

FLORIDIANS FOR BETTER



TRANSPORTATION

Federal Update – February 21, 2005

Apparent House Deal Reached

According to a recent published report, House Transportation and Infrastructure (T&I) Committee Chairman Don Young has reached a deal with House Majority Leader Tom DeLay and others on crucial transportation funding details regarding how highway dollars are distributed to states.

Young has promised DeLay (R-Texas) and lawmakers from other donor states like Florida -- *those that contribute more gasoline taxes to the federal highway trust fund than they receive back in aid from the fund* -- that the minimum guaranteed rate of return will rise from 90.5 percent to 92 percent in the surface transportation reauthorization bill. Young also has promised DeLay to try to reach closer to 95 percent. Young and DeLay have agreed to retain the current formula that determines which programs are counted toward calculating a state's rate of return.

Selected Donor Reactions

- Republican Rep. Vernon Ehlers, who represents Michigan, a donor state: *"I think it's good, probably the best we can get at the current level of funding. We don't have any choice because we're certainly not going to get the money out of the general fund, and we're certainly not going to increase taxes. The funding source is what it is."*
- Rep. John Duncan, R-Tennessee, from another donor state: *"I think it's a good agreement. I'm very pleased about it."*

Florida's Bottom Line

While this recent news is very encouraging, many details are still sketchy. The overall funding level for so-called "Projects of Regional and National Significance" and the specific treatment of member's earmarked projects has yet to be revealed. The answers to these questions can have a huge impact on Florida's real rate of return.

Our ultimate goal of a well-funded, long-term federal surface transportation bill that provides Florida with the highest return possible is unchanged. Consequently, Florida's leaders in Washington, D.C. should remain optimistic, yet a bit skeptical until ALL the details are known. As President Ronald Reagan used to say about the Soviet Union, we should: **"Trust, but verify."**

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