

**SANTA CRUZ COUNTY RTC
WASHINGTON OFFICE MEMORANDUM**

TO: Linda Wilshusen
FROM: Carolyn Chaney/Chris Giglio
DATE: November 16, 2004
SUBJECT: Federal Transportation Update

Congress has convened this week for a short, post-election “lame duck” session with the primary objective of completing action on the FY 2005 budget. While some congressional staff are holding out for the possibility that a transportation reauthorization bill may be considered this week, most observers believe there is not enough time to end the current stalemate and that Congress will reconsider the legislation next year.

As you know, earlier this year the House (HR 3550) and Senate (S 1072) each approved versions of a TEA-21 reauthorization bill, but differences over the overall funding level for the bill have prevented the two chambers and the White House with coming up with a compromise. The most recent attempt at compromise would have resulted in a \$299 billion measure (half-way between the House and Senate numbers) that was rejected by Senate Democrats willing to take their chances on a bill next year that is closer to their preferred level of \$318 billion.

Barring a last-minute compromise, it appears that the TEA-21 reauthorization process will now begin again in 2005. While legislation must be reintroduced and approved by the House and Senate, it remains to be seen whether either chamber will attempt major changes to the measures approved this year, including whether there will be a new process for requesting high priority projects (the current House bill includes \$3.67 million for Highway 1). The leadership of the pertinent congressional committees with jurisdiction over the bill will be largely the same, which would seem to indicate no major changes are in order. Since the original TEA-21 law expired in September 2003, Congress has extended it six times, with the most recent extension reaching through May 2005.

In a related item, as mentioned above, Congress this week will seek to come to some conclusion this week regarding the FY 2005 budget, including FY 2005 appropriations for the Department of Transportation. Without an authorization bill, federal highway and transit programs are expected to be funded at levels slightly above those approved for FY 2004. For example, federal highway programs in FY 2005 are likely to be funded at approximately \$34.6 billion and transit programs at \$7.3 billion. The six-year, \$318 billion Senate TEA-21 reauthorization bill proposes \$37.9 billion for highways and \$8.86 billion for transit in FY 2005.