimum allocation" proposals governing the distribution of federal transit funds, measures aimed at ensuring a minimum level of transit funding among states and transit providers, independent of transit capacity and service levels. (Federal transit funds are largely allocated directly to transit providers on the basis of passengers served and services provided.) Senator Wayne Allard (R-CO), who is expected to take over from Senator Jack Reed (D-RI) as chair of the Banking Subcommittee on Housing and Transportation, has also previously championed minimum allocation provisions.

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### **43 Senators Urge President Bush to Invest in Transit**

A letter to President Bush from 43 U.S. Senators urges investment in public transit as the Administration develops its reauthorization proposal for TEA-21. "Our nation's transit systems are especially critical to the overall economy," wrote the Senators. "Transit systems in urban, suburban, and rural areas throughout the country link people to jobs, medical care, shopping, and other essential services."

Senators from both parties from 28 states signed the letter. The federal commitment to public transit was \$6.8 billion for Fiscal Year 2002, with funding for the current fiscal year to be determined when Congress reconvenes in January. TEA-21 set \$7.3 billion as the spending level for Fiscal Year 2003, the last year of TEA-21.

For more information on this and other issues, please visit <http://www.transact.org/tea3.asp>.

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### **NEW REPORT: Pedestrian Deaths Rise, Safety Spending Lags**

A new STPP report says that dangerous street design and a lack of investment in pedestrian safety are to blame for an increase in pedestrian deaths nationwide. The report, "Mean Streets 2002," finds that while 12 percent of all traffic deaths are pedestrians, less than one percent of federal transportation dollars go to protecting people on foot.

The study shows that the most dangerous places to walk are Orlando, Tampa, West Palm Beach, Memphis, Miami, Jacksonville, Houston, Phoenix, Dallas-Ft. Worth, and Nashville, Tennessee. The deadliest metro areas tend to be those in newer, high growth areas in the sunbelt states that boomed during the latter half of the twentieth century when traffic engineers and road designers largely favored speed over safety. The report also ranks the 10 most dangerous roads for pedestrians nationwide, and finds that Latinos and African-Americans make up a disproportionate share of all pedestrian fatalities.

The report found that nine of the top ten most dangerous metro areas are below the national average in spending of federal funds on pedestrian safety, averaging just 62 cents per person. The national average is 87 cents per person. STPP is calling for greater spending on pedestrian safety as part of the TEA-21 renewal bill, creating and funding a new national Safe Routes to School program, designing safer streets, and collecting

better data on pedestrian travel.

To download a copy of the report visit [www.transact.org](http://www.transact.org); to order a hard copy call STPP at 202-466-2636.

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#### **NEW REPORT**

#### **Missed Connections: Solving the Crisis in Air Travel**

This is the first in a series of reports from the Reconnecting America project examining the current crisis in intercity travel in the United States and recommending a more economically stable and integrated system of travel for the country.

This first report focuses on the fiscal crisis affecting the nation's airlines and the cuts in air service that have occurred as the airlines have attempted to respond.

The report identifies the cities hardest hit by the cuts in air service, ranking them in categories of large, medium and small airports, and finds that the changes result from deep cuts in short distance flights. These flights of 100-400 miles, which are becoming money losers for the airlines, can be well served by passenger rail and express bus service, if airports become travelports for these services.

The report was released at the National Press Club in Washington, DC on December 18, 2002 by Hank Dittmar, co-director of Reconnecting America and Anthony Perl, director of the City University of New York's Aviation Institute at York College.

To download a copy of the report visit [www.reconnectingamerica.org](http://www.reconnectingamerica.org).

Transfer is written and edited by John Goldener of the Surface Transportation Policy Project, with contributions by Andrea Broaddus, Michelle Ernst, 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](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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