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April 5, 2011

Congress and White House Continue to Negotiate Federal Appropriations for Fiscal Year 2011 – House Proposes Short Term Continuing Resolution That Would Cut Transit and High Speed Rail

Leaders in the U.S. House of Representatives, U.S. Senate and the Obama Administration are attempting to forge a compromise on final spending levels for the remainder of Fiscal Year (FY) 2011. The current Continuing Resolution (CR) that is funding the federal government expires on Friday, April 8 at midnight. Congress must either enact another short term CR, or reach a compromise on a package for spending for the remainder of the fiscal year by that deadline to avert a government shutdown. Although budget negotiators for the Congress and the Administration state that they are close to reaching a deal on the budget levels for the remainder of the year (which would contain substantial reductions in funding for discretionary domestic programs), it is likely that an additional short-term CR will be needed.

Last night, the House Committee on Appropriations filed a one week CR (H.R. 1363) that would fund the federal government through April 15. The House bill proposes to reduce funding for the current year by an additional \$12 billion below FY 2010 levels. Previous CR's have already made \$10 billion in reductions government wide. Among the reductions in the one week CR proposed by the House are cuts in four programs critical to transit and passenger rail. Proposed reductions include:

- \$1.5 billion for High Speed Rail. This proposal would reduce funding for the High Speed Rail program from \$2.5 billion provided in FY 2010, to \$1 billion for FY 2011, the same level proposed in the President's budget for this year.
- \$280 million for Capitol Investment Grants (New Starts). The proposal would reduce funding for the New Starts Program from \$2 billion in FY 2010 to \$1,72 billion in FY 2011. The bulk of these funds would come from the cancelled New Jersey ARC Tunnel project.
- \$3,270,000 for FTA Research and University Research Centers. The proposal would reduce funding for this program from \$65,670,000 in FY 2010 to \$62,400,000 in FY 2011.
- \$40 million for Rail and Transit Security Grants. The proposal would reduce funding at the Department of Homeland Security for this program from \$300 million in FY 2010 to \$260 million in FY 2011.

It is important to note that the House proposed CR would only reduce funding for the current fiscal year, below FY 2010 levels. It does not seek to reduce or rescind funds appropriated in previous years.

APTA has sent a letter to leaders of the U.S. House and Senate opposing these reductions that disproportionately target transit and passenger rail programs. To view the letter, click here.

APTA urges you to contact your Members of Congress and urge them to maintain current funding levels for public transportation and passenger rail in the FY 2011 budget. When you speak to them, please be sure to make the following points:

## **Action Alert**

- Urge your Member of Congress to fund public transportation and high speed rail programs at no less than the levels provided in fiscal year 2010.
- Urge them to oppose legislation such as the House proposed CR (H.R. 1363) that contains spending reductions that unfairly target transit and passenger rail programs.
- Remind them of how important these investments are in your community, and that these investments are vital to
  expand and maintain public transportation in your community, while keeping your systems safe from terrorist

attacks.

## U.S. House Budget Committee Proposes Deep Cuts for Transportation Programs in Fiscal Year 2012

Today, House Budget Committee Chairman Paul Ryan (R-WI) introduced his proposed budget blueprint for Fiscal Year 2012. The goal of the proposed Budget Resolution is to put the federal government on track to reduce the federal deficit by more than \$6 trillion over the next decade. For transportation programs, the proposed budget resolution would reduce spending for all programs from \$93 billion in FY 2011 to \$63 billion in FY 2012, a 31 percent reduction. The Budget Committee notes that these reductions would ensure that transportation programs are funded at levels supported by trust fund receipts, and avoid the need to transfer general fund dollars into the Highway Trust Fund to keep it solvent in the near future. The committee asserts that these reductions can be made because the Government Accountability Office has reported that many transportation programs are duplicative. The proposal does not make specific recommendation on where within the transportation budget these cuts would come from. However, it does not recommend continued funding for High Speed Rail projects.

The Chairman's initial Budget Resolution must be approved by the full Budget Committee and then agreed to by the House of Representatives and U.S. Senate before it sets the budget guidelines for spending for the current fiscal year. APTA will continue to monitor the budget debate and report on additional details as they become available.

For more information on the FY 2011 budget, and the proposed Budget Resolution for FY 2012, please contact Paul Dean on APTA's staff at (202) 496-4887, or pdean@apta.com.

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