

**SANTA CRUZ COUNTY RTC  
WASHINGTON OFFICE MEMORANDUM**

**TO:** Pat Dellin

**FROM:** Carolyn Chaney/Chris Giglio

**DATE:** March 15, 2005

**SUBJECT:** House Approves Transportation Bill

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The House overwhelmingly approved (417-9) a six-year, \$284 billion reauthorization of federal surface transportation programs (HR 3) last week. Congressman Farr voted favor of the measure. The White House, in a statement prior to the House vote, threatened to veto the bill over a provision that would suspend the distribution of transportation funds to states after 2006 unless Congress "reopens" the act to increase the minimum rate of return for contributions to the Highway Trust Fund to 95 percent.

During the floor debate, the House adopted without debate a 162-page "managers amendment" that made a number of changes to the legislation and spelled out what percentage of the bill's highway dollars would constitute the "scope," or the pot of money to be divided up among the states. Under a carefully crafted compromise, the \$11 billion worth of high-priority projects, or members' earmarks, would be included in the funds that are allocated to the states through a formula. The inclusion of those funds will help keep the scope at 92.6 percent, which is current law. The House TEA-21 bill approved last year did not include earmarks in the formula, thus reducing to 84 percent the amount of highway funds allocated to states by formula. The amendment also included a \$12 billion rescission of existing unused contract authority to keep the bill's total contract authority level at \$284 billion, as per the President's demands.

However, still unresolved in the bill are the concerns of members from "donor states," those that receive less than they contribute to the Highway Trust Fund. These Members, led by House Majority Leader Tom DeLay (R-TX) want each state to be guaranteed a 95 percent return, but achieving that is an almost impossible task under the \$284 billion level. House Transportation and Infrastructure Committee Chairman Don Young (R-AK) promised to continue to work with DeLay on the issue as the bill makes it way to a House-Senate conference. "The bill coming out of the House is not the bill that will go to the President," DeLay remarked after the floor vote.

Young was also able to increase the amount of money in the bill for member earmarks from \$8.9 billion in the bill approved in committee last week to \$10.7 billion. Included in the list of earmarks approved by the House was \$3.67 million for the Soquel/Morrissey Merge Lanes Project as proposed by Congressman Farr.

Meanwhile, the Senate Environment and Public Works Committee has tentatively scheduled a markup of its version of a TEA-21 reauthorization bill for March 16. However, it remains to be seen whether a \$284 billion bill could pass that panel, as there is still a great deal of support for the \$318 billion measure approved by the Senate last year. Committee Chairman James Inhofe (R-OK) indicated that he was hopeful that revenue streams could be found to maintain the \$318 billion level without a tax increase.