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Another Extension as House Leaders Offer New Funding Plan for Renewal

Last evening, Congress cleared another extension of the TEA-21 law, giving House and Senate conferees working on TEA-21 renewal some additional time to consider whether or not an agreement can be struck in September before Congress adjourns for the fall elections.

House and Senate conferees working on a six-year renewal of TEA-21 met July 22 to take another stab at reaching an agreement on an overall funding level for the six-year renewal period. This time, Ways and Means Committee Chairman Bill Thomas (R-CA) was the one who unveiled a proposal – new spending authority of $299 billion, with $284 billion in guaranteed spending – and pledged the support of President Bush and Speaker Hastert (R-IL) for the proposed funding levels. Thomas also warned the conferees that this is as high as the President will go, challenging the conferees to draft a bill within the constraints of the funding.

Without voting on the Thomas proposal, conferees then directed staff to use the summer recess to explore whether the House Leadership proposal could support an agreement between the House and Senate positions. Comments made by individual conferees during discussion of the proposal indicated skepticism that the plan would adequately provide for the many policy proposals embedded in the House and Senate positions, such as the Senate's commitment to states to deliver a 95 percent rate of return on highway program dollars and the House bill's emphasis on new program initiatives, such as Projects of National and Regional Significance and the Truck Toll Lanes program.

Members of Congress are now departing Washington until after Labor Day, a lengthy recess that is designed to accommodate the Democratic and Republican Party Conventions. Committee staff will work throughout the break to consider program scenarios under the House Leadership proposal, presumably aimed at developing options to present to the conferees upon their return in early September.

Fifth Extension Bill Goes to President

Before adjourning for the break, Congress approved another TEA-21 extension bill (H.R. 4916), sending the legislation to the President for his signature. Unlike the previous four extensions, this bill treats programs differently. All federal highway programs are extended only through September 24, while all other programs are authorized through September 30.

The shorter extension for FHWA programs gives Congress the opportunity to make some adjustments in the flow of dollars among the states before the new fiscal year begins October 1. There is member interest in fixing a funding shortfall to certain states caused by earlier project earmarks as well as revenue changes that have caused states to fall below the 90.5 percent return guaranteed under TEA-21. There is also the potential that legislation extending FHWA programs from September 24 through September 30 could provide a legislative vehicle to attach additional project earmarks for Members heading into the fall elections.

TEA-21 Conferees Yet to Approve a Funding Agreement

As Congress heads home for the recess, the TEA-21 conferees will leave Washington without having voted on any specific funding level for the bill. Aside from the vote in early June where Senate conferees voted 17-1 to affirm the Senate position on funding, no official conference committee action on funding has occurred since then.

House conferees returned from the Independence Day recess for a scheduled July 7 TEA-21 conference session, informing their Senate counterparts that the House needed more time to respond to the Senate’s $318 billion offer, which included $301 billion in guaranteed funding. A session for the following week was scheduled and then postponed. On July 20, another session was held where again the House conferees were expected to act on the Senate offer. Instead, Senator Jim Inhofe (R-OK), the chair of the Conference Committee, outlined his own proposal that called for $301 billion, including guaranteed spending of $289 billion and a funding commitment to certain program initiatives of interest to the House. Inhofe described this as a last chance attempt to bring the sides together, asking the conferees to return July 22 to consider his proposal. Neither the House side nor Senate side conferees acted upon the Inhofe plan. At the July 22 session, Thomas offered another funding plan, which more closely follows what the full House of Representatives adopted in H.R. 3550, with the conference committee adjourning without officially acting on his offer.

Within history to guide them, committee and conferee staff must now consider if and how an agreement can be crafted that adequately addresses the desires of the Senate and House conferees, representing the many interests of their respective chambers.

House Appropriations Committee Acts on ’05 Transportation Appropriations Bill

As TEA-21 conferees continued their struggle to craft a multi-year authorization bill for surface transportation programs, action is going forward on the annual appropriations bills, with the House Appropriations Committee approving its funding bill for the Department of Transportation and other agencies for Fiscal Year 2005, which begins October 1.

On July 22, the Committee approved $57.8 billion in new spending authority for the U.S. Department of Transportation, raising funding levels for federal highway programs by nearly $1 billion to $34.63 billion and cutting transit slightly below current spending to $7.25 billion. However, it is important to note that transit dollars from prior years, totaling nearly $160 million, were recaptured and applied to transit program spending.

Among the bright spots in the transit budget is $150 million for the Jobs Access and Reverse Commute (JARC) program, which is currently funded at $104 million. Amtrak absorbed a substantial reduction in its current spending, with the Committee approving the Bush Administration’s request of $900 million. This level is substantially below current spending of $1.218 billion and Amtrak's request of $1.798 billion. At the House Committee level, it is likely that Amtrak would begin to shut down its operations or substantially dismantle its system. Efforts in Committee to address some of Amtrak’s funding needs were rejected during Committee action.

In a departure from past bills, the House panel’s bill includes very few project earmarks, reflecting its intent to wait until conference committee negotiations with the Senate before making final decisions on individual project earmarks. At this time, it is unclear whether the Senate Appropriations Committee will have time to act on a transportation funding bill for FY’05. It is likely the Senate will simply settle funding disputes with the House as part of a larger omnibus funding bill, which now routinely passes before each fiscal year ends. The Senate is expected to address the Amtrak funding shortfall as well as the flat lining of transit funding during these negotiations.

House, Senate Briefed on Aging Americans: Stranded without Options

Representatives from STPP, AARP and the American Public Transportation Association briefed House and Senate staff on the recently released STPP report on aging Americans and transportation. The report describes the many transportation issues faced by older people in the U.S., especially when they cannot or choose not to drive. Older non-drivers stay home three times as much as older drivers, take many fewer trips to go shopping, eat, visit family, or for religious purposes, and also make fewer visits to medical providers.

Transportation is one of the biggest worries for older people living independently, according to David Certner, AARP's Director of Federal Affairs. Barry Barker, speaking for APTA, discussed some of the programs he and other transit agencies have undertaken to improve mobility for the aging population. Mr. Barker is the Executive Director of the Transit Authority of River City in Louisville, Kentucky. The briefings were sponsored by Sen. Levin (D-MI), Sen. Smith (R-OR), Rep. Shaw (R-FL), and Rep. Menendez (D-NJ).

For more information on the report, see www.transact.org/report.asp?id=232

Wall Street Journal Examines Transportation's Burden on Low-Income Families

In a front page article published on July 12th, The Wall Street Journal described how sprawling development and the lack of transportation choices drives up transportation expenditures, particularly for low-income families. The Journal's article draws heavily on analysis from STPP to be released in the update to "Transportation Costs and the American Dream" due out this August. As gasoline prices have skyrocketed in recent months, the burden is even greater. With few transportation choices other than driving available to many families – just over half of American households report having public transportation service available, according to the Census Bureau's 2001 American Housing Survey for the United States – the high cost of transportation has become an obligatory expense.

The article was also picked up by the Baltimore Sun and other papers. To read the article, go to – http://www.sun-sentinel.com/business/local/bal-gas071904,0,359787.story?coll=sfla-business-headlines

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June Sets Record for Metrorail

Amidst rising gas prices and the passing of a former President, the month of June broke all previous records for monthly ridership for the Washington, DC area's rail system. Several days also included ridership ranking in the top 10, with President Reagan's funeral setting a new record for the top spot. According to Metro officials, typical daily ridership on its rail system is 650,000. In June, ridership was 706,557 and 17,649,609 for the entire month.

Metro credits the unprecedented increase to summer tourism, closed schools and perhaps to the rise of gas prices. "We can only speculate that the high price of gasoline may also be making an impact. However, we have no way of measuring that possibility," said Metro Chief Executive Officer Richard A. White.

The top five days of Metro rail ridership are:

1. June 9, 2004 – 850,636; President Ronal Reagan state funeral.
2. January 20, 1993 – 811,257; President Bill Clinton's first inauguration.
3. October 16, 1995 – 804,146; Million Man March.
4. June 10, 2004 – 763,121; Reagan state funeral.
5. July 30, 2003 – 745,627; Assemblies of God Convention and World Cup Soccer.

Light Rail Transit Debuts in Minneapolis

On June 26 – 27, 95,000 people rode Minneapolis's brand new light rail transit system, the Hiawatha Light Rail Transit (LRT), nearly 50 years to the day when its city's streetcars had stopped running.

Serving downtown Minneapolis, the transit route covers 11.6 miles running along side Hiawatha Avenue. Ultimately, the line will include 17 stations linking downtown Minneapolis, the Airport and the Mall of America, connecting three of the largest economic and job centers in the region. There will be a total of four stations in downtown Minneapolis and six stations located throughout the City's neighborhoods.

Press accounts and editorials throughout the region on the line's opening have been very positive for rail transit, offering many interesting insights into the public debate on major regional transportation investments.

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