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Legislative Schedules *Week of November 9, 2009*

House

The House is in recess this week for the Veterans Day District Work Period. The House will return the week of November 16.

Senate

The Senate convenes at 10 a.m. today for morning business. At 11 a.m. the Senate will resume consideration of H.R. 3082, the Military Construction/VA appropriations bill. The Senate will recess from 12:30-2:15 p.m. for the weekly policy luncheons.

There will be no roll call votes today.

At the end of today's session the Senate will recess until Monday, November 16, 2009.

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Obama Considering More Funding For Highways, As Rumors of "Stimulus II" on Capitol Hill Continue

President Obama said last week that his Administration is considering "additional investments in roads and bridges" as a way to provide further job growth in the struggling economy.

Obama made the statement (see box at right) in the Rose Garden last Friday after signing legislation extending unemployment benefits and the home buyers tax credit. The statement came shortly after the Labor Department announced that the U.S. unemployment rate in October had climbed into double-digit range at 10.2 percent.

However, it is important to note that the President did not attach any time

"We will also build on the measure I signed today with further steps to grow our economy in the future. To that end my economic team is looking at ideas such as additional investments in our aging roads and bridges, incentives to encourage families and businesses to make buildings more energy-efficient, additional tax cuts for businesses to create jobs, additional steps to increase the flow of credit to small businesses, and an aggressive agenda to promote exports and help American manufacturers sell their products around the world"

-President Barack Obama
November 6, 2009

frame to his statement. Informed sources indicate that the fiscal year 2011 budget proposal, due on February 1, 2010, is unlikely to contain any drastic increases in infrastructure spending, and that the policy framework for a multi-year surface transportation proposal from the Ad-

ministration will not be ready until next spring at the very earliest.

This means that any initiative to increase funds for these programs in the short term will have to come from Congress. And that draws further attention to the ongoing rumor that House Transporta-

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Appropriations Negotiations Continue To Make Progress

Negotiations between the House and Senate Appropriations Committees on the remaining appropriations bills are making good progress, as House Appropriations Chairman David Obey (D-WI) continues to press for having all remaining bills finished and proofread by the close of business on Monday, November 16.

The staffs of the Transportation-HUD subcom-

mittees finally exchanged "global offers" on the major issues of disagreement last week and continued to fine-tune those offers yesterday.

Almost all issues above the level of minor report language discrepancies have been resolved in principle between the committees, elevating only a few issues to the full committee level (and potentially the leadership

level) to be solved this week.

The issues still resolved appear to be primarily Senate amendments relating to policy — a requirement that Amtrak allow the transportation of unloaded firearms and ammunition in checked baggage, as airlines do, and a one-year exemption from federal limitations on truck sizes and

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Stimulus II/Surface

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tion and Infrastructure Chairman James Oberstar (D-MN) is working on a short-duration reauthorization bill of perhaps two years that would be financed through some kind of deficit spending, not through user fees and taxes levied on motorists.

It is still not certain whether this deficit financing would be carried out by transfers from the general Treasury into the Highway Trust Fund, which would require the cooperation of the Ways and Means Committee, or through the appropriation of new dollars from the general fund, which would require the extensive cooperation of the Appropriations Committee.

But senior Congressional Democrats are nearly unanimous that more stimulus spending is necessary to get the unemployment rate moving downwards before the 2010 midterm elections.

If a short-term, deficit-financed highway bill is to be moved to Congress and justified as economic stimulus, time is a-wasting. A turning point in the national media's coverage of the first stimulus bill appears to have been reached in the last two weeks and is likely to get worse as more data comes in. See, for example, last week's *New York Times* article on how the government's estimates of the number of jobs created or preserved by the Recovery Act are almost completely worthless:

<http://tinyurl.com/yemsamj>

Or see the article from the *Washington Post* over the weekend on how the \$25 billion in energy efficiency funding in the Recovery Act has, to date, created almost no jobs:

<http://tinyurl.com/yf83z7x>

The more reports like this appear in the national media, the harder it will be to muster the votes to add tens of billions of dollars to the deficit to justify increased federal spending. And the heavy media scrutiny that will accompany any

future stimulus legislation also drives home another point, one which will pain many House members who joined the T&I Committee primarily to get earmarked projects before the 2010 elections:

If a deficit-financed highway bill is justified as being job-creating economic stimulus, it had better not contain any earmarks.

The politics of the deficit vis-à-vis earmarks aside, there is a real substantive problem:

Earmarks do not provide short-term economic stimulus.

This bears repeating:

Earmarks do not provide short-term economic stimulus.

Once more:

Earmarks do not provide short-term economic stimulus.

It is obvious that Congress knows this truism very well. Simply look at the way that Congress structures its earmarks.

In highway formula funding, contract authority is normally "use it or lose it" after four years. And the formula obligation limitation on the exercise of that formula contract authority is an annual "use it or lose it" exercise.

By contrast, both the contract authority and obligation limitation given for each individual earmark in the TEA21 and SAFETEA-LU highway bills is "available until expended" — meaning that, unless Congress specifically repeals the law or amends it to transfer the funding elsewhere, each earmark can sit on the shelf unspent for 100 years without losing its funding.

But let's take an empirical look.

The only SAFETEA-LU earmarks on which DOT is required to report regularly to Congress are in the Projects of National and Regional Significance program. The 2009 annual report on the program has apparently not been submitted yet, but the 2008 report showed that, as of May 12, 2008, less than 30 percent of the total PNRS funding made available so far had been obligated, allowing it to create or sustain jobs. And only 9.5 percent of the overall total had reached the stage of cash outlays from the Treasury.

More shamefully, as of last May, almost three years after SAFETEA-LU was signed into law, six earmarks totaling 13.4 percent of the account total were completely inactive — no one had yet called DOT to ask how to get their money.

Though Oberstar is trying to vet earmark requests better in his eventual legislation than did past chairmen, there is no way he can guarantee that his bill's hypothetical earmarks would do any better at providing short-term stimulus unless he were to attach special use-it-or-lose-it provisions to the earmarks. And a use-it-or-lose-it requirement would render most earmarks unworkable.

In the last two Congresses, Speaker Pelosi has packed the T&I Committee with first-term and second-term Democrats from vulnerable districts on the grounds that the eventual bonanza of earmarks they would receive in the highway bill by virtue of their seats on T&I would help them win re-election.

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Status of the Earmarks in the Projects of National and Regional Significance Program in the SAFETEA-LU Law

<u>As of May 12, 2008...</u>	<u>Amount</u>	<u>Percent</u>
No one had yet asked for the money	\$ 171,047,973	13.4%
Application was pending	\$ 19,404,602	1.5%
Distributed but not obligated	\$ 711,727,809	55.7%
Obligated but not outlaid	\$ 255,375,554	20.0%
Outlaid by the Treasury	\$ 120,991,727	9.5%
Total FY 2005-2008 Obligation Authority	\$ 1,278,547,665	100.0%

Stimulus II/Surface

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Enactment of a short-term highway bill through 2011 without earmarks would of course deny these members any projects to “take home” and crow about before the 2010 midterms, which are shaping up to be a bad cycle for vulnerable Democrats.

There are also rumors that Oberstar would seek to include as many policy changes as possible from his six-year bill into any short-term bill. But even aside from the hesitance of the Senate and the Administration to deal with policy reforms now, there is also a disconnect with including policy reforms in a short-term “stimulus” bill, since changes in policy almost al-

ways slow down program spending. If you create a new program or extensively revamp an existing program, the agency has to write new rules, which takes time, and collect new data and measure new metrics, which also takes time. Although this transition time can be limited, it is almost impossible for a new or extensively reworked program to spend money faster than an existing program, at least at first.

As the national media are finally beginning to realize, the \$787 billion American Recovery and Reinvestment Act could be divided into three purposes:

- A. Money spent to provide short-term economic stimulus and create or sustain jobs;
- B. Money spent to extend the social safety net to lessen the impact of the recession on the poor and working class (much of

that money also stimulates the economy, since unemployed people spend nearly all of their unemployment benefits quickly, and the money saved on rent by public housing recipients also gets spent); and

- C. Money spent to provide long-term investment in the economy many years down the road, included in the bill to exempt it from future budget fights.

The funds under (C.) cannot even remotely be justified as short-term economic stimulus, and the table below details several of those accounts.

Oberstar’s ranking minority member, John Mica (R-FL), has proposed paying for a two-year bill by rescinding unobligated Recovery Act funding. But he has not specified which funds he would cut. The slowest-spending program in the whole Recovery Act is high-speed rail (which Mica loves, loves, loves).

WHY ARE YOU SURPRISED THAT SOME RECOVERY ACT SPENDING DOESN'T STIMULATE?

Recent news articles in the national media have begun to highlight the fact that some Recovery Act provisions, so far, have not created or sustained any jobs. No one who actually took a close look at the Recovery Act should be surprised by this, as there were many programs in the Recovery Act that were not intended to generate short-term economic stimulus or to create jobs in the near term. The following table shows how fully one-eighth of the funding in the Recovery Act was known, before Congress finished the bill, to have negligible impacts on the economy or jobs during the first eighteen months of the legislation (by September 30, 2010, which is also close enough to the mid-term Congressional elections to be a political deadline as well). All of these numbers are taken from the official Congressional Budget Office estimates that were given to the Appropriations Committees, the Congressional leadership, and the White House well before Congress voted on the final bill. These programs may all have great merit, but they were never intended to provide short-term stimulus. Instead, their inclusion in the Recovery Act was an extension of the Rahm Emanuel “never let a crisis go to waste” mentality. By front-loading \$105+ billion for these programs into an urgent must-pass package in the first month of the new Administration, the authors of the Recovery Act ensured that this funding would not have to compete with other programs like defense, public housing, education, or entitlement spending in the regular budget process in the 2010-2019 period. (Note that the appropriators admitted as much with the speed with which they took \$2 billion away from the DOE Innovative Technology Loan Guarantees program on July 31 to use that money to bail out Cash For Clunkers.)

Department	Account	Amount	Fiscal Year In Which Actual Spending (Outlays) Is Estimated To Take Place										
			2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Agriculture	Telemedicine & Broadband	\$2.5 billion	2.5%	14.0%	23.5%	23.0%	19.0%	13.0%	5.0%	0.0%	0.0%	0.0%	0.0%
Commerce	Broadband Tech. Opportunities	\$4.7 billion	1.8%	16.1%	18.3%	26.6%	25.7%	8.3%	3.2%	0.0%	0.0%	0.0%	0.0%
Energy	Energy Efficiency & Renewables	\$15.2 billion	2.7%	12.2%	19.9%	22.1%	19.7%	15.1%	6.2%	1.6%	0.6%	0.0%	0.0%
Energy	Innovative Tech. Loan Guarantees	\$6.0 billion	1.0%	20.0%	25.0%	25.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Energy	Fossil energy R & D	\$3.4 billion	3.0%	10.0%	18.0%	20.0%	25.0%	20.0%	4.0%	0.0%	0.0%	0.0%	0.0%
Energy	Electrical Grid Modernization	\$4.5 billion	1.0%	15.0%	35.0%	35.0%	10.0%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Energy	Energy Effic. & Renewables	\$1.7 billion	2.6%	12.2%	19.9%	22.1%	19.6%	15.1%	6.3%	1.6%	0.6%	0.0%	0.0%
EPA	Clean Water & Drinking Water SRFs	\$6.0 billion	3.0%	23.0%	30.0%	20.7%	10.0%	5.3%	2.0%	1.1%	0.6%	0.7%	0.0%
GSA	Federal Buildings Fund	\$5.6 billion	7.2%	16.2%	18.0%	19.8%	18.0%	9.0%	5.4%	2.7%	0.9%	0.0%	0.0%
HHS	Electronic Medical Records	\$36.3 billion*	1.1%	0.5%	13.0%	17.8%	17.8%	39.2%	10.6%	0.0%	0.0%	0.0%	0.0%
HHS	National Institutes of Health	\$10.0 billion	8.6%	32.9%	37.0%	15.1%	2.5%	1.2%	0.3%	0.0%	0.0%	0.0%	0.0%
Transportation	High-Speed & Intercity Pass. Rail	\$8.0 billion	2.0%	4.0%	8.0%	10.0%	20.0%	20.0%	15.0%	10.0%	5.0%	4.0%	2.0%
Transportation	Discretionary Multi-modal Grants	\$1.5 billion	0.0%	12.0%	36.0%	28.0%	15.0%	7.0%	2.0%	0.0%	0.0%	0.0%	0.0%
Total, "Why Are You Surprised They Spend Slowly?"		\$105.3 billion											
Total Projected FY 2009 & 2010 Outlays From These:		\$14.4 billion	13.7 percent										

*The net total for this account over 11 years is only \$20.8 billion, as this program is projected to result in mandatory savings starting in 2016, but we only use the gross totals here, as the gross spending are what counts in terms of short-term job impacts, and negative numbers throw off outlay rates.

Approps Endgame

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weights for Interstate highways in the State of Maine.

The Maine issue in particular is likely to require a discussion between Speaker Pelosi and Majority Leader Reid, as the provision was included in the Senate bill at the personal insistence of Reid because he promised it to Sen. Susan Collins (R-ME) in exchange for her allowing the Cash for Clunkers bailout to move forward quickly.

Beyond the House's drive to get all remaining bills "read out" by next Monday evening, the plan remains unclear. The House now has the option to send any one of three bills to a formal House-Senate conference at any time (Commerce-Justice-Science, Defense, and Transportation-HUD). The Senate hopes to pass the Military Construction-VA bill later today or early next week, adding a fourth eligible candidate to the conference list.

It appears unlikely that the Labor-HHS-Education, State-Foreign Operations, or Financial Services bills will ever reach the Senate floor as individual bills subject to amendment (an article in today's *Politico* pointed out that those three bills

STATUS OF UNFINISHED GENERAL APPROPRIATIONS BILLS

Commerce-Justice-Science — passed House and Senate; technically ready to go to conference.

Defense — passed House and Senate, technically ready to go to conference.

Financial Services — passed House but never brought up in Senate.

Labor-HHS-Education — passed House but never brought up in Senate.

MilCon/VA — passed House and currently being debated on the Senate floor.

State/Foreign Ops — passed House but never brought up in Senate.

Transportation-HUD passed House and Senate, technically ready to go to conference.

have one thing in common — controversial abortion language that could cause heartburn to Leader Reid back home in Nevada).

So, the pre-negotiated Labor-HHS, Financial Services, and State-Foreign Ops bills will likely be packaged together with one of the other four bills for a year-end "minibus" package.

Naturally, each of the other four subcommittee chairmen and staffs hope to avoid the fate of being the vehicle for the minibus, on the grounds that their own troubles are enough without adding the troubles of three other subcommittees.

House sources have indicated for weeks that the Transportation-HUD bill is the most likely vehicle for an omnibus bill, though if a final decision on that has been made, it has not been made public.

And the timing of the action on the final three or four legislative vehicles is still in question. Even if all of the bills (except perhaps MilCon/VA) is completed and proofread by next Monday, the logical timeframe for bringing an omnibus appropriations bill to the floor is the last week of the session.

And no one in the Democratic leadership has yet announced when the last week of the House's session will be (the House acts first on appropriations conference reports by tradition).

Leaders have been threatening to keep the House in session through Christmas to allow the completion of a health care reform bill that can be signed into law by President Obama by New Years, but hopes for that timetable appear unfounded at this point (see article on page 5).

POTENTIALLY UNRESOLVED ISSUES IN THE 2010 TRANSPORTATION-HOUSING APPROPRIATIONS BILL NEGOTIATIONS THAT APPLY TO THE DEPARTMENT OF TRANSPORTATION

<u>Issue</u>	<u>House Bill</u>	<u>Senate Amendment</u>
Guns in Amtrak baggage	No provision	Sec. 157 cuts off federal funding for Amtrak after March 31, 2010 if Amtrak still prohibits the secure transportation of firearms and ammunition in checked baggage.
Maine truck size and weight exemption	No provision	Sec. 194 exempts all Interstates in Maine from federal size and weight limitations on trucks for a one-year period beginning on the date of enactment.
Ban on funding for ACORN	No provision	Sec. 415 prohibits any funding under the Act from being distributed to ACORN or its subsidiaries.

Health Care Bill Could Eat Up Senate Calendar Through January

(Ed. Note: While *Transportation Weekly* does not actually cover (or understand) health care reform, the timing of Senate action on the legislation will determine the Congressional schedule for the rest of the year, which in turn affects transportation legislation.)

House passage of the health care reform bill late Saturday night increases pressure on Democratic Senators to pass a bill quickly in order to meet the deadline demanded by the White House of presenting a final bill to the President for signature by Christmas.

However, given that today is November 10, this deadline appears at odds with Senate rules and norms.

Majority Leader Reid said yesterday on the Senate floor that if all goes well, his version of health care reform will be made public and a motion to proceed to the bill will be entered by the end of next week. At that point, the Senate will take off the week of Thanksgiving.

If Reid actually has 60 votes in favor of invoking cloture on the motion to proceed to the bill (no sure thing), that would still take part of four calendar days (cloture filed on day #1, cloture vote on day #3 starting 30 hours of post-cloture debate, which expires and allows a vote on the motion to proceed on day #4).

So it appears that the earliest that the Senate could begin debate on the bill itself is November 29 or 30.

Once that happens, Senators will want to have their say on the bill, both through floor debate and via amendment. Even if Majority Leader Reid has 60 votes lined up to invoke cloture on the bill itself (which is not the case as yet), that does not necessarily mean that all 60 of those Senators will vote for cloture after only three or four days of debate. Many of them will want to offer a perfecting amendment or three and get a vote or two before cloture is invoked and the amendment process is shut down.

Following is a list of some of the biggest bills considered in the Senate floor in the last 25 years as well as

the number of days each bill was considered by the Senate prior to initial passage. (Omnibus appropriations bills are excepted because they are almost always considered as separate bills during initial consideration, and budget reconciliation bills don't count because there is a statutory time limit on their consideration.) The definition of floor time excludes debate on a motion to proceed (only the day on which the motion to proceed is agreed to is counted).

- **1986 Tax Reform Act (H.R. 3838, 99th Congress) - 13 days of floor time.** Jun. 4, 9, 10, 11, 12, 13, 16, 17, 18, 19, 20, 23 and 24, 1986.
- **1990 Clean Air Act Amendments (S. 1630, 101st Congress) - 21 days of floor time.** Jan. 23, 24, 25, 29, 30, and 31 and Mar. 5, 6, 7, 8, 9, 20, 21, 22, 26, 27, 28, 29, and 30, and Apr. 2 and 3, 1990.
- **1998 TEA21 highway bill (S. 1173, 105th Congress) - 19 days of floor time.** Oct. 8, 20, 21, 22, 23, 24, 28, and 29, 1997. Feb. 26 and 27 and Mar. 2, 3, 4, 5, 6, 9, 10, 11 and 12, 1998.
- **2002 farm bill (S. 1731, 107th Congress) - 13 days of floor time.** Dec. 6, 7, 10, 11, 12, 18, and 19, 2001. Feb. 6, 7, 8, 11, 12, and 13, 2002.
- **2007 immigration reform bill (S. 1348, 110th Congress) - 9 days of floor time.** May 21, 22, 23, 24, and 25, and June 4, 5, 6, and 7, 2007. (However, the bill never passed the Senate. Cloture on the motion to proceed to the bill was invoked, 69-23, but cloture on the bill itself was not invoked, 34-61)
- **2008 farm bill (H.R. 2419, 110th Congress) - 13 days of floor time.** Nov. 6, 8, 13, 14, 15, and 16, and Dec. 5, 7, 10, 11, 12, 13, and 14, 2007.

Note that days of floor time in the above list almost always excludes Saturdays and Sundays, so 14 days of floor time is almost three full weeks, not two.

Also note that none of the aforementioned bills were as sweeping or as controversial as health care reform, and few came close in terms of pages of legislation. There is every reason to believe that consideration of a health care bill on the Senate floor would take at least as long as did consideration of any of those previous bills.

THE REMAINDER OF 2009...							
	Sun	Mon	Tue	Wed	Thu	Fri	Sat
Nov.	8	9	10	11	12	13	14
Nov.	15	16	17	18	19	20	21
Nov.	22	23	24	25	26	27	28
Nov.	29	30					
Dec.			1	2	3	4	5
Dec.	6	7	8	9	10	11	12
Dec.	13	14	15	16	17	18	19
Dec.	20	21	22	23	24	25	26
Dec.	27	28	29	30	31		

While it is not too late for the Senate to choose the fast-track budget reconciliation path for health care, which is immune from filibuster, both the Finance and HELP Committees would have to hold new markup sessions and report new bills before that could take place. This strategy would also require the House to pass a new health bill designated as a reconciliation bill in order to conference with the Senate.

Once the Senate passes a bill, the House's 2,000+ page version must be reconciled with the Senate-passed version (however long that is). It defies reason to think that a House-Senate conference committee could combine the two vastly different bills in a competent way from start to finish in the last seven days leading up to Christmas Eve. (If they did so, then the health care bill would surely require the Mother Of All Technical Corrections Bills before it could become operative.)

In any case, the Christmas deadline is purely political, not substantive (Democratic leaders don't want Senators getting several weeks worth of harassment from constituents over the recess before the vote). The only substantive deadline facing health care reform in the next few months takes place sometime around Friday, January 22, 2010.

The President's budget for fiscal year 2011 must be transmitted to Congress by Monday, February 1. In order for the costs of the health care bill to be incorporated into the budget and the budget printed by GPO, the bill would need to be signed into a law at least a week beforehand, or else the budget document would basically be worthless.

Where Did The FY 2009 Federal Budget Deficit Come From?

In fiscal year 2007, the federal budget deficit was just 1.1 percent of the gross domestic product, an all-time low for the Bush Administration. By the end of fiscal 2009, it had jumped to 9.9 percent of GDP. The recent CBO summary of the year-end Treasury data tells why.

On the tax side, total federal tax receipts fell from 18.8 percent of GDP in 2007 to 14.8 percent in 2009, a drop of 4.0 percent of GDP. This primarily came through decreases in individual and corporate income tax receipts.

On the spending side, outlays in the regular budget jumped from 20.0 percent of GDP in 2007 to 23.0 percent of GDP in 2009, an increase of 3.0 percent of GDP. And an additional 1.7 percent of GDP was spent on the Wall Street and Fannie Mae/Freddie Mac bailouts.

Spending on need-based programs like Medicaid and unemployment benefits naturally balloons during a bad recession, and health care spending continued its inexorable upwards climb.

It is important to note which components of total federal tax receipts dropped by the greatest percentage from 2008 to 2009. Corporate income tax receipts fell 54.6 percent. Individual income tax receipts dropped 20.2 percent. But social insurance taxes (primarily the Social Security and Medicare taxes) only fell one percent.

Why is this?

In general, while one can argue the ethical merits and demerits of “progressive” and “regressive” taxation until one is blue in the face, there is an underlying truth in the structure of any tax system:

Progressivity equals volatility. Regressivity equals stability.

The higher one gets on the income scale, the more one’s income depends on unpredictable things—bonuses and the exercise of stock options — both of which depend largely upon the vicissitudes of the

stock market. A titan of industry who makes \$50 million in a good year between his salary, bonus and options, and investment income could see that amount drop to \$10 million in a disastrous year like 2008-2009. The titan of industry is still, by any objective measure, stinkin’ rich. But the amount of income tax he pays will have plummeted by 70+ percent from one year to the next.

Corporate taxes are even more volatile because only profits are taxed, and profits vanish quickly during a recession.

People of the working class and middle class who are almost-exclusively dependent on wages or salaries for their income don’t see nearly as significant a percentage drop in their take-home pay in a recession unless they lose their jobs entirely. Not only do income tax receipts from the lower quintiles stay steadier during a recession, but the social insurance taxes stay almost completely steady, as shown below. The Social Security tax is

very regressive — a minimum wage employee pays the same 7.65 percent tax rate as does Bill Gates, and if you make \$106,800, you pay the exact same dollar amount of Social Security tax as does Bill Gates. Because that base is so widespread and so solid, regressive taxes like this don’t drop nearly so much during a recession.

Excise taxes, which are also regressive, don’t drop as much as progressive income taxes do, either. Excise taxes in total only dropped 7.2 percent from 2008 to 2009.

(*Ed. Note:* this whole article is simply to lay the groundwork for our forthcoming article about how the incredibly progressive federal income tax system collapsed during the Great Depression, causing Congress to levy every kind of regressive tax it could think of in the Revenue Act of 1932 in order to bring in more money, including the first excise tax on gasoline.)

	In Billions of Nominal Dollars						As Percent of GDP		
	Fiscal Year			2008 to 2009			Fiscal Year		
	2007	2008	2009	\$\$\$	Pct.	2007	2008	2009	
Tax Receipts									
Individual Income	1,163	1,146	915	-231	-20.2%	8.5%	8.1%	6.4%	
Corporate Income	370	304	138	-166	-54.6%	2.7%	2.1%	1.0%	
Social Insurance	870	900	891	-9	-1.0%	6.4%	6.3%	6.3%	
Excise Taxes	65	67	62	-5	-7.2%	0.5%	0.5%	0.4%	
Estate/Gift Taxes	26	29	23	-5	-18.6%	0.2%	0.2%	0.2%	
Customs Duties	26	28	22	-5	-18.6%	0.2%	0.2%	0.2%	
Misc. Receipts	47	50	52	2	4.2%	0.3%	0.3%	0.4%	
Total Tax Receipts	2,568	2,524	2,105	-419	-16.6%	18.8%	17.7%	14.8%	
Outlays									
Defense-Military	529	595	637	+42	+7.1%	3.9%	4.2%	4.5%	
Social Security	577	607	660	+53	+8.7%	4.2%	4.3%	4.6%	
Medicare	374	390	429	+39	+10.0%	2.7%	2.7%	3.0%	
Medicaid	191	201	251	+50	+24.9%	1.4%	1.4%	1.8%	
Unemployment Ins.	37	47	120	+73	+155.3%	0.3%	0.3%	0.8%	
Other Activities	770	879	979	+100	+11.4%	5.6%	6.2%	6.9%	
Subtotal	2,477	2,719	3,075	+356	+13.1%	18.2%	19.1%	21.6%	
Net Interest on Debt	252	260	202	-58	-22.3%	1.8%	1.8%	1.4%	
TARP	-	-	154	+154	n.a.	0.0%	0.0%	1.1%	
Payments to GSEs	-	-	91	+91	n.a.	0.0%	0.0%	0.6%	
Total Outlays	2,729	2,978	3,522	+544	+18.3%	20.0%	20.9%	24.7%	
Unified Deficit	-162	-455	-1,417	-962	+211.4%	-1.2%	-3.2%	-9.9%	

2 More DOT Nominees Confirmed; 3 Vacancies Still To Be Nominated

Last week, the Senate confirmed its last two pending nominations within the U.S. Department of Transportation. By unanimous consent on November 5, the Senate confirmed Anne Ferro to head the Federal Motor Carrier Safety Administration and confirmed Cynthia Quarterman to head the Pipeline and Hazardous Materials Safety Administration.

This means that 20 of the 23 Senate-confirmed posts at DOT are filled. However, the White House has shown little progress, at least publicly, in filling the last three.

NHTSA. On April 8 of this year, the President announced his intention to nominate the CEO of Mothers Against Drunk Driving to head the National Highway Traffic Safety Administration. However, a month later, pressure from environmentalist groups forced the nominee to withdraw.

In the interim, Ron Medford, the senior non-political NHTSA staffer, has served as Acting Administrator and, by all accounts, has done a bang-up job, particularly by working smoothly with EPA to put out the 1,200-page joint rulemaking on CAFE standards and by doing as good a job with the ad hoc Cash for Clunkers program as anyone else could conceivably have done given that short a time period. Given all that, the White House apparently feels no hurry to fill the Administrator post.

Medford's permanent job is Senior Associate Administrator for Vehicle Safety, and he came to NHTSA in 2003 after 25 years at the Consumer Product Safety Commission.

MARAD. There is still no sign of the White House nominating anyone to head the Maritime Administration. In July, there was a complete disconnect between the Office

U.S. DEPARTMENT OF TRANSPORTATION POSITIONS SUBJECT TO SENATE CONFIRMATION	
USDOT - Agency-Wide Positions (9)	
Secretary	Confirmed
Deputy Secretary	Confirmed
Under Secretary for Policy	Confirmed
Asst. Sec. for Transportation Policy	Confirmed
Asst. Sec. for Aviation and Intl. Affairs	Confirmed
General Counsel	Confirmed
Asst. Sec. for Budget and Programs	Confirmed
Asst. Sec. for Governmental Affairs	Confirmed
Inspector General	No Vacancy
USDOT - Modal Administrations (11)	
Administrator, FAA	Confirmed
Deputy Administrator, FAA	No Nominee Yet
Administrator, FHWA	Confirmed
Administrator, FMCSA	Confirmed
Administrator, NHTSA	No Nominee Yet
Administrator, FRA	Confirmed
Administrator, FTA	Confirmed
Administrator, MARAD	No Nominee Yet
Administrator, PHMSA	Confirmed
Administrator, RITA	Confirmed
Administrator, StLSDC	No Vacancy
Surface Transportation Board (3)	
Member (term ending 12/31/2013)	Confirmed
Member (term ending 12/31/2010)	No Vacancy
Member (term ending 12/31/2012)	No Vacancy

of the Secretary and the career staff at MARAD as to how the announcement of grants should be handled. In the aftermath of that, then-Deputy Assistant Secretary for Policy David Matsuda was abruptly reassigned to be the new Deputy Administrator of MARAD in order to put a "team player" with some political sense in charge, as of July 31. (Speculation at the time was that Matsuda drew the short straw in the policy office).

Although Matsuda had little maritime experience before going to MARAD (his background was in surface issues, especially rail), he has impressed the head office with his performance so far, especially in clearing up the ongoing mismanagement at the Merchant Marine Academy (whose Superintendent resigned under pressure yesterday).

FAA Deputy Administrator. The FAA is the only modal administration at DOT where the Deputy Administrator is subject to Senate confirmation. Rumor has it that Michael Huerta, who was one of the three co-leaders of the Obama DOT transition team last December-January, is being vetted for the post.

House Abruptly Cancels Hazmat Bill Markup

The House Transportation and Infrastructure Committee started to mark up legislation last week to add additional regulations to the interstate transportation of hazardous materials, but the markup was canceled as it started due to a partisan disagreement over whether Republicans would demand votes on their amendments to the bill.

The bill (H.R. 4016) was introduced by T&I chairman Oberstar on November 4 for a November 5 markup. However, much of the bill was based on title VII of Oberstar's six-year surface transportation bill that was marked up in draft form by the Highways and Transit subcommittee in June 2009.

At the start of the markup, Oberstar surprised the audience by saying "A number of questions have arisen in the last four months since we reported the bill from subcommittee. But as is characteristic of the legislative process, those out-

side interests who have concerns waited until the last minute to come with incomplete or inadequate and in some cases misleading information. We have attempted to address...those concerns before full committee markup. We have not been able to reach agreement on those issues. So this bill will not be considered today."

Oberstar promised more hearings on the bill before the next markup. He then pronounced himself "exasperated with the disrespecting of the committee and of our subcommittee chair, frankly, who has not been notified of these concerns."

(Ed. Note: It is always good to see the use of "disrespect" as a verb transition from the younger generation to the older. But sources indicate that Railroads, Pipelines and Hazardous Materials chair Corrine Brown (D-FL) may have shared some of those Republican concerns about provisions of the hazmat bill.)

NEW AND NOTABLE ON THE INTERNET

Projects of National and Regional Significance Program

The 2008 annual report on the status of the PRNS program is here:

http://ops.fhwa.dot.gov/freight/policy/rpt_congress/2008_pnrs_rpt_congr.htm

Recovery Act project status

On November 4, the House Transportation and Infrastructure Committee released updated information on the status of various transportation and public works Recovery Act funds. The various documents and spreadsheets can be viewed here:

<http://transportation.house.gov/singlepages/singlepages.aspx?NewsID=852>

Water Resources Development Act of 2010

The House Transportation and Infrastructure Committee has begun accepting project requests for the 2010 WRDA bill. The deadline for project applications is December 3, 2009, at 6:00 p.m. The letter dated November 6 detailing the project request procedure can be found here:

<http://transportation.house.gov/Media/file/water/WRDA/WRDA%20DC%202.pdf>

And a letter dated November 10 to House staff inviting them to a series of demonstrations of how to use the project submission database, beginning later this week, is here:

<http://transportation.house.gov/Media/file/water/WRDA/WRDA%20DC%203.pdf>

STATUS OF PENDING TRANSPORTATION-RELATED NOMINATIONS

Agency	Nominee	Position	Senate Committee	Latest Action
Department of Transportation	Chris Bertram	Assistant Secretary for Budget and Programs	Commerce, Science and Transportation	Nomination confirmed 8/7/09
Department of Transportation	Susan Kurland	Assistant Secretary for Aviation and Int'l Affairs	Commerce, Science and Transportation	Nomination confirmed 8/7/09
DOT-Federal Motor Carrier Safety Admin.	Anne Ferro	Administrator	Commerce, Science and Transportation	Nomination confirmed 11/5/09
DOT-National Highway Traffic Safety Admin.	Charles Hurley	Administrator	Commerce, Science and Transportation	Nomination reportedly will be withdrawn
DOT—Pipeline and Hazard. Materials Adm.	Cynthia Quarterman	Administrator	Commerce, Science and Transportation	Nomination confirmed 11/5/09
National Transport. Safety Board	Christopher Hart	Member for a term expiring 12/31/2012	Commerce, Science and Transportation	Nomination confirmed 8/7/09
National Transport. Safety Board	Mark R. Rosekind	Member for a term expiring 12/31/2014	Commerce, Science and Transportation	Nomination transmitted 10/1/09
Surface Transportation Board	Daniel Elliott	Chairman	Commerce, Science and Transportation	Nomination confirmed 8/7/09
Department of the Army	Jo-Ellen Darcy	Assistant Secretary for Civil Works	Armed Services <i>and</i> Enviro. & Public Works	Nomination confirmed 8/7/09
Department of Homeland Security	Erroll Southers	Assistant Secretary for Transport. Security	Commerce <i>and</i> Homeland Security	Nomination transmitted 9/17/09

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THIS WEEK IN COMMITTEE

Tuesday, November 10, 2009 — Senate Finance — full committee hearing on the impact of climate change legislation on U.S. jobs — *10:00 a.m., SD-215 Dirksen.*

Senate Homeland Security and Governmental Affairs — full committee hearing on nominations including that of Erroll Southers to be Assistant Secretary of Homeland Security (TSA) — *10:00 a.m., SD-342 Dirksen.*

NEXT WEEK IN COMMITTEE

Wednesday, November 18, 2009 — House Transportation and Infrastructure — Subcommittee on Water Resources and Environment — subcommittee hearing on proposals for a Water Resources Development Act of 2010 — *2:00 p.m., 2167 Rayburn.*

Senate Environment and Public Works — full committee briefing with USDOT officials “to discuss issues related to the transportation reauthorization” — *2:30 p.m., SD-406 Dirksen.*

STATUS OF MAJOR TRANSPORTATION BILLS — 111th CONGRESS

BILL	HOUSE ACTION	SENATE ACTION	RESOLUTION
Economic Stimulus Appropriations & Tax Cuts	H.R. 1 conference report passed House 2/13/09 by 246-183-1	H.R. 1 conference report passed Senate 2/13/09 by a vote of 60-38	Public Law 111-5 2/17/09
FY 2010 Congressional budget resolution	H. Con. Res. 85 passed House 4/2/09 by vote of 233-196	S. Con. Res. 13 passed Senate 4/2/09 by vote of 55-43	Conference report (H. Rept. 111-89) agreed to 4/29/09
FY 2010 Transportation-HUD Appropriations	H.R. 3288 passed House 7/23/09 by a vote of 256-168	H.R. 3288 passed Senate amended 9/17/09 by vote of 73-25	
FY 2010 Energy and Water Appropriations	H.R. 3183 passed House 7/17/09 by a vote of 320-97	H.R. 3183 passed Senate amended 7/29/09 by vote of 85-9	Public Law 111-85 10/28/09
FY 2010 Homeland Security Appropriations	H.R. 2892 passed House 6/24/09 by a vote of 389-37	H.R. 2892 passed Senate amended 7/9/09 by a vote of 84-6	Public Law 111-83 10/28/09
Federal Aviation Admin. Reauthorization Bill	H.R. 915 passed House 5/22/09 by a vote of 277-136	S. 1451 reported 9/29/09 S. Rept. 111-82	
Surface Transportation Reauthorization Bill	Subcommittee marked up draft bill on 6/24/09		
Short-Term Extension of Surface Transportation Laws	H.R. 3617 passed House 9/23/09 by a vote of 335-85	S. 1498 reported 7/22/09 S. Rept. 111-59	
Water Resources Development Act	Subcommittee hearing scheduled for 11/18/09		
FY 2010 Coast Guard Authorization	H.R. 3619 passed House 10/23/09 by a vote of 385-11	S. 1194 reported 10/30/09 S. Rept. 111-95	
Transportation Security Admin. Reauthorization	H.R. 2200 passed House 6/4/09 by a vote of 397-25		