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Republican Appropriations Committee

Contact:

Appropriations Subcommittee Approves the Fiscal Year 2012 Transportation, Housing and Urban Development Funding Bill

Washington, Sep 8 -

The House Appropriations Committee today approved the fiscal year 2012 Transportation, Housing and Urban Development Appropriations bill, which provides annual funding for the Department of Transportation (DOT), the Department of Housing and Urban Development (HUD), and other related agencies.

In total, the bill includes \$55.15 billion in discretionary spending – a reduction of \$19.8 billion below the President's request and \$217 million below last year's level. The funding level in this bill reflects the overall fiscal year 2012 discretionary spending total of \$1.043 trillion to which the House, Senate, and White House agreed in the recent debt ceiling legislation.

“This bill is yet another example of this Committee's commitment to return our government to some semblance of fiscal sanity by restoring responsibility, restraint and thoughtfulness to the budgeting process. I'm proud that this subcommittee has made targeted and responsible cuts, rooting out extraneous and duplicative programs, while prioritizing critical programs which ensure that our highways keep moving, our airways remain safe, and our Nation's most vulnerable citizens have access to the necessary safety nets as we approach the winter months,” House Appropriations Chairman Hal Rogers said.

“With this bill, we were able to meet a number of priorities – preserve the funding for every person and family currently receiving an assisted housing benefit; maintain our investments in aviation and other transportation and safety systems; continue community development programs; and improve the oversight and transparency of taxpayer dollars while setting priorities and reducing spending,” Subcommittee Chairman Tom Latham said.

For the subcommittee draft text of the legislation, please visit: http://appropriations.house.gov/UploadedFiles/12THUD_xml.pdf

For a table comparing the draft legislation with the President's request and the fiscal year 2011 levels, please visit:
http://appropriations.house.gov/UploadedFiles/9.7.11_THUD_Subcommittee_Draft_Summary_Table.pdf

Summaries of amendments adopted at the Subcommittee markup:

Subcommittee Chairman Latham (R-IA) – The manager's amendment made technical changes to the bill. The amendment was adopted on a voice vote.

Ranking Member Dicks (D-WA) – The amendment would increase the Fair Housing program by \$21.9

million, offset by a cut to the HUD Working Capital Fund. The amendment was adopted on a voice vote.

Rep. Carter (R-TX) – The amendment would include fuel costs as a “capital maintenance” item for the purposes of qualification for Transit Formula and Bus grants. The amendment was adopted on a voice vote.

Rep. Dent (R-PA) – The amendment would require a report by the Comptroller General related to the state use of “flex funds” between Highway and Transit accounts. The amendment was adopted on a voice vote.

Rep. Pastor (D-AZ) – The amendment would change a restriction on funding for Native American Housing Block Grants from going to tribes with more than \$10 million in previous unexpended funds, to those tribes with more that \$20 million in previous unexpended funds. The amendment was adopted on a voice vote.

Rep. Kaptur (D-OH) – The amendment would provide \$2.68 million for the Interagency Council on Homelessness, offset by a cut to the HUD Working Capital Fund. The amendment was adopted on a voice vote.

Rep. Price (D-NC) – The amendment would require HUD to seek Congressional approval before offsetting public housing agency reserves for fiscal year 2012. The amendment was adopted on a voice vote.

Rep. Olver (D-MA) – The amendment would give the Chairman of the Amtrak Board waiver authority for new rules related to overtime pay. The amendment was adopted on a voice vote.

Final Passage The legislation was approved by the Subcommittee on a voice vote.

FY 2012 Transportation, Housing and Urban Development Subcommittee Mark Up Summary Table
(numbers in \$000)

Transportation, Housing and Urban Development	FY 2011 Final enacted	FY 2012 Request	Subcommittee mark	Compared to FY 2011	Compared to request
Title I: Department of Transportation	13,725,674	32,503,746	16,693,435	2,967,761	(15,810,311)
Federal Aviation Administration	12,414,353	13,132,000	12,647,212	232,859	(484,788)
Operations	9,513,962	9,823,000	9,673,962	160,000	(149,038)
<i>Federal Highway Administration*</i>	<i>41,846,000</i>	<i>70,414,000</i>	<i>27,739,000</i>	<i>(14,107,000)</i>	<i>(42,675,000)</i>
<i>Highway Obligation Limitation*</i>	<i>41,107,000</i>	<i>69,675,000</i>	<i>27,000,000</i>	<i>(14,107,000)</i>	<i>(42,675,000)</i>
National Highway Traffic Safety Administration	143,489	170,709	126,572	(16,917)	(44,137)
Federal Railroad Administration	1,305,789	8,309,034	1,341,851	36,062	(6,967,183)
Antrak	1,483,652	0	1,125,954	(357,698)	1,125,954
Federal Transit Administration	1,673,995	3,718,322	1,843,490	169,495	(1,874,832)
<i>Formula and Bus Grants*</i>	<i>8,343,171</i>	<i>18,535,500</i>	<i>5,200,000</i>	<i>(3,143,171)</i>	<i>(13,325,500)</i>
Rescissions	(3,886,000)	(728,100)	(54,100)	3,831,900	674,000
Fees, Etc.	(89,264)	(108,743)	(102,743)	(13,479)	6,000
Title II: Housing and Urban Development	41,102,380	42,079,992	38,085,493	(3,016,887)	(3,994,499)
Public and Indian Housing	25,797,234	26,806,764	24,534,433	(1,262,801)	(2,272,331)
Veterans Affairs Supported Housing	49,900	75,000	75,000	25,100	0
Public Housing Capital Fund	2,040,112	2,405,345	1,532,117	(507,995)	(873,228)
Public Housing Operation Fund	4,616,748	3,961,850	3,861,850	(754,898)	(100,000)
Community Planning and Development	7,431,108	8,188,368	6,992,714	(438,394)	(1,195,654)
Community Development Fund	3,500,984	3,781,368	3,500,984	0	(280,384)
HOME Investment Partnerships	1,606,780	1,650,000	1,200,000	(406,780)	(450,000)
Homeless Assistance Grants	1,901,190	2,372,000	1,901,190	0	(470,810)
Housing Programs	9,820,964	10,485,805	10,233,805	412,841	(252,000)
Housing for the Elderly	399,200	757,000	600,000	200,800	(157,000)
Housing for Persons with Disabilities	149,700	196,000	196,000	46,300	0
Rescissions	(40,600)	(56,600)	(56,600)	(16,000)	0
Offsetting Receipts	(4,115,000)	(5,758,000)	(5,758,000)	(1,643,000)	0
Title III: Related Agencies	538,946	377,245	371,072	(167,874)	(6,173)
Total	55,367,000	74,960,983	55,150,000	(217,000)	(19,810,985)

* Programs are funded through trust funds and do not include regular discretionary funding

How Will House Allocate 2012 Transportation Spending?

Posted by Larry Ehl on Thursday, September 8th, 2011

Transportation Issues Daily

The House draft appropriations bill ([read the Subcommittee's summary](#)) was published late Wednesday and is scheduled to be acted on Thursday at 4pm (Eastern). The proposal reduces Amtrak operating subsidies by about 40%, provides zero funding for high-speed and intercity passenger rail capital grants, zero funding for a new TIGER program, and big reductions in grants for New and Small transit starts.

This sets up a likely battle with the Senate, where those programs are more popular. See [Stage is set for Senate-House Battle on 2012 Spending](#) published earlier today.

The impact of the proposal? Jeff Davis of Transportation Weekly notes:

This will result in a 34 percent cut in the federal-aid highways obligation limitation, from 2011's \$41.107 billion to an even \$27 billion, and a 38 percent cut in mass transit formula and bus grants, from 2011's \$8.343 billion to \$5.2 billion. These numbers are consistent with the House-passed Ryan budget plan and the reauthorization bill that House Transportation and Infrastructure chairman John Mica (R-FL) is drafting.

He also observes that the proposed transportation-housing budget of \$55.15 billion is really a cut of about \$3.35 billion from the "real" 2011 level, for technical budget reasons.

Here's the summary from the Subcommittee's news release:

"The bill includes \$16.7 billion for the Department of Transportation for fiscal year 2012, which is \$3 billion above last year's level and \$15.8 billion below the President's request.

Highways – The bill provides \$27.7 billion for the Federal Highway program – the highest amount supportable by the Highway Trust Fund for fiscal year 2012. The highway program still requires reauthorization to operate beyond September 2011, and the Committee is prepared to support a higher Highway Trust Fund spending level, should a new, multi-year authorization bill be enacted. The bill does not contain a rescission of highway contract authority from the states.

Federal Aviation Administration (FAA) – Included in the legislation is \$12.6 billion for the FAA, an increase of \$233 million over last year and \$485 million below the President's request. The bill fully funds the FAA's Next Generation Air Transportation System (NextGen), allowing the FAA to move forward with the next step in modernizing the nation's air control and airport system, which will help ease congestion and reduce delays for travelers in U.S. airspace.

Rail – The Federal Railroad Administration is funded at \$1.3 billion, which is \$7 billion below the President's request and \$36 million above last year's level. Of this amount, \$1.1 billion is targeted to Amtrak, primarily for capital improvements to the nation's rail lines. The bill also includes policy reforms for Amtrak, such as requiring overtime limits on Amtrak employees to reduce unnecessary costs, and reinstates a provision that prohibits federal funding for routes where Amtrak offers a discount of 50% or more off normal, peak fares. In addition, the bill does not include funding for High Speed Rail or Intercity Passenger Rail Service.

Transit – The bill contains a total of \$1.8 billion for the Federal Transit Administration (FTA), which is \$1.9 billion below the President’s request and an increase of \$169 million over last year. The legislation also provides \$5.2 billion in state and local bus grants – the amount estimated to be available from the Mass Transit Account (trust fund) for fiscal year 2012. Like the highway program, the transit program still requires reauthorization to operate beyond September 2011, and the Committee is prepared to support a higher formula bus spending level should a new, multi-year authorization bill be enacted. The legislation also limits transit capital investments – only funding “Small Starts” projects and those projects that have signed Full-Funding Grant Agreements with the FTA prior to November 1, 2011. The legislation also includes language that prohibits new Full-Funding Grant Agreements if the project is more than 50% federally funded.

Safety – The legislation contains funding for the various transportation safety programs and agencies within the Department of Transportation. This includes \$731.1 million in both mandatory and discretionary funding for the National Highway Traffic Safety Administration (NHTSA) – a decrease of \$65.4 million below last year; \$529.7 million for the Federal Motor Carrier Safety Administration – a decrease of \$25.4 million below last year; and \$182.9 million for the Pipeline and Hazardous Materials Safety Administration – a decrease of \$13.2 million below last year.

Mica's Love-Hate Relationship with Infrastructure Finance

By [Matt Dellinger](#) | September 14, 2011 – 9:54 am

It was only minutes after President Barack Obama delivered his jobs speech to a joint session of Congress last Thursday night that House Transportation and Infrastructure Chair John Mica (R-Fla) was dismissing outright one of the President's main proposals. "I'm strongly opposed to any type of a new federal infrastructure bank," Mica told Todd Zwillich after the speech. "We've already had experience with some of these federal grant programs that requires Washington bureaucrats, Washington red tape, Washington approvals and then bowing and scraping to Washington."

There are many kinds of potential infrastructure banks, of course, and indeed some lawmakers—including Mica's Democratic predecessor, James Oberstar—imagined a bank as the grant-making group of technocrats Mica abhors. Others, however, have suggested that a federal infrastructure bank should act... well, something like a bank: It should loan money independently of politics with revenue generation in mind.

In his speech last Thursday, Obama telegraphed a few clues that he was imagining the latter type (my italics for emphasis): "*No more earmarks. No more boondoggles. No more bridges to nowhere. We're cutting the red tape* that prevents some of these projects from getting started as quickly as possible. And we'll set up *an independent fund to attract private dollars* and issue *loans* based on two criteria: how badly a construction project is needed and how much good it will do for the economy."

The President went on to say that, "This idea came from a bill written by a Texas Republican and a Massachusetts Democrat," a reference to the Building and Upgrading Infrastructure for Long-Term Development, or BUILD Act, sponsored by Senators John Kerry and Kay Bailey Hutchison. Since revealed, the infrastructure bank provision of the American Jobs Act is almost a cut-and-paste from the BUILD Act. Both would create an "American Infrastructure Financing Authority" that would "provide direct loans and loan guarantees to facilitate infrastructure projects that are both economically viable and of regional or national significance" and are backed by "tolls, user fees, or other dedicated revenue sources."

Again, Chairman Mica opposes this. What does he support? The expansion of a program called TIFIA, which stands for the Transportation Infrastructure Finance and Innovation Act. And what does TIFIA provide? Direct loans, loan guarantees and standby lines of credit "for qualified projects of regional and national significance" "with tolls and other forms of user-backed revenue."

By now you've noticed that the Kerry-Hutchison infrastructure bank (which Mica opposes) bears a striking resemblance to the already-popular TIFIA program (which Mica supports). But there are some differences:

- The program that Mica supports helps the public and private sectors build transportation infrastructure, while the program Mica strongly opposes would help these same sectors build transportation, water, or energy infrastructure.
- The mechanism that Mica supports can loan up to 33 percent of an eligible project's total costs, while the mechanism Mica opposes can loan up to 50 percent.
- Mica's reauthorization [proposal](#) (pdf) from July set aside \$6 billion to the program that Mica supports, while Obama and Kerry and Hutchison want to set aside \$10 billion for the program that Mica opposes.
- The program that Mica opposes because it would be run by "Washington bureaucrats" would in fact be run by a revolving group of seven people appointed by the president and confirmed by the Senate, no more than four of whom could be from the same political party; The program that Mica supports is run entirely by executive branch bureaucrats working under the Secretary of Transportation.

Which of these key differences between the infrastructure bank and TIFIA causes Chairman Mica to hate one and love the other? Mica spokesperson Justin Harclerode acknowledged this was a good question, but could only re-emphasize the contrast in positions without explaining it. "You're right that Chairman Mica supports TIFIA. We know that TIFIA works, and he plans to capitalize TIFIA more than in the past," he emailed. "There have been various [infrastructure bank] proposals, but we just don't believe that creating another government-sponsored enterprise like Fannie or Freddie is the way to go."

Meanwhile, are there other TIFIA lovers out there who are infrastructure bank haters? Are we missing something? I'm looking for wonky insight. Don't tell me this is just partisan posturing!