



SENATE REPUBLICAN

POLICY COMMITTEE

Legislative Notice

No. 29

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H.R. 3074 – Transportation and Housing and Urban Development, and Related Agencies Appropriations Bill, 2008

Calendar No. 272

On July 16, 2007, the Appropriations Committee reported S. 1789 as an original measure by a vote of 29-0; S. Report 110-131.

Noteworthy

- Earlier today, the Senate called up H.R. 3074 and inserted the language of S. 1789 as a substitute amendment. This legislative notice is based on the text of the Senate bill, S. 1789.
- H.R. 3074, as amended, provides \$51.11 billion in new budget authority, which is \$3.11 billion above the Administration's request and \$2.94 billion above the FY07 enacted level.
- Title I of H.R. 3074 includes significant funding increases over the President's request, including \$570.0 million above the Administration's request for Amtrak, \$765.0 million above the Administration's request for Federal Aviation Administration Grants-in-Aid, and \$166.2 million for Federal Transit Administration Capital Investment Grants. Title I funding increases are offset by rescinding \$3.38 billion in highway contract authority, which is \$2.01 billion more than the President's request.
- Title II of H.R. 3074 provides \$38.74 billion, which is \$3.15 billion above the President's request. Major increases include \$1.68 billion for Public and Indian Housing, \$1.16 billion for Community Planning and Development, and \$577.0 million for Housing Programs.
- On July 24, the House passed H.R. 3074, its version of the Transportation, Housing and Urban Development Appropriations bill, by a vote of 268-153.
- The White House Statement of Administration Policy (SAP) for the House version of H.R. 3074 included a veto threat for an excessive level of spending. The Senate version exceeds the President's request for programs funded in this bill by \$3.11 billion.

Summary

(amounts in billions)

(in billions)	President's Request	Senate-reported Bill
Title I Transportation	\$ 12.17	\$ 12.13
Title II Housing and Urban Development	35.60	38.74
Title III Independent Agencies	.23	.24
TOTAL¹	\$ 48.00	\$ 51.11

Bill Provisions

Title I – Department of Transportation

Title I provides \$12.13 billion in net budgetary resources for the Department of Transportation, which is \$36.2 million below the Administration's request, but \$805.9 million above the FY07 enacted level. Significant accounts include:

Office of the Secretary: Provides \$160.3 million for the Office of the Secretary, which is \$64.0 million above the Administration's request, but \$10.4 million below the FY07 enacted level.

- **Transportation Planning, Research, and Development:** Provides \$14.1 million for Transportation Planning, Research, and Development, which is \$5.0 million above the Administration's request, but \$778,000 below the FY07 enacted level.
- **Working Capital Fund:** Provides \$128.1 million for the Working Capital Fund, which is \$10.1 million above the FY07 enacted level. The Administration did not request such funding. The Fund provides common administrative services to the Department's operating administrations and other Federal entities.
- **Payments to Air Carriers (Airport and Airway Trust Fund):** Provides \$60.0 million for Payments to Air Carriers, which is \$600,000 above the FY07 enacted level. The Administration did not request funding for Payments to Air Carriers. The **Essential Air Service and Rural Airport Improvement Program** provides funds directly to commuter/regional airlines to provide air service to small communities that otherwise would not receive air service.

¹ Figure totals were taken from S. Rept. 110-131. Any difference in the totals is due to rounding.

Federal Aviation Administration (FAA):² Provides \$14.59 billion for the FAA, which is \$515.2 million above the Administration's request and \$110.6 million above the FY07 enacted level.

- **Operations:** Provides \$8.76 billion for FAA Operations, which is \$36.0 million above the Administration's request and \$387.6 million above the FY07 enacted level. The Administration did not request such funding.
- **Facilities and Equipment:** Provides \$2.52 billion for Facilities and Equipment, which is \$54.9 million above the Administration's request and equal to the FY07 enacted level.
- **Research, Engineering, and Development:** Provides \$148.8 million for Research, Engineering, and Development, which is \$8.8 million above the Administration's request and \$18.5 million above the FY07 enacted level.
- **Grants-in-Aid for Airports:** Provides \$3.51 billion for Grants-in-Aid for Airports, which is \$764.5 million above the Administration's request and equal to the FY07 enacted level. This level of funding is expected to be sufficient to continue enhancing airport and airway safety, ensuring that airport standards continue to be met, maintaining airport capacity, and developing additional capacity.
- **FAA General Provisions:** Section 114 extends the terms and conditions of the aviation insurance program, commonly known as "war risk insurance," and the limitation on air carrier liability for third-party claims arising out of acts of terrorism to August 31, 2008 and includes an option for the Secretary to further extend the program until December 31, 2008.

Federal Highway Administration (FHWA): Provides \$40.22 billion for the FHWA, which is \$631.0 million above the Administration's request and \$1.13 billion above the FY07 enacted level. The Committee expressed concerns that the current balances and projected receipts to the Highway Trust Fund are not sufficient to continue funding the levels authorized for the Federal-aid Highway program or the highway and motor carrier safety programs through FY09.

- Section 125 provides conditions for any waiver of Buy American requirements.

Federal Motor Carrier Safety Administration (FMCSA): Provides \$531.5 million for the FMCSA, which \$3.47 million above the Administration's request and \$14.5 million above the FY07 enacted level.³ It is also \$3.5 million above the level authorized in the Safe, Accountable,

² The Administration proposes to restructure FAA accounts along the lines of business of the agency. One account would pay for the Air Traffic Organization, including both the operating and capital expenses of the organization. Another account, Safety and Operations, would pay for operating and capital expenses of the Aviation Safety office and other offices within FAA. The Commerce Committee has reported legislation that would authorize FAA programs through FY11 and the Commerce Committee followed the current account structure.

³ The Federal Motor Carrier Safety Administration was established within the Department through Congress' enactment of the Motor Carrier Safety Improvement Act (P.L. 106-159) in December 1999. Prior to this legislation, motor carrier safety responsibilities were under the jurisdiction of the FHWA.

Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). All of this funding is contract authority, which is capped by the obligation level of \$531.5 million.

- Section 130 subjects the funds in this act to section 350 of P.L. 107-87 in order to ensure the safety of all cross-border long haul operations conducted by Mexican-domiciled commercial carriers. Section 350 of P.L. 107-87 sets a series of conditions regarding the safety of cross-border trucking between the United States and Mexico.

National Highway Traffic Safety Administration (NHTSA): Provides \$835.4 million for the NHTSA, which is \$2.4 million above the Administration's request and \$14.7 million above the FY07 enacted level. All of this funding is contract authority, which is capped by the obligation level at \$711.0 million.

- **Highway Traffic Safety Grants**: Provides \$583.8 million for Highway Safety Programs, which is equal to the Administration's request and \$11.4 million above the FY07 enacted level. All of this funding is contract authority, which is capped by the obligation level of \$583.8 million.

Federal Railroad Administration (FRA): Provides \$1.66 billion for the FRA, which is \$585.7 million above the Administration's request and \$179.1 million above the FY07 enacted level.

- **National Railroad Passenger Corporation (AMTRAK)**: Provides \$1.37 billion for Amtrak, which is \$570.0 million above the Administration's request and \$76.5 million above the FY07 enacted level.

Federal Transit Administration (FTA): Provides \$9.59 billion for the FTA, which is \$171.2 million above the Administration's request and \$583.4 million above the FY07 enacted level. The majority of this funding is contract authority, which is capped by the obligation level at \$7.87 billion. Included in this funding is \$7.84 billion for **Formula Grants** and \$1.57 billion for **Capital Investment Grants**.

Saint Lawrence Seaway Development Corporation (SLSDC): Provides \$17.4 million for the SLSDC, which is equal to the Administration's request and \$1.2 million above the FY07 enacted level.

Maritime Administration: Provides \$325.7 million for the Maritime Administration, which is \$30.3 million above the Administration's request and \$111.2 million above the FY07 enacted level. Among other functions, the Maritime Administration prioritizes the Department of Defense's use of ports and intermodal facilities during DOD mobilizations to guarantee the smooth flow of military cargo through commercial ports.

Pipeline and Hazardous Materials Safety Administration: Provides \$156.0 million for the Pipeline and Hazardous Materials Safety Administration, which is \$7.8 million above the Administration's request and \$21.4 million above the FY07 enacted level.

Office of the Inspector General: Provides \$66.4 million for the Office of the Inspector General, which is equal to the Administration's request and \$2.4 million above the FY07 enacted level. The bill maintains language that authorizes the Inspector General to investigate allegations of fraud and unfair practices of competition by air carriers and ticket agents.

Surface Transportation Board (STB): Provides a net of \$25.0 million for the STB (\$1.3 million is expected in offsetting collections), which is \$1.9 million above the Administration's request, but \$1.3 million below the FY07 enacted level.

Title II – Department of Housing and Urban Development

Title II provides \$38.74 billion for the Department of Housing and Urban Development (HUD), which is \$3.15 billion above the Administration's request and \$2.11 billion above the FY07 enacted level. Significant accounts include:

Tenant-based Rental Assistance: Provides \$16.60 billion for Tenant-based Rental Assistance, which is \$605.7 million above the Administration's request and \$671.7 million above the FY07 enacted level. This account provides funding for the Section 8 tenant-based (voucher) program, which is one of the principal appropriations for Federal housing assistance and provides rental housing assistance to over 2 million families.

Project-based Rental Assistance: Provides \$5.81 billion for Project-based Rental Assistance, which is equal to the Administration's request, but \$163.4 million below the FY07 enacted level. Section 8 project-based rental assistance provides a rental subsidy to a private landlord that is tied to a specific housing unit as opposed to a voucher, which allows a recipient to seek a unit, subject primarily to certain rent caps.

Public Housing Capital Fund: Provides \$2.50 billion for the Public Housing Capital Fund, which is \$476.0 million above the Administration's request and \$61.0 million above the FY07 enacted level.

Public Housing Operating Fund: Provides \$4.20 billion for the Public Housing Operating Fund, which is \$200.0 million above the Administration's request and \$336.0 million above the FY07 enacted level.

Revitalization of Severely Distressed Public Housing: Provides \$100.0 million for Revitalization of Severely Distressed Public Housing, which is \$1.0 million above the FY07 enacted level. The Administration did not request such funding.

Native American Housing Block Grants: Provides \$630.0 million for Native American Housing Block Grants, which is \$3.0 million above the Administration's request and \$6.3 million above the FY07 enacted level.

Community Planning and Development: Provides \$8.11 billion for Community Planning and Development, which is \$1.16 billion above the Administration's request and \$777.7 million

above the FY07 enacted level. The disparity between the Administration's request and the bill stems from the Administration's proposal to reform and dramatically reduce funding for the Community Development Block Grant (CDBG) program. The Committee has rejected the Administration's proposal.

- **Housing Opportunities for Persons With AIDS (HOPWA):** Provides \$300.1 million for HOPWA, which is equal to the Administration's request and \$14.0 million above the FY07 enacted level.
- **Rural Housing and Economic Development:** Provides \$17.0 million for Rural Housing and Economic Development, which is \$170,000 above the FY07 enacted level. The Administration did not request such funding.
- **Community Development Fund:** Provides \$4.06 billion for the Community Development Fund, which is \$1.02 billion above the Administration's request and \$288.1 million above the FY07 enacted level.
- **HOME Investment Partnerships Program:** Provides \$1.97 billion for the HOME Investment Partnerships Program, which is \$3.4 million above the Administration's request and \$212.8 million above the FY07 enacted level.
- **Homeless Assistance Grants:** Provides \$1.59 billion for Homeless Assistance Grants, which is equal to the Administration's request, but \$144.4 million above the FY07 enacted level.

Housing Programs: Provides \$1.35 billion for Housing Programs, which is \$577.0 million above the Administration's request and \$357.3 million above the FY07 enacted level.

- **Housing for the Elderly:** Provides \$735.0 million for Housing for the Elderly, which is \$160.0 million above the Administration's request and \$420,000 above the FY07 enacted level.
- **Housing for Persons with Disabilities:** Provides \$237.0 million for Housing for Persons with Disabilities, which is \$125.0 million above the Administration's request and \$390,000 above the FY07 enacted level.

Federal Housing Administration (FHA) Mutual Mortgage Insurance Program Account: Provides a limitation on guaranteed loans of \$185.00 billion, which is equal to the Administration's request and the FY07 enacted level.

FHA General and Special Risk Program Account: Provides a limitation on guaranteed loans of \$45.00 billion, which is \$10.00 billion above the Administration's request, but equal to the FY07 enacted level.

Government National Mortgage Association (GNMA): Provides a limitation on guaranteed loans of \$200.0 billion, which is \$100.0 billion above the Administration's request and equal to the FY07 enacted level.

Research and Technology: Provides \$59.4 million for Research and Technology, which is \$6.0 million below the Administration's request, but \$9.0 million above the FY07 enacted level.

Fair Housing Activities: Provides \$52.0 million for Fair Housing Activities, which is \$7.0 million above the Administration's request and \$6.5 million above the FY07 enacted level.

Lead Hazard Reduction: Provides \$151.0 million for Lead Hazard Reduction, which is \$35.0 million above the Administration's request and \$520,000 above the FY07 enacted level.

Management and Administration: Provides \$1.22 billion for Management and Administration, which is equal to the Administration's request, but \$72.6 million above the FY07 enacted level.

General Provisions: Includes general provisions on a variety of subjects. Of note, Section 205 allows funds to be used to reimburse the Government-Sponsored Enterprises and other Federal entities for various administrative expenses. Section 211 requires HUD to maintain Section 8 assistance on HUD-held or owned multifamily housing that is occupied primarily by the elderly or disabled. Section 213 requires vouchers for non-elderly disabled families to be renewed, to the extent practicable, to non-elderly disabled families.

Title III – Independent Agencies

Title VI provides \$235.1 million for Independent Agencies, which is \$1.5 million above the Administration's request and \$11.8 million above the FY07 enacted level. Significant accounts include:

Architectural and Transportation Barriers Compliance Board: Provides \$6.2 million for the Architectural and Transportation Barriers Compliance Board, which is equal to the Administration's request and \$235,000 above the FY07 enacted level.

Federal Maritime Commission: Provides \$22.3 million for the Federal Maritime Commission, which is equal to the Administration's request and \$1.9 million above the FY07 enacted level.

National Transportation Safety Board (NTSB): Provides \$84.5 million for NTSB, which is \$1.5 million above the Administration's request and \$5.2 million above the FY07 enacted level.

Neighborhood Reinvestment Corporation: Provides \$119.8 million for the Neighborhood Reinvestment Corporation, which is equal to the Administration's request, and \$3.0 million above the FY07 enacted level.

Administration Position

A Statement of Administration Policy (SAP) concerning the Senate version of H.R. 3074 was not available at press time.

The White House Statement of Administration Policy (SAP) for the House version of H.R. 3074 included a veto threat for an excessive level of spending, which was \$3.4 billion above the President's request. The Senate version exceeds the President's request for programs funded in this bill by over \$3.1 billion.

Cost

The Committee, in consultation with the Congressional Budget Office, estimates that the bill provides \$51.06 billion in FY07 discretionary budget authority and \$114.62 billion in discretionary outlays (which includes outlays from prior-year budget authority).

H.R. 3074 would result in the following outlays:

FY 2008	\$43.61 billion ⁴
FY 2009	\$31.62 billion
FY 2010	\$14.64 billion
FY 2011	\$6.50 billion
FY 2012	
(and future years)	\$6.95 billion

Possible Amendments

Numerous amendments are expected during floor consideration, including amendments relating to bridge funding, cross-border trucking between the United States and Mexico, Amtrak, and specific member requests.

⁴ Excludes outlays from prior-year budget authority.