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House Transportation Bill Would Hold Spending Below Senate Bill

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On October 22, the House Transportation and Infrastructure Committee (T&I) approved and ordered reported the Surface Transportation Reauthorization and Reform Act of 2015 (STRRA; H.R. 3763). The T&I bill provides only those spending increases the Congressional Budget Office (CBO) has determined are needed to cover projected inflation in the cost of the existing surface transportation program. Unlike the Developing a Reliable and Innovative Vision for the Economy Act (DRIVE Act; H.R. 22), adopted by the Senate on July 30, 2015, STRRA does not increase spending beyond this CBO "baseline."

The two bills have important similarities, which might simplify negotiations should the House pass STRRA and should both chambers agree to a conference committee to reconcile their differences:

- Both bills would provide for six-year authorizations (FY2016-FY2021). Both bills would provide only three years of full funding for the Highway Trust Fund, requiring Congress to come up with new revenues or spending offsets starting in FY2019.
- Both bills would create new discretionary programs administered by the Department of Transportation. STRRA's Nationally Significant Freight and Highway Projects program (NSFHP) would be funded at a higher level, averaging $740 million annually, whereas the DRIVE Act's Assistance for Major Projects program would average $525 million. Both bills provide for a discretionary competitive grant program for buses and bus facilities.
- Both bills would make major reductions in the amounts available to support leveraged funding under the Transportation Infrastructure Financing and Innovation Act (TIFIA) program, which provides loans and loan guarantees for large transportation infrastructure projects. The FY2014-FY2015 authorized amount for TIFIA was $1 billion annually. Under STRRA the annual amount would be $200 million, and under DRIVE the amount would be $300 million. However, under STRRA, the administrative and subsidy costs associated with TIFIA loans would be an eligible expense under two of the large formula programs as well as the NSFHP program. TIFIA would be eligible for funding under Assistance for Major Projects under the DRIVE Act.
- With the exception of changes to the Surface Transportation Program (STP), much of the formula program structure for highways would remain similar to existing law, although some eligibility requirements have been modified. For public transportation, formula funding would retain its current program structure.

However, the two bills have a number of significant differences:

- STRRA would rename and modify the Surface Transportation Program, the second-largest single source of highway funding, as a "block grant" program. However, unlike some other block grant programs, the Surface Transportation Block Grant Program would not provide the states with unrestricted lump sums of money.
- STRRA does not include railroad funding provisions, whereas Title XXXV of the DRIVE Act would authorize increased funding for Amtrak and for grants to states for rail infrastructure and safety projects. However, the House has previously passed legislation dealing with passenger rail issues (the Passenger Rail Reform and Investment Act of 2015, H.R. 749), which conceivably could be reconciled with corresponding provisions of the DRIVE Act.
- STRRA does not include funding for a separate federal freight program. DRIVE would fund a new formula National Freight Program, at $11.6 billion over the life of the bill.
- STRRA does not identify any of the budgetary offsets needed to offset the general fund transfers to the HTF; the DRIVE Act does, for the first three years.
- STRRA closely maintains the current division of funding between highway programs and public transportation programs. The DRIVE Act would increase public transportation funding at a somewhat faster rate than highway funding (**Table 1**).

The spending level in STRRA is identical to that in CBO's March 2015 baseline projections. The DRIVE Act would provide funding that would total roughly $16 billion above baseline levels over the six-year life of the bill; by FY2021, spending for highway programs would be 6.4% above the CBO baseline, and spending for public transportation programs would be 10.3% above baseline.

Table 1. STRRA (H.R. 3763) and DRIVE Act (H.R. 22) Highway And Public Transportation Spending (Obligations) Compared to CBO's Baseline

(Current $ in Millions)

	MAP-21 FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Federal Highway Administration							
STRRA (House)		41,606	42,338	43,192	44,046	44,940	45,835
CBO Baseline	40,995	41,606	42,338	43,192	44,046	44,940	45,835
DRIVE Act (Senate)		42,365	43,635	45,070	46,498	47,622	48,772
Difference from Baseline							
House		0	0	0	0	0	0
% Above Baseline		0	0	0	0	0	0
Senate		759	1,297	1,878	2,452	2,682	2,937
% Above Baseline		1.8%	3.0%	4.3%	5.5%	5.9%	6.4%
Federal Transit Administration							
STRRA (House)		8,724	8,879	9,059	9,240	9,429	9,618
CBO Baseline	8,595	8,724	8,879	9,059	9,240	9,429	9,618
DRIVE Act (Senate)		9,185	9,380	9,866	10,101	10,352	10,609
Difference from Baseline							

House	0	0	0	0	0	0
% Above Baseline	0	0	0	0	0	0
Senate	461	501	807	861	923	991
% Above Baseline	5.3%	5.6%	8.9%	9.3%	9.8%	10.3%

Source: Federal Highway Administration, Congressional Budget Office, H.R. 22, STRRA, CRS calculations.

Note: Obligations include CBO projected annual obligation limitations plus annual "exempt" obligations of $739 million (includes $100 million in Emergency Relief program funding). Federal Transit Administration (FTA) amounts do not include General Fund authorizations. FTA also receives significant General Fund dollars mostly for the New Starts program. Under STRRA, New Starts authorization would increase from $2,029 million in FY2016 to $2,237 million in FY2021. Under DRIVE, New Starts authorization would rise from $2,301 million in FY2016 to $2,590 million in FY2021.