



LEGISLATIVE UPDATE

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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H.R. 3087 – SURFACE TRANSPORTATION EXTENSION ACT OF 2003

Summary: The current authorizations for Federal highway, highway safety, motor carrier safety, and mass transit programs expire on 30 September 2003. Therefore, H.R. 3087 extends these programs temporarily, pending the enactment of a law reauthorizing the Transportation Equity Act for the 21st Century (commonly known as TEA-21). The largest item in the bill is the authorization of \$13.483 billion in obligations for the Federal-aid Highways program. The authorizations in H.R. 3087 extend for 5 months, from 1 October 2003, through 29 February 2003. H.R. 3087 complies with the budget resolution for fiscal year 2004 and with the Congressional Budget Act.

The budget authority [BA] for certain highway and transit programs – principally the Federal-aid highways program – is classified as mandatory spending, while the outlays are classified as discretionary. The spending from the mandatory BA typically is constrained by a special mechanism called “obligation limitations,” which are normally written in annual appropriations bills that include these programs. The combination of mandatory budget authority and obligation limitations is necessary in transportation because most transportation programs involve capital spending that runs over several years. To manage the year-by-year obligations requires a special method of applying spending limits.

Section 10 of H.R. 3087 establishes and extends the fiscal year 2004 spending caps for the highway and mass transit categories: \$31.834 billion in outlays for the highway category; and \$1.462 billion in new budget authority and \$6.629 billion in outlays for the mass transit category. These caps are, however, contingent on the extension of overall discretionary spending caps, which expired in September last year. The extension of the caps was done in consultation with the Committee on the Budget, and the cap levels are consistent with the budget resolution

Section 10(d) restores \$4.369 billion in fiscal year 2004 highway spending that would otherwise be reduced as a result of the Revenue Aligned Budget Authority [RABA] calculation that occurred in fiscal year 2003. (Generally speaking, RABA was designed to let highway spending track with the flow of revenue from Federal gasoline tax collections.) Section 10 also includes Sense of Congress language saying that, in any multiyear reauthorization of the Federal-aid highway program, the alignment of highway spending with revenue should be restructured to minimize year-to-year fluctuations in highway spending levels and to ensure the uniform enforcement of such levels.

Cost of the Legislation: The Congressional Budget Office [CBO] estimates that H.R. 3087 would provide an increase of \$9.255 billion in mandatory budget authority in fiscal year 2004, if its funding level were stretched out for a full year. Assuming enactment of obligation limitations the same as those authorized in the bill, discretionary outlays for fiscal year 2004 would increase by \$9.480 billion.

Legislation Compared With the Budget Resolution: The budget resolution for fiscal year 2004 (H.Con.Res. 95) allocated \$9.256 billion in BA for 2004 to the Committee on Transportation and Infrastructure. Outlays consistent with this level of BA were provided to the Committee on Appropriations. Hence the bill is \$1 million below the allocation to the Transportation and Infrastructure Committee.

Compliance With the Budget Act: As noted above, the bill is consistent with the budget resolution, because the Committee on Transportation and Infrastructure was given additional new budget authority for an increase in highway spending. The committee’s total amount for new spending on programs in its jurisdiction was \$9.3 billion in fiscal year 2004 and \$41.1 billion over 5 years.

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This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee’s members.