

The 116th Congress: Federal Transportation Policy Under Divided Government



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Eno

Center for
Transportation

January 15, 2019

About the Eno Center for Transportation

Founded in 1921 by William Phelps Eno, inventor of the stop



Only think tank focused:
On all modes of transportation
Up and down the federalist chain
With public, private, non-profit sectors

The big question.....

How are we going to pay for what we need?

First step: GET OUT OF FY19

- “Lapse of appropriations” shutdown since Dec. 21.
- FHWA – business as usual. Until summer.
- FTA, Office of the Secretary – shut down.
- FAA, TSA – some furloughs, many working without pay (first missed paycheck was Jan. 11).
- Work slowdowns starting, lawsuits pending
- So far, all other major agenda items are on “hold” pending a resolution of the shutdown.
- Coast Guard pay may move separately.

First step: GET OUT OF FY19

- No one knows how much mass transit spending isn't being made because of shutdown – January outlays vary widely.*

FTA Outlays in the Month of January (Million \$)

	2015	2016	2017	2018
HTF	\$576	\$487	\$495	\$634
GF (CIG)	\$135	\$160	\$41	\$121

- Statewide rural transit providers appear to be feeling the pinch first on FTA operating subsidies.*

Two types of federal funding

MANDATORY

Not subject to annual appropriations or spending caps

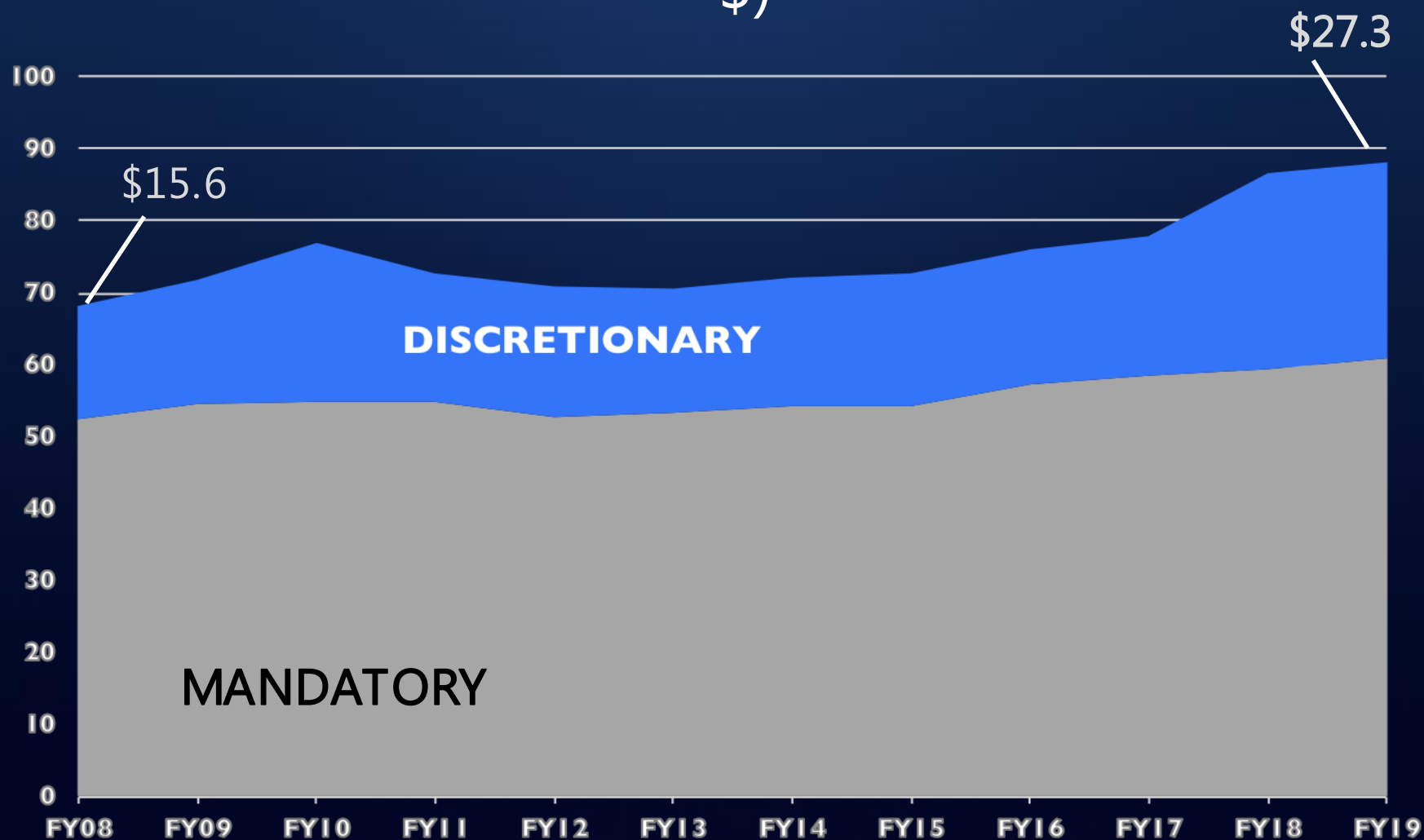
Examples: Social Security, pensions, welfare, Medicare, Highway Trust Fund, Airport Improvement Program

DISCRETIONARY

Provided in annual appropriations acts
Subject to annual Budget Control Act "caps"

Two categories:
defense and non-defense

USDOT Mandatory + Discretionary Funding (Billion \$)



Two types of federal funding **problems**

MANDATORY

Problem arrives in FY21

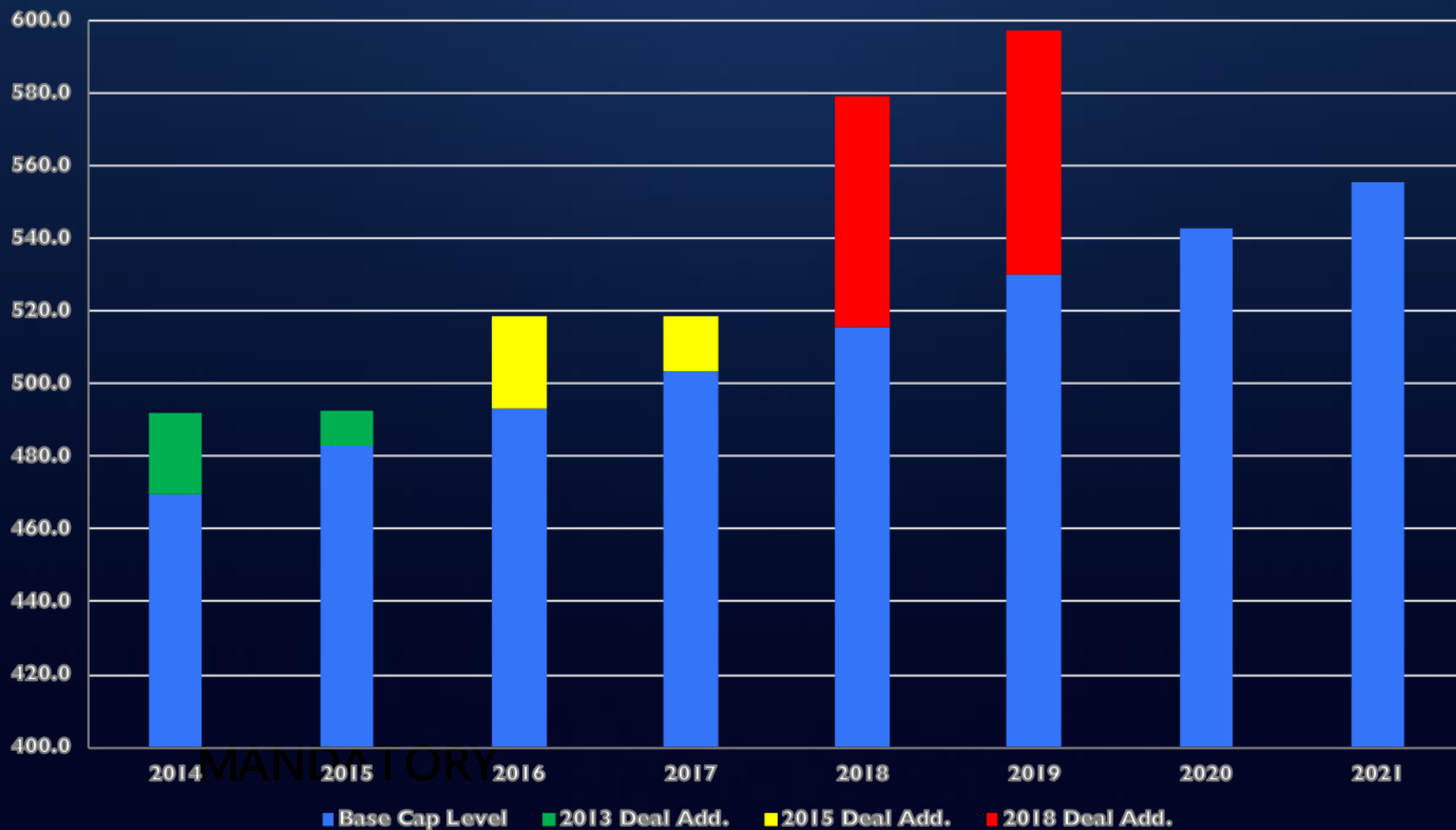
Congress needs to find ~\$20 billion/year in extra revenues or bailouts for the HTF just to maintain current spending levels.

DISCRETIONARY

Problem arrives in FY20

Congress needs a new budget deal or non-defense appropriations in the aggregate will have to be cut by \$55 billion from FY19 levels.

Non-Defense Discretionary Appropriations Totals (Billion \$)



Pending FY20 Cut: \$54.5B

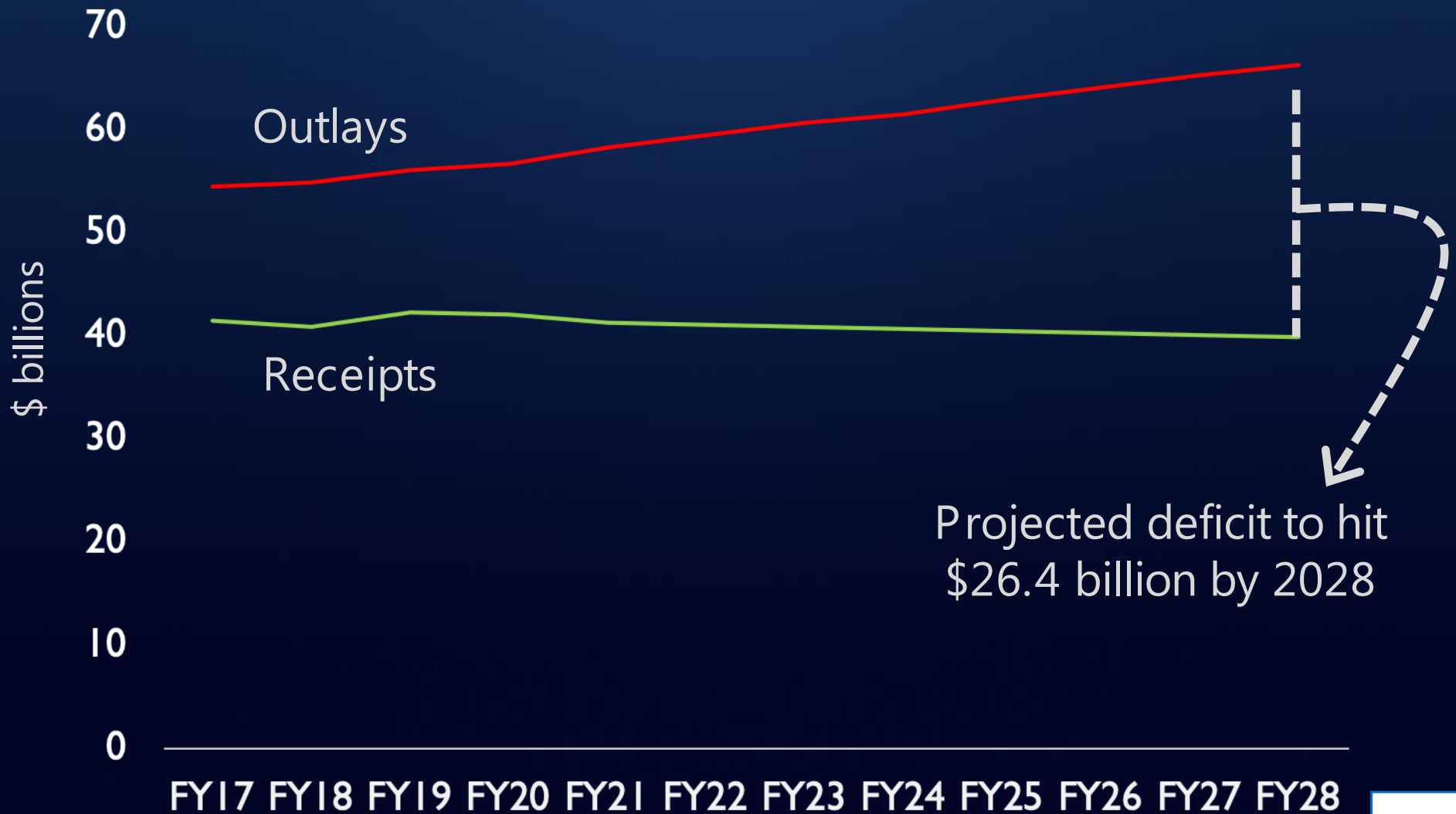
Non-Defense Discretionary Appropriations (Billion \$)

	FY18	FY19	FY20	FY21
Cap Level	\$515.7	\$530.3	\$542.5	\$555.6
BBA Deal	+\$63.6	+\$66.7		
Total NDD	\$579.0	\$597.0	\$542.5	\$555.6

Much of the Extra BBA Deal Money Went to Transportation Infrastructure (Million \$)

	FY18	FY19		FY18	FY19
FHWA	\$2,525	\$3,250	TIGER	\$1,000	\$400
FTA	\$834	\$700	MARAD	\$300	\$300
AIP	\$1,000	\$500	Ports	-----	\$293

Highway Trust Fund Cash Flow



Projected deficit to hit
\$26.4 billion by 2028

Highway Trust Fund Cash Flow Projected Annual Baseline Deficits (Billion \$)

FY19	FY20	FY21	FY22	FY23
-\$13.7	-\$14.6	-\$16.9	-\$18.3	-\$19.7

FY24	FY25	FY26	FY27	FY28
-\$20.9	-\$22.5	-\$23.9	-\$25.1	-\$26.4

FY22-28 Average: \$22.4 billion per year.

The 116th Congress and President Trump must:

- Do whatever it takes to get out of FY19.
- Find \$60+ billion per year for a non-defense spending cap increase, which likely requires also finding another \$60+ billion per year for a defense cap increase.
- Find another \$22 billion per year, on average, for the Highway Trust Fund starting in FY21.
- THEN consider spending increases or new programs, like an “infrastructure bill.”

Defining the “Infrastructure Bill”

- Appropriators say the annual Transportation-HUD bill is “the infrastructure bill.”
- T&I/EPW Committees say the recurring highway/transit bill is “the infrastructure bill.”
- Speaker Pelosi is drafting a large infrastructure bill from a variety of House committees.
- And then there’s the “Green New Deal” – which is probably inconsistent with continuing the highway program as it now exists.

Defining the “Infrastructure Bill”

QUESTIONS:

1. Will an infrastructure bill be proposed by the Administration again in the FY20 Budget (whenever that is submitted), and if so, will it look like last year’s bill?
2. Will the Administration put its surface transportation reauthorization proposal out with the FY20 Budget?
3. Will Congress deal with FAST reauthorization this year (a year before deadline) or do a separate infrastructure bill this year?

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