

**NEWS from Congressman John W. Olver (MA-1)
Chairman, House Appropriations Subcommittee on Transportation, Housing and
Urban Development**

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Prepared Remarks of Chairman John W. Olver
Fiscal Year 2009 THUD Appropriations Subcommittee Markup

Let me welcome everyone to the markup of the fiscal year 2009 Transportation, Housing and Urban Development and Related Agencies appropriations bill.

I would like to thank all of the Subcommittee Members for their input and help writing this bill. I especially want to recognize the contributions of my Ranking Member, Joe Knollenberg. We worked cooperatively to draft a bipartisan bill that will help address a number of housing and transportation challenges and I could not be prouder of the product that we put together. Joe's input and ideas made this a better bill and I look forward to working closely with him as we move this bill through the process.

I also must thank our majority and minority staff for the countless hours and late nights they have spent drafting this year's bill. Without their dedication and hard work, we would not be here discussing this bill today.

The bill before us provides \$108.3 billion in total budgetary resources for transportation and housing programs and is within the Subcommittee's 302(b) allocation.

You will find two broad based themes throughout our bill and report this year:

- *Strengthening the social safety net for those most in need; and*
- *Providing increased resources to improve transportation safety and mobility.*

These themes are integral to some of the new and ongoing initiatives contained in this year's bill.

The HUD Budget: Strengthening the Safety Net

Helping Veterans, the Disabled, & Families Facing Foreclosure

As the foreclosure crisis explodes across the country, it has become painfully clear that the often overlooked importance of affordable rental housing must once again become an integral part of the nation's housing policies.

Within this bill we have included funding for a handful of initiatives, some of which we began last year, to help strengthen the safety net for people who lack affordable housing or are in danger of losing their homes.

These include:

- \$75 million to fund 10,000 new housing vouchers for homeless veterans through the Veterans Affairs Supportive Housing program, otherwise known as the VASH program;
- \$30 million for 4,000 new housing vouchers for the disabled;
- \$75 million for foreclosure counseling and assistance to assist more than 200,000 families at risk of losing their homes; and
- \$1.69 billion for Homeless Assistance Grants, an additional \$55 million above the President's request and over \$100 million more than last year.

Restoring the President's Cuts to Community Development & Affordable Housing Programs

Within the rest of the housing budget, we were able to restore the Administration's most detrimental cuts to affordable housing and community development programs.

The Administration has systematically worked to underfund affordable housing and community development programs and the President's fiscal year 2009 budget request for HUD is no exception.

Let me quickly describe the Subcommittee's recommendations for key programs within HUD and how they differ with the President's budget.

Our bill provides:

- \$4 billion for Community Development Block Grants, \$134 million above 2008 and \$1 billion above the Administration's request;
- \$16.57 billion for the Section 8 Tenant Based housing program, which is enough funding to ensure that no one that has a housing voucher will lose that voucher;
- \$765 million for housing for the elderly, the Section 202 program, which is a slight increase from last year (\$30 million) and \$225 million above the Administration's request. Also, \$250 million for disabled housing, the 811 program, which is also a slight increase from last year (\$13 million) and \$90 million above the Administration's request;
- \$4.5 billion for the public housing operating account and \$2.5 billion for the public housing capital account, which together represent a nearly \$400 million increase above last year and \$776 million above the Administration's request; and finally
- \$120 million for the HOPE VI program to rebuild severely distressed public housing, which the President wanted to zero out.

Project Based Section 8

One final note on the budget for housing. During our hearings this year, the Subcommittee heard from housing experts and owners of Project Based Section 8 housing. Our witnesses all testified that the current uncertainty in the Section 8 program, created by HUD's short funding of contracts for less than a year, has created a crisis of confidence in the program. I fear that a lack of confidence in the program will cause a number of owners to pull out, which would lead to a significant reduction in affordable housing units.

There is a significant shortfall in the Project-Based Section 8 Program. While HUD has been emphatic that their fiscal year 2009 request would be sufficient for Project Based, I strongly disagree. The Subcommittee has provided close to an additional billion dollars for the program above last year's enacted. While I wish we were able to provide more, we have done our best given the limited resources. Let me be clear – the Subcommittee will continue to closely monitor the Project Based program and work to protect these affordable units.

The Transportation Budget: Improving Transportation Safety & Mobility

Investing in Transportation Safety

Turning to transportation, over the last year a number of aviation safety incidents, the tragic collapse of the I-35 Bridge in Minnesota, and the work of The National Surface Transportation and Revenue Study Commission, have put a national spotlight on the importance of transportation safety and the need for adequate investment in the nation's transportation infrastructure.

This bill makes transportation safety a priority. Some of the highlights include:

- \$856 million, almost \$19 million above last year, for highway safety programs under the National Highway Traffic Safety Administration (NHTSA).
- \$307 million, a \$7 million increase above last year, for motor carrier safety oversight;
- \$1.14 billion for aviation safety, including a \$16 million increase for 200 additional aviation safety inspectors;
- \$20 million for air traffic controller training initiatives.

Improving Transportation Mobility & Lessening the Impact of High Gas Prices

As we all know, our constituents are struggling to pay rising gas prices. Our bill provides increased funding for transportation alternatives to automobile travel as well as the Department of Transportation's efforts to increase fuel economy. These investments will help lower the amount of money our constituents are forced to pay at the pump.

For example, the Subcommittee has provided a record level of funding to expand public transit service. The bill contains \$10.3 billion for public transit, a \$1 billion increase over last year, and consistent with the guarantees contained in SAFETEA-LU. This total includes over \$1.8 billion for new commuter transit lines and over \$8.3 billion in formula and discretionary bus funds. Furthermore, the bill more

than doubles funding for NHTSA's fuel economy program to support an increase in CAFE standards for passenger cars and light trucks to 35 mpg by 2020.

The bill also invests in a number of other important transportation infrastructure improvements and services. The bill provides:

- \$3.5 billion for the Airport Improvement Program, an increase of \$765 million above the budget request and the same as last year, to continue important infrastructure improvements at the nation's airports.
- \$130 million for the Essential Air Service program so that no existing service will be lost.
- \$1.5 billion for intercity passenger rail, including \$60 million for Capital Assistance to States.
 - Within the number for Amtrak, \$114 million is included to meet the unanimous recommendations of Presidential Emergency Board (PEB) 242.

Finally, the bill honors the highway guarantees in SAFETEA-LU, providing \$40.2 billion for highways. The bill also rejects the Administration's proposal to borrow money from the Mass Transit Account of the Highway Trust Fund to make up this year's shortfall in the Highway Account.

The Shortfall in the Highway Trust Fund

I would like to make one final comment on the Highway Trust Fund. As my colleagues know, both OMB and CBO estimate the Highway Account within the Highway Trust Fund will go broke in fiscal year 2009, with between a \$1.4 billion and \$3.3 billion deficit. The Mass Transit Account is not fairing much better and will also become insolvent by fiscal year 2012.

This shortfall is not of this Committee's making, nor is it this Committee's responsibility to make up the difference. SAFETEA-LU overcommitted the dedicated revenues available for surface transportation and I am hopeful that the appropriate authorization and tax writing committees will be able to make up the shortfall as we continue to move this bill forward.

In conclusion, this is a good bill and I ask for the Subcommittee's support in moving it to the full committee for consideration. Before I recognize the Chairman of the full committee, Mr. Obey, I would like to recognize my Ranking Member Joe Knollenberg for any comments that he would like to make."

Follow this link for a table of funding levels:

<http://appropriations.house.gov/pdf/09THUDTableSubMarkup.pdf> .

The subcommittee passed the chairman's mark by voice vote.

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