



DRAFT

September 4, 2003

Policy Brief..... Fiscal Year 2004 Transportation and Treasury Appropriations

BY THE NUMBERS:

Budget Authority in Millions of Dollars

	FY '03 Enacted*	FY '04 Request*	FY '04 Cmte Bill*
Appropriations	28,659	27,462	27,501
Supplemental Spending	25	0	0

*Budget Cmte Figures

**Excluding Supplemental Spending, the Committee bill is:
 \$1,158 million or 4% below last year and
 \$39 million or 0.1% above the request.**

NOTE: The figures for FY 03 and the President's Request provided by the Appropriations Committee differ from those provided by the Budget Committee. This box utilizes CBO and Budget Committee figures.

Spending of Note:

New Dept. of Transportation Headquarters Building – The bill includes \$45 million to begin financing a new headquarters building for the Dept of Transportation. The new headquarters, which would be leased, is expected to cost \$1.2 billion over 15 years. Buying the new building outright would reportedly cost only \$733 million.

Health Insurance Tax Credit Administration – Provides \$35 million to implement the health insurance tax credit included in the Trade Act of 2002 for displaced workers and others.

Human Capital Performance Fund – Provides \$2.5 million, subject to authorization.

Amtrak – The bill provides \$900 million for Amtrak, an amount equal to the request, but \$143 million less than last year. The Chairman’s Subcommittee bill provided \$580 million. This level was increased in Full Committee.

Highways – The bill provides an obligation limit for highways of \$34.6 billion, \$2.4 billion more than last year and \$4.3 billion above the request. The bill provides this level of funding without increasing taxes.

Regulations, Limitations, & Other Issues:

Prohibits Dept. of Treasury Contracts with Companies That Invert – The bill includes a provision that prohibits contracts with companies that invert (i.e. move their incorporation outside of the United States primarily for tax purposes). NOTE: as the RSC has previously detailed, companies generally invert because of the excessively high level of U.S. taxation of businesses compared to the rest of the world. Inversion is a method of reducing business costs -- other methods include reducing their workforce. NOTE: *The rule permits a point of order against this language.*

Civilian Pay Raise – Provides a pay raise of 4.1% for civilian federal employees. The President requested a 4.1% increase for military personnel, but only a 2.0% increase for civilian employees.

Funding for Recovery of Improper Payments by the Department of Transportation – Provides new authority for the Department of Transportation to use funds recovered from improper payments made by the Department to reimburse the expenses of the recovery and permits funds in excess of the cost to be used for the original program or to be deposited in the Treasury.

Competition for Amtrak Rail Service – Requires development of a competing bidding system for use with State-supported Amtrak routes to permit bidding between Amtrak and non-Amtrak operators for those services.

English Language for Traffic Signs – Prevents the use of funds to require a state or local government to post a traffic sign in a language other than English.

Government Credit Card Reform – Includes a new provision requiring each government agency to evaluate the creditworthiness of an individual before issuing the individual government travel charge card and prohibits issuance of such cards to individuals who lack or have an unsatisfactory credit history.

Election Reform – Authorizes GSA to administer the payments to States and local governments under the Help America Vote Act until the Election Assistance Commission required under the Help America Vote Act is appointed.

Air Traffic Controllers Retirement Age – Requires the issuance of regulations to permit air traffic controllers to delay the mandatory retirement age until 61 years of age.

FAA Credit cards – Prohibits FAA-issued credit cards from being used to purchase store gift cards or gift certificates.

Transportation Enhancements – The bill eliminates the current law requirement that 10% of highway funds (approximately \$600 million annually) be used for transportation enhancements. Transportation Enhancements include bicycle and horse trails, streetscape improvements, landscaping, and historic building preservation. Since 1998, over \$120 million in highway funds has been spent for historic preservation and another \$50 million has been spent on transportation museums. The bill would still permit, though not require, states to use funds for transportation enhancements, but states would now also be permitted to use the funds for surface transportation and bridges. *NOTE: The rule permits a point of order against a portion of this language.*

Motor Carrier Safety Administration Hours of Service Rule – The bill prohibits implementation of the new hours of service rule, as it would apply to utility service vehicles.

Highway Safety Advertising – Permits funds provided to States for highway safety to be used for public service messages.

Continued Emergency Commuter Service in the Event of Amtrak Cessation of Service – Amends current law to provide for the continued emergency commuter rail service where Amtrak ceases operation.

Buy America Requirements for Mass Transit Projects – Strengthens the Buy America requirements for mass transit projects by specifying what must be purchased in America, limiting waivers, and permitting adversely affected parties to seek an administrative review. *NOTE: The rule permits a point of order against this language.*

Buy America Requirements for Grantees – Requires entities that receive funds under the Act to comply with specific provisions of the Buy America Act. *NOTE: The rule permits a point of order against this language.*

Purchase of Foreign Information Technology – Provides an exemption from certain limitation on the procurement on foreign information technology. *NOTE: The rule permits a point of order against portions of this language.*

Payments to Financial Institutions Performing Services on Behalf of the Department of Treasury – Provides a permanent appropriation (for this year and every year thereafter) to reimburse financial institutions in their capacity as depositories and financial agents of the U.S. for services performed for the government. This will replace the compensating balance mechanism.

Restrictions on OMB -- Continues the prohibition on paying OMB officials who prepare material after February 15 detailing proposed spending levels for each of the 13 appropriations bills.

Real Estate and Banking – Continues prohibition on the rule determining that real estate brokerage is an activity that is financial in nature.

Reports on Competitive Sourcing Activities – Requires agencies to file reports on competitive sourcing activities.

General Funding Summaries Provided by the Budget Committee:

Table 2: Discretionary Spending in the Transportation-Treasury Appropriations Bill (in millions of dollars)						
	2003 Budget Authority *	2003 Outlays *	2004 Budget Authority	2004 Outlays	Difference BA	Difference Outlays
Transportation						
Federal Aviation Administration	10,112	13,327	10,540	13,761	428	434
Federal Highway Administration	560	31,673	263	32,443	-297	770
Federal Transit Administration	1,436	8,186	1,424	8,222	-12	36
Federal Motor Carrier Safety Administration	0	341	47	463	47	122
National Highway Traffic Safety Admin ..	138	420	138	428	0	8
Federal Railroad Administration	1,260	1,308	1,087	1,144	-173	-164
Other Transportation	486	503	587	626	101	123
Treasury						
Internal Revenue Service	9,834	9,708	10,352	10,231	518	523
Other Treasury Department	1,023	1,579	924	1,129	-99	-450
Other						
Executive Office of the President	282	310	279	286	-3	-24
Office of Personnel Management	263	258	267	264	4	6
Election Reform	1,515	538	500	1,230	-1,015	692
Other	1,350	1,122	1,093	1,131	-257	9
Total	28,259	69,273	27,501	71,358	-758	2,085
* Does not include \$25 million in BA (with no related outlays) included in the fiscal year 2003 Iraq conflict supplemental (Public Law 108-11).						

For a detailed funding table visit pages 238 through 256 of the Committee Report:
http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=108_cong_reports&docid=f:hr243.108.pdf