RSC Republican Study Committee

Rep. Jim Jordan (R-OH), Chairman
Paul Teller, Executive Director
1524 Longworth House Office Bldg.
Washington, D.C. 20515

RSC.JORDAN.HOUSE.GOV
ph. (202) 226-9717 / fax (202) 226-1633

Legislative Bulletin ....March 2, 2011

Contents:

H.R. 662—Surface Transportation Extension Act of 2011. (Mica, R-FL)

Order of Business: The bill is scheduled to be considered on Wednesday, March 2, 2011, under a structured rule and waives all points of order against consideration of the bill. The rule provides one hour of debate equally divided and controlled by the chair and ranking minority member of the Committee on Transportation and Infrastructure. The rule also makes in order the amendment printed in the Rules Committee report accompanying the resolution, if offered by Representative Mica of Florida, or his designee, which shall be considered as read, shall be debatable for 10 minutes equally divided and controlled by the proponent and an opponent, and shall not be subject to a demand for division of the question.

The amendment would make three technical changes to correct drafting errors in H.R. 662. On page 12, line 4 the amendment adds a comma. On page 15, line 4 the amendment strikes an authorization amount that was included in the previous extension. On page 15, line 12 the amendment adds a comma.

Summary: H.R. 662 generally extends programs under the Highway Trust Fund by six months (through September 30, 2011, the end of FY 2011). The bill authorizes appropriations to be distributed in the same amounts as provided in FY 2010, provides contract authority for the covered programs, and extends the authority to spend money from the Highway Trust Fund through the end of September. Section 308 of the legislation would amend the Budget Act's discretionary spending control procedures to establish floors on statutory highway and transit spending. For the moment, there are no discretionary spending caps in place. However, many bills have been introduced to create discretionary spending caps (which would be enforced through sequestration procedures)—including the RSC's Spending Reduction Act (H.R. 408). It is therefore very possible that Section 308, especially if the policy is extended beyond FY 2011, would have an impact on future discretionary spending caps. Should that occur, it can be argued that this section would undercut the purpose of discretionary caps, and make it harder to enforce them. At that point, the impact of this section of the bill would be to put transportation spending on unequal footing compared to all other federal spending.

The following are some examples of specific authorization amounts for programs in the Highway Trust Fund FY 2011:

Highway Programs

- The legislation sets an obligation limit of $42.5 billion for federal-aid highway programs.
- The bill authorizes each state to receive a share of funds equal to the state's share for FY 2009. (Keeping funding at FY 2009 spending levels.) Funds for each program would be determined by multiplying the amount apportioned to the state for the fiscal year by the ratio of the amount distributed to the program by the total amount of funds allocated to the state.
- The bill exempts from the obligation limit $639 million for the equity bonus programs. The equity bonus programs ensure that states receive a certain portion of the gasoline taxes they contribute to the federal highway funds. The legislation requires that the distribution of a state's "bonus" funds is appropriated through the highway formula programs. The highway formula programs are determined by the amount made available for all 13 equity bonus programs in FY 2009. It is also determined in the same proportion for each such equity bonus program that the amount apportioned to the state for FY 2009 for that program bears to the amount apportioned to the state for FY 2009 for all the equity bonus programs.
- The measure authorizes $422 million from the Highway Trust Fund for the administrative costs of the federal highway program in FY 2011.

Highway Safety Programs

- The bill authorizes $742 million for highway-safety programs administered by the National Highway Traffic Safety Administration.
    - **Highway Program Administration Expenses**, $422.4 million .
    - **Chapter 4 Highway Safety Programs**, $235 million.
    - **Highway Safety Research and Development**, $108.2 million.
    - **Occupant Protection Incentive Grants**, $25 million.
    - **Safety Belt Performance Grants**, $124.5 million.
    - **State Traffic Safety Information System Improvements**, $34.5 million.
    - **Alcohol-Impaired Driving Counter-Measures Incentive Grant Program**, $139 million.
    - **National Driver Register**, $4.1 million.
    - **High Visibility Enforcement Program**, $29 million.
    - **Motorcyclist Safety**, $7 million.
    - **Child Safety and Child Booster Seat Safety Incentive Program**, $7 million.
    - **SAFETEA-LU Administrative Expenses**, $25.3 million.
- The bill authorizes $597 million for FY 2011 for truck-safety activities of the Federal Motor Carrier Safety Administration.
    - **Motor Carrier Safety Grants**, $209 million.
    - **Motor Carrier Safety Administration Expenses** , $244.1 million.

    - **Commercial Driver's License Information System Modernization**, $8 million.
- The bill extends the authorization for hazardous-materials research projects under the Pipeline and Hazardous Materials Safety Administration.
- The bill extends authorization for sport fish conservation and management programs under the Dingell-Johnson Sport Fish Restoration Act.

Transit Programs

- The bill allows for the obligation of up to $10.3 billion for transit programs administered by the Federal Transit Administration.
- The measure authorizes $8.4 billion for formula and bus grants (keeping allocation amounts for the various programs at FY 2010 spending levels).
- The bill authorizes $2 billion for capital investment grants.
- The bill authorizes $70 million for research and university centers.
- The bill authorizes $99 million for Federal Transit Administration administrative costs.
- The bill extends the allocation requirements for funds that go to transportation planning programs. The legislation stipulates that 83% of the funds will be available for the metropolitan planning programs, and 17% will be available for state planning programs.

Potential Conservative Concerns: The Highway Trust Fund is on an unsustainable path. Many conservatives believe that the solution to this problem is to reprioritize spending on transportation programs, instead of relying on either tax increases or deficit spending. Some of the programs that are extended by this legislation are, in the view of some conservatives, examples of programs that should not be funded by the Highway Trust Fund. Members may be concerned that Section 308 of the legislation (see summary for more analysis of this provision) could make it harder to implement discretionary spending caps. Many conservative also argue that the states should be given more flexibility in spending transportation dollars. Many conservatives believe that most of the program should be devolved to the states.

Committee Action: H.R. 662 was introduced by Rep. John Mica (R-FL) on February 11, 2011, and referred to the Committee on the Transportation. The Committee marked up the bill on February 11, 2011 and passed the bill by voice vote.

Administration Position: No Statement of Administration Policy is available.

Cost to Taxpayers: CBO estimates that enacting H.R. 662 would not affect mandatory spending or revenues compared to the current CBO baseline. Enacting H.R. 662 would not provide additional budget authority above the amounts assumed under current law. CBO expects that most spending from surface transportation programs will continue to be controlled by limits on annual obligations set in appropriation acts.

Does the Bill Expand the Size and Scope of the Federal Government?: No.

Does the Bill Contain Any New State-Government, Local-Government, or Private-Sector Mandates?: The nontax provisions of the bill contain no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

Does the Bill Comply with House Rules Regarding Earmarks/Limited Tax Benefits/Limited Tariff Benefits?: A committee report citing compliance with rules regarding earmarks, limited tax benefits, or limited tariff benefits is not available.

Constitutional Authority: According the author, Congress has the power to enact this legislation pursuant to the following: Article I, Section 8 of the United States Constitution, specifically Clause 1, Clause 3, Clause 7, and Clause 18.

RSC Staff Contact: Ja'Ron Smith, ja'ron.smith@mail.house.gov, (202) 226-2076.