



Washington Update – July 12, 2007

Transportation –

The Transportation-HUD Approps Bill Passed by House Committee

The House Appropriations Committee approved a \$104 billion Transportation-Housing bill yesterday, while avoiding addressing projected shortfalls in the Highway Trust Fund (HTF).

According to figures released by the Office of Management and Budget (OMB) yesterday, the HTF could experience a shortfall of \$3.8 billion to \$4.3 billion by FY09 if new revenues are not found or spending is not cut significantly. This is in sharp contrast to the \$800 million shortfall the White House estimated in its FY08 budget request. The House Transportation and Infrastructure Committee intends to hold trust fund hearings later this month.

The House wants to have this approps bill on the floor in two weeks. It contains \$50.7 billion in discretionary spending, a 6.7 percent increase over FY07 levels and 5.8 percent more than Bush requested. Highway programs would receive \$40.2 billion, a 3.2 percent increase over '07 and \$631 million more than Bush. The Federal Aviation Administration would receive \$14.6 billion, \$140 million more than '07 and \$664 million more than Bush.

In terms of the HUD part, the community development fund would receive \$4.2 billion, \$408 million more than '07 and \$1.1 billion more than Bush. HOPE VI, which funds revitalization of deteriorating public housing projects, would receive \$120 million, \$21 million more than '07 (Bush wants the program eliminated).

The Senate Appropriations Committee is set to mark up its draft bill today. The Senate appropriators are expected to retain funding for housing, Amtrak and other programs the White House has sought to severely cut or eliminate. The Senate draft would provide \$104.6 billion — \$5.3 billion more than FY07 and \$4.4 billion more than the administration proposed. The White House has threatened to veto spending bills that exceed President Bush's request.

For more information on the bill, please visit
<http://appropriations.house.gov/pdf/THUDSummaryFC.pdf>.

House T&I Approves Transportation Emissions Bill

The House Transportation and Infrastructure Committee approved HR 2701, which would lower greenhouse gases brought about by transportation, reducing emissions from ports, federal buildings and multiple modes of transportation — planes, trains and automobiles.

Ranking Member Mica (R-FL) was opposed on his inclusion of an amendment that intended to force states to spend money on a federal air quality program.

Adopted amendments include the following proposals:

- Establishing a research program to develop jet fuel from coal.
- Developing a process for federal regulators to mediate disputes between freight and commuter railroads.
- Addressing pricing issues that could encourage shippers to move goods by truck instead of rail.
- Avoiding increased state and local mandates for water resource protection.

The bill authorizes \$1.7 billion over two years for grants to transit agencies that reduce fares to encourage commuters to switch to mass transit, as well as provides \$200 million over four years to encourage the use of “green” locomotives that emit less carbon dioxide. It also authorizes \$111 million for the Federal Aviation Administration to enter into a cooperative agreement to develop technology that lowers aviation-related emissions and noise.

The federal government would pick up the full cost of grants to purchase clean or alternative fuel equipment used for passenger rail, buses, ferries and locomotives, and, would also waive a state matching requirement for a highway program aimed at improving air quality.

House T&I Committee Respond to OMB Trust Fund Projections

The House T&I Chairman of Oberstar (D-MN) and on Subcommittee Chairman DeFazio (D-OR) reacted with skepticism to projections from the OMB on the future of the federal Highway Trust Fund (HTF).

According to OMB (see above), the HTF will experience considerable funding shortfalls in the next few years. The agency projects that the Highway Account of the Trust Fund will have a deficit of as much as \$4.3 billion by the end of FY 2009.

Oberstar is asking the Subcommittee on Highways and Transit to review immediately OMB's latest estimates and determine why they significantly differ from the Administration's estimates of six months ago. In February 2007, OMB predicted a deficit of \$200 million by the end of FY 2009.

Environment –

Sens. Bingaman (D-NM) and Specter (R-PA) Introduce Climate Change Bill

Yesterday Senators Bingaman and Specter introduced the “Low Carbon Economy Act of 2007,” legislation designed to reduce U.S. greenhouse gas emissions while protecting the U.S. economy and interacting with key developing countries in their efforts to deal with the challenges of global warming. Original cosponsors include Sens. Tom Harkin (D-IA), Ted Stevens (R-AK), Lisa Murkowski (R-AK) and Daniel Akaka (D-HI).

The bill would create an economy-wide mandatory tradable-permits system that is modeled after the successful U.S. Acid Rain Program. By setting an annual target and allowing firms to buy, sell and trade credits to achieve that target, the program is designed to achieve the most cost-effective carbon reductions across the economy. The target and technology incentives are designed to avoid harm to the economy while promoting a gradual but decisive transition to new, lower-carbon technologies.

To effectively engage developing countries, the bill would fund joint research and development partnerships and technology transfer programs similar to the Asia Pacific Partnership. The bill also calls for a Five-Year Review Process that requires a reassessment of domestic action in light

of efforts by our major U.S. trade partners (and relevant scientific and technological developments).

Energy –

Energy Legislation Causing Problems in House Committees

The House Science and Technology Committee has delayed the markup of HR 2337, which was approved in June by the House Natural Resources Committee. Overall, the bill would tighten environmental regulations for new energy projects, including guidelines for siting wind turbines, as well as addressing alternative fuels development, energy efficiency, greenhouse gas capture and storage, the impact of climate change on fish and wildlife, and other topics.

The dispute lies as to what sections of the bill fall under the Science Committee's or Natural Resources Committee's jurisdiction. This delay of the bill is causing tensions between party lines.

Yesterday, the Science Committee approved HR 2850, an environment-related bill that would promote research on environmentally friendly chemistry. A total of \$165 million would be authorized for the program through FY10.

Miscellaneous –

Senator Ensign (R-NV) Claims Seat on the Finance Committee

The Senate Finance Committee was left with an open seat when Senator Craig Thomas (R-WY) passed away earlier this year. By passing a more senior Senator Voinovich (R-OH), Senator John Ensign (R-NV) was given the seat.

Administration Releases Mid-Session Budget Review

To read the entire analysis, please [Click here](#).

Today's Markups –

- **House Appropriations Committee** markup of the Transportation-HUD and Labor-HHS-Education spending bills. Tentative. Time TBA Thursday, 2359 Rayburn
- **House Appropriations Committee** considers earmarks in the Energy-Water spending bill ([HR 2641](#)). Tentative. Time TBA Thursday, 2359 Rayburn
- **House Agriculture Subcommittee** markup of its draft spending bill. Tentative. Time TBA Thursday , 2362-A Rayburn
- **Senate Appropriations Committee** marks up the draft Financial Services and Transportation-HUD spending bills. 2 p.m. Thursday, 106 Dirksen

Today's Hearings –

(Note: To view and listen to hearings via webcast or C-Span, please click on the links posted)

- **Senate Finance Committee** hearing on Airport Airways Trust Fund: The Future of Aviation Financing on July 12, 2007, at 10:00 a.m. in 215 Dirksen Senate Office Building.
- **House Homeland Security Emergency Communications, Preparedness and Response Subcommittee** hearing on “Challenges Facing First Responders in Border Communities” on Thursday, July 12th at 2pm in 1539 Longworth House Office Building. There will not be a webcast of this hearing.
- **House Financial Services Committee** hearing on The National Affordable Housing Trust Fund on Thursday, July 12th at 10:30am in 2128 Rayburn House Office Building.

[Click here to watch live webcast of this hearing.](#)

Upcoming Hearings –

(Note: To view and listen to hearings via webcast or C-Span, please click on the links posted)

- **House Transportation and Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials** hearing on the Benefits of Intercity Passenger Rail on Tuesday, June 26th at 10am in 2167 Rayburn.

<http://transportation.house.gov/> - the live webcast will be available through the homepage.
- **House Transportation and Infrastructure Subcommittee on Railroads, Pipelines, and Hazardous Materials** hearing on Amtrak Capital Needs on Wednesday, July 11th at 10am in 2167 Rayburn.

<http://transportation.house.gov/> - the live webcast will be available through the homepage.
- **Senate Commerce, Science and Transportation Subcommittee on Aviation Operations, Safety, and Security** hearing on Improving Air Services to Small and Rural Communities on Tuesday, July 17th at 10am in 253 Russell.