104TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPT. 104–499
Part 2

# TRUTH IN BUDGETING ACT

MARCH 29, 1996.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. KASICH, from the Committee on the Budget, submitted the following

# ADVERSE REPORT

together with

# DISSENTING VIEWS

[To accompany H.R. 842]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Budget, to whom was referred the bill (H.R. 842) to provide off-budget treatment for the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund, having considered the same, report unfavorably thereon and recommend that the bill do not pass.

CONTENTS



23–529

## PURPOSE

On March 29, 1996 the House Committee on the Budget reported H.R. 842 with a recommendation that the House of Representatives not pass this legislation. In the legislative process, this was an important and uncommon event: Committees have reported legislation adversely on only two other occasions in the 104th Congress.

This vote recognized that the American people have called upon Washington to control federal spending and to stop heaping debt upon their children. Lawmakers now face tough choices in order to get that done. H.R. 842, the misnamed "Truth in Budgeting Act," represents an effort to avoid these tough choices. It seeks to allow one area of federal spending—transportation programs—to rise without restraint. Yet if we are to remain on the path to a balanced budget, this would occur at the expense of other programs.

The bill would provide a more favorable budgetary treatment for highway and other transportation projects than nearly every other federal program. This is unfair, and in the opinion of the Committee on the Budget, the measure should be defeated.

## BACKGROUND AND NEED

The bill would remove four transportation-related trust funds from the unified budget. The four funds are the following:

The Highway Trust Fund;
The Harbor Maintenance Trust Fund;
The Airport and Airway Trust Fund;
The Inland Waterway Trust Fund.

Moving these trust funds off-budget would exempt them from all "general budgetary limitations", including the discretionary spending caps and Pay-As-You-Go requirements. It would also remove trust fund spending and revenues from all budgetary totals, except one—the deficit.

Currently, these trust funds have paper balances. Proponents of taking the trust funds off-budget purport that these balances reflect collected but unspent dedicated taxes. This occurs, they claim, because Congress holds down highway trust fund spending and uses the unspent gas tax receipts to "mask the true size of the Federal deficit." This claim is not true. In fact, in 12 of the past 15 years spending exceeded tax revenues.

Congress and the American people need to know the consequences of taking the transportation trust funds off-budget.

### *(1) The transportation trust funds do not mask the deficit*

According to the General Accounting Office (GAO), "The deficit is an annual measure of what the government takes in and what it spends. A trust fund surplus only masks the deficit when the trust fund takes in more revenue (exclusive of interest earned) than it spends in any one year." Interest is a payment between government accounts and, therefore, has no impact on the deficit.

Since 1980, the Federal government has spent about $14 billion more on highway trust fund programs than it has collected in trust fund taxes. This means that the Highway Trust Fund has contributed about $14 billion to the deficit—the exact opposite of masking the deficit. (Chart 1.) During that time, however, $20 billion was credited to the trust fund from the general fund for compounding interest on balances accumulated during the Vietnam War. This compounding interest has allowed a paper balance to grow even though spending has exceeded tax revenue. (Chart 2.)

According to the Congressional Research Service, since 1980:

> In all but three years, FY1984, FY1989, and FY1991, expenditures exceeded revenues. Nonetheless, the balance in the combined fund in FY1995 stood at approximately $19 billion, or approximately double the FY1983 level. This buildup is attributable mostly to the accumulation of interest on a significant beginning balance.

*(2) Taking the transportation trust funds off-budget could increase the federal budget deficit by $20 billion over the next five years. To remain on the glidepath to a balanced budget, this would require $20 billion in cuts to non-transportation programs*

The intent of H.R. 842 is to free the transportation trust funds from every statutory spending control. The result would be disastrous to the goals of deficit reduction.

In a letter dated March 27, 1995, Alice Rivlin, Director of the Office of Management and Budget (OMB) stated:

> * * * the Administration estimates that, should H.R. 842 become law, allowable transportation trust fund spending could increase by about $20 billion over five years (1996–2000), compared with the so-called current service estimates.

In a letter dated October 2, 1995, the Congressional Budget Office (CBO) concurred with OMB:

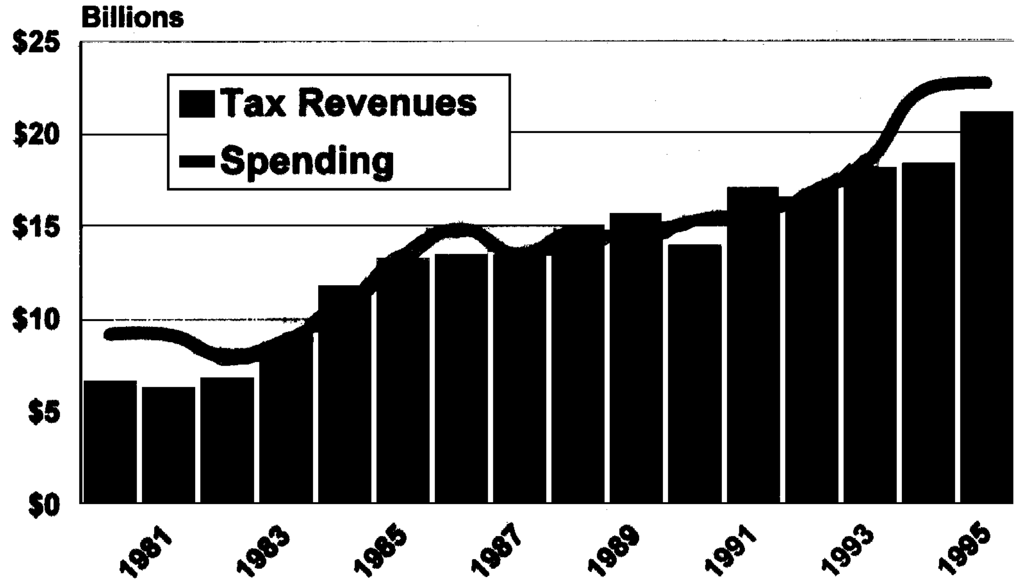
> CBO estimates that increasing obligations to the authorized levels would result in outlays that exceed the uninflated baseline amounts by about $21 billion over the 1996–2000 period.

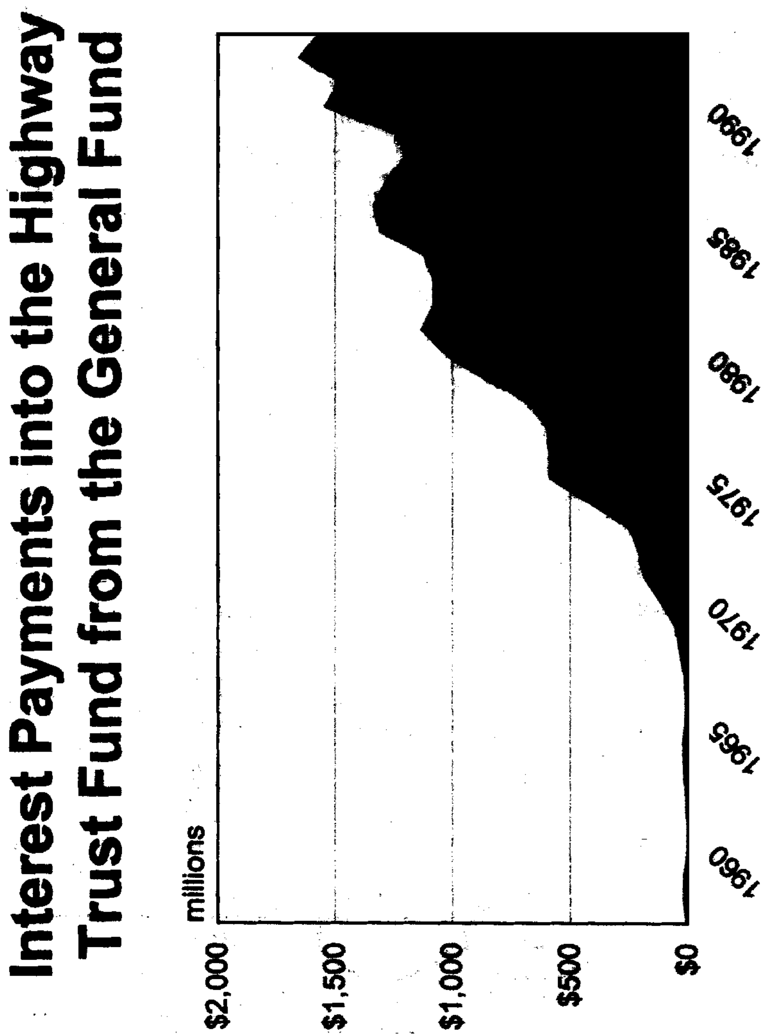
*(3) The transportation trust funds are not "deficit proof by law"*

The supporters of taking the transportation trust funds off-budget state that these funds are deficit proof. However, history does not support this claim. In 12 of the past 15 years, spending from the highway trust fund exceeded tax revenue, and in 12 years since the inception of the trust fund, spending has exceeded all taxes plus interest transfers from the general fund (Chart 3).

# Deficit Spending in The Highway Trust Fund

## Spending Exceeded Taxes in 12 of the Last 15 Years





Interest Payments into the Highway Trust Fund from the General Fund
millions
$2,000
$1,500
$1,000
$500
$0
1960
1965
1970
1975
1980
1985
1990

# Trust Fund Cash Flows 1980 - 1995

## Highway Trust Fund, Both Accounts

| *$'s in billions* | Outlays | Taxes | General Fund Interest | Trust Fund Balance |
|---|---|---|---|---|
| 1980 | 9.2 | 6.6 | 1.0 | 11.0 |
| 1981 | 9.2 | 6.3 | 1.1 | 9.3 |
| 1982 | 8.0 | 6.7 | 1.1 | 9.0 |
| 1983 | 8.8 | 8.3 | 1.1 | 9.6 |
| 1984 | 10.6 | 11.7 | 1.1 | 11.8 |
| 1985 | 13.3 | 13.0 | 1.3 | 12.9 |
| 1986 | 14.8 | 13.4 | 1.3 | 12.8 |
| 1987 | 13.5 | 13.0 | 1.3 | 13.6 |
| 1988 | 14.7 | 14.1 | 1.2 | 14.2 |
| 1989 | 14.5 | 15.6 | 1.2 | 16.6 |
| 1990 | 15.3 | 13.9 | 1.5 | 16.8 |
| 1991 | 15.7 | 17.0 | 1.5 | 19.5 |
| 1992 | 16.8 | 16.7 | 1.7 | 21.1 |
| 1993 | 18.6 | 18.0 | 1.6 | 22.1 |
| 1994 | 22.4 | 18.3 | 1.4 | 17.9 |
| 1995 | 22.7 | 21.0 | 1.2 | 19.0 |
| **Totals** | 228.0 | 213.8 | 20.7 | |

In the past 15 years, spending has exceeded tax revenues by over $14 billion. However, because of $20 billion in interest payments from the General Fund, the cash balance still rose.

Supporters base their claim on a provision in highway law known as the Byrd Amendment which states that unfunded authorizations cannot exceed projected revenues for the next two years. But the Byrd Amendment is a poor control on spending for two reasons: First, it regulates authorizations, not obligations, and obligations are key to determining spending levels. Second, the Byrd Amendment has been amended in the past, and Congress could do so again.

*(4) If the transportation trust funds were taken off-budget, obligation limitations set by the Committee on Appropriations would be meaningless*

The Transportation and Infrastructure Committee Report on H.R. 842 states "both the Appropriations and authorizing committees will still be able to set obligation limitations to manage the programs." In reality, if the trust funds were taken off-budget, obligation limitations would be meaningless.

Currently, outlays for all transportation programs are considered discretionary and are subject to the discretionary spending caps. The Appropriations Committee sets obligation limitations on transportation trust fund programs in part to ensure that total discretionary outlays remain within the caps.

Because H.R. 842 would exempt transportation trust fund programs from the caps, the Appropriations Committee would have not reason or basis to set the obligation limitations below the fully authorized level.

GAO has stated that even if obligation limitations were permitted,

> if the trust funds did not have to compete for funding under the discretionary caps, it would be reasonable to think that obligations would be limited only by trust fund balances and receipts [including interest from the general fund]. * * * Whatever the immediate effect on the deficit, exempting one type of spending from BEA controls makes it likely that such spending would increase over time. Unless spending in other areas was reduced by the same amount, the result would be a higher deficit.

*(5) If the transportation trust funds were taken off-budget, spending on demonstration projects would be completely unconstrained*

As indicated above, supporters of H.R. 842 state that obligation limitations would be a method of "managing" spending from the trust funds. However, highway demonstration projects are "exempt from obligation limitation." This means that the Appropriations Committee is statutorily prohibited from limiting demonstration project spending.

If the Trust Funds were taken off-budget, there would be no available means of restraining demonstration projects. Because they would not even be subject to PAYGO rules, demonstration projects would be afforded more budgetary protection than entitlement programs.

*(6) Nearly $40 billion has been spent from the General Fund on highways, but never debited from trust fund balances*

The Congressional Research Service determined that since the Highway Trust Fund's inception in 1956, $38 billion has been spent from the General Fund on highways without being debited from the trust fund. These highways were constructed through the Economic Development Administration, the Appalachian Regional Commission, and the Army Corps of Engineers, and are no different than those constructed through the Department of Transportation.

Currently there is nearly a $20 billion paper balance in the Highway Trust Fund. Had all highway spending been appropriately funded through the Highway Trust Fund, this cash balance would not exist.

*(7) Moving the transportation trust funds off-budget and freeing transportation programs from spending disciplines would set a precedent for nearly 160 other trust funds, and hundreds of similar accounts seeking budgetary protection*

There are approximately 160 trust funds in the federal government and hundreds of other programs that operate in a similar fashion. Giving transportation spending preferential treatment would send a signal to other trust fund programs that moving off-budget is a means of being inoculated from budget cuts.

History has proven this. During the consideration of the 1988 Budget Resolution in the Senate, amendments were offered to take 12 trust funds off-budget.

In testimony before the Committee on the Budget, Allen Schick, Visiting Fellow at the Brookings Institution, said:

> One should not be surprised if enactment of H.R. 842 were to generate fresh demands for earmarking chunks of federal revenue to particular funds which then would be able to claim off-budget status on the grounds that they are self-financing.
>
> I shudder to think of what the federal budget might look like under this "worst case scenario." The budget might be balanced, but the budget would account for a declining portion of federal spending. The general fund would be the residual fund for weak claimants who do not have sufficient clout to get earmarked revenue, their own trust funds, off-budget protection, and exemption from budget enforcement rules and other controls.

The Transportation and Infrastructure Committee Report on H.R. 842 states that the transportation trust funds are unique and more deserving of favorable budgetary treatment than other trust funds. This would suggest that the transportation trust funds are a higher national priority than the Black Lung Trust Fund, Civil Service Retirement Trust Fund, Federal Employees Life Insurance Trust Fund, the Rail Industry Pension Fund, and others.

*(8) Moving trust funds off-budget would erode the credibility of Congress's efforts to balance the Federal budget*

Removing the transportation trust funds from the unified budget would make a shell game out of the federal budget to allow one area of federal spending to grow without constraint. In a letter dated October 31, 1995, Federal Reserve Chairman Alan Greenspan wrote:

> As a general matter, it has been the practice of the board not to take positions on the details of individual tax and spending issues that are before the Congress. However, the shifting of certain spending categories off-budget raises some broader concerns, with implications for discipline and control over federal outlays. Notably, moving some spending categories off-budget would lead to fragmentation of the budgeting process and would detract from the unified budget as an indicator of the government's fiscal operations and hence the impact of the U.S. budget on credit markets and the economy. Moreover, it could weaken the ability of the Congress to prioritize and control spending effectively.
>
> * * * Moving programs off-budget raises the risk that resource trade-offs would become obscured and could engender cynicism in financial markets and the public at large about the commitment and ability of the government to control federal spending.

The Washington Post called the trust funds off-budget vote "a classic test" of "how serious House Republicans are about balancing the budget." The Wall Street Journal said "Turning pork-barrel spending into a virtual entitlement sounds like a trick that the old Congress the Republicans ran against used to pull."

## CONCLUSION

Taking the transportation trust funds off-budget would have profound consequences as Congress works toward a balanced budget. It would subject non-transportation programs to deep cuts, it would raise questions about Congress's commitment to balancing the budget without gimmicks, and it would send a wrong signal to countless other interests seeking budgetary protection.

Ultimately, balancing the budget is about choices. Should Congress choose to remove the transportation trust funds from the unified budget, it must also choose what non-transportation programs it will cut to pay for the additional spending that could result.

## SECTION-BY-SECTION ANALYSIS

### SECTION 1. SHORT TITLE

Provides that the act may be cited as the "Truth in Budgeting Act."

SEC. 2. BUDGETARY TREATMENT OF HIGHWAY, AIRPORT AND AIRWAY, INLAND WATERWAYS, AND HARBOR MAINTENANCE TRUST FUNDS

The effect of this language is to remove the trust funds from: (1) calculations of the on-budget deficit, (2) congressional budget resolutions, including spending allocations provided to committees, and (3) spending points of order under the Budget Act.

SEC. 3. SAFEGUARDS AGAINST DEFICIT SPENDING OUT OF THE AIRPORT AND AIRWAY TRUST FUND

This section provides that if the Secretary of Transportation, in consultation with the Secretary of the Treasury, determines that fund balances and expected receipts do not cover unfunded aviation authorizations, those authorizations are reduced on a pro-rata basis to cover the shortfall. This provision duplicates the Byrd Rule in the Highway Trust Fund.

SEC. 4. SAFEGUARDS AGAINST DEFICIT SPENDING OUT OF THE INLAND WATERWAYS TRUST FUND AND HARBOR MAINTENANCE TRUST FUND

This section mirrors Section 3, except that it applies to the Inland Waterways and Harbor Maintenance Trust Funds and has the Secretary of the Army consult with the Secretary of the Treasury in making the necessary determinations.

SEC. 5. APPLICABILITY

Provides that this act becomes effective beginning with the 1996 fiscal year.

## LEGISLATIVE HISTORY

H.R. 842 was introduced on February 7, 1995. The bill was referred to the Committees on Transportation and Infrastructure, Government Reform and Oversight and Budget. The bill was reported to the House amended by the House Committee on Transportation and Infrastructure.

On September 27, 1995 the Office of Management and Budget communicated by letter to Chairman John R. Kasich that it strongly opposed enactment of H.R. 842. The letter noted that moving funds off budget would increase the likelihood that resource tradeoffs would be ignored and total spending would rise. The Administration estimated that shifting the transportation trust funds off-budget could increase transportation spending by about $20 billion over five years.

The Committee on the Budget held a hearing on the subject of taking the transportation trust funds off-budget on March 28, 1996. Testifying before the Committee were Rep. Shuster, chairman of the Committee on Transportation and Infrastructure, James Oberstar, ranking minority member of the Committee on Transportation and Infrastructure, Rep. Livingston, chairman of the Committee on Appropriations, Rep. Wolf, chairman of the Appropriation's Subcommittee on Transportation, Rep. Ronald Coleman, ranking minority member of the Subcommittee on Transportation, Allen Schick, Visiting Fellow at the Brookings Institution, and David Luberoff, Assistant Director of the Taubman Center for State and

Local Government of Harvard University's Kennedy School of Government.

The Committee marked up the bill on March 29, 1998 and took the unusual action of reporting the bill with a recommendation that the bill not pass.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Clause 2(l)(3)(C) of rule XI requires each committee to include a cost estimate prepared by the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974, if the cost estimate is timely submitted. The following is the CBO cost estimate as required:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, March 29, 1996.*

Hon. JOHN R. KASICH,
*Chairman, Committee on the Budget*
*House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: the Congressional Budget Office has reviewed H.R. 842, a bill to provide off-budget treatment for the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund, as ordered reported adversely by the House Budget Committee on March 29, 1996.

This bill would take the Highway, Airport and Airway, Harbor Maintenance, and Inland Waterways Trust Funds off-budget and may exempt trust fund spending from the Balanced Budget and Emergency Deficit Control Act of 1985 (including discretionary spending caps and pay-as-you-go procedures) and Congressional budget controls (including the Budget Resolution, 602 allocations, and reconciliation instructions). However, it is unclear whether the bill, as ordered reported by the House Budget Committee, actually exempts the spending from these budgetary enforcement procedures. Even though the language that makes Social Security off-budget is much more specific than the provisions in H.R. 2274, the administrative expenses of the Social Security Administration are still subject to all these procedures.

By itself, taking programs off-budget does not change total spending of the federal government and does not affect spending or revenue estimates for Congressional scorekeeping purposes. However, if this provision exempts trust fund spending from the budgetary control and enforcement procedures that apply to most other programs, transportation spending could increase significantly. The likelihood and amount of such increase are very uncertain because they would depend upon future actions by both authorizing and appropriations committees. Competing factors would come into play. On the one hand, the Congress would be free to spend more money because the current budgetary controls would no longer apply. On the other hand, the Congress plans on balancing the overall federal budget by 2002, and spending for these programs would still count in determining whether the budget is balanced.

At the beginning of 1996, the amount of unobligated contract authority for transportation programs subject to an obligation limitation totals $10.3 billion. In the years after 1996, the balance would grow under CBO's baseline assumptions. The Congress could decide to make these balances available for obligation. In addition, it could choose to increase funding for the Federal Aviation Administration in order to modernize the air traffic control system. Even if the Congress limits trust fund spending to the amounts of income to the funds, spending could increase substantially over the 1995 level.

The bill would try to establish rules—similar to the Byrd rule for the Highway Trust Fund—to preserve the solvency of the other trust funds. The rules would require that enough funds be available in the trust funds to cover the authorizations of appropriations or amounts available for obligation from the trust funds. CBO cannot determine how these rules would be carried out because authorizations of appropriations and funds available for obligation are unrelated concepts. Authorizations of appropriations are an authorizing committee's stamp of approval for funds to be appropriated and made available for obligation. Funds that are available for obligation may be authorized or unauthorized.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Clare Doherty.

Sincerely,

JUNE E. O'NEILL, *Director.*

## BUDGET COMMITTEE ESTIMATES

Clause 7(a) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the committee of the cost which would be incurred in carrying out H.R. 842. However clause 7(d) of that rule provides that this requirement does not apply when the committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget Act.

The Committee generally concurs with the estimate submitted by the Congressional Budget Office (CBO). The CBO estimates discussed the implications of removing transportation spending from all budgetary controls. CBO noted that "if this provisions exempts trust fund spending from budgetary control and enforcement procedures that apply to other programs, transportation spending could increase significantly." CBO noted that there was $10.3 billion in unobligated contract authority in the transportation trust funds.

The Office of Management and Budget estimated that moving the trust funds off budget could increase spending by $20 billion over five years. In his testimony to the Budget Committee on January 29, 1996, Allen Schick referred to estimates projecting an increase in transportation spending of $3 billion per year.

CBO's estimate also punctured the myth that the Byrd rule limitation that the bill extends to the Airport and Airway, Harbor Maintenance, and Inland Waterway trust funds would constrain transportation spending. "The rules would require that enough funds be available in the trust funds to cover the authorizations of appropriations or amounts available for obligation from the trust funds. CBO cannot determine how these rules would be carried out because authorizations of appropriations and funds available for obligation are unrelated concepts."

## MISCELLANEOUS BUDGETARY INFORMATION

Clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 requires miscellaneous additional budgetary information in the report if the bill provides any new budget authority, spending authority, or an increase or decrease in revenues or tax expenditures. This bill does not technically provide spending authority or change revenues because transportation spending levels would continue to be provided through obligation limitations in future appropriations bills.

However, the CBO estimate suggests that taking the transportation trust funds off budget could ultimately result in higher transportation since such spending would no longer be subject to the discretionary spending limits. While CBO did not venture an estimate of the increased level of spending, it noted that there was a $10.3 billion of unobligated contract authority for programs subject to obligation limits. In his testimony before the Committee, Allen Schick alluded to estimates that the bill would lead to an annual increase in transportation-related spending of $3 billion. OMB estimated a five year increase in transportation spending of $20 billion.

Mr. Schick further testified that the higher spending likely to result from this bill would create pressure to increase transportation-related taxes. An increase of $3 billion in annual transportation spending would draw down the cash balances in the trust fund such that outlays would exceed tax receipts. In a matter of a year this would trigger the Byrd amendment which caps unpaid commitments at a level based on the unexpended balance in the trust fund plus projected trust revenue into the trust fund. Schick reasoned that this would lead transportation lobbyists to pressure Congress for a tax increase to sustain the higher levels of transportation spending.

## INFLATION IMPACT STATEMENT

Clause 2(l)(4) of rule XI requires that each committee report on a bill or joint resolution of a public character to include an analytical statement describing what impact enactment of the measure would have on prices and costs in the operation of the national economy. Although the bill could result in a substantial increase in Federal spending, which if not offset by tax increases or cuts in non transportation programs, would increase the budget deficit, the Committee has determined that H.R. 842 would not have a significant impact on prices and costs in the operation of the national economy.

## BUDGET COMMITTEE OVERSIGHT FINDINGS

Clause 2(l)(3)(A) of rule XI requires that each committee report contain oversight findings and recommendations required pursuant to clause (2)(b)(1) of rule X. During the course of a hearing held by the Budget Committee on the implications of taking the transportation trust funds off budget, Dr. Allen Schick, the foremost expert on budget process reforms stated that exempting off-budget trust funds would put pressure Congress to raise taxes and make deeper cuts in discretionary spending. Schick noted that the pressure to remove other funds and programs and to earmark federal receipts to other program would cause deterioration in the condition of the general fund.

David Luberoff of Harvard University noted "sound budgeting principals require a unified budget particularly in an era when deficit reducion clearly is the primary challenge facing the Congress and the executive branch. As Congress and the executive branch make the difficult decisions required to balance the budget, all sources of spending and revenue should be on the table."

Representatives Livingston, Wolf and Coleman all testified against taking transportation trust funds off-budget. In particular, Mr. Livingston stated:

> * * * [N]obody likes budget constraints. Nobody likes the hard financial decisions that will have to be made to eliminate the deficit. The next few years will be hard on everyone who receives government spending, including the road builders and airport construction trades. The special interests all around Washington are trying to find ways out of the problem, and off-budget is just one manifestation of it.

## OVERSIGHT FINDINGS AND RECOMMENDATIONS OF THE COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Clause 2(l)(3)(D) of rule XI requires that each committee report contain a summary of oversight findings and recommendations made by the Government Reform and Oversight Committee pursuant to clause 4(c)(2) of rule X, whenever such findings have been timely submitted. The Committee on the Budget has received no such findings or recommendations from the Committee on Government Reform and Oversight.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

# CHAPTER 471 OF TITLE 49, UNITED STATES CODE

## CHAPTER 471—AIRPORT DEVELOPMENT

SUBCHAPTER I—AIRPORT IMPROVEMENT



* * * * * * *

### Subchapter I—Airport Improvement

* * * * * * *

### *§ 47130. Safeguards against deficit spending*

*(a) ESTIMATES OF UNFUNDED AVIATION AUTHORIZATIONS AND NET AVIATION RECEIPTS.—Not later than March 31 of each year, the Secretary, in consultation with the Secretary of the Treasury, shall estimate—*

*(1) the amount which would (but for this section) be the unfunded aviation authorizations at the close of the next fiscal year, and*

*(2) the net aviation receipts for the 24-month period beginning at the close of such fiscal year.*

*(b) PROCEDURE WHERE THERE IS EXCESS UNFUNDED AVIATION AUTHORIZATIONS.—If the Secretary determines for any fiscal year that the amount described in subsection (a)(1) exceeds the amount described in subsection (a)(2), the Secretary shall determine the amount of such excess.*

*(c) ADJUSTMENT OF AUTHORIZATIONS WHERE UNFUNDED AUTHORIZATIONS EXCEED 2 YEARS RECEIPTS.—*

*(1) DETERMINATION OF PERCENTAGE.—If the Secretary determines that there is an excess referred to in subsection (b), the Secretary shall determine the percentage which—*

*(A) such excess, is of*

*(B) the total of the amounts authorized to be appropriated and the amounts available for obligation from the Airport and Airway Trust Fund for the next fiscal year.*

*(2) ADJUSTMENT OF AUTHORIZATIONS.—If the Secretary determines a percentage under paragraph (1), each amount authorized to be appropriated or available for obligation from the Airport and Airway Trust Fund for the next fiscal year shall be reduced by such percentage.*

*(d) AVAILABILITY OF AMOUNTS PREVIOUSLY WITHHELD.—*

*(1) ADJUSTMENT OF AUTHORIZATIONS.—If, after an adjustment has been made under subsection (c)(2), the Secretary determines that the amount described in subsection (a)(1) does not exceed the amount described in subsection (a)(2) or that the excess referred to in subsection (b) is less than the amount previously determined, each amount authorized to be appropriated or available for obligation that was reduced under subsection (c)(2) shall be increased, by an equal percentage, to the extent*

*the Secretary determines that it may be so increased without causing the amount described in subsection (a)(1) to exceed the amount described in subsection (a)(2) (but not by more than the amount of the reduction).*

*(2) APPORTIONMENT.—The Secretary shall apportion amounts made available for apportionment by reason of paragraph (1).*

*(3) PERIOD OF AVAILABILITY.—Any funds apportioned pursuant to paragraph (2) shall remain available for the period for which they would be available if such apportionment took effect with the fiscal year in which they are apportioned pursuant to paragraph (2).*

*(e) DEFINITIONS.—For purposes of this section, the following definitions apply:*

*(1) UNFUNDED AVIATION AUTHORIZATIONS.—The term "unfunded aviation authorization" means, at any time, the excess (if any) of—*

*(A) the total amount authorized to be appropriated or available for obligation from the Airport and Airway Trust Fund which has not been appropriated or obligated, over*

*(B) the amount available in the Airport and Airway Trust Fund at such time to make such appropriation or to liquidate such obligations (after all other unliquidated obligations at such time which are payable from the Airport and Airway Trust Fund have been liquidated).*

*(2) NET AVIATION RECEIPTS.—The term 'net aviation receipts' means, with respect to any period, the excess of—*

*(A) the receipts (including interest) of the Airport and Airway Trust Fund during such period, over*

*(B) the amounts to be transferred during such period from the Airport and Airway Trust Fund under section 9502(d) of the Internal Revenue Code of 1986 (other than paragraph (1) thereof).*

*(f) REPORTS.—Any estimate under subsection (a) and any determination under subsection (b), (c), or (d) shall be reported by the Secretary to Congress.*

The Committee notes that the bill as reported by the Budget Committee is not identical with the version filed by the Committee on Transportation and Infrastructure. The latter substantially weakened the Byrd rule-like restrictions that are extended in the bill to the Airport and Airway, Harbor Maintenance, and Inland Waterway trust funds. The Transportation Committee's version also expanded the immunity of transportation spending from budgetary controls.

## COMMITTEE VOTES

Clause 2(l)(2)(B) of House Rule XI requires that each committee report to accompany any bill or resolution of a public character include the total number of votes cast for and against on each rollcall vote on a motion to report and any amendment offered to the measure or matter, together with the names of those voting for and against. There were no rollcall votes. By an overwhelming voice vote, the Committee voted to report the bill with the recommendation that the bill not pass.

## DISSENTING VIEWS

Clause (2)(l)(5) of rule XI requires each committee to afford a 3-day opportunity for members of the committee to file additional, minority, or dissenting views and to include the views in its report. Although neither requirement applies to the committee, the committee always makes the maximum effort to provide its members with such an opportunity. The only view that was submitted is as follows:

# DISSENTING VIEWS OF CONGRESSMAN JERRY F. COSTELLO

Mr. Chairman, I want to express my strong opposition to the action taken by the Budget Committee today on the bill H.R. 842. As a cosponsor of this important legislation, I believe taking the four self-financed transportation trust funds off budget is not only appropriate but necessary.

Currently, the accumulated cash balances of the highway trust fund, the airport and airways trust fund, the harbor maintenance trust fund and the inland waterways trust fund exceeds $30 billion and will reach as high as $77 billion by the year 2002. When these trust funds were created, the users who contributed to the funds believed their taxes would go toward necessary improvements and maintenance of the nation's transportation system. Because of the direct connection between the tax imposed and the benefit derived from improvements in transportation infrastructure, taxpayers strongly support the payment of transportation user fees. This support will not continue to exist if the trust funds continue to be used to make the federal deficit appear smaller.

Taking the transportation trust funds off budget will restore faith with the taxpayers. But this issue is not only about tax fairness, it's also about jobs and economic productivity. Every dollar spent in highway, transit and aviation construction improves a nationwide system upon which the people and commerce of the United States depend. Our transportation system continues to be our government's best investment. Since the 1950s, as much as 25 percent of America's productivity growth can be credited to infrastructure improvements. For example, recent Department of Transportation studies show that every $1 billion invested in highway construction and enhancements yields 42,000 good high-wage jobs.

These are among the reasons why I am supporting H.R. 842 and why I will work for its passage on the House floor in April.

JERRY F. COSTELLO.

○