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Bush Budget Ends Amtrak Funding, Renews Call for Reform

Earlier this month, President Bush unveiled his Budget Request for Fiscal Year 2006 (FY'06), seeking steep reductions in spending for many domestic programs, including the elimination of all funding for Amtrak. The Administration has pledged to resist efforts to restore funding for Amtrak unless and until its reforms are adopted, many of which have been previously rejected by Congress.

The net effect of the plan for the nation's intercity passenger rail corporation is certain bankruptcy beginning October 1, if not before, unless Congress intervenes forcefully to preserve funding commitments that allow Amtrak to continue operations while any negotiations over further reforms go forward.

To offer assurances to the many transit operators and other rail service providers that rely on Amtrak each day for the delivery of their services, particularly in key major metropolitan markets, the Administration's budget pledges to reserve $360 million for the Surface Transportation Board to continue commuter and freight operations on the Northeast Corridor, only after forcing an Amtrak bankruptcy. No details on how these funds would guarantee continuity of services or even a plan for how Amtrak could continue operations, other than bankruptcy, have been offered by the Administration.

The Administration's recommendation belies the strong record of performance by Amtrak in recent years - growing ridership, improved productivity and steady progress on capital improvements - that has earned praise in Congress for Amtrak President & CEO David Gunn and his team.

"Obviously, the proposal is irresponsible and a surprising disappointment. It doesn't acknowledge all the hard work you've done over the past two years to run a tighter and better ship. Our costs are more under control than ever before - that's quite an accomplishment," said Amtrak President & CEO David Gunn in a statement to Amtrak employees following the release of the President's budget on February 7.

In a recent letter to Transportation Secretary Norm Mineta, Senator Patty Murray (D-WA), who is the leading Democrat on the Senate Appropriations Committee on transportation matters, expressed her concerns about the Administration's position on Amtrak funding. "Ceding control of the national railroad to a bankruptcy trustee is both reckless and irresponsible," she said. This month, Transportation Secretary Norm Mineta took to the road to sell these reform proposals at events in Chicago and Charlotte. This week (February 23), Mineta contributed an Op-Ed to The New York Times, making the case for the Administration's position on Amtrak funding (go to -- http://www.nytimes.com/2005/02/23/opinion/23mineta.html?pagewanted=all).

Central to the Administration's reform plan is a shift of Amtrak's operating costs to the states, which comes at a time when, as a matter of record, state budgets and transportation accounts particularly are challenged. Most states are still recovering from the combination of the dot.com bust, 9/11 and unsustainable transportation investment programs. Importantly, total state transportation spending in 2004 was actually lower (by almost 10 percent) than 2002 spending levels, data that is even tracked by the U.S. Department of Transportation. These fiscal realities underscore the many problems with a reform package that relies largely on shifting more of Amtrak's operating costs to the states.
Assuming that making states responsible for financing more of a national passenger rail system is even appropriate, this position fails to account for other Administration budget changes that could result in billions of dollars in added costs for the states. Beyond potential adverse effects on state budgets, the zeroing out of Amtrak funding comes at a time when other domestic spending accounts are targeted for deep and unprecedented spending cuts. Simply finding resources to restore Amtrak's funding looms as a significant challenge in this constrained budget climate.

The Administration's aggressive formula for Amtrak reform seems even more ill-timed, offering a plan that threatens the nation's most energy efficient mode of transportation at a time when oil prices are spiking upward and global markets are signaling even higher costs in the future.

Given the very challenging budget climate and the intensity of the Administration's position on future Amtrak funding, Amtrak proponents see this budget cycle as the most significant threat to the future of the nation's intercity passenger rail system.

Recognizing the seriousness of this threat, many groups are engaging the debate on Amtrak's future funding, working to ensure a more balanced public review of the issues. The National Association of Railroad Passengers, for one, has developed a special link for this purpose, at -- "DOT/OMB Amtrak Fact Check" http://www.narprail.org/mythsdot.htm

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Funding for TEA-21 Upped in President's '06 Budget

The President's '06 Budget does call for sizable increases in funding for highway, safety and transit programs, which look even more impressive when stacked up against other transportation accounts and domestic program areas.

The Bush Administration was trying to help Congress reach a prompt agreement on TEA-21 renewal legislation by raising its funding request to $283.9 billion over the six-year period (Fiscal Years 2004-2009), a spending level that is well above its original SAFETEA proposal.

The $283.9 billion request largely preserves the funding split between highway and transit programs. However, it does reduce the transit share well below the target 20 percent level during the last year of the renewal period (FY'09), which largely determines the funding baseline for the next renewal period.

Specifically, the budget recommends $7.78 billion in total spending for transit programs in FY'06, up about 2 percent from the current funding of $7.62 billion. Under the Administration's plan, transit funding grows to $9.4 billion in FY'09. Total federal highway obligations would rise to $34.7 billion in FY'06, up from an assumed final level of $34.4 billion for FY'05.

The Administration budget also renews its bid for programmatic changes that were set forth in its 2003 SAFETEA renewal plan, such as eliminating the Jobs Access and Reverse Commute program in favor of a broader state-directed formula grant program or eliminating the separate Rail Modernization and Bus and Bus Facilities programs by transferring these resources to the existing transit formula program (Section 5307).

Even so, Congressional transportation leaders continue to focus on the need for additional resources for TEA-21 renewal, largely overlooking the Administration's efforts to add $33 billion to its original SAFETEA proposal. While the Administration's request will be influential in shaping Congressional decisions on funding levels in TEA-21 renewal, transportation leaders are likely to exercise their own prerogatives on many of the programmatic and policy issues in the legislation.

Congress Plans Action In March on TEA-21 Renewal

Transportation leaders are now planning committee sessions to take action next month on TEA-21 renewal bills, seeking to achieve a final agreement on a multi-year spending plan before May 31, the expiration date for the sixth extension of TEA-21. Given the many issues on how funds will be allocated among the states, final action on a multi-year bill by the end of May is seen as a very ambitious goal.

The House Transportation and Infrastructure Committee will lead off the effort with a likely March 2 markup of its bipartisan renewal plan (H.R. 3). House Majority Leader Tom DeLay (R-TX) wants full House approval of the legislation by March 18, the last business day before Congress recesses for the Easter holiday.

While Senate Environment and Public Works Committee Chair Jim Inhofe (R-OK) has not yet announced a markup date, he is pressing for action just prior to the Easter recess, possibly on March 16. Even with the Administration's budget request, which translates into a 35 percent increase in funding over the TEA-21 period, it still falls short in meeting the Senate's goal of guaranteeing every state at least a 95 percent rate of return on highway funds by the end of this renewal period. Senate Majority Leader Bill Frist (R-TN), for his part, is not likely to set aside Senate floor time for action on a renewal plan that exceeds the President's funding request.

With one year (FY'04) already lost to the extension hiatus, this legislation is now a five-year bill.

House Bill Embraces Administration's TEA-21 Funding Level

The House Transportation and Infrastructure Committee Chair Don Young (R-AK) and Ranking Member Jim Oberstar (D-MN), joined by 73 other panel members, recently introduced their TEA-LU renewal plan (H.R. 3), patterned after legislation (H.R. 3550) that was adopted by the House of Representatives in the 108th Congress.

Members of the House Transportation and Infrastructure Committee are expected to approve H.R. 3 at a March 2 markup session, where reserved sections of H.R. 3, such as Member projects and state shares of highway funding, will also be added to the bill.

While H.R. 3 embraces the President's $283.9 billion spending level, it allocates funds differently among various program categories, placing emphasis on enacting Congressional-directed spending programs, such as through High Priority Projects, Projects of National/Regional Significance and Dedicated Truck Lanes.

Importantly, by directing more resources to Member projects and by increasing commitments to the Minimum Guarantee program, which delivers unprogrammed dollars to the states, funding to the core programs (e.g. Bridge, CMAQ, NHS, Interstate Maintenance and STP, including its subprograms such as Enhancements) is declining in relative terms. As a result, compared to the Administration's SAFETEA proposal and last year's Senate bill, H.R. 3 provides for much less growth in total funding commitments to these "core" programs.

State transportation officials finally expressed concerns about this erosion of core funding late last year when it appeared Congress might rush through a conference agreement; otherwise, this issue has largely been overlooked in the debate on TEA-21 renewal.

House Committee leaders have succeeded in keeping their Members focused on funding projects in their district, rather than funding for the core program categories. These basic categories - emphasizing bridge repair, maintenance of the Interstates, community enhancements, safety, clean air improvements and STP program funds to states and local areas - define the ISTEA framework, delivering resources and flexibility to states and local areas to plan and select projects to meet their transportation needs.

The House bill, while not specified in H.R. 3, ensures each state about 92.6 percent rate of return on their highway dollars, with Chairman Young pledging to fight for a "reopener" provision that would force Congress to come back in 2006 to provide additional funds (i.e. find new revenues) to bring all states to at least 95 percent, a concept that has drawn strong opposition from the Administration.

On the Senate side, leaders of the Senate Environment and Public Works Committee are expected to draw substantially from the Senate-passed bill (S. 1072) from the last Congress, although the funding levels in the bill appear to be the central issue in these negotiations. Chairman Inhofe is expected to bring a proposal directly to the Committee for action, bypassing the introduction of a separate bill, as House leaders did with H.R. 3. With six new panel members, it is not clear what role they will play in shaping a renewal bill that comes before the Committee, which will be largely based on what was developed in the 108th Congress.

Other Senate Committees with jurisdiction over other titles of the bill have made no announcements on their plans for acting on the bill.

At this time, all of the momentum of the process is aimed at essentially getting renewal plans from the 108th Congress back to conference committee as quickly as possible. This means that Committee Members will be expected to approve the bills brought before them and then work toward swift passage during House and Senate floor consideration.

New Leaders in TEA-21 Renewal Process

With the 109th Congress, a couple of key positions on the authorizing panels changed hands, most notably new ranking members on the key subcommittees. In the House, Rep. Peter DeFazio (D-OR) takes the place of former Rep. William Lipinski, Jr. (D-IL) as the Ranking Democrat on the House Transportation and Infrastructure Subcommittee on Highways, Transit and Pipelines.

On the Senate side, the Ranking Minority Member on the Senate Environment and Public Works Subcommittee on Transportation and Infrastructure is now Senator Max Baucus (D-MT), replacing Senator Harry Reid (D-NV) who left the Committee to assume his new position as Senate Minority Leader.

The most significant changes occurred on the Senate Environment and Public Works Committee, where one-third of the panel (i.e. 6 of 18 Senators) is new. The Committee's membership roster can be found at -- http://epw.senate.gov/members/members.htm. In the House Transportation and Infrastructure Committee, a relatively small number of members were added to the 75-member panel. Its roster can be found at -- http://www.house.gov/transportation/

States Rescind $1.26 Billion in Existing TEA-21 Program Funds

State transportation departments are now surrendering their respective shares of a $1.26 billion rescission to the Federal Highway Administration (FHWA), as mandated by Congress.

Under this directive, each state by February 24 had to decide which program funds, including Bridge, Transportation Enhancements and Congestion Mitigation and Air Quality (CMAQ) accounts, among many other categories, to rescind. (Interested parties should request data on rescinded funds from your state transportation department.)

As the 108th Congress completed its work in early December, appropriators needed spending authority to fund hurricane relief projects and Member transportation projects in the FY'05 Consolidated Appropriations Act (P.L.108-447). Specifically, among the changes, states as directed by FHWA were required to rescind $1.26 billion from previously allocated highway program dollars to the states.

STPP and many partner organizations are concerned that key program priorities, such Bridge repair, Transportation Enhancements or the Congestion Mitigation and Air Quality projects, are unfairly targeted in the rescission process. Because many states routinely underfund bridge repairs, transportation enhancements and/or clean air improvements, unused funds or unobligated program balances for these programs over the years are often disproportionate in size. As a result, a program that was shorted by their state DOT in the past now becomes a bigger target in the rescission process.

State decisions on recent rescissions show why these concerns are justified. For example, about 20 percent of the rescissions in FY '03 and '04 came from CMAQ program balances, even though the program represents slightly more than five percent of all apportioned funds to the states. Of the $457 million that was rescinded by the states in these two years, more than 50 percent - about $248 million - came from the Bridge and Congestion Mitigation and Air Quality programs, even though these two programs represent less than 20 percent of the all funds apportioned to the states.

Interested parties throughout the country have been urging state officials to treat each program category fairly when rescinding unobligated funds from the various accounts.

Unlike prior year rescissions, which totaled only in the few hundreds of millions, this rescission takes on added importance since it is much larger in scale and may also presage others. The Administration, for example, included $3.8 billion of rescissions in its FY'06 Budget, and some Senate transportation leaders are considering an even larger rescission as part of the Senate's TEA-21 renewal plan.

New Report Shows Deadly Effects of Diesel Emissions

A new report by the Clean Air Task Force estimates that more than 20,000 Americans die prematurely from harmful pollutants in diesel fumes, even though new federal standards are in place to regulate emissions from diesel engines.

The February 22 report, Diesel and Health in America: The Lingering Threat, relies on U.S. EPA's own methodology, finding that thousands of deaths could also be avoided each year if federal and state authorities acted more aggressively to clean up existing sources of diesel emissions. Even with new standards coming on line, the report points out that these rules do not apply to more than 13 million diesel engines in use today.

"Diesel exhaust may be the single most severe air pollution threat to people's health in heavily-populated urban areas across the country," stated Conrad Schneider, Clean Air Task Force's Advocacy Director and co-author of the report. "Scores of medical studies show that microscopic particles and toxins in diesel exhaust are associated with cardiovascular death and lung cancer, and they trigger asthma attacks - especially in children, the elderly and people who live and work near buses, trucks and other diesel vehicles."

Details of the cancer and non-cancer risks as well as a citizen guide to action are posted on the Diesel and Health website, http://www.catf.us/goto/dieselhealth.

The report's findings are particularly timely as Congress begins work on TEA-21 renewal where these issues will be part of the negotiations on the legislation, most notably the rules governing clean air conformity, how particulate matter is weighted in the allocation of clean air funds to the states, and whether states will have to improve their performance in obligating CMAQ funds.

FHWA Issues New Policy on Planning and NEPA

On February 22, the Federal Highway Administration and the Federal Transit Administration issued guidance to their field offices and affected federal agencies discussing how results of the transportation planning process can be used in and relied upon in the NEPA process.

While the guidance is now being reviewed to determine its full implications, the policy does affirm the position of STPP and many other groups that streamlining issues raised in the Congressional renewal process are largely amenable to administrative remedies.

This new policy is part of a broader Administration commitment to improve project delivery under existing legal authorities. So far, FHWA Administrator Peters has publicly touted significant achievements in shrinking the review period on major projects, efforts that should remind Congress to carefully consider legislative changes to current law.

In addition to the guidance (click here), FHWA and FTA also issued an accompanying memorandum (click here) that discusses current law, including a description of what transportation planning products can be used in the NEPA process and the role of Federal agencies and the public in reviewing transportation planning products used in NEPA analyses and documents.

Study Tackles Connections between Built Environment and Physical Activity

The Transportation Research Board and the Institute of Medicine last month issued a new report, Does the Built Environment Influence Physical Activity? Examining the Evidence, that reviews the broad trends affecting the relationships among physical activity, health, transportation, and land use. The Special Report, which was funded by The Robert Wood Johnson Foundation and the Centers for Disease Control and Prevention, also summarizes what is known about these relationships, including the strength and magnitude of any causal connections. The report also discusses the implications for policy and recommends priorities for future research.
For additional information on the report, go to -- http://gulliver.trb.org/news/blurb_detail.asp?

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