

FUNCTION 400: TRANSPORTATION SENATE BUDGET RESOLUTION FOR 2001

Under current law, spending for Function 400, Transportation, will total about \$51.8 billion in BA and \$46.6 billion in outlays for 2000. The function primarily comprises funding for the Department of Transportation, including ground transportation programs, such as the federal-aid highway program, mass transit, motor carrier safety, and the National Rail Passenger Corporation (Amtrak); air transportation through the Federal Aviation Administration (FAA) airport improvement program, facilities and equipment program, research, and operation of the air traffic control system; water transportation through the Coast Guard and Maritime Administration; the Surface Transportation Board; the National Transportation Safety Board; and related transportation safety and support activities within the Department of Transportation. In addition, funds for air transportation programs under the auspices of NASA are included within this function.

CHAIRMAN'S MARK

(\$ Billions)

	2000	2001	2002	2003	2004	2005
Budget Authority	54.4	59.2	57.5	59.0	59.1	59.1
Outlays	46.7	50.8	53.4	55.5	56.1	56.4

Discretionary

The Chairman's mark assumes discretionary spending in this function would total \$15.7 billion in BA and \$48.7 billion in outlays for 2001. This represents an increase of \$1.3 billion in BA and \$4.3 billion in outlays from the 2000 level adjusted for additional appropriation requests. The majority of the growth in 2001 is due to increases related to the Transportation Equity Act for the 21st Century (TEA-21) and the Wendell H. Ford Aviation Investment Act for the 21st Century (FAIR-21).

The Chairman's mark does not make any changes to the obligation limitations or programs under TEA-21, except as required by the Motor Carrier Safety Improvement Act of 1999. Further, it

does not assume the President's proposal to change the distribution of revenue aligned budget authority (RABA) – additional highway revenues resulting from increases in gas tax receipts – under TEA-21. In addition, it rejects the President's proposed increases in contract authority for specific programs above that provided in TEA-21.

As part of a five-year, \$150 billion tax reduction package, the Chairman's mark could accommodate a suspension or repeal of the Clinton/Gore 4.3 cent tax increase on fuel. This tax was imposed on motor fuels (gasoline, diesel, and other special fuels) for deficit reduction purposes, and receipts originally were deposited into the general fund; however, the majority of the tax receipts are now deposited into various trust funds.

If there were a suspension or repeal, a total of 80 percent of the 4.3 cents collected on non-rail, ground transportation (cars, trucks, and buses) would reduce tax receipts into the highway account of the highway trust fund in 2000 and 2001. Although any suspension or repeal assumption would not affect the highway category in 2001, it would reduce RABA, and in turn, lower the level of obligation limitations in 2002 and 2003. However, the Chairman's mark assumes full restoration of any highway category obligation limitation reductions in those years resulting from any suspension or repeal of this tax.

With any suspension or repeal, revenues into the transit account of the highway trust fund would be reduced by the remaining 20 percent collected on non-rail ground transportation in 2000 and 2001. Since total authorizations and obligation limitations for transit programs are not directly linked to transit account revenues, any suspension or repeal would not affect the transit program levels.

For aviation program funding, the Chairman's mark assumes funding at the levels contained in FAIR-21. Discretionary budget authority for FAA programs in 2001 is assumed at \$9.5 billion, almost \$1.4 billion over 2000 levels. This, added to an obligation limitation assumption of \$3.2 billion for the airport improvement program, results in total budget resources of \$12.7 billion in 2001, \$2.7 billion more than 2000 budget resource levels.

Like the transit program, the aviation authorizations and obligation limitations are not directly linked to airports and airways trust fund tax revenue. Therefore, any suspension or repeal of the Clinton/Gore 4.3 cent tax and the resulting reduction in aviation tax revenue deposits would not lead to a reduction in budget authority or obligation limitation for aviation. Although not explicitly stated, the Chairman's mark assumes that air traffic control systems and services will undergo significant structural reforms and will be funded fully by user fees as soon as possible.

Mandatory PAYGO

The Chairman's mark assumes \$43.5 billion in mandatory budget authority and outlays of \$2.1 billion in 2001, reflecting changes from 2000 levels of \$3.6 billion and -\$0.2 billion, respectively. The increase in mandatory budget authority is a result of TEA-21 and FAIR-21.

The Chairman's mark assumes mandatory budget authority levels contained in TEA-21. The Chairman's mark assumes any suspension or repeal of the 4.3 cent tax on fuel would not result in a reduction in the mandatory budget authority in 2002 and 2003. Mandatory budget authority for mass transit programs would not be affected by any suspension or repeal assumption.

The Chairman's mark assumes the mandatory budget authority level contained in FAIR-21 for the airport improvement program in 2001 of \$3.2 billion and adjusts 2000 to reflect reauthorization of this formerly expired program at \$2.5 billion. Mandatory budget authority for the aviation program would not be reduced by any suspension or repeal of the Clinton/Gore 4.3 cents tax on fuel.

FUNCTION 400: TRANSPORTATION

SENATE BUDGET RESOLUTION FOR 2001

COMPARISON OF CHAIRMAN'S MARK WITH PRESIDENT'S BUDGET AND SBC BASELINE (\$ Billions)

	2000	2001	2002	2003	2004	2005
<u>Chairman's Mark</u>						
Budget Authority	54.4	59.2	57.5	59.0	59.1	59.1
Outlays	46.7	50.8	53.4	55.5	56.1	56.4
<u>President's Budget</u>						
Budget Authority	53.8	58.8	55.6	57.0	58.4	60.1
Outlays	46.7	50.5	52.3	53.7	54.4	55.3
<u>SBC Baseline</u>						
Budget Authority	51.8	54.7	52.2	53.0	53.0	53.1
Outlays	46.6	49.1	50.1	51.4	51.4	51.2
<u>Mark compared to:</u>						
<u>President's Budget</u>						
Budget Authority	0.6	0.4	1.9	2.0	0.6	-1.0
Outlays	0.0	0.2	1.2	1.8	1.7	1.0
<u>SBC Baseline</u>						
Budget Authority	2.5	4.5	5.3	6.0	6.0	6.0
Outlays	0.0	1.7	3.3	4.1	4.7	5.1

