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DISTRICT OF COLUMBIA EMERGENCY HIGHWAY RELIEF ACT

JULY 12 (legislative day, JULY 10), 1995.—Ordered to be printed

Mr. CHAFEE, from the Committee on Environment and Public Works, submitted the following

REPORT

[To accompany S. 1023]

The Committee on Environment and Public Works reports an original bill (S. 1023) to authorize an increased Federal share of the costs of certain transportation projects in the District of Columbia for fiscal years 1995 and 1996, and for other purposes, having considered the same, reports favorably thereon and recommends that the bill do pass.

GENERAL STATEMENT

District of Columbia Highway Match Waiver

The District of Columbia is currently experiencing budget problems that may jeopardize the transportation infrastructure of the District. Funds are not available to provide the local cost share required for the Federal-aid highway program. According to the Secretary of Transportation, no new highway projects have been planned for this year and the District has not solicited bids for 18 months because of the lack of funds for the local matching share. Relief is needed not only because the District's road system is important for the functioning of our Nation's capital but also because it is critical to the regional transportation system serving Maryland and Virginia.

The gas tax in the District of Columbia is currently 20 cents compared to the national average of 18 cents. During the last 10 years, the gas tax in the District has been consistently higher than the national average. The District does not have a dedicated transportation trust fund. However, the District has spent more of its funds

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on transportation projects than were raised from highway user taxes during the past 10 years.

The absence of matching funds, which are required of all States and the District of Columbia under the title 23 Federal-aid highway program, will result in up to $82 million in apportioned and allocated Federal funds going unused this year in the District.

The inability of the District of Columbia to provide the local matching share for Federal-aid highway funds is a time sensitive issue. States and the District of Columbia must indicate their ability to use fiscal year 1995 obligation authority to the Secretary of Transportation by August 1, 1995, or this obligation authority will be redistributed to other States. Without a waiver of the Federal match in the next few weeks, the District of Columbia will be unable to certify by August 1 that it can use its fiscal year 1995 obligation authority this year. The District will lose the ability to spend approximately $82 million of Federal-aid highway funds this year and approximately $87 million next year.

This legislation authorizes the Secretary of Transportation to temporarily increase the Federal cost share of the Federal-aid highway program from the current cost share—generally 80 percent—up to 100 percent for the District of Columbia for certain projects. The Secretary's ability to increase the Federal cost share applies to projects on the National Highway System and any other projects that the Secretary determines to be of regional significance. The waiver would be in effect for 2 years, fiscal years 1995 and 1996. Such a temporary waiver does not provide any new funds to the District; it merely allows the District to use the Federal funds already made available. It also does not take away funds from any other State.

The Secretary has indicated that "projects of regional significance" would include roads such as Pennsylvania Avenue, New York Avenue, South Capitol Street, and Fourteenth Street. Under current law, States may use certain highway funds for transit projects. Under this legislation, the Secretary could determine that certain transit projects are of regional significance. If the project is not on the National Highway System or determined to be a project of regional significance, it will have to be matched with local funds.

This legislation requires the District to repay the local match by September 30, 1996. If repayment is not made in cash by September 30, 1996, the Secretary of Transportation will deduct the amount owed from the funds apportioned to the District of Columbia on October 1, 1996. Any amounts deducted from the District's apportionment will be reapportioned to the other States.

The bill requires the Secretary of Transportation to report to the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee on November 1, 1995 and again on November 1, 1996. The report will provide detailed information on the projects moved forward under this Act, any specific cause of delay in the rate of obligation of Federal funds made available under this Act, and all other pertinent information that will enable the Committees to evaluate the appropriate and effective use of these funds.

Congressional Legislation

The Secretary of Transportation transmitted to Congress a proposed bill on June 15, 1995, to waive the cost share requirements for the District of Columbia for fiscal years 1995 and 1996. The Administration's proposed bill did not require repayment. The bill approved by the Senate Committee on Environment and Public Works does require repayment.

Legislation to provide waivers from the Federal-aid highway program cost share requirement to States has been enacted three times in the past. The waiver was first made available in 1975 after passage of Public Law 94–30 a Federal jobs stimulus bill. This waiver applied to projects approved between February 12, 1975 and September 30, 1975. Cash repayment was required by January 1, 1977. The following States participated in the 1975 waiver: Arizona, California, Connecticut, Florida, Illinois, Maine, Maryland, New Jersey, New York, Oregon, Pennsylvania, South Carolina, South Dakota, Utah, Puerto Rico, Virgin Islands.

The second waiver occurred in the 1982 highway reauthorization bill (Public Law 97–924) when the gas tax was increased by 5 cents and a matching share waiver was included for projects approved between January 6, 1983 and September 30, 1984. Cash repayment was required by September 30, 1984 or an apportionment reduction was made for fiscal year 1985 and fiscal year 1986. States that participated in the 1982 waiver included: Arizona, Colorado, Idaho, Illinois, Indiana, Maine, New Jersey, New York, Oregon, Pennsylvania, Texas, Vermont, West Virginia.

The third waiver was contained in the 1991 transportation reauthorization bill, the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102–240) when program funding was increased. This waiver applied to projects between October 1, 1991 and September 30, 1993. Cash repayment was required by March 30, 1994 or an apportionment reduction was made for fiscal year 1995 and fiscal year 1996. The following States participated in the 1991 waiver: Alaska, Louisiana, Maine, Maryland, New Mexico, New York, North Dakota, South Carolina, Vermont, Puerto Rico.

All previous waivers have required repayment. States were not required to pay interest when the State cost share was repaid. The kind of waiver, without a repayment requirement, proposed by the Administration for the District of Columbia has never been made available by Congress.

GENERAL DISCUSSION

The reported bill does the following:

authorizes the Secretary of Transportation to increase the Federal cost share of the Federal-aid highway program from the current cost share—generally 80 percent—up to 100 percent for the District of Columbia for fiscal years 1995 and 1996.

permits the Secretary to increase the Federal cost share only for projects on the National Highway System and any other projects that the Secretary determines to be of regional significance.

requires the District to repay the local match by September 30, 1996.

requires the Secretary of Transportation to submit a report to the Congress on the implementation of this bill by November 1, 1995, and again on November 1, 1996.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 titles this bill as the "District of Columbia Emergency Highway Relief Act".

Section 2. District of Columbia Emergency Highway Relief

Section 2(a) authorizes the Secretary of Transportation to approve a Federal share up to 100 percent at the Secretary's discretion for highway construction projects to be undertaken by the District of Columbia.

Section 2(b) defines the eligible projects for the increased cost share to be those on the National Highway System and any other projects that the Secretary determines to be of regional significance. This section applies to title 23, United States Code, projects for which the United States is obligated to pay under title 23 on the date of enactment of this Act, or for such projects obligated during fiscal years 1995 and 1996. Eligible costs include preliminary engineering for design, construction, and related expenses. The Mayor is required to certify that sufficient funds are not available to pay the non-Federal share of the costs of the project.

Section 2(c) requires the District of Columbia to repay the local match by September 30, 1996. Cash repayments will be deposited in the Highway Trust Fund. If repayment is not made in cash by September 30, 1996, the Secretary of Transportation will deduct the amount owed from the funds apportioned to the District of Columbia on October 1, 1996. Any amounts deducted from the District's apportionment, including obligation authority, will be reapportioned to the other States.

Section 3. Report to Congress

Section 3 requires the Secretary of Transportation to submit a report to the Environment and Public Works Committee of the Senate and the Transportation and Infrastructure Committee of the House of Representatives no later than November 1, 1995 and again on November 1, 1996. The report shall provide information on the implementation of the waiver provision including a detailed description of the projects for which funds obligated under this act have been obligated, information regarding projects that have not gone forward and specific reasons for the cause of delay in obligating Federal funds made available under this Act, and any other pertinent information that will enable the Committees to evaluate the appropriate and effective use of these funds.

While a waiver is provided in this Act for both fiscal years 1995 and 1996, continuation of the waiver in fiscal year 1996 is not a certainty. The Committee will carefully review the report submitted by on November 1, 1995 to determine whether funds have been spent wisely and if any change should be made in the conditions

of the waiver in 1996. Continuation of the waiver will depend on the results in the report indicating that these funds have been used appropriately and that they have effectively improved the transportation system in the District of Columbia. The performance of those responsible for carrying out this Act will be carefully reviewed and a determination will be made after the report is received whether to continue the waiver.

REGULATORY IMPACT

Section 11(b) of rule XXVI of the Standing Rules of the Senate require the Committee to evaluate the regulatory impact of the reported bill. There is no regulatory impact from this legislation.

COST OF LEGISLATION

Section 403 of the Congressional Budget and Impoundment Act requires that a statement of cost of the reported bill, prepared by the Congressional Budget Office, be included in the report. That statement has been requested. However, it is the opinion of the Committee that in order to expedite the business of the Senate, it is necessary to file this report without the statement.

CHANGES IN EXISTING LAW

In compliance with section 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill as reported are shown. No change to existing law occurs with this bill.

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