

PB Washington Update - Interim Report - January 5, 2011

In an unfortunate start to the New Year and new Congress, the House Republican Conference voted yesterday to approve new House Rules which could have a very detrimental impact on highway and transit funding.

One of a number of proposed rule changes would undermine the transportation funding guarantees/firewalls that became law in TEA-21 after years of effort by the transportation industry. The change would encourage cuts to highway and transit programs during the annual appropriations process in order to allow balances to build up in the Highway Trust Fund which could be used to offset other government spending or help reduce the deficit. Trust Fund dollars could not be used to directly fund other federal programs, but there would be an incentive to reduce transportation expenditures in order to create a balance in the Trust Fund that would free up additional budget authority.

New House Transportation & Infrastructure Committee Chairman John Mica (R-FL) strongly opposed the House rule change. Rep. Steve LaTourette (R-OH), a former member of the House T&I Committee, now a senior member of the Appropriations Committee, offered a compromise amendment that, while not totally solving the problem, would require that any potential amendments to cut highway and transit funding below authorized levels could only be offered on the House floor. This would at least give the industry an opportunity to lobby in opposition to such an amendment and require all House members to publicly vote on it in a transparent process. Unfortunately, the LaTourette amendment was defeated.

All votes were by secret ballot and even the vote totals have not been made public, although efforts are underway to try to identify how individual members voted.

All of the key transportation industry groups including AASHTO, ARTBA, ACEC, ASCE, APTA, HUF and the US Chamber of Commerce vigorously opposed the rule change and supported the LaTourette amendment. A letter signed by 23 transportation industry groups was sent to all members of the new House Republican leadership http://downloads.transportation.org/Rules_Change_Letter_122810.pdf. PB made calls opposing the rule change to key members of the House GOP transition team.

The full House will vote on the proposed rule changes this afternoon after the members are officially sworn in at noon for the new 112th Congress. The new rules are expected to pass on a straight party line vote.

Bottom line - The new rules do not specifically require cuts in transportation programs, however, by repealing the critical TEA-21 (and subsequent SAFETEA-LU) Trust Fund firewalls, highway and transit funding levels established in future authorization bills will not be guaranteed against potential cuts in subsequent annual appropriations/funding bills. As a result, the industry will have to act aggressively and vigilantly to assure that transportation funding levels are protected and maintained in order to ensure the predictability and stability of the program.