

**SANTA CRUZ COUNTY RTC
WASHINGTON OFFICE MEMORANDUM**

TO: Linda Wilshusen
FROM: Carolyn Chaney/Chris Giglio
DATE: November 23, 2004
SUBJECT: FY 2005 Transportation Department Appropriations

Congress approved the FY 2005 Transportation Department budget last weekend as a part of a massive \$388 billion “omnibus” spending measure that included funding for dozens of federal agencies. The measure included almost \$89.9 billion overall for federal transportation programs. In addition, all the programs at DOT will be subject to a 0.83 percent across-the-board reduction imposed by Congress on all non-Defense or Homeland Security related programs.

Most surface transportation programs received increases, with the federal-aid highway program rising 3 percent to \$35.5 billion. Programs at the Federal Transit Administration rose by over 5 percent to \$7.708 billion. These funding levels reflect the recommendations of the House version of the TEA-21 reauthorization bill (which has yet to be completed), as opposed to the higher authorization levels included in the Senate measure.

Other program funding includes:

- \$1.47 billion for the New Starts program (9% increase)
- \$669.4 million for Bus and Bus Facilities program (7.4% increase)
- \$124 million for Job Access and Reverse Commute Program (18.8% increase)

Appropriators earmarked most of these accounts, leaving little discretion to the DOT. Included in those earmarks in the bus category is \$1.5 million for Santa Cruz METRO and Santa Cruz Redevelopment Agency Pacific Station project. Also included was \$400,000 for the Monterey Bay Sanctuary Scenic Trail system.

Amtrak would receive \$1.2 billion in FY 2005, but the railroad is still subjected to rigorous reporting requirements and will have to submit quarterly financial analyses, revenue projections, and capital expenditure projections. Statutory language was included in the bill bringing Amtrak one step closer to privatization of intercity passenger rail. The legislation authorizes DOT to develop and implement a plan for fair competitive bidding by Amtrak and non-Amtrak operators for state-supported routes. DOT can redirect \$2.5 million from Amtrak's funding for this new program.

The omnibus bill also provides \$19.3 million for Next Generation High Speed rail, including \$3 million for high-speed rail corridor planning and \$2 million for Maglev development.

The Highway Reauthorization bill did not pass during the lame-duck session. It has been extended until the Memorial Day recess. There is still no agreement on the funding level to be used so the Conference Committee between the House and the Senate could not proceed. It is still unknown if the projects that were contained in the original House bill, including the Highway 1 funding, will be carried over or resubmitted next year because all bills expire at the end of a Congress and must be reintroduced in the 108th Congress which begins January, 2005. The Congress has yet to adjourn sine die because they failed to pass the Intelligence bill and had a problem with a provision stuck in the Omnibus Appropriations bill at the last minute concerning the IRS. Thus, they plan to be in session on November 24 and possibly back the week of December 6 to wrap up a few items.

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