REPUBLICANS WOULD ROLL BACK ENVIRONMENTAL PROGRESS

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, I know that we are leading up to Earth Day next Monday. I was involved in the original Earth Day 26 years ago, and I think it is very unfortunate that now in this Congress under Speaker GINGRICH we see the worst environmental record in the history of the Congress.

In effect, what is happening is that the Republican leadership is doing their best to try to roll back 25 years or 26 years of environmental progress that we have seen in this Congress on a bipartisan basis since the first Earth Day.

□ 1130

The worst part, I think, is with regard to enforcement. One of the things that I have always said is that if you do not have proper enforcement and investigation to make sure that there are teeth in your environmental laws, then you in effect do not have any environmental laws.

This continued process with the Republican leadership where they do not provide enough funding for the EPA and other agencies that are involved in environmental protection so that there are not the enforcers or the environmental cops on the beat, if you will, out there doing the investigations, catching the polluters, indicating or making it possible to impose penalties against those who violate our environmental laws, this constant effort is hurting environmental protection in this country.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. DREIER. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule.

Committee on Agriculture, Committee on Banking and Financial Services, Committee on Economic and Educational Opportunities, Committee on International Relations, Committee on the Judiciary, Committee on Resources, Committee on Science, Committee on Small Business, Committee on Transportation and Infrastructure, Committee on Veterans' Affairs, and the Permanent Select Committee on Intelligence.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. GILLMOR). Is there objection to the request of the gentleman from California?

There was no objection.

LAYING ON THE TABLE HOUSE RESOLUTION 368

Mr. QUILLEN. Mr. Speaker, I ask unanimous consent that House Resolution 368, providing for consideration of H.R. 994, the Small Business Growth and Administrative Accountability Act of 1996, be laid on the table.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

TRUTH IN BUDGETING ACT

Mr. QUILLEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 396 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 396

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of 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. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed two hours equally divided among and controlled by the chairmen and ranking minority members of the Committee on Transportation and Infrastructure and the Committee on the Budget. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Transportation and Infrastructure now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. QUILLEN] is recognized for 1 hour.

Mr. QUILLEN. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. QUILLEN asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. QUILLEN. Mr. Speaker, House Resolution 396 is an open rule providing for the consideration of H.R. 842, the Truth in Budgeting Act. The rule provides 2 hours of general debate divided equally between the chairmen and ranking minority members of the Committee on Transportation and Infrastructure and the Committee on the Budget.

The rule makes in order the Committee on Transportation and Infrastructure amendment in the nature of a substitute now printed in the bill as an original bill for the purpose of amendment and provides that each section be considered as read.

This rule allows for priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD prior to their consideration, and it provides for one motion to recommit, with or without instructions.

Mr. Speaker, when I first came to Congress in 1963, I was privileged to serve on the House Public Works Committee. The name has changed, but the important agenda of the committee and the dedication and hard work put forth by the members of the committee over the ears has not diminished.

I've long supported efforts to take the four transportation trust funds off budget, and I commend chairman BUD SHUSTER and ranking member JIM OBERSTAR for finally giving the House an opportunity to debate and vote on this issue.

We'll hear a great deal of discussion about this bill today, and arguments will be made that these trust funds should not be exempted from budget cuts in attempts to balance the budget. But Congress made a commitment to use the proceeds of transportation user fees solely for transportation purposes. Presently, there is over $30 billion in the four transportation trust funds—money that could be and should be used to improve our highways, airports, harbors, and inland waterways. The public is no longer being fooled by using these funds to mask the true size of the Federal deficit. It's way past time to honor our commitment and release these funds to improve our Nation's transportation infrastructure.

Mr. Speaker, I'm proud to be a cosponsor of this bill and I urge my colleagues to vote for this open rule and to support passage of this important piece of legislation.

Mr. Speaker, I include the following extraneous material for the RECORD:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of April 15, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	60	59
Modified Closed [3]	49	47	26	25
Closed [4]	9	9	16	16
Total	104	100	102	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of April 15, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 261 (11/9/95)	C	H.J. Res. 115	Cont. Resolution	A: 223–182 (11/10/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 229–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of April 15, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands.	
H. Res. 309 (12/18/95)	C	H.Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	MC	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/21/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/20/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96)
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96)
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I thank the gentleman from Tennessee [Mr. QUILLEN] for yielding the customary half hour of debate time, and I yield myself such time as I may consume.

Mr. Speaker, although many of us believe that the so-called Truth in Budgeting Act that would be made in order by this rule is an irresponsible piece of legislation, we have no objections to the rule itself. It is the first open rule the House has considered this year, and we commend the majority for bringing this controversial legislation to the House floor in this manner.

We also commend the majority for providing an extra hour of general debate time—for a total of 2 hours—and allowing the chairmen and ranking minority members of the two committees of jurisdiction to control one-half hour of debate time each. That provision of time is adequate and fair for a measure that has been reported favorably by one committee of jurisdiction, the Transportation and Infrastructure Committee, and adversely by the other, the Budget Committee.

Mr. Speaker, proponents of this legislation make a good case that we need to increase spending for our Nation's transportation infrastructure. Many of our highways, airports, mass transit systems, and ports are in serious need of repair, modernizing, and expansion; and our failure to spend an adequate amount on these projects is costing our Nation dearly in terms of lower productivity. However, moving four transportation trust funds off budget, and out from under the discretionary spending caps, as H.R. 842 would do, is not the appropriate way to solve this problem.

By freeing transportation spending from the budget constraints that are currently imposed on all discretionary spending programs, it is likely that transportation spending will increase by about $20 to $21 billion over the next 5 years. But to compensate for that extra spending, Congress would have to increase the deficit by that amount, or make deeper cuts in other discretionary programs.

We may well decide that we want to spend an extra $20 billion on transportation projects over the next 5 years. But if we do, we should make that decision with full awareness of the consequences of such action for other Federal programs, and for our efforts to reduce Federal deficits.

However, if transportation spending is given the preferential budgetary treatment provided by H.R. 842, we would no longer determine the appropriate amount to spend on transportation projects in the context of our decisions on all other Federal spending; we would no longer be forced to make the necessary tradeoffs that we currently have to make whenever spending is increased for any program.

Furthermore, if special budgetary treatment is given to transportation spending, advocates of other programs that are funded by dedicated revenues will demand the same treatment. And there are nearly 160 other trust funds, and hundreds of similar special accounts, within the Federal budget. This bill could be the first step toward a fracturing of the Federal budget that would make the work of managing the spending of our Federal dollars, and determining the size of the Federal budget, far more complicated and difficult than it already is.

Finally, Mr. Speaker, this bill is based on a faulty premise—that we are raising more revenues dedicated to transportation than we are spending on transportation projects and therefore, those revenues mask the true size of the deficit. In truth, in 12 of the past 15 years, spending from the transportation trust funds has exceeded the amount of revenues received. The surpluses in the trust funds that currently exist result largely from interest that has been credited to the funds on balances that accrued many years ago.

Mr. Speaker, to repeat: We have no objection to the rule, since it is an open rule that will allow for a full debate on H.R. 842. But we strongly urge Members to reject the bill itself.

Mr. Speaker, I reserve the balance of our time.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GOSS], a very valuable member of the Committee on Rules.

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, I thank the distinguished chairman emeritus, the gentleman from Tennessee [Mr. QUILLEN] for yielding time to me.

I rise in support of this good open rule. But I must say to my colleagues that I am perplexed that we are bringing this pleasure to the floor. I, of course, do have enormous respect for Chairman SHUSTER and his colleagues on the Committee on Transportation and Infrastructure who believe they are doing the right thing for the transportation infrastructure of our Nation with this bill. But I and others cannot agree with their conclusion because of our commitment to the higher goal of controlling Government spending.

Mr. Speaker, 2 days ago Americans were reminded in an extremely personal way of the extent to which Government feeds upon our families' budgets. Americans are working several hours each day just to fulfill their overall tax burdens now, and yet the Federal Government still cannot make ends meet. Despite concerted efforts to shrink Government spending, we remain nearly $5.5 trillion in debt. That is trillion. Given the fact that we spend over $200 billion every year just in interest to service that debt, it is obviously incumbent upon us to handle with care the process by which we consider and make all our spending decisions, and that is why I cannot support the bill before us today.

Not 2 days after tax filing and not 2 weeks after the President signed into law the historic line-item veto to increase control over our Federal budget, this House is now considering a measure to weaken our hold on spending and make it likely that Government will spend more, not less, in the future. This bill, although very well intentioned and pleasantly titled, has the effect of shielding one type of Federal spending from all budget controls that would currently apply, and I would say that includes the line-item veto we worked so hard to get.

Although the Committee on Transportation and Infrastructure went to great lengths in its committee report to ensure Members that taking the four transportation trust funds off budget would not in and of itself lead to greater spending, the report went on to make the increase for greater transportation spending in the future. We can be fairly confident that moving these funds beyond the reach of budgetary controls will lead to more spending and more obligation by the American taxpayers.

Mr. Speaker, many Members feel, as I do, that our budget process is in need of comprehensive reform, precisely because we do not have effective spending controls and incentives to save rather than spend. In my view, H.R. 842 takes us in the wrong direction and weakens spending controls and boosts the incentive to spend. I have long championed users' fees, enterprise funds and other creative ways to fairly and reasonably raise revenues for necessary Government expenditures, but putting transportation in a special privileged budget category, I believe, is the wrong way to go.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding to me.

I am sure the gentleman would not intentionally mislead the body.

Mr. GOSS. Mr. Speaker, I would not.

Mr. SHUSTER. Mr. Speaker, the gentleman said that the line-item veto did not apply here. The line-item veto by the President does apply and the President would be able to exercise the line-item veto, which is simply one of the many spending constraints that would be retained if this legislation is passed.

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Mr. GOSS. Mr. Speaker, I am pleased to hear the chairman's assurance on that. Our reading of the bill did not include that assurance. I am pleased to have that assurance that the line-item veto will apply, and I think it will necessarily preclude an amendment that otherwise would have been made. So that is good news.

Mr. BEILENSON. Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. WELLER].

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, I rise in support of this open rule, and I rise in support today, in strong support, of H.R. 842. This bill is called the Truth in Budgeting Act for a reason. It is commonsense legislation that will take the four transportation trust funds off budget.

Think about it. Every time we go to the gas pump, we are paying into the Highway Trust Fund. Every time we fly on an airline, on a commercial flight, we are paying into the Aviation Trust Fund. These are user fees that are supposed to be used for improvements for our roads, our bridges, our ports, our airports, to widen congested highways, improve safety, and expand airport capacity.

In my own district these are the kind of funds that should be used to widen the Morris Bridge in my hometown from two to four lanes, to construct a south suburban airport to improve aviation capacity in the Chicago area, and they could also be used for quick replacement of the outdated, antiquated, 30-year-old equipment at our air traffic control systems.

Today I have with me a vacuum tube that is used in our computers in our air traffic control system. They need to be replaced. This legislation is a safety issue, as well.

Americans believe that when they are paying their user fees or gas taxes or ticket taxes, that they are going to be used for transportation purposes. Well, unfortunately, for accounting purposes these trust funds have been used to mask the deficit, and because of that my own State in the last 5 years has lost $260 million in trust funds that would have gone to improve transportation.

As we know, when we improve transportation, we create jobs. That is why groups like the NFIB, the Chamber of Commerce, the Farm Bureau, organized labor, the Conference of State Legislatures, the League of Cities and many others are supporting the truth in budgeting bill.

This legislation will create jobs. In fact, economists say that for every $1 billion in transportation spending you create 42,000 good paying jobs. This legislation is good for workers, it is good for good-paying jobs, it is good for working families. It is a tax fairness issue, as well, Mr. Speaker.

I urge a ''yes'' vote on the rule and a ''yes'' vote on final passage.

Mr. BEILENSON. Mr. Speaker, I yield myself one-half minute.

Mr. Speaker, this is the first open rule to be considered by the House this session, and we are happy to support it. However, we do want to point out that 72 percent of the legislation considered this session has not even been reported from committee. In fact, 11 of 16 measures brought up this session have been unreported.

(Mr. BEILENSON asked and was given permission to revise and extend his remarks and to include extraneous material.)

Mr. BEILENSON. Mr. Speaker, I include for the RECORD the following information:

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1*	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5*	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2*	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes; PQ	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 101	To transfer a parcel of land to the Taos Pueblo Indians of New Mexico.	H. Res. 51	Open	N/A.
H.R. 400	To provide for the exchange of lands within Gates of the Arctic National Park Preserve.	H. Res. 52	Open	N/A.
H.R. 440	To provide for the conveyance of lands to certain individuals in Butte County, California.	H. Res. 53	Open	N/A.
H.R. 2*	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665*	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666*	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667*	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668*	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728*	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7*	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference; PQ2	N/A.
H.R. 729*	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on Suspension Calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; Waives all points of order; Contains self-executing provision; PQ.	1D.
H.R. 830*	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450*	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022*	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926*	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925*	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058*	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaneness against it.	1D.
H.R. 988*	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956*	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered; PQ.	8D; 7R.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) od rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73*	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a ''Queen of the Hill'' procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4*	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a ''Queen of the Hill'' procedure; All points of order are waived against the amendments.	5D; 26R.
H.R. 1271*	Family Privacy Act	H. Res. 125	Open	N/A.
H.R. 660*	Housing for Older Persons Act	H. Res. 126	Open	N/A.
H.R. 1215*	The Contract With America Tax Relief Act of 1995	H. Res. 129	Restrictive; Self Executes language that makes tax cuts contingent on the adoption of a balanced budget plan and strikes section 3006. Makes in order only one substitute. Waives all points of order against the bill, substitute made in order as original text and Gephardt substitute.	1D.
H.R. 483	Medicare Select Extension	H. Res. 130	Restrictive; waives cl 2(1)(6) of rule XI against the bill; makes H.R. 1391 in order as original text; makes in order only the Dingell substitute; allows Commerce Committee to file a report on the bill at any time.	1D.
H.R. 655	Hydrogen Future Act	H. Res. 136	Open	N/A.
H.R. 1361	Coast Guard Authorization	H. Res. 139	Open; waives sections 302(f) and 308(a) of the Congressional Budget Act against the bill's consideration and the committee substitute; waives cl 5(a) of rule XXI against the committee substitute.	N/A.
H.R. 961	Clean Water Act	H. Res. 140	Open; pre-printing gets preference; waives sections 302(f) and 602(b) of the Budget Act against the bill's consideration; waives cl 7 of rule XVI, cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Makes in order Shuster substitute as first order of business.	N/A.
H.R. 535	Corning National Fish Hatchery Conveyance Act	H. Res. 144	Open	N/A.
H.R. 584	Conveyance of the Fairport National Fish Hatchery to the State of Iowa.	H. Res. 145	Open	N/A.
H.R. 614	Conveyance of the New London National Fish Hatchery Production Facility.	H. Res. 146	Open	N/A.
H. Con. Res. 67	Budget Resolution	H. Res. 149	Restrictive; Makes in order 4 substitutes under regular order; Gephardt, Neumann/Solomon, Payne/Owens, President's Budget if printed in Record on 5/17/95; waives all points of order against substitutes and concurrent resolution; suspends application of Rule XLIX with respect to the resolution; self-executes Agriculture language; PQ.	3D; 1R.
H.R. 1561	American Overseas Interests Act of 1995	H. Res. 155	Restrictive; Requires amendments to be printed in the Record prior to their consideration; 10 hr. time cap; waives cl 2(1)(6) of rule XI against the bill's consideration; Also waives sections 302(f), 303(a), 308(a) and 402(a) against the bill's consideration and the committee amendment in order as original text; waives cl 5(a) of rule XXI against the amendment; amendment consideration is closed at 2:30 p.m. on May 25, 1995. Self-executes provision which removes section 2210 from the bill. This was done at the request of the Budget Committee.	N/A.
H.R. 1530	National Defense Authorization Act FY 1996	H. Res. 164	Restrictive; Makes in order only the amendments printed in the report; waives all points of order against the bill, substitute and amendments printed in the report. Gives the Chairman en bloc authority. Self-executes a provision which strikes section 807 of the bill; provides for an additional 30 min. of debate on Nunn-Lugar section; Allows Mr. Clinger to offer a modification of his amendment with the concurrence of Ms. Collins; PQ.	36R; 18D; 2 Bipartisan.
H.R. 1817	Military Construction Appropriations; FY 1996	H. Res. 167	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; 1 hr. general debate; Uses House passed budget numbers as threshold for spending amounts pending passage of Budget; PQ.	N/A.
H.R. 1854	Legislative Branch Appropriations	H. Res. 169	Restrictive; Makes in order only 11 amendments; waives sections 302(f) and 308(a) of the Budget Act against the bill and cl. 2 and cl. 6 of rule XXI against the bill. All points of order are waived against the amendments; PQ.	5R; 4D; 2 Bipartisan.
H.R. 1868	Foreign Operations Appropriations	H. Res. 170	Open; waives cl. 2, cl. 5(b), and cl. 6 of rule XXI against the bill; makes in order the Gilman amendments as first order of business; waives all points of order against the amendments; if adopted they will be considered as original text; waives cl. 2 of rule XXI against the amendments printed in the report. Pre-printing gets priority (Hall) (Menendez) (Goss) (Smith, NJ); PQ.	N/A.
H.R. 1905	Energy & Water Appropriations	H. Res. 171	Open; waives cl. 2 and cl. 6 of rule XXI against the bill; makes in order the Shuster amendment as the first order of business; waives all points of order against the amendment; if adopted it will be considered as original text. Pre-printing gets priority.	N/A.
H.J. Res. 79	Constitutional Amendment to Permit Congress and States to Prohibit the Physical Desecration of the American Flag.	H. Res. 173	Closed; provides one hour of general debate and one motion to recommit with or without instructions; if there are instructions, the MO is debatable for 1 hr; PQ.	N/A.
H.R. 1944	Recissions Bill	H. Res. 175	Restrictive; Provides for consideration of the bill in the House; Permits the Chairman of the Appropriations Committee to offer one amendment which is unamendable; waives all points of order against the amendment; PQ.	N/A.
H.R. 1868 (2nd rule)	Foreign Operations Appropriations	H. Res. 177	Restrictive; Provides for further consideration of the bill; makes in order only the four amendments printed in the rules report (20 min. each). Waives all points of order against the amendments; Prohibits intervening motions in the Committee of the Whole; Provides for an automatic rise and report following the disposition of the amendments; PQ.	N/A.
H.R. 1977 *Rule Defeated*	Interior Appropriations	H. Res. 185	Open; waives sections 302(f) and 308(a) of the Budget Act and cl 2 and cl 6 of rule XXI; provides that the bill be read by title; waives all points of order against the Tauzin amendment; self-executes Budget Committee amendment; waives cl 2(e) of rule XXI against amendments to the bill; Pre-printing gets priority; PQ.	N/A.
H.R. 1977	Interior Appropriations	H. Res. 187	Open; waives sections 302(f), 306 and 308(a) of the Budget Act; waives clauses 2 and 6 of rule XXI against provisions in the bill; waives all points of order against the Tauzin amendment; provides that the bill be read by title; self-executes Budget Committee amendment and makes NEA funding subject to House passed authorization; waives cl 2(e) of rule XXI against the amendments to the bill; Pre-printing gets priority; PQ.	N/A.
H.R. 1976	Agriculture Appropriations	H. Res. 188	Open; waives clauses 2 and 6 of rule XXI against provisions in the bill; provides that the bill be read by title; Makes Skeen amendment first order of business, if adopted the amendment will be considered as base text (10 min.); Pre-printing gets priority; PQ.	N/A.
H.R. 1977 (3rd rule)	Interior Appropriations	H. Res. 189	Restrictive; provides for the further consideration of the bill; allows only amendments pre-printed before July 14th to be considered; limits motions to rise.	N/A.
H.R. 2020	Treasury Postal Appropriations	H. Res. 190	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; provides the bill be read by title; Pre-printing gets priority; PQ.	N/A.
H.J. Res. 96	Disapproving MFN for China	H. Res. 193	Restrictive; provides for consideration in the House of H.R. 2058 (90 min.) And H.J. Res. 96 (1 hr). Waives certain provisions of the Trade Act.	N/A.
H.R. 2002	Transportation Appropriations	H. Res. 194	Open; waives cl. 3 Of rule XIII and section 401 (a) of the CBA against consideration of the bill; waives cl. 6 and cl. 2 of rule XXI against provisions in the bill; Makes in order the Clinger/Solomon amendment waives all points of order against the amendment (Line Item Veto); provides the bill be read by title; Pre-printing gets priority; PQ. *RULE AMENDED*.	N/A.
H.R. 70	Exports of Alaskan North Slope Oil	H. Res. 197	Open; Makes in order the Resources Committee amendment in the nature of a substitute as original text; Pre-printing gets priority; Provides a Senate hook-up with S. 395.	N/A.
H.R. 2076	Commerce, Justice Appropriations	H. Res. 198	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Pre-printing gets priority; provides the bill be read by title..	N/A.
H.R. 2099	VA/HUD Appropriations	H. Res. 201	Open; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; Provides that the amendment in part 1 of the report is the first business, if adopted it will be considered as base text (30 min.); waives all points of order against the Klug and Davis amendments; Pre-printing gets priority; Provides that the bill be read by title.	N/A.
S. 21	Termination of U.S. Arms Embargo on Bosnia	H. Res. 204	Restrictive; 3 hours of general debate; Makes in order an amendment to be offered by the Minority Leader or a designee (1 hr); If motion to recommit has instructions it can only be offered by the Minority Leader or a designee.	ID.
H.R. 2126	Defense Appropriations	H. Res. 205	Open; waives cl. 2(l)(6) of rule XI and section 306 of the Congressional Budget Act against consideration of the bill; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; self-executes a strike of sections 8021 and 8024 of the bill as requested by the Budget Committee; Pre-printing gets priority; Provides the bill be read by title.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1555	Communications Act of 1995	H. Res. 207	Restrictive; waives sec. 302(f) of the Budget Act against consideration of the bill; Makes in order the Commerce Committee amendment as original text and waives sec. 302(f) of the Budget Act and cl. 5(a) of rule XXI against the amendment; Makes in order the Bliely amendment (30 min.) as the first order of business, if adopted it will be original text; makes in order only the amendments printed in the report and waives all points of order against the amendments; provides a Senate hook-up with S. 652.	2R/3D/3 Bi-partisan.
H.R. 2127	Labor/HHS Appropriations Act	H. Res. 208	Open; Provides that the first order of business will be the managers amendments (10 min.), if adopted they will be considered as base text; waives cl. 2 and cl. 6 of rule XXI against provisions in the bill; waives all points of order against certain amendments printed in the report; Pre-printing gets priority; Provides the bill be read by title; PQ.	N/A.
H.R. 1594	Economically Targeted Investments	H. Res. 215	Open; 2 hr of gen. debate. makes in order the committee substitute as original text	N/A.
H.R. 1655	Intelligence Authorization	H. Res. 216	Restrictive; waives sections 302(f), 308(a) and 401(b) of the Budget Act. Makes in order the committee substitute as modified by Govt. Reform amend (striking sec. 505) and an amendment striking title VII. Cl 7 of rule XVI and cl 5(a) of rule XXI are waived against the substitute. Sections 302(f) and 401(b) of the CBA are also waived against the substitute. Amendments must also be pre-printed in the Congressional record.	N/A.
H.R. 1162	Deficit Reduction Lock Box	H. Res. 218	Open; waives cl 7 of rule XVI against the committee substitute made in order as original text; Pre-printing gets priority.	N/A.
H.R. 1670	Federal Acquisition Reform Act of 1995	H. Res. 219	Open; waives sections 302(f) and 308(a) of the Budget Act against consideration of the bill; bill will be read by title; waives cl 5(a) of rule XXI and section 302(f) of the Budget Act against the committee substitute. Pre-printing gets priority.	N/A.
H.R. 1617	To Consolidate and Reform Workforce Development and Literacy Programs Act (CAREERS).	H. Res. 222	Open; waives section 302(f) and 401(b) of the Budget Act against the substitute made in order as original text (H.R. 2332), cl. 5(a) of rule XXI is also waived against the substitute. provides for consideration of the managers amendment (10 min.) If adopted, it is considered as base text.	N/A.
H.R. 2274	National Highway System Designation Act of 1995	H. Res. 224	Open; waives section 302(f) of the Budget Act against consideration of the bill; Makes H.R. 2349 in order as original text; waives section 302(f) of the Budget Act against the substitute; provides for the consideration of a managers amendment (10 min.) If adopted, it is considered as base text; Pre-printing gets priority; PQ.	N/A.
H.R. 927	Cuban Liberty and Democratic Solidarity Act of 1995	H. Res. 225	Restrictive; waives cl 2(L)(2)(B) of rule XI against consideration of the bill; makes in order H.R. 2347 as base text; waives cl 7 of rule XVI against the substitute; Makes Hamilton amendment the first amendment to be considered (1 hr). Makes in order only amendments printed in the report.	2R/2D
H.R. 743	The Teamwork for Employees and managers Act of 1995	H. Res. 226	Open; waives cl 2(l)(2)(b) of rule XI against consideration of the bill; makes in order the committee amendment as original text; Pre-printing get priority.	N/A.
H.R. 1170	3-Judge Court for Certain Injunctions	H. Res. 227	Open; makes in order a committee amendment as original text; Pre-printing gets priority	N/A.
H.R. 1601	International Space Station Authorization Act of 1995	H. Res. 228	Open; makes in order a committee amendment as original text; pre-printing gets priority	N/A.
H.J. Res. 108	Making Continuing Appropriations for FY 1996	H. Res. 230	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	....
H.R. 2405	Omnibus Civilian Science Authorization Act of 1995	H. Res. 234	Open; self-executes a provision striking section 304(b)(3) of the bill (Commerce Committee request); Pre-printing gets priority.	N/A.
H.R. 2259	To Disapprove Certain Sentencing Guideline Amendments	H. Res. 237	Restrictive; waives cl 2(l)(2)(B) of rule XI against the bill's consideration; makes in order the text of the Senate bill S. 1254 as original text; Makes in order only a Conyers substitute; provides a senate hook-up after adoption.	1D
H.R. 2425	Medicare Preservation Act	H. Res. 238	Restrictive; waives all points of order against the bill's consideration; makes in order the text of H.R. 2485 as original text; waives all points of order against H.R. 2485; makes in order only an amendment offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (3⁄5 requirement on votes raising taxes); PQ.	1D
H.R. 2492	Legislative Branch Appropriations Bill	H. Res. 239	Restrictive; provides for consideration of the bill in the House	N/A.
H.R. 2491 H. Con. Res. 109	7 Year Balanced Budget Reconciliation Social Security Earnings Test Reform.	H. Res. 245	Restrictive; makes in order H.R. 2517 as original text; waives all pints of order against the bill; Makes in order only H.R. 2530 as an amendment only if offered by the Minority Leader or a designee; waives all points of order against the amendment; waives cl 5© of rule XXI (3⁄5 requirement on votes raising taxes); PQ.	1D
H.R. 1833	Partial Birth Abortion Ban Act of 1995	H. Res. 251	Closed	N/A.
H.R. 2546	D.C. Appropriations FY 1996	H. Res. 252	Restrictive; waives all points of order against the bill's consideration; Makes in order the Walsh amendment as the first order of business (10 min.); if adopted it is considered as base text; waives cl 2 and 6 of rule XXI against the bill; makes in order the Bonilla, Gunderson and Hostettler amendments (30 min.); waives all points of order against the amendments; debate on any further amendments is limited to 30 min. each.	N/A
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 257	Closed; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee.	N/A
H.R. 2586	Temporary Increase in the Statutory Debt Limit	H. Res. 258	Restrictive; Provides for the immediate consideration of the CR; one motion to recommit which may have instructions only if offered by the Minority Leader or a designee; self-executes 4 amendments in the rule; Solomon, Medicare Coverage of Certain Anti-Cancer Drug Treatments, Habeas Corpus Reform, Chrysler (MI); makes in order the Walker amend (40 min.) on regulatory reform.	5R
H.R. 2539	ICC Termination	H. Res. 259	Open; waives section 302(f) and section 308(a)	....
H.J. Res. 115	Further Continuing Appropriations for FY 1996	H. Res. 261	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H.R. 2586	Temporary Increase in the Statutory Limit on the Public Debt	H. Res. 262	Closed; provides for the immediate consideration of a motion by the Majority Leader or his designees to dispose of the Senate amendments (1hr).	N/A.
H. Res. 250	House Gift Rule Reform	H. Res. 268	Closed; provides for consideration of the bill in the House; 30 min. of debate; makes in order the Burton amendment and the Gingrich en bloc amendment (30 min. each); waives all points of order against the amendments; Gingrich is only in order if Burton fails or is not offered.	2R
H.R. 2564	Lobbying Disclosure Act of 1995	H. Res. 269	Open; waives cl. 2(l)(6) of rule XI against the bill's consideration; waives all points of order against the Istook and McIntosh amendments.	N/A.
H.R. 2606	Prohibition on Funds for Bosnia Deployment	H. Res. 273	Restrictive; waives all points of order against the bill's consideration; provides one motion to amend if offered by the Minority Leader or designee (1 hr non-amendable); motion to recommit which may have instructions only if offered by Minority Leader or his designee; if Minority Leader motion is not offered debate time will be extended by 1 hr.	N/A.
H.R. 1788	Amtrak Reform and Privatization Act of 1995	H. Res. 289	Open; waives all points of order against the bill's consideration; makes in order the Transportation substitute modified by the amend in the report; Bill read by title; waives all points of order against the substitute; makes in order a managers amend as the first order of business, if adopted it is considered base text (10 min.); waives all points of order against the amendment; Pre-printing gets priority.	N/A.
H.R. 1350	Maritime Security Act of 1995	H. Res. 287	Open; makes in order the committee substitute as original text; makes in order a managers amendment which if adopted is considered as original text (20 min.) unamendable; pre-printing gets priority.	N/A.
H.R. 2621	To Protect Federal Trust Funds	H. Res. 293	Closed; provides for the adoption of the Ways & Means amendment printed in the report. 1 hr. of general debate; PQ.	N/A.
H.R. 1745	Utah Public Lands Management Act of 1995	H. Res. 303	Open; waives cl 2(l)(6) of rule XI and sections 302(f) and 311(a) of the Budget Act against the bill's consideration. Makes in order the Resources substitute as base text and waives cl 7 of rule XVI and sections 302(f) and 308(a) of the Budget Act; makes in order a managers' amend as the first order of business, if adopted it is considered base text (10 min)..	N/A.
H. Res. 304	Providing for Debate and Consideration of Three Measures Relating to U.S. Troop Deployments in Bosnia.	N/A	Closed; makes in order three resolutions; H.R. 2770 (Dorman), H. Res. 302 (Buyer), and H. Res. 306 (Gephardt); 1 hour of debate on each..	1D; 2R
H. Res. 309	Revised Budget Resolution	H. Res. 309	Closed; provides 2 hours of general debate in the House; PQ	N/A.
H.R. 558	Texas Low-Level Radioactive Waste Disposal Compact Consent Act	H. Res. 313	Open; pre-printing gets priority	N/A.
H.R. 2677	The National Parks and National Wildlife Refuge Systems Freedom Act of 1995.	H. Res. 323	Closed; consideration in the House; self-executes Young amendment	N/A.

PROCEDURE IN THE 104TH CONGRESS 2D SESSION

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1643	To authorize the extension of nondiscriminatory treatment (MFN) to the products of Bulgaria.	H. Res. 334	Closed; provides to take the bill from the Speaker's table with the Senate amendment, and consider in the House the motion printed in the Rules Committee report; 1 hr. of general debate; previous question is considered as ordered. **NR; PQ.	N/A.
H.J. Res. 134 H. Con. Res. 131	Making continuing appropriations/establishing procedures making the transmission of the continuing resolution H.J. Res. 134.	H. Res. 336	Closed; provides to take from the Speaker's table H.J. Res. 134 with the Senate amendment and concur with the Senate amendment with an amendment (H. Con. Res. 131) which is self-executed in the rule. The rule provides further that the bill shall not be sent back to the Senate until the Senate agrees to the provisions of H. Con. Res. 131. **NR; PQ.	N/A.

FLOOR PROCEDURE IN THE 104TH CONGRESS; COMPILED BY THE RULES COMMITTEE DEMOCRATS—Continued

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1358	Conveyance of National Marine Fisheries Service Laboratory at Gloucester, Massachusetts.	H. Res. 338	Closed; provides to take the bill from the Speakers table with the Senate amendment, and consider in the house the motion printed in the Rules Committee report; 1 hr. of general debate; previous quesetion is considered as ordered. ** NR; PQ.	N/A.
H.R. 2924	Social Security Guarantee Act	H. Res. 355	Closed; ** NR; PQ	N/A.
H.R. 2854	The Agricultural Market Transition Program	H. Res. 366	Restrictive; waives all points of order against the bill; 2 hrs of general debate; makes in order a committee substitute as original text and waives all points of order against the substitute; makes in order only the 16 amends printed in the report and waives all points of order against the amendments; circumvents unfunded mandates law; Chairman has en bloc authority for amends in report (20 min.) on each en bloc; PQ.	5D; 9R; 2 Bipartisan.
H.R. 994	Regulatory Sunset & Review Act of 1995	H. Res. 368	Open rule; makes in order the Hyde substitute printed in the Record as original text; waives cl 7 of rule XVI against the substitute; Pre-printing gets priority; vacates the House action on S. 219 and provides to take the bill from the Speakers table and consider the Senate bill; allows Chrmn. Clinger a motion to strike all after the enacting clause of the Senate bill and insert the text of H.R. 994 as passed by the House (1 hr) debate; waives germaneness against the motion; provides if the motion is adopted that it is in order for the House to insist on its amendments and request a conference.	N/A.
H.R. 3021	To Guarantee the Continuing Full Investment of Social security and Other Federal Funds in Obligations of the United States.	H. Res. 371	Closed rule; gives one motion to recommit, which if it contains instructions, may only if offered by the Minority Leader or his designee. ** NR.	N/A.
H.R. 3019	A Further Downpayment Toward a Balanced Budget	H. Res. 372	Restrictive; self-executes CBO language regarding contingency funds in section 2 of the rule; makes in order only the amendments printed in the report; Lowey (20 min), Istook (20 min), Crapo (20 min), Obey (1 hr); waives all points of order against the amendments; give one motion to recommit, which if contains instructions, may only if offered by the Minority Leader or his designee. ** NR.	2D/2R.
H.R. 2703	The Effective Death Penalty and Public Safety Act of 1996	H. Res. 380	Restrictive; makes in order only the amendments printed in the report; waives all points of orer against the amendments; gives Judiciary Chairman en bloc authority (20 min.) on enblocs; provides a Senate hook-up with S. 735. ** NR.	6D; 7R; 4 Bipartisan.
H.R. 2202	The Immigration and National Interest Act of 1995	H. Res. 384	Restrictive; waives all points of order against the bill and amendments in the report except for those arising under sec. 425(a) of the Budget Act (unfunded mandates); 2 hrs. of general debate on the bill; makes in order the committee substitute as base text; makes in order only the amends in the report; gives the Judiciary Chairman en bloc authority (20 min.) of debate on the en blocs; self-executes the Smith (TX) amendment re: employee verification program; PQ.	12D; 19R; 1 Bipartisan.
H.J. Res. 165	Making further continuing appropriations for FY 1996	H. Res. 386	Closed; provides for the consideration of the CR in the House and gives one motion to recommit which may contain instructions only if offered by the Minority Leader; the rule also waives cl 4(b) of rule XI against the following: an omnibus appropriations bill, another CR, a bill extending the debt limit. ** NR.	N/A.
H.R. 125	The Gun Crime Enforcement and Second Amendment Restoration Act of 1996.	H. Res. 388	Closed; self-executes an amendment; provides one motion to recommit which may contain instructions only if offered by the Minority Leader or his designee. ** NR.	N/A
H.R. 3136	The Contract With America Advancement Act of 1996	H. Res. 391	Closed; provides for the consideration of the bill in the House; self-executes an amendment in the Rules report; waives all points of order, except sec. 425(a)(unfunded mandates) of the CBA, against the bill's consideration; orders the PQ except 1 hr. of general debate between the Chairman and Ranking Member of Ways and Means; one Archer amendment (10 min.); one motion to recommit which may contain instructions only if offered by the Minority Leader or his designee; Provides a Senate hookup if the Senate passes S. 4 by March 30, 1996. **NR.	N/A
H.R. 3103	The Health Coverage Availability and Affordability Act of 1996	H. Res. 392	Restrictive: 2 hrs. of general debate (45 min. split by Ways and Means) (45 split by Commerce) (30 split by Economic and Educational Opportunities); self-executes H.R. 3160 as modified by the amendment in the Rules report as original text; waives all points of order, except sec. 425(a) (unfunded mandates) of the CBA; makes in order a Democratic substitute (1 hr.) waives all points of order, except sec. 425(a) (unfunded mandates) of the CBA, against the amendment; one motion to recommit which may contain instructions only if offered by the Minority Leader or his designee; waives cl 5(c) of Rule XXI (requiring 3/5 vote on any tax increase) on votes on the bill, amendments or conference reports.	N/A
H.J. Res. 159	Tax Limitation Constitutional Amendment	H. Res. 395	Restrictive; provides for consideration of the bill in the House; 3 hrs of general debate; Makes in order H.J. Res. 169 as original text; allows for an amendment to be offered by the Minority Leader or his designee (1 hr) ** NR.	ID
H.R. 842	Truth in Budgeting Act	H. Res. 396	Open; 2 hrs. of general debate; Pre-printing gets priority	N/A

* Contract Bills, 67% restrictive; 33% open. ** All legislation 1st Session, 53% restrictive; 47% open. *** All legislation 2d Session, 94% restrictive; 6% open. **** All legislation 104th Congress, 65% restrictive; 35% open. ***** NR indicates that the legislation being considered by the House for amendment has circumvented standard procedure and was never reported from any House committee. ****** PQ Indicates that previous question was ordered on the resolution. ******* Restrictive rules are those which limit the number of amendments which can be offered, and include so-called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103d Congress. N/A means not available.

Mr. QUILLEN. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise today in strong support of the rule to bring H.R. 842, the Truth in Budgeting Act, to the House floor. It is time that the full House take action on this issue, and this open rule would allow such a debate to take place.

The Truth in Budgeting Act would simply take four trust funds off budget: the Highway Trust Fund, the Aviation Trust Fund, the Inland Waterways Trust Fund and the Harbor Maintenance Trust Fund. These are dedicated user funds which can only be used for infrastructure investment.

For those concerned that H.R. 842 will somehow allow infrastructure spending to grow unrestrained, I would point out that the legislation establishes automatic spending safeguards. Identical to the safeguard already contained in the Highway Trust Fund, H.R. 842 will ensure that the remaining trust funds are deficit proof and operate on a pay-as-you-go basis.

The Secretaries of Transportation and Treasury Department will have to review the Aviation Trust Fund annually to determine if expected receipts will cover the authorized aviation expenditures. If the trust fund does not cover unfunded aviation authorizations, then those authorizations must be reduced on a pro rata basis until the shortfall is covered.

The Army and Treasury Secretaries will review the Inland Waterways and Harbor Maintenance Trust Funds in the same manner.

For over 20 years now the spending from these trust funds has been capped in order to make the Federal deficit look smaller. This has allowed Congress and the administration to hold back funds from infrastructure development and instead spend additional money on social programs. While many of these programs have merit, they should not be paid for by holding back money from these trust funds.

My colleagues on the other side of this issue say by taking the trust funds off budget we will increase the deficit, and I would remind them again that by law these trust funds can only be used for transportation purposes, and if the trust funds are being used to pay for social programs or other programs, then we have got to find an alternative way to fund those programs or we must cut them back and restrain the growth in spending.

Mr. Speaker, this is first and foremost a tax honesty issue. As my colleagues know, every time a motorist buys gasoline or a traveler buys an airline ticket, taxes are paid into the highway and aviation trust funds. Congress imposed these taxes with the assurance that the collected funds would be spent for infrastructure improvements and infrastructure improvements only.

Most people in our Nation take our infrastructure for granted. We are very fortunate to have the resources and the planning needed to create a first-class system or a class system. But much remains to be done, and much deterioration is in our infrastructure. The cost of upkeep and maintenance alone runs very high. So it is essential that we take these trust funds off budget.

Currently, the Department of Transportation estimates that the backlog of needs for our Nation's highways and bridges totals $315 billion. Simply maintaining our current transit system is estimated to cost $8 billion annually for the next 20 years, and according to airport groups, airport investment needs are $10 billion a year.

As I said, the issue is truly one of honesty. In the President's first year in office he was interviewed by a reporter in my district in Arkansas, and my district happens to be the largest metropolitan area in the United States without an interstate highway. We are working on it, but that kind of need is so essential across this country, and the President was asked the question, ''What can you do, Mr. President, to insure the construction of this highway needed in my district?''

His response was, ''The most important thing this administration can do is to take the highway trust funds off budget.''

I do not know what his position is on this today, but he was absolutely right when he made that statement. The most important thing we can do for building the infrastructure of this country is to take these funds off budget and be honest with the American people about the needs we face and the need that we have in the deficit. Let us be honest with the American people, lets be fair with them, by taking these trust funds off budget.

Mr. BEILENSON. Mr. Speaker, I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. GILLMOR). Pursuant to House Resolution 396 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 842.

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IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of 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, with Mr. DREIER in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Pennsylvania [Mr. SHUSTER], the gentleman from Minnesota [Mr. OBERSTAR], the gentleman from Ohio [Mr. KASICH], and the gentleman from Minnesota [Mr. SABO] will each control 30 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. SHUSTER].

Mr. SHUSTER. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, our Nation's infrastructure is crumbling. Even our vaunted Interstate System is filled with potholes. Our Air Traffic Control System is blacking out. We still have vacuum tube computers running the Air Traffic Control System. Across America we need to invest in infrastructure. Indeed, travel on our highways is growing at a compound rate of 3 percent a year; trucking, as we move into the next century, will see a 28-percent increase in travel on our highways. We will experience, as we move into the next century, a billion people traveling commercially in aviation a year, and it was only 230 million traveling just 15 years ago.

We need to invest in infrastructure. But that is not the most important reason why we should pass this legislation today. The reason that we should pass this legislation today, the most important reason, is because we need to keep faith with the American people, we need to have honest budgeting, we need to put the trust back in the trust fund, and that is what happened originally.

We hear a lot about the Contract With America this year, and I certainly think it is important, and many do, but the original Contract With America was a contract that Dwight Eisenhower and the Congress made in 1956. They said to the American people, ''We're going to charge a gas tax when you drive up to the pump, and we're going to put that gas tax in the trust fund, a highway trust fund, and we're going to spend that user tax to improve your highways,'' and then later on they said, ''We're going to create an aviation trust fund, and when you get on an airplane you're going to pay a 10-percent ticket tax, and we're going to take your 10-percent ticket tax, your user tax, for getting on that airplane, and we're going to put that in an aviation trust fund, and under the law that money won't be able to be spent for anything except to improve our aviation system, our airports, our runways, our terminals, our air traffic control system, so we can have a safe system.''

Mr. Chairman, that is the way the highway trust fund and the aviation trust fund and the other trust funds worked until 1969, when Lyndon Johnson had a bright idea, trying to figure out how to mask the size of the deficit. He realized that while it is true under the law, this money cannot be spent in these trust funds for anything other than their highway, aviation purposes. If we do not spend the money, if we let the balances build up, then we can mask the size, we can hide the size, we can distort the size of the true general fund deficit. And so he created the so-called unified budget, and once that was done, over the years both Democratic and Republican Presidents have used this gimmick to distort and hide the size of the true general fund deficit.

What has happened as a result of it? Today there is over $30 billion in balances in the transportation trusts funds, transportation trust funds which, by the way, are different from many other trust funds in Washington in that they are totally user financed.

Mr. Chairman, I would like to remind my colleagues that back in 1964, before the unified budget, the American people were asked, ''Do you have confidence that your government generally will try to do the right thing, your Federal Government,'' and 76 percent of the American people said, ''Yes,'' and today, when asked that same question, ''Do you have confidence that your Federal Government generally tries to do the right thing,'' only 19 percent of the American people say yes.

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I submit to you that exhibit A is the way these transportation trust funds have been distorted and manipulated and used, so we have not kept faith with the American people.

Indeed, the Speaker of the House has said many times that we should either spend this money, these user taxes, for the purpose for which they were created, or if we do not have the needs, we should reduce the tax. Indeed, that is exactly right. I do not think there is anybody in this Chamber who would say we do not have the needs. Indeed, the user fees are the fairest form of taxation there is, because the person who benefits is the person who pays.

There are a couple of myths which have been floating around which should be answered. The first is that, well, the revenue that has come into the trust funds, the transportation trust funds over the years, has really equalled or even exceeded the amount that has been spent. That is only half the story, because what our colleagues who make these arguments do not tell us is that they are not counting the interest that has gone in on the balances in these trust funds.

Think about that for a minute. There is a minor little insignificant thing called the law of the land, which says if the Treasury borrows from a trust fund it has to pay interest. So for those who would argue do not count the interest, I would suggest, first of all, it is the law of the land; but secondly, if we do not want to count the interest in the trust funds, then we had better be very, very careful, because nearly 50 percent of the reserves in the Social Security trust fund is based on interest. Are we going to tell the American people we are not going to count the interest, the legal interest that is accruing in the Social Security trust fund? No, the interest under the law must be counted.

Further, Mr. Chairman, we are told that if this legislation passes today, it will remove all controls and we will simply be able to go out and spend whatever we want to spend on all these projects.

Mr. Chairman, simply, factually, that is not true. First, the Committee on Appropriations retains all of the jurisdiction that it now has, and can set the obligational limits, that is, the ceiling, on how much can be spent every year. Further, the line-item veto that the President has does apply, and that can be used.

Thirdly and perhaps most importantly, under the law not a penny can be spent from these transportation trust funds unless the money is there to pay the bill. These transportation trust funds are deficit-proof. Would that our other programs here in Washington were as deficit-proof as these transportation trust funds. If they were, we would not have a deficit.

So there are very substantial restraints and spending controls which exist if this legislation is passed. Yes, if we build America's infrastructure, for every $1 billion spent, 42,000 real jobs are created. Yes, if we spend the money to build America's infrastructure, we increase productivity in America, we save lives, we stimulate economic growth.

The Department of Transportation, in a recent study analyzing economic growth in America over the past quarter of a century, says that fully 25 percent of the economic growth, the increase in productivity in America, is attributable to building infrastructure. So, indeed, for all these reasons we should vigorously support this legislation today, not only because the needs are there, but because it is fair, it is right, it is just, it is the honest way to deal with the American people. I urge my colleagues to support this legislation.

Mr. Chairman, I reserve the balance of my time.

PARLIAMENTARY INQUIRY

Mr. SHUSTER. I have a parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SHUSTER. Mr. Chairman, how will the various committees be recognized?

The CHAIRMAN. The Chair was planning to rotate among the committees.

Mr. SHUSTER. We are not doing 1 hour per committee?

The CHAIRMAN. It is the intention of the Chair to rotate among those Members who seek recognition.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science, in opposition to the bill.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I first of all want to say that my colleague, the gentleman from Pennsylvania [Mr. SHUSTER], chairman of the committee, is in fact someone who works very, very hard to preserve the Nation's infrastructure, and should be congratulated for the work that he does in terms of trying to make certain that the resources provided to the Nation's infrastructure are in fact adequate, and do in fact reflect the needs of a Nation that is expanding into our future.

My opposition to the bill that he has before us today has nothing to do with the commitment that he has shown over the years to that particular goal. I am concerned, however, about just exactly how this revenue balance moves forward.

The gentleman from Pennsylvania has just described the situation. That is, that the people who propose this bill want to spend not only the revenues that come in for the trust fund, but also want to spend the accumulated interest over a period of years, because they feel as though that interest is money that ought to be kept in place for improving the infrastructure of the country.

All of that is fine, except that it is all fungible. We just had the Director of the CBO before the Committee on the Budget. She explained that over the past several years, the amount of money flowing into the Treasury to pay for highways has been equalled by the amount of money flowing out of the Treasury to pay for highways. So they have remained in relative balance over a period of some years.

What this bill says is, oh, but in addition, we want the money in interest. Understand, the interest payments we are talking about here are not new money for the Government, they are taxpayers' money as well. It is, again, the same taxpayers' money. Therefore, the money, the $19 billion of interest that seeks to be spent under this bill is $19 billion of discretionary money that will have to be taken out of somewhere else in discretionary accounts.

So, if in fact you are going to do this, and you are going to achieve what the committee seeks to achieve with this bill, you are going to have to take it away from other spending. You are going to have to take it away from other things which are vital to the country, such as spending money on the research and development to take us to the economy of the future.

Mr. OBERSTAR. Mr. Chairman, I yield myself 3½ minutes.

Mr. Chairman, the initial purpose of the highway trust fund when it was crafted in 1956 was to finance the national system of interstate and defense highways, the world's largest infrastructure project and one of the marvels of engineering of the world, and was based upon the idea that we needed a dedicated revenue stream to finance projects that would take a long time to design, engineer, acquire right-of-way for the roadway to be built upon, and then to construct that roadway. So the framers of the Interstate Highway System Program conceived a dedicated revenue stream to be financed by a tax upon the users of the system, all those people who drive cars and trucks, and a tax upon fuel was agreed upon.

It was also agreed in that initial legislation that this fund should be held in trust for the purpose for which it was intended, and that it should be deficit-proof, as the chairman of the committee has already expressed.

It has been an enormously successful program. We have spent $120 billion on the Interstate Highway Program. It represents 1 percent of the Nation's highway mileage. It carries 26 percent of the Nation's highway traffic. That represented last year 990 billion miles traveled on just the Interstate Highway System alone.

But over time, the idea of retaining some of the moneys from that trust fund and not spending them became very popular with the executive branch. Every dollar of tax revenue from the highway users tax is invested in U.S. Treasury notes. Those Treasury notes, like the World War II bonds, bear interest. The buyer of those bonds gets the principal plus the interest.

That was the idea that we applied in the highway trust fund, that revenues from the highway user tax on fuel would be invested in Treasury notes, which would bear interest, and which interest would go into the highway trust fund. In contrast to what our previous speaker said, the fact is this is not just free money, this is money owed to the highway fund. It is money owed to the users of the system by all taxpayers, by the Federal Government for the use of those dollars.

So over time, Mr. Chairman, what has happened is that the executive branch has withheld not only interest, but the principal that has been paid in by highway users into the highway trust fund, and conveniently kept it in the unified budget account to make the deficit look less than it really is.

Mr. Chairman, what we want to do is to free all of the transportation trust funds from the artificial and unnecessary constraints of the budget process and allow those funds to be used and invested to reverse the deterioration of our Nation's infrastructure. This is not adding to the deficit, it is a deficit-neutral step that we take here. We urge everybody to support our legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. SABO. Mr. Chairman, I yield myself such time as I may consume.

(Mr. SABO asked and was given permission to revise and extend his remarks.)

Mr. SABO. Mr. Chairman, this is one of the rare times I find myself on the opposite side of an issue with my good friend, the gentleman from Minnesota [Mr. OBERSTAR].

Mr. Chairman, I wish I could tell the House that Santa Claus was here, but Santa Claus is not here. The reality is that if one is trying to achieve a certain deficit target or trying to balance a budget within a specified period of time and one spends more on something, you have to spend less on something else. Those are the simple facts.

I like highways. Appropriate expenditures on highways are an important investment in this country. Appropriate expenditures on airports are an important investment in this country. Appropriate expenditures on transit are an important expenditure and investment in this country. But we have to make those judgments in relationship to the other choices we have to make.

I also happen to think that money spent on research and development is important, that investment in education is important, that investment in our housing supply and housing availability in this country is important. All of those are going to suffer if this proposal passes today, and the assumption is that somehow billions of new dollars appear to be expended. Those others inevitably have to suffer, because those are the choices we have to make every year in Congress. There is no free pot of money there, available, that has no impact on deficits, no impact on other expenditures. If this passes, if there is additional money spent on those programs beyond projection, something else has to come down. It is the simple fact.

What about the inner workings of these plans? Highways; when did this accumulation of surplus occur? In the 1960's, and in the 1970's. The fact is, since 1981 we have spent $18 billion more on highways than the receipts and the tax receipts of that fund; $3 billion more than total receipts, $3 billion more than total receipts, taxes, and interest.

One of the interesting things I discovered, and I have an amendment filed, and I do not know that I will offer it today, but I discovered to my amazement that the rate of interest credited to the highway trust fund is between 1 percent to 3 percent higher than the equivalent yield on a 1-year Treasury bill. Somehow, the drafters of this bill and of this law managed to get very lucrative interest rates credited to their account.

What about some of the other workings of some of these specific funds? The airport trust fund, we think it pays for aviation. The reality is that over the years, one of the fundamental reasons they have a surplus is that we have used the general revenue fund to subsidize the operations of FAA. Every study I have seen would indicate that about 85 percent of operations of the FAA should be tied or should come from the trust fund if they really paid their accurate share. Maybe 15 percent of it could be credited to defense and other governmental use of the airways. In reality, it has been about 50 percent of the operations that are paid for from the trust fund. If it would have paid its actual share, no surplus would exist.

□ 1215

What about in recent years? Since 1981 we have spent more than excise taxes and interest on the highway trust fund. Has that changed in the last couple of years? No. 1994, 1995, we have spent more than interest and current revenues on highways. So this is a fund that has not been mistreated. This involves sort of this wish that somehow this pot of free money exists that somehow can be made available and not impact anyone else. I would hope the House would reject that argument and say that these funds are part of the overall budget strategy involved in the dynamic debate every year of how we set our priorities. There is one way we do that and that is by rejecting this bill.

Mr. Chairman, I reserve the balance of my time.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to my friend and neighbor, the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. I thank the gentleman for yielding me time.

Mr. Chairman, the Truth in Budgeting Act is nothing more than an act of keeping faith with the American people. It allows the transportation trust funds to do what they were originally intended to do.

The fact that we have to debate and vote on this bill is—I think—an admission that Congress has in recent years deceived the American taxpayer. When past Congresses first created these trust funds, several promises were made that were reflected in the original statutes. One was that Federal excise tax receipts would be dedicated to building and maintaining these transportation assets and that these activities would be self-sustaining. Another was that no general fund revenues would be used to support these programs. And a third was that activities funded by the trust funds could not run a deficit.

During the intervening years, these promises have been abrogated. Now trust funds are constrained—they're prevented from spending out at the same rate they take in revenues. And that is simply wrong. We have been practicing a grand scheme of deceit with the users of highways, airports, and inland waterways—meaning virtually everyone.

And believe me, there has been a price paid for this deceit: congestion, pollution, and higher costs for goods and services.

Many in this Congress have made great hay about not burdening future generations with the excesses of current and past spending practices. I maintain that the Truth in Budgeting Act is very much in the same vein. We have the money to build more capacity now, but we're not spending it, even in the face of growing highway and airport congestion. And if you project out over the next 7 years the growing balance in the trust funds should this legislation not be enacted, the backlog of work will grow tremendously. Do not punish future generations even more than we already have—vote to support H.R. 842.

Mr. SHADEGG. Mr. Chairman, I yield 6 minutes to the gentleman from Virginia [Mr. WOLF].

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Chairman, I rise in strong opposition to this bill. Before I get into it, I want to pay my respect to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Appropriations Committee who has been so diligent in trying to solve this deficit. Also to the gentleman from Ohio [Mr. KASICH] who has been a warrior and his staff that have made all the difference. The fact is that if BOB DOLE has any sense, he will pick one of the three Johns as his Vice President—Jack Kemp, JOHN MCCAIN, or JOHN KASICH. All would be good for our ticket. JOHN has been a warrior, and to even be dealing with this bill now wipes out many of the things that he has been trying to do.

What we are dealing with today is money, power, and pork. Remember those words: Money, power, and pork.

Remember the words from Simon and Garfunkel's song ''The Boxer'', where it goes on, ''I am just a poor boy though my story's seldom told.''

He ends by saying, ''A man hears what he wants to hear and disregards the rest.''

Many in this body are hearing what you want to hear and disregarding the rest. More money has gone out to transportation than was in the trust fund. More money in the last 12 or 15 years has gone out than was in the trust fund. So many people are disregarding what they do not want to hear.

This bill presents and protects sand and gravel and cement. Then it says to those who are elderly with Alzheimer's disease, ''We're not going to protect you.''

''You may have cancer and you may be worried about cancer research, but we're not going to protect you.''

''You may be worried about education, but we're not going to protect you.''

''We're going to protect sand and gravel and cement and tar and pitch.''

What about the 160 other trust funds? The Endeavor Teacher Trust Fund. ''Who cares about the teachers?''

The Radiation Exposure Trust Fund. ''We don't care if you've been involved in radiation. Who cares?''

The Civil Service Trust Fund. ''Who cares about that?'' And on and on and on.

Look what the experts have said. Alan Greenspan, what he said about this and others will go into detail. Paul Volcker, what he said; Herb Stein, what he said; Michael Boskins, what he said; what all of the people have said. ''This is not a good idea.''

What have some of the groups and newspapers said? The Concord Coalition has said, ''Passage of this legislation would severely jeopardize the chances of balancing the Federal budget.''

The National Taxpayers Union has said, ''Placing these trust funds off-budget is nothing less than a ploy to increase spending.'' This Congress should not be involved in a ploy to increase spending.

The Citizens Against Government Waste says, ''The Truth-in-Budgeting Act sounds great to the public, but it's simply a ruse to increase the $5 trillion debt.''

The Americans for Tax Reform is opposed to it, the Committee for a Responsible Federal Budget, the Citizens for a Sound Economy. You name it and they are opposed to it. The New York Times, the Washington Post, the Washington Times, the Wall Street Journal, and you go on and on and they are opposed to this. This is a very bad bill. But for the main reason, for this side, I will not talk to this side but for our side, we have died and fought for a balanced budget. JOHN KASICH, the Speaker, the gentleman from Louisiana, Mr. LIVINGSTON, and others have done everything they can for a balanced budget. If we pass this, we will never have a balanced budget in your life in this Congress. You will never ever see a balanced budget in this Congress. There is no two ways about it. Because you are not going to have the guts to cut Alzheimer's, you are not going to want to go after Social Security, you are not going to want to cut the radiation fund, you are not going to want to go after defense, you are not going to want to go after crime, and therefore we will never ever have a balanced budget in our lifetime in this Congress.

The American people should know that. This vote today will determine whether or not we will ever have a balanced budget.

So in closing, let me talk about three words and maybe throw in one other word. What are we talking about today? We are talking about money. This town knows what money is. Members know what money is. We are talking about money. We are also talking about power. We are talking about power, raw power. And we are talking about something that this body says it does not like but it is sadly addicted to it, and that is pork. And lastly one other thing we are talking about. We are talking about fear. I sense there is fear in the body today. I sense in the hearts of some of the Members that I have talked to, there is fear. They really would rather not be where they are but yet there is a sense of fear.

Let me just close with a quote from Robert Kennedy that has always meant a lot to me. It is from his Capetown speech in 1966 in Capetown, South Africa, when he was speaking to the students, and this is what he said. He talked about fear and men and women in leadership being timid. I will close with this. I quote from Robert Kennedy, Capetown, 1966.

He said:

> Few men are willing to brave the disapproval of their fellows, the censure of their colleagues, the wrath of their society. Moral courage is a rarer commodity than bravery in battle or great intelligence. Yet it is the one essential, vital quality of those who seek to change a world which yields most painfully to change.

I strongly urge the defeat of this so we can validate what the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] and the gentleman from Louisiana [Mr. LIVINGSTON] and the gentleman from Wisconsin [Mr. OBEY] have done.

Mr. Chairman, I rise in opposition to H.R. 842 and efforts to move transportation trust funds off-budget.

This issue has certainly engendered extensive debate and controversy and even a coalition of special interests and lobbying groups formed to promote taking the trust funds off-budget using the slogan that we have to "put trust back into the trust fund."

If only we could have directed the enormous energy, time, and talent focused on this issue to address broader—and frankly, much more important—transportation issues. I believe the coalition efforts are misdirected. Trust is not at issue.

If only we could have harnessed the zeal with which many have approached the trust fund issue and directed it to what I believe are greater issues in setting highway and transportation policy.

If only we could debate the highway funding formulas now in place, which dole out highway funds to States using 1980 census figures. Why are we relying on decade-and-a-half old population figures? If there is unfairness in highway transportation today, the on-off budget trust fund issue isn't it.

If only we could debate the whole issue of the Federal gasoline tax which many would argue should be turned back to the States which can better determine their individual needs, getting Uncle Sam out of the highway program.

If only. But we are where we are and today we will vote on this issue which has been simmering for over a year.

There are a few facts to keep in mind when considering this issue:

First, while balances may remain in transportation trust funds, these funds are already obligated. The cash balances in the trust funds do not represent unspent gas taxes. The highway program is a reimbursable program—lines of credit are provided to State agencies to plan and construct highways. Then, 3 or 4 years later, the States seek reimbursements from the trust fund to pay those bills. That's why the cash balances do not represent a surplus. These balances are like your checking account balance after you have deposited your paycheck but before your home mortgage and car payment checks have cleared the bank. Like your home mortgage and car payment, commitments have already been made against the balances in the trust fund. In fact, commitments have already been made in excess of the current cash balance by over $30 billion. In other words, if we were to stop collecting the gas tax at the end of this year, the trust fund would have a deficit of over $30 billion. How would we deal with this deficit? I don't think we could.

Not only that, highway funding has substantially exceeded trust fund tax receipts. In 12 of the past 15 years, highway trust fund spending exceeded tax revenues. That means that the amount of money the Government spends on transportation has exceeded the amount of money provided for transportation spending from dedicated trust fund taxes.

But the trust fund is not the only source of transportation spending. Not only are transportation trust funds tapped for roads and bridges, the general fund is also being used to pay for transportation programs.

How much money are we spending on transportation? According to the Congressional Research Service, in fiscal year 1995, general treasury funds provided more than $12 billion for transportation programs above and beyond funds provided from transportation trust funds. According to CRS, the general fund figure does not include Maritime Administration, Federal Maritime Commission, U.S. Army Corps of Engineers or Department of Defense spending on transportation programs, all of which also tap into the general fund to pay for transportation projects.

Second, while transportation is vital to the economic well-being of our country, there are other issues vying for priority status. There are many important programs demanding critical funding.

A third and possibly most important point: This issue is about reining in the Federal deficit and balancing the budget. Congress has had a very difficult time making the tough choices necessary to move toward a balanced budget. We still have a long way to go to meet our deficit reduction goals, and many more tough choices to make.

How much more difficult will these choices be if we have to find an additional $30 billion in cuts—$30 billion—that's the additional cuts we will have to make if transportation trust funds are moved off-budget. If transportation spending gets special treatment, we will have to find $30 billion in cuts in discretionary spending in other parts of the budget.

Are you prepared to cut Alzheimer's research funding? Cancer research? Research on other life threatening diseases? Veterans' health care? Head Start? Crime prevention? Education? Job training? Environmental protection and cleanup programs? National defense? These are the kinds of spending programs that would face cuts—potentially significant cuts—if transportation spending is treated as an entitlement subject to preferential budgetary treatment.

Mr. Chairman, I do not believe Congress or the American people want to subject these critical programs to even further cuts. Nor do I believe Congress or the American people are prepared to accept additional taxes which would be necessary to pay for increased transportation spending if offsetting cuts elsewhere in the Federal budget are not made. Are you prepared to vote "yes" for a tax increase?

When we are concerned about providing adequate funding to provide basic health care, education programs, protection for our country's natural resources, when we are working to provide safe streets and neighborhoods, and a sound and secure financial future for ourselves, our children and grandchildren, it is not the time to single out transportation and insulate it from these tough choices. I would also point out that there are some 160 other dedicated trust funds currently part of the unified budget. What if we move all of the trust funds off-budget and establish each and every one of them as an entitlement subject to preferential treatment. What makes these trust funds different from the transportation trust funds?

Sand, gravel, asphalt, and concrete. Are these more important than the Black Lung trust fund? Are the transportation trust funds a higher national priority than the Endeavor Teacher Fellowship trust fund, the Radiation Exposure Compensation trust fund, the Civil Service Retirement trust fund, the Federal Employees Life Insurance trust fund, or the Rail Industry Pension fund?

As important as transportation is, we have to balance transportation needs with all the other programs supported by the working men and women who are taxpayers. This country, all Americans, are in this together and we have to balance all the priorities and all the needs of all the people.

Another point: H.R. 842 will erode the checks and balances between the authorizing committees and the tax and appropriations committees. This bill will provide one committee with extraordinary ability to obligate U.S. taxpayers to long-term spending commitments. As Members know, there is constant pressure from the legislative committees to spend more and more money on their particular programs. This makes sense but there must be built-in controls in the budget process to counteract this natural advocacy.

Despite what the bill's proponents say, H.R. 842 will obviate the need for action by the Appropriations Committee and will eliminate annual controls in the budget process to set priorities. Make no mistake about it. By moving transportation trust funds off-budget, H.R. 842 virtually eliminates the checks and balances that the congressional committee structure now provides for transportation and the other Federal spending programs.

Proponents of H.R. 842 say that not a penny will be spent without the approval of the Appropriations Committee. That sounds good, but in reality, this is false. If H.R. 842 does not change the role of the Appropriations Committee, why are we going through this debate?

There has been a lot of rhetoric on both sides of this issue, so to get an objective view, I wrote to several dozen experts on the Federal budgetary process and transportation spending and asked their opinions on the status of transportation funds. I contacted economists, transportation, Government, and public policy analysts; professors; current and former officials of the General Accounting Office, Congressional Budget Office, and Office of Management and Budget; current and former members of the Federal Reserve Board; and current and former members of the President's Council of Economic Advisors.

The response has been clear and unequivocal: These experts—representing the entire spectrum of social, economic, budgetary, and transportation thinking and representing both Republican and Democratic administrations alike—say keep the transportation trust funds as part of the unified budget. Do not make the changes we are talking about today.

Mr. Chairman, I brought with me copies of these experts' views and ask that they be submitted for the record. Their views—and their unanimity—leave little doubt. Moving transportation trust funds off-budget does not represent sound fiscal policy or budgetary treatment.

I'd like to share a few thoughts from these experts.

Alan Greenspan, Chairman of the Board of Governors of the Federal Reserve System, warns:

> [M]oving 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 of the impact of the U.S. budget on credit markets and the economy. Moreover, it would weaken the ability of the Congress to prioritize and control spending effectively.

Mr. Greenspan concludes that:

> [M]oving programs off-budget raises the risk that resource tradeoffs 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.

Mr. Greenspan's views are echoed by Paul Volcker, former Chairman of the Board of Governors of the Federal Reserve System, who states:

> [T]he present practice of including the transportation trust funds in the unified budget should be continued. I am reinforced in that conclusion by the fact that nothing in the unified budget prevents the Congress and the administration from reaching a decision to maintain highway spending (or any other spending) at a particular level it deems a priority matter. Trust fund accounting within the unified budget may * * * be helpful in reaching that decision.

Herbert Stein, senior fellow at the American Enterprise Institute for Public Policy Research and previously a member of the Presidential Council of Economic Advisors, also opposes moving trust funds off-budget, noting:

> I would not favor moving the trust funds off the budget. We want to have a comprehensive measure of the Federal Government's fiscal activities.

One thought from Michael Boskin, currently a professor and senior fellow at the Hoover Institution, Stanford University, and previously a member of the Presidential Council of Economic Advisors. He said:

> I believe it is likely that moving one popular spending program primarily financed by earmarked revenues off-budget would lead to a stampede first of other trust funds off-budget and then all other spending programs seeking to be funded with earmarked revenue sources. This would quickly render sensible tax and budget policy impossible.

Mr. Chairman, let me share jsut two more. G. William Miller endorses:

> I do not believe a case has been made for excluding the transportation trust funds. From my experience as Secretary of the Treasury and Chairman of the Board of Governors of the Federal Reserve System, I would strongly recommend that you retain the present treatment of the transportation trust funds so that there is no opportunity for losing accountability or setting precedents for further off-balance sheet structures.

The Congressional Budget Office opposes moving transportation trust funds off-budget, too. According to James L. Blum, deputy director of CBO:

> [T]he Federal budget should be comprehensive. Setting selected programs aside, and looking at only the remainder, can distort budget decisionmaking. Giving the transportation trust funds a favored footing shifts the onus of deficit reduction to other programs that lack this protected status. Sound decisionmaking, in contrast, demands that spending and revenue proposals be evaluated on their merits and not on their budgetary status.

I think these experts express the critical issues best. A unified budget—which includes transportation trust funds—is essential to maintaining accountability and control over the Federal budget and Government spending. Moreover, a unified budget is necessary to allow Congress to make the difficult decisions on our budget in the fairest possible way. Creating another entitlement that is off the table is not fair. Nor is it the way to get a balanced budget.

The experts agree that H.R. 842 is bad legislation.

The chairman of the Ways and Means Committee, the chairman and ranking member of the House Budget Committee, the chairman and ranking member of the House Appropriations Committee, and others oppose this legislation.

Citizens for a Sound Economy, Concord Coalition, Heritage Foundation, National Taxpayers' Union, Taxpayers for Common Sense, Citizens Against Government Waste, and Committee for a Responsible Federal Budget are among the taxpayer watchdogs groups opposing H.R. 842.

The Wall Street Journal, Washington, Post, New York Times, and the Journal of Commerce oppose H.R. 842.

Mr. Chairman, when such diverse interests agree, it's surely time to take note.

H.R. 842 will make balancing the budget nearly impossible. Every fiscal conservative in the Congress—including those Members who signed onto the bill before knowing its full effect on spending—should look carefully at what CBO, GAO, OMB, taxpayer watchdog groups and a unanimous chorus of economists say about H.R. 842.

H.R. 842 is a bad bill. It files in the face of fiscal responsibility and budgetary restraint. It represents unsound public policy. It represents unfair attempts to bestow a preferential status upon one type of government spending at the expense of every other type of discretionary spending. It will either doom efforts to balance the Federal budget or it will force all other programs not granted sacrosanct status to absorb still more cuts to keep us on track to balance the budget. H.R. 842 would set transportation spending above all other types of domestic spending—above crime prevention, Head Start, veterans' medical care, education, and environmental programs.

This Congress came to Washington to balance the budget, to clear the budget debate of smoke and mirrors. Today's vote on H.R. 842 isn't a fight about trust funds or promises. It isn't a fight between authorizing and appropriating committees. It is a vote over priorities. It is a vote to test our resolve, to see if we as Republicans and Democrats are serious about balancing the budget.

If you are serious about cutting spending, vote ''no.''

If you are serious about balancing the budget, vote ''no.''

Enactment of H.R. 842 would break faith with sound economic policy and would cede control over the Federal budget and transportation spending to special interests. H.R. 842 should be defeated.

The choice is clear—vote ''no'' on H.R. 842.

JOHNS HOPKINS UNIVERSITY,
INSTITUTE FOR POLICY STUDIES,
Baltimore, MD, September 21, 1995.

Hon. FRANK WOLF,
Chairman, Appropriations Subcommittee on Transportation, House of Representatives, Washington, DC.

DEAR CONGRESSMAN WOLF: I am writing in response to your letter of August 23, 1995 to express my opposition to moving transportation trust funds off-budget. Thus, I would not support Congressman Shuster's legislation which would move four transportation trust funds off-budget. I think this would set a dangerous precedent which would have serious long-term implications for the nation's fiscal health as other user fee supported activities rush to be moved off-budget.

I would like to respond directly to the three main points raised in your letter. First, I agree with those opposed to moving the transportation trust funds off-budget that a unified budget is essential to maintaining accountability and control over the federal budget and government's claim on private resources. The unified federal budget has received bipartisan support since 1969. It describes the aggregate economic activity and health of the federal government. Receipts and expenditures are detailed in one comprehensive package, providing decision makers and citizens valuable information on the government's activity and claim on national income. Fragmenting the budget presentation only obfuscates the federal role in the economy and is totally inconsistent with efforts to reinvent government and improve its legitimacy with voters and citizens.

Second, the fact that these trust funds are financed from user fees is totally irrelevant to whether they should be moved off-budget. User fees are not synonymous with earmarked funds. User fees are proxies for prices which are necessary to provide suppliers of a service with information about the demand for specific services. Unfortunately, however, in the case of the transportation trust funds, user fees are generally poor price proxies because they do not accurately reflect the total cost of providing transportation services. In any event, you obtain the rationing affect of prices, irrespective of decisions about how to allocate the revenues generated from those user fees. From an economic efficiency perspective, the two are not linked.

In addition, earmarking of revenues is generally not a desirable budgetary practice because it limits policy makers flexibility to respond to changing circumstances and priorities.

Third, it is not clear how much more spending that nation needs on individual transportation modes. The demand for transportation services is a derived demand which depends on demographic, economic and international trends beyond the control of policy makers in the U.S. Policy makers need to understand those trends and the implications they have for the demand for transportation services in the U.S. The limited resources available for transportation purposes should then be allocated in a manner which addresses the nation's transportation needs as influenced by those trends. This may or may not be consistent with a policy of earmarking specific user fees for expenditures on the individual transportation mode that generated those revenues.

In an era of serious budget constraints at all levels of government, it is critical that policy makers have the flexibility necessary to respond to the changing transportation needs of the country. Thus, Congress may want to investigate new ways of applying transportation trust fund revenues to meet these changing needs. For example, the nation's transit needs have changed considerably since 1956 when the Highway Trust Fund was initiated. Perhaps it is time for the federal government to consider a single transportation trust fund, with resources pooled from various user fees, so that funds could be distributed to meet America's diverse transportation needs in a more efficient manner. This is the approach taken by the Maryland State Department of Transportation and it is consistent with the increased flexibility and selectivity in the Intermodal Surface Transportation and Efficiency Act. Maybe the federal government has more to learn in this area from the experimentation taking place in the states.

It is entirely appropriate in my view to rethink the model of transportation finance developed over the past fifty years. Proper investment in diverse transportation modes will yield greater productivity and long-term economic strength. Restructuring the federal budget process by moving transportation trust funds off-budget, however, is neither necessary, appropriate nor desirable.

Sincerely,

MICHAEL BELL,
Principal Research Scientist.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, January 26, 1996.

Hon. FRANK R. WOLF,
House of Representatives, Washington, DC.

DEAR CONGRESSMAN: This letter is in response to your request for additional comments as to whether the transportation trust funds should remain part of the unified budget. My views are fully expressed in my previous letter, dated September 28, 1995, and I have nothing to add at this time.

I will simply reaffirm the main point stated in that letter: the federal budget should be comprehensive. Setting selected programs aside—that is, taking them ''off-budget''—can distort budget decisionmaking. For example, giving the transportation trust funds a favored footing shifts the onus of deficit reduction to other programs that lack this protected status. In contrast, sound decisionmaking demands that spending and revenue proposals be evaluated on their merits and not on their budgetary status.

I have attached a copy of my earlier letter, which contains a more complete discussion of the possible consequences of designating certain programs as off-budget. I hope this information is helpful to you.

Sincerely,

JAMES L. BLUM,
Deputy Director.

Attachment.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 28, 1995.

Hon. FRANK R. WOLF,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN: This is in response to your letter of September 20, 1995, asking for my views on whether the federal transportation trust funds should remain a part of the unified budget.

In short, I believe that the federal budget should be comprehensive. Setting selected programs aside, and looking at only the remainder, can distort budget decisionmaking. Giving the transportation trust funds a favored footing shifts the onus of deficit reduction to other programs that lack this protected status. Sound decisionmaking, in contrast, demands that spending and revenue proposals be evaluated on their merits and not on their budgetary status.

The extent to which taking the transportation trust funds off-budget would distort budget decisionmaking depends on what budgetary procedures and controls would apply to them under their new status. This is not at all clear. For example, each of the three entities currently designated as off-budget—the Postal Service, Social Security, and Medicare hospital insurance—is treated differently under the rules and procedures of the Congressional Budget Act of 1974 (the Budget Act) and the Balanced Budget and Emergency Deficit Control Act of 1985 (the Balanced Budget Act). The Postal Service is exempt from both of these acts, although federal payments to the Postal Service or payments from the Postal Service to the federal government are subject to both sets of rules. Legislation affecting Social Security benefits or revenues is not subject to the pay-as-you-go procedures of the Balanced Budget Act or to the Budget Act constraints that apply to other programs. There are, however, special rules that govern consideration of such legislation in the House and the Senate. In addition, discretionary Social Security administrative costs are subject to the statutory caps that limit total discretionary spending (and to any sequestration that would be triggered if the caps are exceeded) and to the allocations of discretionary spending that enforce spending decisions set forth in the annual Congressional budget resolution. Despite its official off-budget status, the Medicare hospital insurance trust fund is not afforded any special treatment under either the Budget Act or the Balanced Budget Act (there is a limit on the sequestration percentage that would apply to Medicare, but there are similar limits or exemptions for many on-budget programs).

I assume the proponents of a proposal to move the transportation trust funds off-budget view the funds as self-financing entities that should be subject only to internal financing constraints. Under the existing budgetary rules, the receipts going into the trust funds and the spending from the trust funds are controlled by separate budgetary procedures. All outlays from the trust funds are counted as discretionary spending controlled by the caps set by the Balanced Budget Act and the allocations made pursuant to the annual budget resolution, while changes to governmental receipts are subject to the separate pay-as-you-go mechanism and the revenue floor set by the budget resolution. Under these procedures, legislated increases in trust fund receipts cannot be used to offset increased spending. Giving the transportation trust funds off-budget status might allow such offsets. Furthermore, if trust fund spending were exempt from the caps that apply to other discretionary spending, the Congress could approve additional spending without providing offsets—presumably as long as there were adequate balances in the first funds. This might create a closer long-term match between the income to the trust funds and the spending from the funds, which some would view as a more equitable outcome.

The arguments against giving these programs off-budget status involve a different view of federal trust funds. Under this view, which is held by the Congressional Budget Office, the transportation trust funds are simply an accounting mechanism, and spending on programs financed by trust funds should not be given a special status. Taxpayers' dollars are most effectively used if decisions about spending for transportation and other programs are made on the basis of the relative benefits to be derived, not on the basis of available earmarked revenues. For example, the Congress might decide that more money should be spent on certain transportation activities than is generated by the earmarked revenues—as it already does in the case of Federal Aviation Administration operations. At the same time, decisions about taxes should take into account factors beyond the level of spending on highways or other transportation programs. In 1990 and 1993, for example, the Congress increased fuel tax rates for deficit reduction purposes, placing part of the additional revenues into the general fund of the Treasury. Fuel taxes could also be considered a way of charging users for polluting the air.

I hope this analysis is helpful to you.

Sincerely,

JAMES L. BLUM,
Deputy Director,

STANFORD UNIVERSITY,
Stanford, CA, October 6, 1995.

Hon. FRANK R. WOLF,
Chairman, Transportation Subcommittee, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

DEAR FRANK: This note responds to your request for my suggestions concerning whether the federal transportation trust fund should remain a part of the unified budget. I strongly oppose moving the transportation trust fund off-budget.

Many would argue that transportation trust funds collected from transportation ''user fees'' should be used only for transportation spending and should be removed from the unified budget to ensure that occurs. I believe it is likely that moving one popular spending program primarily financed by earmarked revenues off-budget would lead to a stampede first of other trust funds off-budget and then all other spending programs seeking to be funded with ear-marked revenue sources. This would quickly render sensible tax and budget policy impossible.

I strongly side with those who, in this instance, support a unified budget as a (however imperfect) vehicle for maintaining accountability and control, as you put it in your cover note. I also believe that it is desirable to have everything the Government does reflected in one place, as the unified budget imperfectly attempts to do. This is the only way one can begin to hope that a sensible discussion of the trade-offs among budget priorities can occur.

I might add that while I am sure it is upsetting that not all of the transportation trust funds are currently being applied to transportation outlays, it is my understanding of the history over the last twenty years that highway account outlays have substantially exceeded trust fund tax receipts.

More generally, CBO estimates that if one were to take all activities which have some trust fund financing and ask the question ''what is the net effect on the deficit of the revenues and outlays on those programs,'' the answer, perhaps surprisingly, is that general fund revenues fund major portions of activities that are partially and/or heavily financed by trust fund revenues. Thus, from another perspective the general treasury is ''subsidizing'' overall trust fund activity. Whether one should view the glass as half-empty or half-full I leave aside. My point here is only that it would be unwise to open a Pandora's box by moving transportation trust funds off-budget.

While there are many problems with the existing unified budget—by far the most important of which is the lack of serious accrual accounting—I believe that despite the concerns of people paying the user fees (we in California, myself included, drive a lot and thus pay lots of federal gasoline taxes), or those wishing to spend additional resources on transportation, the transportation trust fund should remain part of the unified budget. It would risk a serious accountability and control problem if Congress opens a Pandora's box of trust fund escape from budgetary discipline.

I hope these remarks are useful to you as you debate this and related issues. Best personal wishes.

Cordially,

MICHAEL J. BOSKIN.

RUTGERS,
Camden, NJ, September 5, 1995.

Hon. FRANK R. WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. House of Representative, Washington, DC.

DEAR CONGRESSMAN WOLF: In response to your letter of August 23, I am happy to send this answer to your question about whether the federal transportation trust funds, particularly the highway trust fund, should be taken ''off-budget.''

I must say that I agree with both James R. Miller and Alice Rivlen in strongly opposing the removal of the trust funds from the unified federal budget.

As a political scientist specializing in transportation policy, I have been researching and writing about the issue of the trust fund approach to highway and transportation funding for fifteen years. Taking the trust funds off budget represents just the latest in a long line of unjustified claims for special treatment for one particular type of revenue and expenditure. It reflects, not good government or good public finance, but the political strength of special interests, mainly the highway lobby.

The federal highway trust fund (and its state level cousins) has always been a bit of a fraud, designed to convince the public that their modest pennies per gallon highway taxes were paying all the costs of the road system. Overwhelming evidence has accumulated that this is not the case, and that at least forty percent of total highway construction, maintenance, and operations costs are subsidized by the general taxpayers.

The other unjustified contention is that it would be a ''breech of contract'' to ''divert'' motor fuel tax revenues to non-highway uses. This claim for special privilege for ''highway user fees'' has caused no end of mischief. The United States still has a long way to go before it reaches the point of being able to compare and evaluate investments of scarce public moneys across modes and between transportation and other uses that our major trading partners attained decades ago.

In my book, ''Miles To Go; European and American Transportation Policies'' (MIT Press), I recount how the British finally put paid to the notion that motor taxes deserved special treatment. When Winston Churchill was Chancellor of the Exchequer (Treasury Minister) in 1926–27, he began to take money from the Road Fund that Lloyd George had created in 1909 with a parliamentary promise to spend the proceeds from taxes on cars and petrol on roads. When motorists groups such as the Royal Automobile Club accused Churchill of ''raiding'' the road Fund like a pirate, he thundered back:

''Whoever said that motorists were to contribute nothing for all time to the general revenue of the country. . .? Entertainments may be taxed; public houses may be taxed; racehorses may be taxed; possession of armorial bearings and manservants may be taxed—and the yield devoted to the general revenue. But motorists are to be privileged for all time to have the whole yield of the tax on motors devoted to roads. Obviously this is all nonsense. Whoever said that, whatever the yield of these taxes, and whatever the poverty of the country, we were to build roads, and nothing but roads, from this yield? We might have to cripple our Trade by increased taxation of income; we might even be unable to pay for the upkeep of our Fleet. But never mind, whatever happens, the whole yield of the taxes on motors must be spent on roads . . . Such contentions are absurd, and constitute at once an outrage upon the sovereignty of Parliament and upon common sense.''

It would be nice to see an American politician rise to his ''finest hour'' with this kind of challenge to entrenched interests.

In recent years the trend has been to move away from the inflexibility and the special treatment of rigid single mode trust funds. Granting off budget status would be a step backward. I strongly urge you to resist this effort, and I would be happy to provide you with further information and arguments if you so desire.

Sincerely yours,

JAMES A. DUNN, Jr.,
Associate Professor.

NATIONAL CENTER FOR POLICY ANALYSIS,
Dallas, TX, October 6, 1995.

Hon. FRANK R. WOLF,
U.S. House of Representatives,
Washington, DC.

DEAR FRANK: Thanks for your kind letter of September 26th.

I don't know that my advice is technical enough to be included as part of your record, but I would say this:

In eight years as Governor, I fought very hard to keep all funds on budget and avoid setting up the many little pockets of privilege that separate budget items create for various interests. Once you have your own source of funds, you are not nearly as accountable to the Congress, nor is the Congress able to properly supervise the expenditures of the country.

The best way to handle finances is to have all the money come into a single place and then be appropriated out again through Congressional action. The transportation trust fund is one example, but there are legions of others in Washington, as you well know.

I think that keeping funds on budget is the better choice to make.

Sincerely,

PETE DU PONT.

THE UNIVERSITY OF IOWA,
September 6, 1995.

The Honorable FRANK WOLF,
Chairman, Subcommittee on Transportation,
Committee on Appropriations,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: In response to your request, I am writing to offer my thoughts on the issue of moving the Highway Trust Fund off budget. As you are very well aware, there are reasonably compelling arguments for and against doing so. I will briefly assess these arguments and provide my conclusions.

In principle, the efficacy of a separate, off-budget Highway Trust Fund is largely based on two points:

In its pure form, the so-called pay-as-you-go concept means that users of the Nation's highway system should defray its entire cost, and they should be assured that their user fees will go to providing the services for which they are paying.

Moving the Highway Trust Fund off budget helps moderate the illusion that the Nation's deficit is less than actually is the case, if the Trust Fund's receipts exceed expenditures in a given year. The GAO report you sent suggests that this ''masking'' does occur in some years but not that many.

The main reasons for keeping the Highway Trust Fund and other trust funds part of the unified budget are:

It helps enable revenue generated from all sources to be allocated among the activities of government. Trade-offs among competing programs can be treated more explicity as the Nation's priorities are explored.

The overall magnitude of government spending, and hence the draw away from the private sector, can be more readily comprehended by decision makers and citizens alike. This, of course, facilitates debate on the appropriate scale of government activity.

Conceptually, fees paid by users of the Nation's highways can be thought of as just another revenue source. As you probably know, in Great Britain less than half of the highway user fees actually are spent on the highway system. There is not theoretical reason why highway user revenue or any other user revenue must be spent on the activity from which it is drawn. This point is significant because, as Alice Rivlin says, trust fund revenue accounts for about one-third of the total.

Whether or not to move the Highway Trust Fund off budget is in the end a political decision that unfortunately cannot be guided much by economic theory. It seems to me that the key points surrounding this decision are:

Treating the Highway Trust Fund as a separate account would enable a stable level of well-defined resources to be available for reinvestment in the Nation's highway system (and in ground transportation more generally). According to the Congressional Budget Office, the backlog of highway system resurfacing, restoration, rehabilitation, and reconstruction (4R) needs has grown to a level such that an annual reinvestment of over $27 billion would be required to eliminate this backlog. Oftentimes, 4R projects lack the political appeal of new of new construction, but reductions in the highway system performance will pose an increasing threat to the Nation's economy.

If the political will exists, the same or even a greater level of expenditures on transportation infrastructure is possible through a unified budget. As noted earlier and in the GAO document you sent, in recent years more has been spent for this purpose than has been paid by highway users (drawing down the Trust Fund's balance). I do not have a good sense of how likely Congress is to make transportation infrastructure a relatively high priority in its budgeting process during the coming years. Simply stated, a unified budget poses an opportunity and possibly a risk to transportation. Past indications are that this risk is normal, other than the deficit-reduction draw on the motor fuel tax of recent years.

The wisdom of using Highway Trust Fund resources for non-transportation purposes is in part dependent on the desirability of motor fuel and use taxes as revenue-generating mechanisms. Neither is seriously regressive, the administrative costs associated with them are nominal, and the fuel tax is comparatively invisible. To the extent that it is visible, the fuel tax contributes to fuel conservation. If fuel taxes were raised significantly, marginal changes in industrial location and choice of transportation mode could occur.

Using the argument of transportation investment as a means for strengthening the Nation's economic competitiveness is a double-edged sword. If individual projects or at least clusters of projects are selected on the basis of benefits to society exceeding costs, transportation investment can indeed strengthen competitiveness. But if projects are selected as demonstration projects and on other non-scientific bases, then the funds spent on transportation are much less certain to foster long-term growth. In my opinion, the process of determining how available Highway Trust Fund resources should be spent is more important an issue than whether or not to move the Trust Fund off budget.

Thank you for asking me to comment on this important policy issue. If I can be of any further assistance, please feel free to contact me.

Sincerely,

DAVID J. FORKENBROCK,
Professor and Director.

BOARD OF GOVERNORS,
FEDERAL RESERVE SYSTEM,
Washington, DC, October 31, 1995.

The Hon. FRANK WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of myself and the other members of the Board, I am pleased to respond to your letter of September 26 requesting comment on proposals to move the transportation trust funds off-budget. As a general matter, it has been the practice of the Board not to take positions on the details of the 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 of 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.

As the letters from OMB Director Rivlin and former-OMB Director Miller make clear, responsible budgeting requires a comprehensive framework for setting priorities and assessing competing claims on national resources. The unified budget, as commonly presented to include the social security trust funds, combines all fiscal transactions in one place. It thus helps policymakers and the public understand the trade-offs among government programs, and between public and private spending. Moreover, as the focal point of the budget process, it places individual programs on a more comparable footing as they compete for federal funding and thus helps the President and the Congress to resolve competing demands on the nation's resources. 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.

We hope these comments are helpful in your deliberations.

Sincerely,

ALAN GREENSPAN.

HARVARD UNIVERSITY,
Cambridge, MA, October 2, 1995.

The Hon. FRANK R. WOLF,
Chairman, Subcommittee on Transportation, House of Representatives, Washington, DC.

DEAR CONGRESSMAN WOLF: Thank you for your letter of September 26 on the treatment of transportation trust funds in the budgetary process. I entirely agree with Alice Rivlin and James Miller that these trust funds should be considered as part of the unified budget. In fact, I cannot see the case for having a separate status for these trust funds nor for a policy of keeping them in balance over time.

Perhaps I may add that the heavy emphasis on gasoline taxes for the financing of highways is misplaced in my view. In many cases, especially for major rural roads, tolls are a more appropriate user fee. I also fail to understand why gasoline taxes could not be raised above the level used for highway construction and related expenditures.

Finally, I have long felt that the federal government plays too large a role in transportation. The primary responsibility should be left with the states.

Yours sincerely,

HENDRIK S. HOUTHAKKER.

BIRMINGHAM-SOUTHERN COLLEGE,
Birmingham, AL, October 16, 1995.

Hon. FRANK WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, Washington, DC.

DEAR CHAIRMAN WOLF: In my personal opinion, the proposal to move the transportation trust funds off-budget, as provided for in H.R. 842 would not be in the public interest. Here is why I think so.

Every effort should be made to enable interested and informed citizens to readily see and understand the extent and cost of the federal government's involvement in the affairs of the country. The task is already most difficult, if not impossible. Taking this well known and proper function of interstate transportation and removing it from budget totals makes an overall view even more difficult.

Our present practice of contingent credit enhancement by various federal programs has exposed the government to enormous possible future costs with little control of the risks. The recent debacle of the savings and loan industry and the costs of funding the Resolution Trust Corporation is a too vivid example. No one knows where the next such problem may arise. Nor can the Congress or the public measure the benefits of such programs with their possible costs.

Our repeated practice of regulating the use of private resources so as to meet public or even political goals continues to hide or disguise an enormous indirect tax borne by everyone. Moreover we have no way in which to measure either the costs or the benefits of this form of indirect taxation. But we all know the real costs are there.

When one looks at the extent of present obscure and indirect federal involvement, I think we will be better served to keep all possible programs on-budget and highly visible. The present earmarking of highway funds is not a reason to remove them from the unified budget.

Sincerely,

PHILIP C. JACKSON, Jr.,
Adjunct Professor.

HARVARD UNIVERSITY, JOHN F. KENNEDY SCHOOL OF GOVERNMENT,
Cambridge, MA, September 8, 1995.

Congressman FRANK WOLF,
Cannon Office Building,
Washington, DC.

DEAR CONGRESSMAN WOLF: In response to your letter of August 23, 1995 requesting my thoughts about the debate over the fate of transportation trust funds, I offer the following comments:

The Need for a Unified Budget: I tend to agree with analyses offered by OMB, GAO, and former OMB Director James Miller. Sound budgeting principals require a unified budget particularly in an era when deficit reduction is clearly the primary challenge facing the Congress and the executive branch. In this vein, I am particularly struck by GAO's assessment that efforts to take the trust funds off budget are driven primarily by "fear of future budget constraints not actual past restrictions on spending." 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.

Meeting Investment Needs: Moving transportation trust funds off budget might increase short-term spending on transportation. However, it is not at all clear that such spending would be in the national interest. To begin with, there is little credible evidence that the nation is underinvesting in transportation infrastructure. Rather, most available evidence suggests that by picking up the bulk of the cost of many projects, the current system encourages inefficient decision-making at the state and local level and that redesigning current programs would provide more than enough money to meet current needs. (See, for example, work by both Edward Gramlich, Jack Tatorn, George Peterson, or Clifford Winston).

Encouraging Poor Decisionmaking: If taking transportation trust funds off-budget increases available federal funds, then problems in the current system are likely to worsen. There would, for example, be more demonstration projects. Moreover, moving transportation trust funds off budget could exacerbate tensions between so-called donor and recipient states. While both demonstration projects and funding disparities have some grounding in legitimate questions of public policy and in the logrolling necessary to keep the legislative process moving, difficult fiscal times demand that Congress exercise more, not less, control over such activities.

Recovering All Costs: If, for political reasons, trust funds are moved off-budget, Congress and the executive branch should seriously consider expanding the scope of programs funded by those programs. At minimum this suggests that some transit aid now provided from the general fund ought to be shifted to the Highway Trust Fund's Transit Account. More broadly, many (but not all) economists argue that when all externalities (such as policing, damage from air pollution, and costs created by accidents) are factored in, highway user fees do not cover the full costs created by highway users. This suggests that shifting trust funds off budget might be combined with an expansion of activities funded by those programs.

Seizing the Opportunity: The current budget fights offer policymakers such as yourself a rare opportunity to rethink the fundamental design of all federal programs. Moving the trust funds off budget would merely continue (and likely exacerbate) many well-recognized problems with the current federal-aid system and make it even harder to accomplish Congress' overarching goal of balancing the budget in seven years. It is, therefore, a step that should not be taken lightly and, if it is taken at all, one that should be linked to key structural reforms.

I hope these comments are useful.

Sincerely,

DAVID LUBEROFF,
Assistant Director.

SHERMAN J. MAISEL ASSOCIATES,
San Francisco, CA, October 20, 1995.

Hon. FRANK R. WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your letter of October 13, 1995, requesting my views on the issue of moving the transportation trust funds off-budget.

I believe that it is important that we retain a unified budget that includes all trust funds. A key concept of the Federal budget is that it measures and reflects the total impact of the Government's receipts and expenditures on the economy.

In the past, the failure to obtain a measure of the Government's total effect on economic activity led to many untoward experiences. This was a key reason for adopting and maintaining the unified budget.

Action now to remove the trust funds and destroy the concept of a unified budget would directly contravene all of the efforts Congress is making through the Reconciliation bill to improve the economic effect of the Government on the economy.

Sincerely,

SHERMAN J. MAISEL,
Former Governor of the Federal Reserve System.

G. WILLIAM MILLER & CO., INC.,
Washington, DC, October 18, 1995.

Re Transportation Trust Fund.

Hon. FRANK R. WOLF,
House of Representatives,
Cannon Building, Washington, DC.

DEAR FRANK: Many thanks for your letter of October 13 inviting me to express my views on the proposal for moving the transportation trust funds out of the unified budget.

The introduction of the unified budget came about after careful bipartisan study and support. Any decision to depart from or modify the system should be approached with great caution, and an exclusion of any trust fund from the unified budget should be done only if there is overwhelming demonstration that this would better serve the nation's budgetary process. I do not believe a case has been made for excluding the transportation trust funds. From my experience as Secretary of the Treasury and Chairman of the Board of Governors of the Federal Reserve System, I would strongly recommend that you retain the present treatment of the transportation trust funds so that there is no opportunity for losing accountability or setting precedents for further off-balance sheet structures.

You have received persuasive analyses from the General Accounting Office and from present and former heads of OMB. I will not go over the ground again, but do concur in the recommendations you received. I will point out, however, that the two points made by GAO-namely, masking and need for capital budgeting—can be solved in ways other than excluding trust funds from the unified budget. It would certainly be possible to present the unified budget on a fund account basis, so there would be transparency for all trust funds. It is also feasible to divide the present cash budget into a system of operating expenses and capital expenditures. These changes do not require removing any of the trust funds from the budget.

Your leadership can be very helpful in maintaining a strong system of budget accountability.

Best wishes.

Sincerely,

BILL.

PALO ALTO, CA,
October 1, 1995.

Hon. FRANK R. WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives.

DEAR MR. CHAIRMAN: In a letter of September 26, you requested my views on whether the transportation trust fund should remain a part of the unified budget. I agree with Jim Miller and Alice Rivlin that it should.

As most economists would agree, the overall budget allocates the amount of resources diverted from private hands to uses determined by the government; it also establishes the deficit, which subtracts from total savings in the United States and thus means either higher interest rates or the importation of more capital. Whether the transportation budget is officially included in the unified budget changes neither spending nor the deficit. In other words, defining the transportation budget as on or off budget is meaningless unless its status results in more government spending of higher tax receipts and thus in the size of government outlays and in the deficit. The proponents of moving the transportation trust fund off budget hope to be able to justify greater spending on transportation as a consequence. Unless offset elsewhere, this would boost both government spending and increase the size of the deficit.

I understand that proponents of moving the trust fund off budget view the gas tax as a users' fee that pays for transportation infrastructure. Although not an unreasonable argument, it ignores the major issues, the size of government and the budget deficit. It is the Congress's responsibility to determine the size of the government, a matter which should not be subject to the vagaries of the gasoline tax. Congress should also set priorities for the spending of taxpayers' funds, no matter what their source.

A surplus in the trust fund can provide a useful counter to some who would like to boost taxes on the transportation industries, ostensibly for environmental purposes. Since environmentalists often contend that the auto is being subsidized, the surplus in the trust fund helps offset that argument. They sometimes contend that motor vehicles have externalities that imply larger costs for society than are included in the normal outlays on highways. To the extent that this is true, running a surplus in the trust fund may in part counterbalance that externality.

Sincerely yours,

THOMAS GALE MOORE.

BROWN UNIVERSITY,
Providence, RI, September 29, 1995.

Hon. Frank R. Wolf,
Chairman, Subcommittee on Transportation, Committee on Appropriations, House of Representatives, Washington, DC.

DEAR CONGRESSMAN WOLF: I am writing in response to your letter of 26 September 1995 inviting my views on whether federal transportation trust funds should be taken off budget.

In analyzing most economic issues relating to the federal budget, economists ignore the distinction between on-budget and off-budget revenues and expenditures. That is, economists work with total revenues and total outlays, often using the definitions in the national income and product accounts. Congressional decisions to remove certain activities from the unified budget will have little or no effect on economists' analysis of fiscal policy issues.

There is much to recommend the practice of financing certain activities that benefit particular individuals and/or firms with taxes and fees on those particular activities. The ''user-pays'' principle often promotes efficiency and equity; segregated accounts promote matching particular revenues with particular outlays. There is no necessary connection, however, between this principle and the overall accounting for federal outlays and revenues. No matter what the budget concepts, at the end of the day Congress will require an overall accounting to total revenues and total outlays, whether by including everything in ''the'' budget or by adding together on-budget and off-budget activities.

What the off-budget issue is really about is a policy debate on how to finance a particular activity and how to use revenues raised from a particular source. Taking an activity off-budget reflects a decision to support that activity by the earmarked revenues only, and to raise the earmarked taxes if the outlays on this activity are to rise. Conversely, revenues from the earmarked sources are to be used for the specified activities only, and not for general governmental purposes. An off-budget highway trust fund most definitely should not mean that we will spend on highways without regard to whether the highways are needed or not. What such a fund *should* mean is that revenues above those needed will be returned to the taxpayers through a cut in the gasoline tax.

The on-off budget issue is complicated by the current system of budgetary caps. Congress enacted these caps in an effort to impose more spending discipline on itself, and I believe that the caps have been useful in this regard. If the highway trust fund, or any other activity, is taken off budget to reflect a policy commitment to maintain a segregated accounting of earmarked revenues and particular outlays, then I strongly recommend that the activities nevertheless continue to be subject to the same caps process as before. That is, these activities should continue to be counted as on-budget for purposes of the caps calculations. Any other treatment is an open invitation to remove one item after another from budget discipline; that is sure to be a distracting, confusing, and counterproductive debate at this difficult time of dealing with major (and long overdue) revisions in the federal budget.

Sincerely,

WILLIAM POOLE.

CHESTERTOWN, MD,
September 30, 1995.

Congressman FRANK R. WOLF,
Washington, DC.

DEAR MR. WOLF: Because the result would be to hide the full magnitude of the flows of money into and out of the coffers of the federal government, a result that would seriously handicap the analyst in following what is happening in our economy, I hope that your committee will do all it can to prevent the transportation trust funds from being moved ''off-budget.'' The reasons for keeping these funds ''on budget'' have been correctly and adequately spelled out in the responses to your committee by James Miller and Alice Rivlin, and I am glad to associate myself with their views.

Respectfully yours,

RAYMOND J. SAULNIER,
Chr., CEA, 1956–61.

THE BROOKINGS INSTITUTION,
GOVERNMENTAL STUDIES PROGRAM,
Washington, DC, August 25, 1995.

Hon. FRANK WOLF,
Chairman, Subcommittee on Transportation, House Committee on Appropriations, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to proposals that would remove the transportation trust funds from the federal budget. I share the view that the unified budget should be preserved to ensure effective use of the budget as an instrument of fiscal policy and strong spending control.

There is no right time for giving the transportation funds off-budget status, but now would surely be the wrong time. Doing so would undermine Congress's commitment to balance the budget and control federal spending. It would convey the message that the budget can be balanced on paper by excluding expenditures that are given preferred status. It would also convey the message that some programs can go on a spending spree while others are constrained by tight budget rules.

The greatest damage from taking these funds off budget would likely occur if a balanced budget requirement were placed in the Constitution. The balanced budget amendment approved by the House earlier this year provides that in any fiscal year, the outlays of the United States government shall not exceed the receipts of the United States government. It is important to note that this language would cover the receipts and outlays of the federal government, even those that were excluded from the budget. What this means is that once a balanced budget rule is operative, there will be a strong incentive to go a step further and remove transportation spending from the government by creating new entities such as government-sponsored enterprises or public authorities. If this were to occur, congressional and presidential control of trust funds would be greatly weakened.

The argument for off-budget transportation trust funds is often made in terms of the need to upgrade the nation's infrastructure. I am not convinced that the United States has seriously underinvested in transportation, but I do believe that the appropriate means of addressing this problem would be a capital budget rather than off-budget of off-government status. A capital budget would preserve the unified budget while providing better information on the condition of roads, airports, and other transportation assets.

Please call me if you want to discuss this matter further.

Sincerely,

ALLEN SCHICK,
Visiting Fellow.

AMERICAN ENTERPRISE INSTITUTE
FOR PUBLIC POLICY RESEARCH,
Washington, DC, September 26, 1995.

Hon. FRANK R. WOLF,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN WOLF: I am replying to your letter of September 12, 1995 about the transportation trust fund. I would not favor moving the trust funds off the budget. We want to have a comprehensive measure of the Federal government's fiscal activities. Keeping the transportation trust fund in the budget does not preclude any rules you may want to adopt about requiring that all receipts of the trust fund be spent for transportation, in every single year or over any specified number of years.

Sincerely yours,

HERBERT STEIN.

JAMES D. WOLFENSOHN, INC.,
New York, NY, October 18, 1995.

Hon. FRANK WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

DEAR FRANK: I am responding to your letter of October 13 asking for my view on the budgetary treatment of Federal transportation trust funds. I am glad to respond briefly to a question that has been reviewed frequently over the years and to which a succession of Administrations and most Congresses have, explicitly or implicitly, taken a consistent position.

At the start, I should point out that while your inquiry is specifically about transportation trust funds, a distinction between those funds and others would be difficult to sustain. That is one important consideration in my conclusion that the current treatment of including the transportation trust funds in the unified budget remains appropriate.

Obviously, conflicting considerations arise in determining appropriate budgetary treatment for trust funds. On the one hand, the decision to establish a trust fund may reflect a considered decision at a point in time to maintain designated spending in an amount related to specific revenues. Arguably, the designated spending may have particular attributes—for ''investment'' or for ''social purposes''—that Congress may wish protected from cyclical or other budgetary exigencies. Moreover, an argument can be made that building up surpluses in the trust accounts, with the surpluses invested in government securities, tends to shield other spending from appropriate budgetary discipline. That is, of course, a consideration with respect to the large social security trust funds.

On the other hand, principles of administration and budgeting demand regular review and control of the full range of Government spending, balancing one priority against another. At the same time, effective fiscal policy forces consideration of the totality of spending in relation to revenues.

These latter considerations strike me as persuasive in reaching my conclusion that the present practice of including the transportation trust funds in the unified budget should be continued. I am reinforced in that conclusion by the fact that nothing in the unified budget prevents the Congress and the Administration from reaching a decision to maintain highway spending (or any other spending) at a particular level it deems a priority matter. Trust fund accounting within the unified budget may in some instances be helpful in reaching that decision.

To repeat I conclude that the Congress should maintain the present unified budget treatment, as both present and former Budget Directors have urged in writing you.

Sincerely,

PAUL A. VOLCKER,
Chairman.

JAMES D. WOLFENSOHN, INC.,
New York, NY, February 1, 1996.

Hon. FRANK R. WOLF,
Congress of the United States, House of Representatives, Washington, DC.

DEAR FRANK: I have reread my letter of October 18 on the transportation trust fund issue and really have no further thoughts. I realize moving some or all of the trust funds (particularly social security) off budget might well lend even further force to the urgency of our budgetary problem. That is a powerful argument right now, but I think longer run considerations of effective budgeting and of consistency over time should prevail.

I appreciate your interest.

Sincerely,

PAUL A. VOLCKER,
Chairman.

UNIVERSITY OF CALIFORNIA,
Los Angeles, CA, September 4, 1995.

Hon. FRANK R. WOLF,
Chairman, Subcommittee on Transportation, Committee on Appropriations, U.S. House of Representatives, Washington, DC.

DEAR MR. WOLF: I am responding to your letter of August 23rd, in which you were kind enough to solicit my views on the question of whether or not the transportation trust fund should be moved ''off budget.'' I have reviewed the materials included with your letter, and had already given a great deal of thought to this important question.

I believe that the highway trust fund should remain part of the unified budget. I support the maintenance of a separate trust fund into which highway user fees are deposited, and from which major highway related expenses of the federal government are paid. Maintenance of the integrity of the trust fund surely does not, however, require that it be taken ''off budget.'' Full accounting of federal income and expenditures can be maintained by showing the trust fund as a separate account within the larger federal budget.

I oppose the use of trust fund revenues to ''mask'' a general fund deficit. We have enormous transportation needs in the United States, and it would be unfortunate if earmarked transportation funds were held unspent in the trust fund just to create the appearance that the federal deficit is thereby being reduced. This problem can also be addressed by properly accounting for the trust fund as a separate category within the unified budget, however, and does not require that the trust fund be removed from the unified budget.

From the materials which you forwarded to me, it would appear that my position is essentially identical to that taken by the Office of Management and Budget and the General Accounting Office. I encourage you to take a strong position of leadership on this important matter. The highway trust fund should both be kept ''on budget'' and should be protected from efforts to use it to ''mask'' the federal deficit.

Sincerely,

MARTIN WACHS,
Director, Institute of Transportation Studies.

CENTER FOR THE STUDY OF AMERICAN BUSINESS,
St. Louis, MO, October 5, 1995.

Hon. FRANK P. WOLF,
U.S. Congress,
Washington, DC.

DEAR MR. CHAIRMAN: This is in response to your letter of September 26, 1995, with regard to the transportation trust funds. I believe they should stay in the budget so that the budget review process remains comprehensive and an effective way for Congress to exercise the power of the purse.

This was the position that, as an adviser, I urged the Commission on Budget Concepts to adopt several decades ago in developing the concept of the unified budget. The transportation taxes are revenues of the federal government; the transportation outlays are expenditures of the federal government. This is the basic justification for putting these funds into the federal budget.

The alternative—to keep them separate from the budget—shields these programs from being reviewed in the context of national priorities. That would be bad budgeting.

Best wishes.

Sincerely,

MURRAY WEIDENBAUM,
Chairman.

THE BROOKINGS INSTITUTION,
Washington, DC, August 25, 1995.

Congressman FRANK WOLF,
Congress of the United States, House of Representatives, Washington, DC.

DEAR CONGRESSMAN WOLF: I am responding to your letter of August 23, 1995 soliciting my views on the appropriateness of moving transportation trust funds off-budget. I should first tell you that I am not an expert on the budget process or the federal transportation budget. My field of specialization is transportation economics and my thoughts about your inquiry reflect that perspective.

That said, I think the issue you are concerned with is secondary to the important question to be asked about transportation spending. The important question is whether federal transportation spending is efficient? Based on the available evidence the answer appears to be no! Auto pricing ignores congestion, bus and rail prices are too low (below marginal cost), bus and rail service is inefficient and load factors are too low, bus and rail operations are inefficient, and so on. These problems are not the result of whether trust funds are on-budget. They are the result of poor transportation management at all levels of government. Prices must reflect marginal costs, service must reflect cost-benefit tradeoffs, and inefficiencies must be purged from operations. In this environment, there would be no need for trust funds. Indeed, the issue of whether a transportation system makes money would be irrelevant because its viability would be justified on social welfare considerations.

Current policy, which relies on the gas tax and trust funds, invites political debate instead of thwarting it. In short, my advice is to change your perspective on transportation spending by focussing on how to make it more efficient. The budgetary issue is largely irrelevant to that goal.

Sincerely,

CLIFFORD WINSTON,
Senior Fellow.

Mr. OBERSTAR. Mr. Chairman, I yield myself 30 seconds.

We have heard some interesting theater and dramatics, but the fact is that taking trust funds off-budget will not cause one dime of cuts in other discretionary programs. It only means that in the future, additional cuts in trust fund programs do not count toward spending targets such as discretionary caps or 602(b) allocations. Let us get down to reality and fact and talk reasonably.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. LIPINSKI].

(Mr. LIPINSKI asked and was given permission to revise and extend his remarks.)

Mr. LIPINSKI. I thank the gentleman from Minnesota for yielding me the time.

Mr. Chairman, I rise in strong support of H.R. 842, the Truth-in-Budgeting Act, to take the four transportation trust funds off budget.

This bill is really quite simple. If you support jobs, investment, and keeping faith with the American people, then you support H.R. 842. That's all there is to it.

Every day, Americans who fly or drive contribute through user fees to the transportation trust funds. They do so in order to finance the public infrastructure which they utilize as they travel. If they don't drive, they aren't asked to contribute to road projects. If they don't fly, we don't expect them to finance air traffic control operations or airport improvements. The systems are designed to be user financed—those who use them pay for them.

But unless the trust funds are off-budget, the American people who pay for infrastructure investment aren't getting all they pay for. The balances in the four trust funds continue to grow, while infrastructure needs across this Nation go unmet.

I support infrastructure investment in the United States because it spurs economic growth and creates good jobs. The fact is that transportation represents 17 percent of the American economy. Since 1950, one-fourth of America's improvement in productivity is due to transportation investment.

But for me, the most important issue is jobs. Every $1 billion spent on infrastructure creates 42,000 good high-wage jobs. That's why the Laborers International Union of North America supports this legislation, and why you should too.

Mr. Chairman, as the ranking Democratic member of the Subcommittee on Aviation, I see every day the impact of our underfunded air traffic control system. There are reports almost every week of an outage of some kind at an air traffic control facility in this country. The equipment is old and needs to be replaced.

The FAA predicts that U.S. domestic passenger enplanements will grow from 530 million in 1995 to nearly 800 million in 2005. We are constantly looking to find the funds to meet tomorrow's needs. The best place to start is with the balance sitting in the aviation trust fund.

Mr. Chairman, this afternoon's vote is about keeping faith with the American people. The American people pay their gas tax and ticket tax to finance investment in our critical infrastructure. That's what the trust funds are meant to be used for.

Mr. Chairman, I urge every Member of this body to support H.R. 842 and keep faith with the people who sent us here.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. WAMP].

(Mr. WAMP asked and was given permission to revise and extend his remarks.)

Mr. WAMP. Mr. Chairman, to kind of cut through the heavy air here today, where we have had some pretty high drama and a great sense of emotion, let me say from the freshmen perspective that 44 out of 74 of the freshman Republicans, I would argue the most ardent budget balancers to come here in a long time, have signed on in support of taking the transportation trust funds off-budget. You can in fact balance the Federal budget and return these user fees to the people who paid them. We see it as a matter of principle, and the principle is to the Federal Government: Don't take the money from users if you don't need it, if you don't need to spend it. Don't take it. Don't store up these trust funds and not put the money back for the use and from the people that you took it. That is the matter of principle. We would like to kind of draw a line in the sand on this issue and this is an important issue and it puts and invests the money back into our economy which we desperately need. These are user fees from roads, airports, harbors. Put them back to use. Support H.R. 842.

□ 1230

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Chairman, I would simply note that the gentleman from Ohio, JOHN KASICH, the Republican chairman of the Committee on the Budget, the gentleman from Minnesota, MARTIN SABO, the Democratic ranking member of the Committee on the Budget, the gentleman from Louisiana, BOB LIVINGSTON, the Republican chairman of the Committee on Appropriations, and yours truly, the ranking Democrat on the Committee on Appropriations, are all strongly asking that you vote against this proposition.

Now, there is, I suppose, a high probability that even though all four of us agree, we are wrong, but I would respectfully suggest that if anyone is truly interested in achieving a balanced budget, over any time frame, whether it is 7 years, 5 years, you name it, that there is no way that you can in conscience vote for this bill.

Let me simply explain what I mean. Right now both parties have told the country that we are willing to balance the budget over a 7-year time frame. Yet what we are now being asked to do is to say to one huge segment of the budget—namely, the transportation portion of the budget—''Well, fellows, we are going to set you aside. Not only are you going to have a dedicated revenue source, but in addition to that special status, we are going to give you the ability to spend unlimited amounts of money, irrespective of the squeeze on any other portion of the budget.''

The gentleman from Virginia [Mr. WOLF] is exactly right. What you are talking about if this bill passes is the requirement that you cut other portions of the budget over 7 years by an additional $50 billion, or else recognize that the deficit is going to increase by $50 billion. That is the hard-nosed fiscal reality.

Now, I take a back seat to no one, to no one, in my support for highway construction. Since my days in the legislature and through my days here, I have consistently and strongly supported adequate funding for highways. I have supported providing the funding to pay for that highway construction as well, in my own State legislature as well as here. I have fought to see to it that my own State ends its long-term status as a donor State.

In 1992, I led a successful fight in this House to break the defense ''firewalls'' in order to fully fund ISTEA with offsets from the military budget. I make no apology for that. I think that was the right thing to do for the country.

But I do not support saying that transportation must be considered sacrosanct while that requires further reductions in education, further reductions in mental health and veterans programs, further reductions in environmental protection enforcement, further reductions in job training, and do not kid yourself, that is exactly what this proposition requires.

Now, it is technically true that this bill in and of itself does not do that. But when you plug this bill into the context of existing law and into the context of the promise of both parties to provide a balanced budget over 7 years, then you are fooling somebody or you are smoking something that is not legal if you are telling people that this bill is not going to result in a squeeze on other high priority programs.

What we are really talking about is whether or not we are going to give one committee the ability to write a blank check for programs under their jurisdiction, regardless of the impact on any other committee and regardless of the impact on any other program or any other population group in this country. That is morally wrong, it is fiscally wrong, it is economically wrong, it is procedurally wrong, and you ought not to do it.

I would urge you not to speak out of both sides of your mouth. I would urge you to never again come to this floor and say that you are voting for a balanced budget and say that you are for fiscal responsibility and austerity, if in the next breath you are voting to allow the transportation budget to go off budget and to spend at any rate they want, regardless of the impact on other programs.

It is a question here of what you regard as your top priority. I do not regard that as my top priority. I think we need a balanced approach to spending and this bill does not give it to us.

Mr. KOLBE. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. REGULA].

(Mr. REGULA asked and was given permission to revise and extend his remarks.)

Mr. REGULA. Mr. Chairman, I rise in opposition to the bill.

I rise to join my colleagues in opposing H.R. 842. While I commend the bill's proponents for trying to address the Nation's infrastructure needs, I do not believe that this bill will accomplish that objective.

I have listened to many voices on this issue and the ones who have rung among the clearest have been national leaders such as Warren Rudman who has said that, ''Designating transportation trust funds as off-budget would further erode the integrity of the budget as a tool for fiscal accountability.''

Former OMB Director Jim Miller says, ''Off-budget status would * * * hide a major portion of federal spending from annual budget scrutiny.''

Former Federal Reserve Chairman Paul Volcker says, ''* * * principles of administration and budgeting demand regular review and control of the full range of Government spending, balancing one priority against another. At the same time, effective fiscal policy forces consideration of the totality of spending in relation to revenues.''

Perhaps the voice that rings the clearest for me is that of the Ohio Department of Transportation that has been at the forefront of studying the current system of transportation funding and making recommendations for change. ODOT has concluded that it is not necessary to take the trust funds off budget in order to return more money to the States.

The Ohio plan recognizes that since 1976 expenditures from the trust fund have exceeded revenues and that the balance in the fund resulted from interfund borrowing. The Ohio plan proposes that a major portion of fuel taxes each State pays into the trust fund be turned back to that State, including the fuel taxes now going toward deficit reduction.

I urge my colleagues to take a closer look at the Ohio plan and that we use its concepts as a basis for devising a new system for highway funding—a system reached by consensus between authorizers, appropriators, and the Budget Committee.

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the gentleman from Arizona [Mr. SHADEGG].

(Mr. SHADEGG asked and was given permission to revise and extend his remarks.)

Mr. SHADEGG. Mr. Chairman, I would like to rise in support of this legislation, but I cannot. I cannot, notwithstanding its surface appeal. We would all agree that trust funds ought to be used for a trust purpose. But that is not the debate that is before us today. The debate that is before us has to begin with where we are, and where we are is that we have not managed these funds in the fashion we told the American people we would. In point of fact, we said we would not use general fund monies for this purpose, and we have, and this is not a debate about misuse of trust funds.

The chart I have put up makes this case fairly clear. Since 1980, total spending for highways from the trust fund we have brought in $214 billion, we have interest of $21 billion, we have spent a total of $235 billion. But we have added in general funds funding $63 billion on top of the trust fund spending of $228 billion, so we have spent a total of $291 billion.

The point is, for those Americans out there paying revenue taxes, gas taxes, other types of taxes, into these funds, please understand, this is not a debate about the misuse of those funds. We have used more than we have promised. But it is a debate about the budget control. If we enact this legislation, it will make it almost impossible to balance the Federal budget. That has to be our first priority. I urge a ''no'' vote.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentlewoman from Missouri [Ms. DANNER].

Ms. DANNER. Mr. Chairman, when American motorists purchase gasoline or travelers purchase airline tickets and pay the Federal tax, they expect that the revenue collected by the Federal Government will go toward transportation system upgrades.

After all, that was the agreement the Federal Government had with the American people when the gasoline, aviation, and other transportation taxes were implemented.

For example, motorists paid into the highway trust fund with the expectation that they would receive highway improvements.

However, the transportation trust funds were merged into the general budget as part of an effort to hide the true costs of the Vietnam war.

It is precisely this sort of broken contract between the Government and the American citizenry that has led so many people to become understandably cynical about their Government and its leaders.

It is our duty to make certain that the moneys collected through the gasoline and other transportation taxes are used for the intended purposes.

The Truth in Budgeting Act, before Congress today will help us meet that obligation. Simply put, it is a tax fairness bill designed to ensure that transportation taxes go to pay for transportation improvements.

Currently, there is in excess of $30 billion in unspent balances in these trust funds, and under the administration's budget these balances could grow to $77 billion by 2002. That is money that should be used for such projects as repairing roads, building bridges, and improving air transportation systems.

The use of these funds in this way improves not only our transportation system, but would provide literally hundreds of thousands of well-paying jobs—a true win-win situation.

Ladies and gentlemen, this ''Truth in Budgeting'' bill is about restoring the public trust. My dictionary defines trust as ''the confident reliance on the integrity, honesty, veracity of another.'' The ''confidence, or obligation reposed in a person that he will fully apply the property according to such confidence.''

I believe it is time—indeed past time—that we put trust back in the trust funds.

I would urge my colleagues to support this legislation.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. BOEHLERT].

(Mr. BOEHLERT asked and was given permission to revise and extend his remarks.)

Mr. BOEHLERT. Mr. Chairman, this debate is a classic congressional debate. I think there is rhetorical overkill on both sides. The future of Western Civilization does not hang in the balance depending on the outcome of this vote. I do not have any great statement to quote, but let me quote one of my favorite entertainers, Woody Allen, who once said in an address to graduates, ''We are at the crossroads. One road leads to hopelessness and despair; the other to total extinction.''

Let us pray that we have the wisdom to choose wisely. We are not faced with that predicament. Here is what we are faced with, plain and simple: We impose taxes on the American people, excise taxes, dedicated taxes. We say, for example, to the airline traveler, we are going to tax your airline ticket purchase and we are going to use the funds we raise to improve the airports, to improve aviation safety.

I think that is a pretty good contract. I think we ought to use the money for the intended purpose. And if we do not, we ought to cut the tax out.

But let us not kid the people. Let us be honest with them. Let us use the money for the intended purpose or cut the tax.

As the chairman of the Water Resources and Environment Subcommittee, I have witnessed firsthand the growing abuse of the Harbor Maintenance Trust Fund and the Inland Waterways Trust Fund. The Harbor Maintenance Trust Fund now has a balance in excess of $650 million and the Inland Waterways Trust Fund has over $300 million sitting dormant.

Hundreds of millions of dollars have been collected from shippers to improve the quality of America's ports and we should be using these revenues for their intended purposes. If you care about our Nation's global competitiveness, if you care about improving the environmental quality and safety of America's harbors and rivers you should support the Truth in Budgeting Act.

In many of America's leading ports we have an astounding backlog of dredging and environmental projects that are not being done while we sit on over $1 billion in trust fund revenues. A study of the transportation infrastructure needs on our major rivers has identified over $3 billion in needs by the year 2000. If you represent constituents along the Missouri, Mississippi, Hudson, Ohio, or Tennessee Rivers you should support the Truth in Budgeting Act.

Freeing these trust funds for their intended uses sends a powerful message to the American people—we are setting aside the ''smoke and mirrors'', and we are serious about using their hard-earned tax dollars to improve the safety of our waterways and the efficiency of our navigation infrastructure.

These trust funds are built on taxes intended to improve the economic and environmental quality of our Nation's rivers and harbors and it is time we use these trust funds for these uses.

Support the Truth in Budgeting Act—the truth will set you free.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. COLEMAN].

(Mr. COLEMAN asked and was given permission to revise and extend his remarks.)

Mr. COLEMAN. Mr. Chairman, the issue before us today is one of the perennial budget questions of our time—whether to unravel the unified budget methods that have worked well since the 1960s and consider the Transportation Trust Funds off budget. Like my Appropriations Committee colleagues speaking before me, I believe moving the Transportation Trust Funds off budget would result in an irresponsible budgeting process that would jeopardize many of our most cherished programs, including Medicare, Medicaid, education, and environmental protection programs. So, I am here to urge my colleagues to vote against H.R. 842.

Let me state from the outset that as the ranking minority member of the Appropriations Subcommittee on Transportation, I am a strong supporter of maintaining and enhancing the Transportation Trust Funds. I believe our Nation must continue to invest an appropriate amount into transportation infrastructure projects in order to keep our economy strong and growing and prosperous. The Transportation Trust Funds are the primary vehicles which enable us to fulfill this responsibility, so we must act to keep them in good working order.

However, I am convinced that moving the Trust Funds off budget would cause much more harm than good. While I can easily understand and sympathize with the desire to invest more money into transportation projects, I believe moving the Transportation Trust Funds off budget would greatly confuse the budgeting process; create enormous pressures to either cut non-trust-fund programs further, increase spending on trust-fund programs more, or raise taxes; and that it will set a number dangerous of precedents. Allow me to detail a few of these problems for you.

First, the unified budgeting method is critical for assisting the Congress and the President in deciding how to treat all revenues and expenditures in a coherent manner. It is essential to bring together all Federal income and expenses in a unified way to avoid the problem of considering some programs in a vacuum. It is important to recognize that any Federal activity affects our Nation's economy as a whole. Clearly, the Transportation Trust Funds qualify as affecting our economy significantly. And because of their large economic impact, considering them separately from other accounts which affects economic activity would complicate and distort Federal economic considerations. In my mind it is far better to have all components of our economic strategy in plain view and as part of a unified whole in order to make decisions easier and more coherent, and to provide flexibility to the Congress.

Second, moving the trust funds off budget would needlessly further complicate and confuse the budget process. Considering transportation programs apart from all of the rest of the budget would mean adding another dimension to the process. Congress should not do this. Instead, we should avoid creating additional complications and restrictions on the legislative branch. In this way, we can fulfill our basic duty to at least do no further harm when crafting a budget.

Third, moving the trust funds off budget would lead to demands to move all other trust funds off budget—and perhaps rightly so. We should not fool ourselves into believing that this would not happen; we have plenty of legislative history to know it would. If the Transportation Trust Funds were taken off budget, it would be difficult to justify not doing the same with every other trust fund. We would be asked the following legitimate questions: Why are the transportation trust funds special? Why don't all other trust funds get the same preferential treatment? These questions can't be answered fairly without either placing Congress in the predicament of having to pick winners and losers among trust fund programs, or being forced to move all trust funds off budget with all of the severe headaches that would create for us.

Fourth, if, for reasons of fairness, all trust funds were moved off budget, I predict there would be greatly increased pressure to spend more money. In addition to using currently available surpluses for existing programs, I have no doubt many interests would create new needs for additional spending of trust fund surpluses, whether those needs were really as pressing as might be the case in other functions of our Government. I can also foresee pressure by interest groups to create more trust funds for favorite programs which currently don't have their own separate funding sources in order to insulate them from further budget cuts. In these times of fiscal austerity, it makes no sense to increase spending pressures and make the deficit larger.

Fifth, I am not convinced that moving the Transportation Trust Funds off budget would result in more expenditures for transportation projects. It seems fair and accurate to say that the interest payments from the Treasury to the trust funds have helped to increase the amount of surplus. While it can be argued that the interest payments are only fair returns for borrowing against the trust funds, they have also enabled greater spending from the trust funds than would have been possible without borrowing and then repaying with interest. So, moving the trust funds off budget and foregoing future interest payments may not really enhance transportation expenditures.

Sixth, removing the trust funds from the unified budget would result in decreased funding for transportation projects that receive their funding from general revenues. Not using the surpluses in the Transportation Trust Funds to calculate the amount of overall available funds means that spending levels for other programs have to be cut. In the case of transportation projects, we would be pitting some types of transportation needs against others. If we are truly concerned about building a solid transportation infrastructure, why would we want to play favorites and possibly secure the funding for some types of projects and not others?

We should also keep in mind that the unified budget does not prevent Congress from spending more on transportation projects if it chooses to do so. The Congress has all the authority it needs to authorize and appropriate more funds for transportation projects or other national priorities any time it wants. The only requirements for spending more are to be convinced of a genuine need and then to follow through with the appropriate legislation.

Finally, let me say that the experience of my home State of Texas shows that moving transportation funds off budget doesn't insulate that money from use for other purposes. Even though article 8, section 7(a) of the Texas State constitution clearly and specifically states that all State taxes on motor fuels collected to finance transportation projects must be spent on transportation projects, money from the off budget transportation funds have been used for other programs. For example, transportation fund money has been used to purchase land to build prisons. Now, the transportation department holds the title to this land, so in theory it is still a transportation department asset. But, the actual use of the land to build a prison has little to do with fulfilling transportation needs. Similarly, the supposedly protected State transportation fund has been used to finance the construction and maintenance of parking lots for State mental health agency facilities. In my mind, neither of these examples fulfill transportation needs in the State of Texas.

Perhaps the most significant breach of security for the off budget Texas transportation fund took place during the 1980's. The State's general revenue fund was running low, so an arrangement was made to borrow $280 million from the transportation fund. The payback provision of the agreement included the payment of interest, but because of the State's ability to repay the loan quicker than originally anticipated, no interest was actually paid to the transportation fund for the time its money was used. So much for a secure off-budget transportation fund.

In summary, Mr. Chairman, while I am a strong believer in the need to fund transportation projects to the greatest extent possible, moving the Transportation Trust Funds off-budget would unravel the unified budget process and make it more difficult to make proper decisions on economic matters. It would also needlessly further complicate the budget process, lead to demands to move other trust funds off-budget which would increase spending at the time we are trying to balance the budget, and probably not increase funding of transportation projects overall. And, as I have described to the House, the experience of my home State of Texas strongly suggests that moving trust funds off-budget doesn't really make them more secure. For all of these many reasons I urge the House not to endorse H.R. 842 by voting against this well-intended, but misguided legislation.

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Mr. KOLBE. Mr. Chairman, I yield 4 minutes and 30 seconds to the gentleman from Louisiana [Mr. LIVINGSTON], the very distinguished chairman of the Committee on Appropriations.

(Mr. LIVINGSTON asked and was given permission to revise and extend his remarks.)

Mr. LIVINGSTON. Mr. Chairman, I thank my friend from Arizona for yielding time to me.

Mr. Chairman, we have to fully appreciate what we are about today. The fact is that we will never eliminate the deficit if we give some programs exalted, protective status in the budget process requiring those less fortunate to shoulder heavier cuts than they currently do and making them compete with one another while those exalted programs simply are beyond reach. But that is what we will do.

We are effectively going to take $30 billion a year out of the nondefense discretionary pot and just put it beyond reach. Some would say, well, it goes into a trust fund; it is off budget. It is not off budget. It goes into that amorphous great big blue section on this chart that I have used before. It is a pie chart of the 1996 Federal budget. It becomes part of the uncontrollable portion of the pie, entitlements, which are in blue, plus interest on the debt.

Two-thirds of the budget is uncontrollable. One-third of the budget is discretionary. Half of that is defense, the other hald is the nondefense cost of running Government. We are going to take $30 billion out of that nondefense discretionary budget and add it into the blue section or out in the atmosphere where we will help all those wonderful contractors who want to build roads. We will make everybody else compete for their hard-earned dollars or the dollars that the American taxpayers throw at them. In doing so there will be less opportunity for other well-meaning programs, be they health programs, education programs, or the like, to be funded.

In fact, before the Committee on the Budget, Federal budget expert Allen Schick testified 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. He says, if there is any truth in budgeting, it is that all spending must compete for scarce resources; not that there are protected enclaves and double standards.

But we will make a protected enclave of Federal highway spending. Backdoor spending in entitlements have already reduced the domestic discretionary share of the Federal budget, and those are my words, not Mr. Schick's, reduced the domestic discretionary share of the Federal budget to just 17 percent next year.

Now we are talking about gutting what is left, taking 12 percent of that, some $30 billion in outlays, money that will be spent immediately year after year, and declaring it off budget for the purposes of deficit reduction.

I just hope that every fiscally conservative Member of the body, including those who signed on to the off budget bill before knowing its effect on spending, fully appreciates what is happening and will examine what the CBO and the GAO and others say about the effects. It is devastating.

We are significantly trimming, trimming the nondefense discretionary budget, so much so that for the first time in modern history, instead of going up year after year after year in nondefense expenditures, we are going down year after year. This Congress, since January 1, 1995, has had tremendous effect on reversing the ever-increasing growth of nondefense spending. But this bill comes along and wants to take $30 billion out of what is left in nondefense discretionary and spend it on highways.

And, yes, we have seen those ads, radio, television, newspapers, the pro-special interest lobbyists, and they are all related to dealing with highways and airports and such things. Oh, they have a lot of them. They are all for it because it is money in their pocket. It is free money. But notice who is against it. The Committee on the Budget, the Committee on Ways and Means, the Committee on Appropriations, the Office of Management and Budget, the Citizens for a Sound Economy, the Concord Coalition, the Heritage Foundation, the National Taxpayers Union, the Taxpayers For Common Sense, the Citizens Against Government Waste, the Committee for a Responsible Federal Budget, Alan Greenspan, Federal Reserve Board. Those are the people whose job it is to look at whether or not we are actually meaning what we say when we are trying to cut the Federal budget, cut spending, and stop the pork barrel.

But here we are, despite all the rhetoric, right back at the pork barrel. I urge Members who are serious about what we have been saying for the last couple of years to vote against this measure. It is wrongheaded. It is the wrong thing to do.

Mr. Chairman, despite all the rhetoric, Members should see this bill for what it really is, a plain, old-fashioned power grab instigated by one committee of this body.

Members of the Transportation and Infrastructure Committee, and before them the Public Works Committee, stand united in pushing off budget, and with them stand the highway and airport construction lobbyists and State highway agencies. Against this formidable group always stands the Budget and Appropriations Committees.

We will never eliminate the deficit if we give some programs an exalted, protected status in the budget process, requiring those less fortunate to shoulder heavier cuts year after year.

If we start splitting up the Federal budget into off-budget fiefdoms that are outside the appropriations process, we are setting a terrible precedent. In testimony before the Budget Committee, Federal budget expert Allen Schick said that if trust funds started to go off-budget, ''the general fund would be the residual funds 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.''

He went on to say ''If there is any truth in budgeting, it is that all spending must compete for scarce resources—not that there are protected enclaves and double standards.''

Mr. Chairman, backdoor spending and entitlements have already reduced the domestic discretionary share of the Federal budget to just 17 percent next year. Now we're talking about gutting what's left, by taking 12 percent of the remainder and declaring it off budget for the purposes of deficit reduction. I hope every fiscally conservative Members of this body, including those who signed onto the off-budget bill before knowing its effect on spending, will look carefully at what CBO, GAO and others say about its effects.

If this bill becomes law:

Aviation safety would be undermined, according to the Secretary of Transportation;

Other domestic and defense programs would suffer up to $50 billion in additional cuts, according to OMB; and

Other trust funds will surely seek similar protection from future budget reductions, and we won't have a leg to stand on.

If this body were now to pass off budget, it would tell the American people we are willing to hide some expenditures from the budget; that we are willing to suffer further reductions in defense and social programs in order to provide continuous, permanent increases for highways, mass transit systems, and airport construction programs. This is not a fair and balanced budget plan, Mr. Chairman.

We weren't sent here to engage in budget shell games. We were put in control to eliminate our crippling deficit—a goal this very bad bill would make much harder. This bill is wrong because it would increase spending at just the wrong time in our Nation's history; it fundamentally alters the balance of power among committees of this Congress; and it panders to the special interests and lobbyists.

Finally, if you vote ''aye,'' don't talk to me about the need to cut the budget. I strong urge Members to vote ''no'' on final passage.

Mr. OBEY. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. FILNER].

(Mr. FILNER asked and was given permission to revise and extend his remarks.)

Mr. FILNER. Mr. Chairman, I rise in strong support of this important legislation to take the transportation trust funds off-budget. Historically, investment in transportation infrastructure has helped countries achieve and maintain world power status. Similarly, it has been our own commitment to infrastructure investment has been responsible for creating the most advanced and efficient economy in the history of the world.

In the past, it was this financial commitment to America's infrastructure that completed the transcontinental railroad, built the Interstate Highway System, and created world class airports and harbors. However, we all know that funding for future projects is increasingly difficult to secure today. And as a result, our ability to maintain, improve and build highways, roads, harbors, railways and airports is severely hampered—and commerce, transportation and recreation are all adversely restricted. We cannot continue this neglect and we must provide an opportunity to guarantee a sound financial future to both maintain and develop America's infrastructure needs.

Pumping gas and paying the Federal gas tax of 18.3 cents per gallon is probably the most common link the average American has with the Federal Government on a daily basis. Most of the money from this tax flows into the highway trust fund and has helped finance such San Diego highways as Interstates 8 and 15.

My own district has several infrastructure projects that are of national significance and need funding. Re-establishment of the San Diego & Arizona Eastern Railroad—the ''Jobs Train''—and completion of State Route 905 and Interstate 15 would all facilitate the increase of international trade expected from our Nation's new Federal trade policy. Yet because transportation trust funds are not being spent for their intended use, these nationally important projects must compete for fewer available dollars and are viewed as pork for my congressional district. Transportation funding choices should not be between projects that mitigate congestion and pollution, increase safety or implement trade policy—these are all worthy projects.

We must release the trust fund surpluses from their budget bondage and stop this Federal game of Mask the Deficit. The existence of these surpluses only reinforces the public's belief that they are not getting an honest return for the taxes they pay to Washington.

This issue is not only about tax fairness, it's also about jobs and about economic productivity. Since the 1950's, as much as 25 percent of America's productivity growth can be credited to improvements in our transportation infrastructure. Recent Department of Transportation studies show that every $1 billion invested in highway construction and enhancements yields 42,000 high-wage jobs. Similarly, work to complete SR 905 and I–15 in San Diego and to re-establish the Jobs Train would create thousands of jobs.

The more that infrastructure spending is curtailed, the higher the yearly trust funds surplus grows. The higher that surplus goes, the more it offsets deficit spending in other general fund programs. It's a $31 billion bonanza, and it's a fraud!

For me, the Truth in Budgeting Act is about keeping faith with my constituents in San Diego—people who pay into these funds and expect their tax dollars to be spent on building and maintaining the world's premier transportation system. The people of America—and the people of San Diego—deserve to see their transportation dollars at work building and maintaining highways, railroads, airports, and harbors.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. KIM].

(Mr. KIM asked and was given permission to revise and extend his remarks.)

Mr. KIM. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I was a civil engineer prior to becoming a Congressman. I understand how important the transportation system is to our economy. I know that without a strong transportation system we cannot sustain a prosperous economy. That is why our Congress approved a gas tax over 40 years ago. The idea was simple: Collect a gas tax and spend that money to build and maintain our infrastructure.

The system worked fine in the past because all the money went to transportation projects. But now what happens? Highway projects get 12 cents out of 18½ cents of the Federal gas tax; the rest goes to social programs. It has been gutted. The highway trust fund money has been gutted all this time.

We need this infrastructure badly, I will tell the Members. Remember, these are not taxes, these are user fees. These are not taxes. The money should not be spent on social programs, it should be spent on the highway system. that is why our bridges are in bad shape. Twenty-five percent of our bridges are in bad shape and are not safe. No wonder why.

Mr. OBEY. Mr. Chairman, I yield 3½ minutes to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, I rise in my capacity as the ranking Democratic member on the Surface Transportation Subcommittee to give my colleagues 6.8 billion reasons why they should vote for H.R. 842, the Truth in Budgeting Act.

This, 6.8 billion, my colleagues, is the amount of highway and transit money the States have been shortchanged over the life of ISTEA to date.

The following chart shows these losses by State, 1992–96:

HIGHWAY FUNDING LOST BY STATE, 1992–96

States	FY92–96 difference
Alabama	$114,340,767
Alaska	89,763,732
Arizona	88,638,840
Arkansas	71,238,983
California	610,578,554
Colorado	86,443,852
Connecticut	143,579,955
Delaware	30,171,803
District of Columbia	39,333,139
Florida	241,309,719
Georgia	182,211,005
Hawaii	53,676,740
Idaho	48,737,851
Illinois	255,571,470
Indiana	135,427,278
Iowa	87,340,504
Kansas	83,069,151
Kentucky	100,474,056
Louisiana	106,457,783
Maine	36,512,958
Maryland	119,912,708
Massachusetts	387,512,184
Michigan	180,464,385
Minnesota	104,962,453
Mississippi	77,345,390
Missouri	147,406,231
Montana	69,282,108
Nebraska	59,194,272
Nevada	43,941,993
New Hampshire	35,149,613
New Jersey	208,863,217
New Mexico	76,499,357
New York	389,884,664
North Carolina	166,409,550
North Dakota	44,939,034
Ohio	242,935,031
Oklahoma	92,883,484
Oregon	85,194,850
Pennsylvania	312,864,880
Rhode Island	43,667,425
South Carolina	85,828,138
South Dakota	49,538,589
Tennessee	139,565,180
Texas	431,378,542
Utah	54,759,515
Vermont	32,204,791
Virginia	145,108,424
Washington	133,368,435
West Virginia	68,087,322
Wisconsin	123,104,240
Wyoming	47,996,810
Puerto Rico	33,650,675
Territories	2,184,372
Total	6,840,886,002

Source: U.S. Department of Transportation, Federal Highway Administration.

This is the amount of spending out of the highway trust fund, authorized to be obligated for needed highway and transit projects across the Nation, that has not been spent due to arbitrary obligation limitations placed on the trust fund in the annual appropriations bills.

Now, this is not to say that the highway trust fund could not have sustained an additional expenditure of $6.8 billion.

No, indeed.

There is an estimated balance of nearly $21 billion in the highway trust fund—$11 billion in the highway account and $10 billion in the transit account.

And let us be clear: This money is not general revenue. It is comprised of the Federal tax on motor fuels, paid for by highway users, and dedicated for transportation improvements.

Who, here, in this body, can say that the regions which they represent do not need additional transportation improvements, that they could not use some of that $6.8 billion that was duly authorized but instead is lying idle in some government trust fund.

I look to the California delegation: You have been shortchanged by $610.6 million.

To the Florida delegation: $241 million.

Ohio: $242 million.

Virginia: $145 million.

And my own State of West Virginia: $68 million.

The list goes on and on.

So I would say to my colleagues, vote to take the transportation trust funds off-budget.

Let us restore faith with the taxpayers.

Mr. Chairman, throughout this debate we continue to hear allegations that one of the motivations of the Transportation and Infrastructure Committee for promoting the pending legislation is that it would, in some unexplained fashion, remove any constraints on so-called pork barrel projects.

The distinguished chairman of the House Appropriations Subcommittee on Transportation in particular likes to make a big deal out of the fact that he refuses to earmark funds for highway demonstration projects.

He even advised House Members not to even try to present testimony before his subcommittee about specific highway projects.

Oh, how holier than thou.

And the press eats it up, showering him with praise for not engaging in so-called pork barrel projects.

Well, my colleagues, the facts show otherwise.

Let's see. I suppose earmarking $4 million in ITS funds for the Capital Beltway in the current fiscal year appropriations bill does not represent an earmark.

No, of course not!

I suppose that earmarking almost $41 million for 20 ITS projects in that bill is not really earmarking, now is it?

And I suppose that earmarking 100% of the section 3 bus money, to the tune of $333 million, for 81—count 'em—81 specific projects is not really earmarking funds at all.

Or what about the section 3 new starts; $80 million here, $130 million there. This isn't really earmarking, is it?

No, I suppose it's just chump change.

Ah, but these were not highway demonstration projects, were they?

No, apparently only earmarking funds for highway projects is bad.

Well, Mr. Chairman, if it walks like an earmark, if it quacks like an earmark—it is an earmark and subject to the same pork barrel label highway demonstration projects are often alleged to be.

I raise this because when we hear the next holier than thou—self-righteous—pronouncements from the House Appropriations Committee against our efforts to take the highway trust fund off budget, be advised:

They are living in a glass house and should not be throwing any stones at the authorizing committee.

Let me be clear.

I strongly believe in the right of the Congress to earmark funds for specific transportation projects. We used good criteria when considering highway projects during the NHS bill last Congress.

Circumstances change. Nothing remains static.

And the fact of the matter is that sometimes a State needs a little bit more help with a transportation project over and beyond its normal funding apportionment.

But, please, do not give me this bunk that earmarking discretionary program funds for ITS and transit projects is not really earmarking.

Mr. Chairman, with that, I respectfully submit: Who is afraid of the big bad wolf?

Not this gentleman from West Virginia and neither should this House.

I rest my case.

☐ 1300

Mr. KOLBE. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the gentleman for yielding me the time.

Let us talk about truth in budgeting. This country is $4.9 trillion in debt, rapidly moving to $5.5 trillion in debt. That is truth in budgeting. This is an effort by one group to grab dollars, to grab turf and to expand its power. What do we need in 1996? We need people to step up, to be part of the solution, not to walk away and be part of the problem. What is reality?

This bill is like rearranging the deck chairs on the Titanic. This bill represents the effort of one group to get into its lifeboat, its own small lifeboat. Some may call the special interest group or this group of special interests selfish. I do not know if it is selfish. I do know it is wrong. A number of groups agree, the National Taxpayers' Union, the Citizens Against Government Waste, the Concord Coalition, the Citizens for a Sound Economy.

We do not need another entitlement. We do need a Congress willing to make tough decisions to protect future generations and to stand up to special interest groups.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, I thank all the gentlemen here in charge of the time for the excellent work they have been doing.

Mr. Chairman, like others, I support needed investments in our transportation system. The First District of Connecticut relies on its roads, bridges, and airports to be its economic and commercial links to the rest of the country and the world.

But while we may have nearly endless transportation needs, we don't have an endless supply of tax money. And although transportation must be a top priority, there are tough choices to be made about where our limited funding goes. Taking these trust funds off-budget shelters them from those hard decisions.

In 12 of the last 15 years, we have spent more from the trust funds than taxpayers put in. Taking them off-budget will tilt the playing field even more toward transportation, at the expense of other priorities and at the expense of deficit reduction.

Calling the trust funds off-budget does nothing to change the reality that our budget is out of balance. In fact, this bill would put us $20 billion more in the red over 5 years.

I urge my colleagues to support fiscal responsibility and oppose H.R. 842.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. EHLERS].

(Mr. EHLERS asked and was given permission to revise and extend his remarks.)

Mr. EHLERS. Mr. Chairman, I appreciate the opportunity to comment. From my background of 8 years in local government, 11 years in State government dealing with balanced budgets every year, I rise to support this bill and urge its passage. I recognize the original purpose of taking these funds and putting them on the budget was to hide the deficit during the Vietnam war, and for some years it served that purpose.

Mr. Chairman, I also recognize that now we do not perform that practice anymore. We do not try to use these funds to hide the deficit. At the same time, the public is angry. They still perceive this money as being diverted to other purposes. They still perceive this as being used to mask the deficit, and we have to get away from that perception or it is going to hurt our efforts to build a transportation infrastructure in this country.

I urge that we now do what is right, we do what is fair, that we take the trust funds off budget, that we use them for the purpose they are intended for, that we pass this bill and we restore the trust in the trust fund.

Mr. SHAYS. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE].

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Mr. Chairman, first of all, let me begin by saying congratulations to my colleagues. We do not hear too often this kind of policy debate that completely crosses party lines and really is on a policy issue. I think everyone is to be commended for really getting into this policy debate here.

Let me make it clear where I stand on this. I do rise in strong opposition to the so-called Truth in Budgeting Act, H.R. 842. The title of it certainly sounds great, but the fact of the matter is it is a device for increasing the already huge $5 trillion national debt that we have. The title of it is misleading and the result is it is going to be very costly.

It does something that we already do too much, and that is have a shell game, with that chart that we saw here earlier by the chairman of the Committee on Appropriations with over half of all Federal spending off budget. This simply moves another piece of it off budget so it is not amenable to the changes that Congress would make through the appropriation process each year. It is a shell game. We call it taking it off budget, but in plain English, it means the spending is going to be exempt from the rules that apply to other Federal spending. In essence, we are creating yet another new entitlement program that just grows and grows without regard to the already overblown Federal deficit. The result would be that transportation simply does not get the same scrutiny as education, defense, a lot of our national parks do when it comes to prioritizing and controlling Federal spending.

Because of that, I think it is inevitable that this kind of spending rises ever faster. To balance the budget, then all other parts of the budget have to take an even harder hit, that is, the increasingly shrinking part of the discretionary pie of spending, so we have to increase taxes. And I think we all know that is not acceptable.

The fact of the matter is that Washington has spent more from the highway trust fund than it has received in earmarked tax in 12 of the last 15 years. In 1994 alone, the Federal Government collected $18 billion into the trust fund but it spent $22 billion on trust fund programs. The real issue here is whether or not we should be returning these programs to the States anyhow, whether we should set the standards and return them. I urge my colleagues to vote against this legislation.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. MASCARA].

(Mr. MASCARA asked and was given permission to revise and extend his remarks.)

Mr. MASCARA. Mr. Chairman, I thank the gentleman for yielding me time.

During the Eisenhower administration, the Federal Government forged a compact with the American public, pledging to its citizens that in exchange for a gasoline tax a transportation trust fund would be established. The money generated by the tax was to be used strictly for transportation and infrastructure development. Forty years later, Americans continue to uphold their end of the bargain. Americans pay 18.4 cents Federal tax on every gallon of gas they purchase and a 10-percent excise tax on all airline tickets. Last year alone, these taxes added up to nearly $30 billion.

I find it simply inexcusable that the Government refuses to release these funds at a time when our Nation's infrastructure is crumbling. It is estimated that more than $300 billion is needed to remedy our unmet transportation and infrastructure needs.

By failing to use these funds for their intended purpose, the Federal Government has broken its promise and violated the principles that are central to the notion of a trust fund—the term "trust fund" in this case is a true oxymoron.

As a former Washington County, PA, commissioner, I witnessed first-hand the vital role a strong and viable transportation system plays in stimulating our Nation's economy. The Monfayette Expressway in my district is a classic example of this premise. Studies around the world have shown a strong correlation between infrastructure development and sustained economic growth.

It is simply unfair for the Federal Government to limit economic development opportunities by hoarding the transportation trust funds to mask the Federal deficit.

Today, Congress has an opportunity to fulfill the agreement that was established between the Federal Government and the American people in the 1950's. I support Chairman SHUSTER and ranking member OBERSTAR's efforts to return these trust funds to their rightful owners—the American people. I urge all Members on both sides of the aisle to vote for the Truth in Budgeting Act, H.R. 842.

Mr. OBERSTAR. Mr. Chairman, I yield such time as he may consume to the gentleman from the Virgin Islands [Mr. FRAZER].

(Mr. FRAZER asked and was given permission to revise and extend his remarks.)

Mr. FRAZER. Mr. Chairman, as a cosponsor of this legislation, H.R. 842, I understand the importance of investing in our infrastructure. On September 15 of last year, the U.s. Virgin Islands was devastated by Hurricane Marilyn.

Today we are still trying to repair the economy.

The CHAIRMAN. The Chair wishes to inform the manager that the time of the gentleman from the Virgin Islands [Mr. FRAZER] will be taken from the time of the gentleman.

Mr. OBERSTAR. Mr. Chairman, the gentleman is recognized for a unanimous-consent request, not for the time.

Mr. SHUSTER. Mr. Chairman, is it true that the gentleman may put his entire speech in the RECORD?

The CHAIRMAN. The gentleman's statement may be entered into the RECORD under the unanimous-consent request.

Mr. FRAZER. Mr. Chairman, am I being made to understand that it is less than 1 minute that I requested, that I merely submit for the RECORD?

The CHAIRMAN. If the gentleman from Minnesota wishes to recognize the gentleman for 1 minute.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from the Virgin Islands [Mr. FRAZER].

Mr. FRAZER. Mr. Chairman, I recognize that the Territory of the Virgin Islands does not have a vote in this institution, but it seems as though the proceedings are becoming so that the Territory of the Virgin Islands does not even need to be represented in this institution.

Mr. Chairman, I want to thank Chairman SHUSTER and ranking member Mr. OBERSTAR for bringing H.R. 842, the Truth in Budgeting Act to the floor.

As a cosponsor to this legislation I understand the importance of investing in our infrastructure. On September 15, 1995, the U.S. Virgin Islands was devastated by Hurricane Marilyn. Today, we are still trying to rebuild our economy. The first step in rebuilding our economy is our infrastructure. The airports, highways, and ports in the Virgin Islands are the keys to our economic prosperity.

The economy of the Virgin Islands is based on tourism. In order for our economy to grow, we must have a strong infrastructure. Our airports and highways must be fully operational and functional so that they can generate the revenue which will create jobs and funding for infrastructure development. Constituents pay to use these services and they are entitled to receive a benefit.

The aviation trust fund allotment for the Virgin Islands in 1994 represented $3 million. A reduction in funding for the Virgin Islands would have a negative impact on our ability to rebuild our economy.

Mr. Chairman, I urge my colleagues to vote ''yes'' on H.R. 842, so that we can use these funds to rebuild our infrastructure.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Mr. Chairman, I rise in strong opposition to H.R. 842. I refer to the bill by number rather than name because I feel this legislation promotes anything but truth in budgeting, at least if that budgeting is supposed to be aimed in the direction of balance. In fact, this bill would reduce controls on Federal spending, the exact opposite of what we should be doing as we work toward a balanced budget.

Next week the Budget Committee, on which I am privileged to serve, is scheduled to begin the process of putting together the budget resolution for fiscal year 1997. This process will require many tough choices as priorities are set among worthy programs. All programs will be required to make sacrifices in the effort to achieve a balanced budget by 2002. My guess is that not a single program will receive the full amount of funding that its advocates would like. But essentially all programs will be together in the same boat, competing for priority status as we seek to determine how best to allocate the revenues coming into the U.S. Treasury.

This bill is an effort to circumvent this process for one segment of the budget. The debate today is really about whether the transportation trust funds should be exempted from the priority-setting process that tests every other program. A vote for this bill says that spending on transportation programs automatically should receive a higher priority than every other program of the Federal Government.

We have heard good augments today about the value of investing in our national infrastructure. I agree with much of what was said but I disagree with the venue. This debate should be heard in the midst of augments about the value of every other program, not standing alone without programmatic competition for numerous hours on the House floor.

We're talking about much more than the simple bookkeeping activity of moving the trust funds onto a different side of the ledger. The real impact of the bill is in removing trust funds from the statutory budget enforcement mechanisms and, to a lesser extent, the congressional budget process. Currently, spending from the trust funds is subject to the discretionary spending limits or pay-as-you-go rules. The discretionary caps have been quite successful in controlling discretionary spending and have played a major role in the significant deficit reduction we've witnessed in the past 4 years.

In my opinion, we should be expanding the spending caps to cover all programs, not reducing the number of programs subject to the caps as this bill seeks to do for transportation spending. Spending form the trust funds would have greater protection than any other spending program. Even Social Security spending is subject to pay-as-you-go rules.

During the debate Monday evening regarding the tax limitation constitutional amendment, there was a lot of rhetoric about the need to control Federal spending. I cannot understand how any Member who voted to amend the Constitution on Monday evening, or for that matter any Member who claims to care about deficit reduction, can vote for a bill that will make it much easier for Congress to increase spending without accountability.

The Director of the Congressional Budget Office stated that if trust fund spending was exempted from budgetary controls ''transportation spending could increase significantly.'' The General Accounting Office made a similar point: ''Whatever the immediate effect on the deficit, exempting one type of spending from the Budget Enforcement Act makes it likely that such spending will increase over time.'' Similarly, the reserved Fed Chairman Alan Greenspan said that taking trust funds off-budget ''could weaken the ability of the Congress to prioritize and control spending * * * [and] could engender cynicism in financial markets and the public at large about the commitment and ability of government to control Federal spending.''

This year, much ado has been made about differences in scoring between the CBO and the OMB, but the two are in agreement about this issue. They both have estimated that this bill would allow transportation spending to increase by $20 billion above an inflated baseline and $40 billion above 1995 levels over the next 5 years. I know that the drafters of this legislation claim that the bill is deficit neutral but they are not the referees who score Federal spending; CBO and OMB are the two entities we count on to do that job. At a time when programs for education, health, senior citizens, youth jobs, scientific research and so many other important programs are being cut or given increases well below inflation, I have a hard time justifying a $40 billion increase straight out of the gate for transportation spending.

Finally, granting special status to the trust funds will undermine the principle of shared discipline which is so critical to building consensus for reaching a balanced budget. Supporters of all other Federal programs, understandably, will be far less willing to accept cutbacks in their own programs if transportation, or any other specially anointed program, is exempt from sharing the burden. The credibility of the process will be severely undermined by the contrast of transportation spending receiving a full inflation increase plus as much as $20 billion beyond inflationary increases while other programs losing in actual dollar terms.

H.R. 842 also will make it more difficult to implement a deficit enforcement mechanism along the lines of the one included in the Coalition budget by exempting trust fund spending from sequestration. One of the weaknesses that led to the failure of Gramm-Rudman was that it exempted a large number of programs from sequestration, thereby reducing the number of people who have a stake in reducing the deficit. Taking the trust funds off budget would mean that the transportation industry would not have a stake in ensuring that a balanced budget plan works, because they would not be affected by its failure.

If you are serious about controlling Government spending, if you believe in the importance of a fair budget process, if there are other Federal programs that you rank at least of equal importance with transportation programs, then vote against this bill.

□ 1315

Mr. SHUSTER. Mr. Chairman, I yield such time as she may consume to the distinguished gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Chairman, I rise in support of H.R. 842, the Truth in Budgeting Act.

This bill will accomplish three goals.

First, it will restore honesty with the American taxpayer. The transportation trust funds are comprised of user fees—taxes paid by transportation users with the express understanding that their collection will be used to finance transportation improvements. To have these funds as part of the budget, masking the deficit, and not spent on transportation needs is simply not fair.

Second, the bill will spur economic growth. Transportation represents 17 percent of the American economy. Transportation improvements benefit us all and the use of these surplus funds will go a long way toward providing a boost for America's economy.

Third, every single State will benefit in increased transportation funds from enactment of this bill. Had the transportation trust funds been off budget since 1991, my State of Florida alone would have received an additional $241 million. As a donor State to begin with, this amount would help offset our significant transportation needs.

I urge my colleagues to support this bill and return fairness to these user fees.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Chairman, I rise in strong support of this bill which is critical to the future of our transportation systems.

According to the U.S. Department of Transportation, nearly 25 percent of our Nation's bridges are structurally deficient or functionally obsolete, and over 30 percent of our interstate pavement is in poor or mediocre condition.

The average fleet age for our transit buses is greater than the useful life of those vehicles.

And yet, because of obligation limitations imposed in annual appropriations bills, the ISTEA highway program has been under funded by $6.8 billion over the past 5 years. Let me be clear, this $6.8 billion was fully budgeted for and could have been supported by the highway trust fund. Each Member can look at this table here on the floor and clearly see the funding his or her State has lost.

This is $6.8 billion of contract authority—accounted for and contained in the budget resolution—which States have not been allowed to use for transportation improvements.

The Surface Transportation Subcommittee is now beginning the process of reauthorizing ISTEA. The future budget authority provided and the size of the program will be a determining factor in the type of transportation program we can enact to lead us into the 21st century.

This is a simple fact of life. We must be able to spend the gas taxes we collect on our future transportation program or we will be severely limited in the flexibility and creativity necessary to address today's transportation needs. For example, like more than a majority of House Members, I represent a donor State and want to revise the current outdated and inequitable formulas.

But, this will be hard to do, if not impossible to do, with a shrinking program—a program funded entirely by user fees that may be cut by as much as 40 percent according to some budget projections. This vote is important to the ISTEA reauthorization.

Don't be scared off by exaggerated claims make by opponents of this bill. There is no general fund subsidy of the highway trust fund.

The vast majority of general fund transportation spending that opponents have cited is from the now-defunct revenue sharing program, the community development block grant program, spending by nontransportation agencies, and other specific programs approved by the Appropriations Committee that are totally separate from and hardly relevant to the highway trust fund, the Federal-aid highway program, and this debate today.

In fact, it's the other way around—limitations on trust fund spending have subsidized other general fund spending.

This bill is not a budget buster and it will not automatically increase the deficit by some $30 billion as some have claimed. Appropriate controls and Congressional authority remain in place. But H.R. 842 will go a long way toward ensuring that, in the future, the user fees and taxes we have imposed on the traveling public and which are paid so dutifully by them day in and day out, will be spent for their intended and lawful purpose. Not to do so is dishonest and unfair to the American public.

Vote ''yes'' on H.R. 842—it's the right thing to do.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Chairman, I thank the gentleman from Minnesota for yielding this time to me.

I rise in opposition to this bill, not because I oppose spending the trust fund obligations for the purpose for which they were incurred. In fact, I would favor legislation that would mandate that the trust funds be expended for that very purpose, that would prohibit expenditures from the general fund, that would require us to raise the user fees if we need to spend more money. I am all in favor of that, but that is not what this bill does.

We have limitations placed upon the budget process for one purpose. The whole Budget Act of 1974 that we are operating under was placed there for one purpose, to put fiscal restraints in place so that we would have to make all of the decisions within the same context of a budget.

The purpose for the line-item veto was to allow the President to say here is certain spending that ought not to be spent. There is one area of spending that is exempt from the line-item veto. It is contract authority from the Committee on Transportation and Infrastructure so that they can designate money that has to be spent that cannot be vetoed by the President under line-item veto.

Now, what this bill attempts to do is remove all of that spending from the Committee on Transportation's authority, to remove it from the budget process so that there are no other fiscal restrictions or restraints that would require us to consider all spending within one specific decisionmaking process.

That is bad fiscal policy, it is bad budget policy; I would urge my colleagues to vote against it, and I will submit into the RECORD a letter from the Citizens Against Government Waste explaining why this is a bad bill.

Mr. SHAYS. Mr. Chairman, I yield 6½ minutes to the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget.

Mr. KASICH. Mr. Chairman, it is always a little bit frustrating when we come to a vote on a bill like this, that we wonder whether people who are going to be voting on this, or their staff, are paying attention. Well, I guess, without a rollcall or anything like that, we just rely on the fact that those wonderful staff people have their eyes focused on this chart and what the impact is of this legislation.

Now, this highway trust fund was established in, I believe, 1956, and what we have done is we have added up cumulatively all the money that has ever been collected from taxpayers in highway taxes to pay for roads. We added it all up from 1956 to 1996. The total amount of money collected in highway gasoline taxes to pay for highways totals $214 billion. Now, we added to that that interest that we owe from just the highway section, and that adds up to $21 billion, for a grand total, and think of this as some kind of a telethon, a grand total of what we have raised since 1956, of $235 billion from our taxpayers in fuel tax to fix our roads.

Let me stress that number again: $235 billion total collected, plus interest.

Trust fund spending has been $228 billion. In other words, my colleagues, we collected $214 billion in gas tax money to fix the roads. But consistent with everything else we do in this town, and unlike what families do, instead of spending $214 billion on fixing roads, we spent $228 billion, and then when we add to that the money beyond the trust fund money, that is another $63 billion, another $63 billion, for a grand total, a grand total since 1956, of $291 billion. We have collected and had interest that cumulates $235 billion, and we have spent $291 billion on highways.

Now, anyway, and I have got limited time and we got a whole lot of debate going, let me just do this thought. The simple fact is, as my colleagues know, the argument here, the argument in this body, is somehow the people have been cheated, somehow they have paid a lot of money in gas taxes, and they have not got the roads fixed for the money they paid. Well, that is not true. Frankly, what we have done is, we have one more time gone into the piggy bank of our children. We have gone into their piggy bank to have more money spent on roads.

Now, it should be equal. It is not equal. We have overspent on highways from what we were dedicating revenue to fix roads with. It is not complicated.

Now, if my colleagues want to take this thing off budget, let me just give them the bottom-line impact. To everybody in this Chamber:

If you spend any of this accumulated interest, then what you are doing is you got to do one of two things. You are either going to raise the deficit, which means you got to borrow more money and increase the national debt, or you got to cut some other program. It is not a confusing, complicated deal. It is one or the other. Now, under the current situation, if you want to spend more on roads, and I am not opposed to doing that because roads is infrastructure, and if the roads are not determined by pure politics, they can generally help the economy. But I do not think we ought to put roads above anything else.

I mean we can develop a supercomputerized system, as individual instruction for our children using computer technology. Frankly, that is more effective to me than just making roads a priority.

Look, the reason why we are coming to the floor and what contractors think and what a lot of people think is, as my colleagues know, we did not spend all the money we took in, that we got this shoebox full of cash. We got this shoebox full of cash to build all these roads, and the simple fact of the matter is we ''ain't'' got no shoebox. We do not have any cash in the back drawer. This involves borrowing. It involves our children. That is what it involves.

So I say to my colleagues, if they want to come to the floor and pull this off budget, fine. They can vote that way. They can vote that way, and just understand the consequences: We either are going to have to borrow more money and drive up the deficit or we are going to have to cut other programs which we struggle to avoid doing in this Chamber, create tougher priorities.

So, I mean, I give a lot of credit to the gentleman from Pennsylvania. I have never seen anybody more tenacious on an issue. He believes in this program, and I respect him for it. It is not a personal fight with anybody in this Chamber. It really is a matter of whether we are going to get our fiscal house in order and not put one priority ahead of another in times when we have got to choose or raise the national debt.

So I would urge my colleagues to keep our plan on schedule, and the gentleman from Virginia said this will be the end of balanced budgets. I am not going to be that gloomy here today. But it certainly makes our job more difficult. Do not support this bill, reject it.

□ 1330

Do not support this bill. Reject it. We can continue to have robust highway spending if we deem that to be a top priority, but keep this total spending within the decision-making that we all make in this Congress. But no one should come here thinking that somehow we have cash.

This is what we spent, 291. This is what we collected, 235. No one should think that we have underspent or taken our highway money and used it for something else. It just simply is not true. Let us be honest with the public on the way in which we add our numbers up.

Mr. SHUSTER. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I would respond to the distinguished gentleman, it is very true, if you go back in history, there was substantial general fund money spent on highways and other transportation projects. CDBG grants were spent, revenue sharing was spent. All of this is true, back in history. It also, interestingly, indicates how important transportation is to local communities. Nevertheless, nobody disputes that.

But Mr. Chairman, facts are stubborn things. Does anybody in this body dispute the cold, hard fact that there is over $30 billion in the transportation trust funds today? Nobody disputes it. It is a fact. That is the balance in the trust fund. We should spend that money in a rational, careful way.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I listened to the argument of our good friend, the gentleman from Pennsylvania. It would strike me that if one followed that logic, one should say that I think there is a surplus today in the Medicare fund, and we should spend it all today and it would not impact the deficit. That would be about the same logic.

Mr. Chairman, I yield 1 minute to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I just wanted to follow up on what the gentleman from Ohio [Mr. KASICH] was saying, to make this point. In 12 of the past 15 years, the highway trust fund expended more than it collected in dedicated taxes. In 12 of the years since that trust fund's inception in 1956, the highway trust fund expended more than it collected in both dedicated taxes and interest paid into the trust fund from the general fund.

I repeat that. In 12 years since 1956, it expended more than it collected in both taxes and interest. We are not saying do not spend money on highways. I believe in spending money on highways. I am a strong supporter of that. But count it, just like you count everything else in the budget.

The gentleman from Ohio [Mr. KASICH] is exactly correct. We have had a very large excess expenditure above revenues out of this fund, and people ought to recognize that.

Mr. OBERSTAR. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. BORSKI].

(Mr. BORSKI asked and was given permission to revise and extend his remarks.)

Mr. BORSKI. Mr. Chairman, I want to thank the distinguished gentleman for yielding time to me, and commend him and our outstanding chairman of the subcommittee for the great work they have done in bringing this bill to the floor today.

Mr. Chairman, today is our opportunity to restore honesty and truth to the Federal budget by voting to take the transportation trust funds off budget.

Chairman SHUSTER and Ranking Member OBERSTAR deserve high praise for their outstanding efforts to bring this bill to the floor.

Mr. Chairman, it makes no sense to me that we would ask the American people to pay taxes for these transportation trust funds and then not use the money.

These are dedicated funds that should be used for their intended purpose—the improvement of our Nation's transportation system.

Sitting on these dedicated funds which cannot be spent for anything else is simply a fraud on the American people.

We have been lying to the American people by telling them to pay their gas taxes and airline ticket taxes for an improved transportation system and then not investing the money in transportation.

In Philadelphia, we are faced with a vital need to rebuild Interstate 95, our key commuter and freight route that is used by 150,000 vehicles a day.

In the last month, I–95 has been closed and then restricted because of a fire that damaged the structure.

We have had massive traffic jams that have lasted the entire day, disrupted the surrounding neighborhoods, and produced chaos throughout the area.

The Pennsylvania Department of Transportation planned to invest $2 billion to make I–95 the highway of the 21st century.

Just this year, the Penndot plan was reduced to a $176 million resurfacing that will not solve our traffic problems and must be redone in 5 years.

By not investing the money in the trust funds, Washington is telling America's drivers who are sitting in traffic jams to get used to it.

It makes no sense to have a $20 billion balance in the highway trust fund—including $312 million for investment in Pennsylvania—when the money should be used for the reconstruction of I–95 and the many other roads throughout Pennsylvania that badly need improvement.

A vote against H.R. 842 is a vote against using this money to reconstruct I–95 and the many roads like it.

It may be a vote to fund other programs but it is a vote against reconstructing I–95.

In Philadelphia, our transit system, Septa, is an absolutely key part of our regional transportation system, carrying more than 1 million passengers each weekday.

Without Septa, we would have more traffic congestion requiring more roads and more parking facilities.

Right now, Septa is in trouble. Septa needs more money for upgrading track, stations, and equipment.

The entire Philadelphia region loses if Septa is allowed to continue on a downward spiral.

An improved, modernized Septa system benefits everybody in the region.

At the same time we have allowed a $9.6 billion cash balance to build up in the transit account—money that our Nation's transit systems desperately need.

A vote against H.R. 842 is a vote against using this money to help Septa and other transit systems. It is a vote against transit.

It may be a vote to support some other program but it is a vote against transit.

Philadelphia international airport has been trying to get funds to build a new commuter runway that will increase capacity by 40 percent.

Annual operating delays at Philadelphia cost airlines more than $70 million in wasted fuel and labor costs.

At the same time, however, we have allowed a balance of $11 billion to grow in the aviation trust fund.

A vote against H.R. 842 is a vote against funding projects such as the Philadelphia commuter runway.

It may be a vote to use the transportation trust funds for some other program but it is a vote against airport projects.

The inland waterways trust fund and harbor maintenance trust fund are also crucial elements of this bill.

The Nation's ports handle more than 1 billion tons of cargo annually, including 95 percent of our international trade.

Many ports are in a crisis today because of the need to expand capacity to meet new trade demands. It is estimated that $600 million will be needed for ports during the next 5 years to keep pace with the growth of commerce.

The outdated and antiquated locks and dams of our inland waterway system hinder shipments and require additional investment.

More than 40 percent of the locks are more than 50 years old and one is 150 years old.

Mr. Chairman, a vote for H.R. 842 is a vote for honesty in budgeting and for investment in economic growth.

We have told the American people to pay their money for transportation. Not spending the money is fraud.

Our long-term transportation needs are important enough to take the trust funds off budget and increase our investment. Each $1 billion of investment in infrastructure creates 42,000 jobs.

We should take the trust funds off budget and use the money the American people have already paid.

Mr. Chairman, 6 years ago, we took the Social Security trust fund off budget. This is the exact same situation.

Let's put trust back in the transportation trust funds and pass H.R. 842.

Mr. SHUSTER. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, by passing this legislation, we will be moving smartly from fuel tax fudging to truth in budgeting. How many of the Members would dare to stand at their gas pump and to tell each one of your constituents after you shake his or her hand, do you know that part of the tax that you are paying with each gallon of gas is going toward payment of welfare costs, toward foreign aid? Because that is the result of not spending their fuel tax for the dedicated purpose, just the opposite of what the opponents of this legislation are saying.

The opponents are saying that if we go through with this plan as envisioned by this bill, we will be robbing our social programs of moneys. That means they must be paying for them now through the fuel tax that they are paying. Is that not the obvious, logical conclusion? Truth in budgeting means that the American people, to whom we owe full faith and credit, have a right to expect that their fuel tax goes for nothing but highways.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Mr. Chairman, I thank the gentleman for yielding time to me, and I also thank the gentleman from Pennsylvania [Mr. SHUSTER], the chairman of the committee.

Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act and ask unanimous consent to revise and extend my remarks.

Mr. Chairman, I commend the leadership of our committee, Chairman BUD SHUSTER and Ranking Member JIM OBERSTAR, for introducing this legislation to take the transportation trust fund off budget. I want to share with my colleagues why I cosponsored this bill.

President Eisenhower was a visionary when he created the highway trust fund in 1956. He knew that by creating a new trust fund where those who benefit from the transportation program pay for the program, a steady, dependable stream of revenue would ensue. For many years the trust fund worked as promised: motorists paid into the fund and in return they received highway construction and transportation improvements.

But when Congress created a unified budget in 1968, the word trust was removed from the highway trust fund. I looked up the word trust in Webster's Dictionary, and this is what it says: trust is a dependence on something future or reliance on future payment. Webster's also defines trust as: to commit or place in one's care or keeping.

Mr. Chairman, I submit to you that after I read those definitions it became clear to me that the word trust in highway trust fund has no meaning.

Why do I say that? Because over time the Government has collected but withheld and diverted nearly $31 billion in trust fund dollars. This is money that should have been going to our Nation's infrastructure.

Americans have faithfully supported the concept of a highway trust fund by dutifully paying their gasoline tax for 40 years. What have they received in return? 176,000 miles of American highways in mediocre to poor condition. Severe road congestion on 30 percent of our Nation's major roads. A $290 billion backlog of bridge repair work.

Polls show that 72 percent of the American people believe the motor fuel fee is the fairest way to finance highway improvements. They want their money to go toward protecting our investment in our Nation's infrastructure. But this shell game being played with the moneys in the highway trust fund has only delayed this badly needed investment and helped fuel the prevailing cynical attitudes people have toward their elected officials and Government.

Let's stop the charade and pass H.R. 842.

Mr. SHUSTER. Mr. Chairman, I am pleased to yield 1 minute to the gentleman from Tennessee [Mr. DUNCAN], the distinguished chairman of the Subcommittee on Aviation.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentleman from Tennessee [Mr. DUNCAN].

The CHAIRMAN. The gentleman from Tennessee [Mr. DUNCAN] is recognized for 1½ minutes.

(Mr. DUNCAN asked and was given permission to revise and extend his remarks.)

Mr. DUNCAN. Mr. Chairman, I rise in strong support of H.R. 842, introduced by the very capable chairman of the Transportation Committee.

I do not want to repeat many of the comments that have already been made here today. But let me say that this, Mr. Chairman, our Nation needs this legislation.

No one disputes the fact that we need to spend more than we presently are to repair, maintain, upgrade, and improve our Nation's highway and aviation systems.

I have been very fortunate to serve as the chairman of the Aviation Subcommittee for 16 months now, so I will speak to the serious needs in our Nation's aviation and air traffic control system. Air passenger traffic is going to double in the next 10 years, from over 500 million a year now to almost 1 billion 10 years from now.

I am one of the most fiscally conservative Members of this House, so I have been very frugal in what and how we spend the taxes that are sent here from hardworking Americans.

Mr. Chairman, as it has been said earlier, this issue is a question of fairness to the taxpayer.

It is a question of whether or not we should keep our commitment with the people who pay taxes, to this Federal Government, every single day of the year.

Every time a person gets on a plane. He or she pays taxes. Every time a person puts gas in their car, he or she pays taxes.

Many years ago, Congress established a policy, a pact, with the American people. If you pay these taxes, we here in Congress will turn around and spend them on repairing our highways and bridges and we will update our antiquated air traffic control equipment.

Mr. Chairman, the aviation trust fund was established in 1970 to help bring our air traffic control system up to speed. But as we all have seen this has just not been the case.

Last year, air traffic control centers suffered more blank radar scopes, dead radios, downed computers, and failed power systems than in any previous year.

This 30-year-old equipment causes airplanes to be delayed and certainly shakes public confidence in the safety of flying.

There have been air traffic computer failures at FAA centers near Chicago, Dallas, Cleveland, New York, Pittsburgh, Boston, Atlanta, Houston, Oakland, and Miami.

In fact, just a few weeks ago the FAA issued a coast-to-coast grounding for aircraft going to Pittsburgh airport because of an outage.

While these outages have been occurring more and more frequently, the aviation trust fund has taken in billions, at least $5 billion last year alone, not including the $1 billion in interest.

At the end of the last fiscal year, the aviation trust fund has a cash balance of nearly $11 billion.

This enormous balance has not accumulated because of any sound policy reason but rather as an accounting gimmick to help hide the size of the Federal budget deficit.

Mr. Chairman, experts have testified before the Aviation Subcommittee that airport needs over the next 5 years will total $50 billion.

The FAA expects that air travel will increase from over 500 million passengers today, to well over 800 million by the year 2005. This is a 56 percent increase in air travel.

And, the FAA has reported that 23 airports across the Nation exceed 20,000 hours of delay per year.

Unless significant capacity improvements are made, the FAA expects that by the year 2002, 33 airports will experience delays of 20,000 hours or more, costing millions of dollars annually.

In 1995, the aviation trust fund took in $6 billion. The Administration has projected that the aviation trust fund, under current law, will take in $9.2 billion in 2002, a 46 percent increase.

Mr. Chairman, I believe Americans are paying too much already in taxes today.

Moreover, I have never voted for a tax increase since I have had the privilege of serving in this body.

However, in my opinion, if we are not going to spend the taxes we collect for the purpose of which they were intended, then we should return the money to the people.

We must take the transportation trust fund off-budget so that we can spend the aviation taxes to improve the safety of the air traffic control system.

We must pass H.R. 842 today and not wait until a tragic aviation accident embarrasses Congress into taking action.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I would ask the gentleman, why is it the trust fund only pays 50 percent of FAA operating costs, when all the studies show that 85 percent is related to civilian air travel? Has not, in effect, general revenue substantially subsidized the operation of FAA over the last several years?

Mr. DUNCAN. To some extent, yes. That is correct, I would say to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the answer to the question is that 75 percent of the overall budget of the FAA is funded out of the trust fund revenues. There is an additional amount that is paid out of general revenues from the DOD budget to account for air traffic control services to the military, and some people, some folks at OMB, account for the operating budget of FAA in a different way in saying that the operating budget, salaries and expenses are 50 percent. But that is an irrelevant argument.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

(Mr. TRAFICANT asked and was given permission to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Chairman, if we listen to the opponents of this particular bill, we would think that Dwight David Eisenhower was the father of pork in America. Ike was not a pork barrel President, and this is not just truth in budgeting, this is a truth in financing, truth in borrowing.

I should have offered an amendment calling for an investigation into congressional borrowing from trust funds. These user fees are taxes. The American people pay taxes to fix their roads. The money going to this account is already going for other services. It is not true. This a good bill.

Let us talk about this. Maybe we should take the Committee on Appropriations and keep them on budget and take the trust funds off. H.R. 842 does not say these matters still do not go through appropriation. They are still subject to appropriation. The trouble with America today is that everybody has their hands on trust funds. They should all have their own boards of directors. No one should be able to touch them. That Social Security trust fund is financing a debt, and we are not getting the truth on the deficit or the national debt.

There is no justification to use highway money for anything else. There is no justification to keep America second rate. This money has an intended purpose. There is a tax; not a user fee, a tax. That tax, Mr. Chairman, is directed towards maintaining our infrastructure, fixing our roads, and the appropriators still have a say.

The trouble is, if we are going to get some truth out of the whole budgeting process, tell us the truth of the national debt, tell us the truth of the deficit. You have been trying to mask it with this trust fund for too long. Open it up, use it for what it was intended. Anything else is hypocrisy and maybe against the law. Damn it, I wish I had offered that investigation amendment. I yield back the balance of these taxes.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. MCKEON].

Mr. MCKEON. Mr. Chairman, I rise today in support of H.R. 842, and commend Chairman SHUSTER for the work he has done to bring this bill to the floor.

Mr. Chairman, I rise today in support of H.R. 842, legislation to separate the four transportation trust funds from the unified Federal Budget. Before being elected to Congress, I served on a city council and listened to many residents who were concerned about funding basic infrastructure needs. These same citizens are under the mistaken impression that the money they spend every day on gasoline excise taxes will be used to improve roads, bridges, airports, and waterways across the country.

It is simply wrong to use the revenue dedicated to these trust funds for anything other than their original purpose—and we can act today to correct this matter. There are billions of dollars of unmet infrastructure needs in the United States and the sad thing is that we already have the money to pay for these projects—only it is not being spent. The cost to the taxpayer and our Nation to rebuild these roads will only increase if we continue to delay taking the four transportation trust funds off budget. I urge a ''yes'' vote.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let us be straight about some facts. Since 1981, we have spent more than we have collected in receipts and interest in these funds. The way we measure the deficit is expenditures versus revenue. In 1994 and 1995, the expenditures from the highway trust fund have exceeded total revenue. The same is true in the airport trust fund. They are not subsidizing the balance of the budget.

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Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. LAHOOD].

(Mr. LAHOOD asked and was given permission to revise and extend his remarks.)

Mr. LAHOOD. Mr. Chairman, I would make the comment to the distinguished chairman of the Budget Committee and others who have been promoting a balanced budget that if we take these off-budget and use them for their purpose, we would actually be saving money, that we would not be spending in excess. That would answer their question. But I rise in strong support of this. I commend the gentleman from Pennsylvania [Mr. SHUSTER], the chairman, and the gentleman from Minnesota [Mr. OBERSTAR] for the leadership that they have exhibited over the last several months and years, I would add. This bill is a product of their tremendous efforts to restore fairness and accountability and we must have accountability in the transportation budgeting. In 1994 in my home State of Illinois, the gas tax amounted to $663 million. It is imperative that these trust funds be used for essential improvements and repairs to our infrastructure.

Mr. Chairman, it is time that our highways and airports receive the funding they deserve and this can only be done by moving the trust funds off-budget. Keeping the trust funds as part of the unified budget has had a severe impact on my home State of Illinois and the other States in the country.

I urge my colleagues to support honesty and fairness in the budgeting process and support this bill.

Mr. OBERSTAR. Mr. Chairman, I yield 1 minute to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. I thank the gentleman from Minnesota for yielding me this time.

Mr. Chairman, I rise in support of H.R. 842, the Truth in Budgeting Act. For more than 40 years Americans have been contributing to transportation trust funds designed to ensure a safe, efficient, and reliable transportation infrastructure.

Since 1969, these trust funds have been included as part of the unified budget for the purpose of masking the extent of our deficit spending. The budget chairman's chart revealed what's been spent—but no mention of the unmet needs of this Nation. In my State of Missouri, we have more than $1.7 billion in unmet highway needs, including 261 lane miles of 4-lane highway needs, and 136 bridges in need of major repair or replacement.

Mr. Chairman, balancing the budget was a priority when I campaigned for Congress, and I have worked hard to reach that goal. But in our quest for a balanced budget, it makes no sense to let our infrastructure fall into disrepair. Each year we will find ourselves in a greater dilemma if we refuse to seriously address our many transportation needs today.

The Truth in Budgeting Act will remove the transportation trust funds from the artificial constraints that prevent needed money from being released. It will allow for greater investment in our Nation's future, and reward the American people's commitment to a strong transportation infrastructure.

I urge my colleagues to support H.R. 842.

Mr. OBERSTAR. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. POSHARD].

(Mr. POSHARD asked and was given permission to revise and extend his remarks.)

Mr. POSHARD. Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act. I am a proud cosponsor of this much needed legislation, because I believe it reflects a strong commitment to improving and maintaining our Nation's transportation infrastructure.

Very simply, H.R. 842 will take the four Federal transportation trust funds out of the unified budget. This is the same budgetary treatment given the Social Security and U.S. Postal Service trust funds, and it is the right thing to do. Every day, millions of tax dollars are collected through the sale of motor fuel and airline tickets. These taxes are designed to build and maintain our transportation infrastructure system. Unfortunately, because the trust funds are part of the unified budget, their positive balances have been wrongly used to mask deficit spending.

Mr. Chairman, our continued investment in highways, airports, waterways and ports is of critical importance to the 19th Congressional District of Illinois. Taking the four transportation trust funds off budget is a fair way to ensure that tax dollars collected to improve and maintain our transportation infrasture, are used for that purpose. I urge my colleagues to join with me, and the other 224 cosponsors of H.R. 842, in supporting this important legislation.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Chairman, I support the Truth in Budgeting Act. You may ask why? I would like to give one example.

Federal highway transportation funds were designated to expand the Niblick Bridge in Paso Robles, within my district. The funds were appropriated, yet they could not be used immediately because an environmental impact statement needed to be conducted before the construction of the bridge could commence.

Hundreds of thousands of State and local dollars had been invested in repairing the bridge and conducting the mandated environmental reports to comply with regulations to build the bridge. This took time. In fact, 4 years to be exact. Because all the moneys could not be used immediately, the budgeters wanted to rescind these unprotected dollars to mask the deficit rather than use them for their intended use, which is to repair and strengthen our existing transportation infrastructure within the United States.

Well, I believe that if you collect a tax for a specific purpose, then, by golly, you should use it for that specific purpose. So for that reason, I urge my colleagues to strongly support the Truth in Budgeting Act.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, we have heard, I believe, some really interesting and creative accounting here with the chart from the chairman of the Committee on the Budget and the ranking member. They would have us believe that, over time and currently, that we are spending more than we collect in dedicated taxes to maintain the transportation infrastructure of our country, and they are most interested in balancing the budget and keeping the books straight.

If that were true, then I am confused as to why the Committee on the Budget chairman and the ranking member are not supporting this bill. If it is true that we are now subsidizing these trust funds, I am willing to live with reality. Let us only spend the dedicated taxes that we take in that are levied on the people of the United States, in gas taxes and in ticket taxes and other taxes that support this infrastructure. Let us only spend that.

I am willing to live with that. Are they? No, they are not, because in fact they are taking money out the back door to defray other expenses of the Federal Government. They are borrowing every penny that is accumulated in the trust fund balance, and it has been spent and replaced by IOU's.

It is also interesting to me that in a Congress that is interested in growth and investment, that we do not have a little more discussion from some of those in opposition about what it means to spend money that is invested. If you spend money in a bridge, a highway, in mass transit, that money will provide economic benefits for decades to come. Yet we treat that the same as money spent for a one-time expenditure of something consumable and thrown away by the Federal Government. Does that make any sense? It makes no sense whatsoever.

These funds are raised to be invested to improve the transportation and infrastructure of this country, and no one in this body can tell me or any other Member who is informed that we have met those needs, with bridges falling into the rivers and highways in disrepair and mass transit going unbuilt. We need to get these funds off-budget

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. QUINN].

(Mr. QUINN asked and was given permission to revise and extend his remarks.)

Mr. QUINN. Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act.

Mr. Chairman, I support this legislation for many reasons because I believe that the infrastructure of our Nation is vital to our economic viability. This is true, and it is backed up by statistics that say that more than 40 percent of highway use is by businesses and small businesses alone.

Mr. Chairman, I have heard from small businesses in my district that are currently paying the largest taxes. They are also the largest job producing segment in my district and in districts all across the country. They make the largest contribution, small businesses do, to these funds, and they want to make sure that these trust funds are restricted and they are not used for other things than they are intended for.

I have heard from a constituent in my district, Melvin Rupp, a small business owner. If those in opposition to this legislation think that the people back home do not know what it is about, then they are sorely mistaken. Mr. Rupp and others in my district have urged me to do what is right, to protect these funds for their intended use, to stop using these funds for masking the deficit and to support a real balanced budget.

I ask strong support for H.R. 842, and thank our chairman and ranking member for the work they have done on it.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. LATHAM].

(Mr. LATHAM asked and was given permission to revise and extend his remarks.)

Mr. LATHAM. Mr. Chairman, I thank the gentleman for this opportunity and rise in support of this bill.

The reason is, when you look at a rural district like I have in northwest Iowa and the tremendous infrastructure demands that we have in an agricultural area, our roads are crumbling. In the last 5 years the State of Iowa has been denied about $87 million that could have gone into roads and bridges, to build infrastructure, because we have decided to spend those dollars someplace else.

I am as conservative as anyone on the floor here as far as trying to balance the budget. If I thought that this was part of the problem, I would not be supporting this. But, in fact, our problem as far as the budget is our addiction to spending more money in social programs and consuming for today and not investing in the future.

What this is all about is putting dollars that are paid by users to go into infrastructure, to go into roads, to try and maintain our economy and to create jobs. I support this bill.

Mr. SHUSTER. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Ohio [Mr. LATOURETTE].

(Mr. LATOURETTE asked and was given permission to revise and extend his remarks.)

Mr. LATOURETTE. Mr. Chairman, I rise today in strong support of H.R. 842, the Truth in Budgeting Act. This is a measure that will affect every American who buys gasoline in his or her car or buys airline tickets. Americans currently pay an 18.4-cent tax on gasoline and a 10-percent tax on airline tickets. This money, approximately $80 million a day, is placed into the transportation trust fund and is supposed to be used to pay for urgently needed infrastructure such as maintenance of our highways. Instead, the Federal Government for years has been hoarding much of this tax money and using it to mask the true size of the deficit. This means the Federal Government is essentially stealing from Americans each time they travel.

What does this all mean to Ohio drivers? The Ohio Department of Transportation estimates that Ohio sends about $1 billion in Federal gas taxes to Washington annually. Unfortunately, the State gets back only about $600 million of that money. Of the remaining millions, $345 million is used to hide the size of the deficit while the rest of the money disappears into what ODOT calls a bureaucratic black hole inside the Beltway.

Mr. Chairman, I urge support and passage of H.R. 842.

Mr. SHUSTER. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman, as manager, is entitled to close debate.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

(Mr. FRELINGHUYSEN asked and was given permission to revise and extend his remarks.)

Mr. FRELINGHUYSEN. Mr. Chairman, I rise to oppose this proposal. This issue, Mr. Chairman, ultimately comes down to congressional accountability and integrity. If Congress removes the transportation trust funds from the budget and therefore budget scrutiny, it will set forth a dangerous precedent for the other 160 trust funds under Federal jurisdiction. The progress was made in last year's budget for funding the Pell grants, veterans health care and housing improvements for our military families would be at risk if the transportation trust funds were taken off-budget. If we take this action, where are these cuts going to come from?

Appropriations are not Houdini. If you tie our hands and drop us in a pool, do not expect us to get our heads above water.

Mr. OBERSTAR. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from West Virginia [Mr. WISE].

Mr. WISE. I thank the gentleman for yielding me the time.

Mr. Chairman, I often hear the refrain which I agree with that you ought to treat the Federal budget like you do your family budget, your business budget, maybe even your State or county government budget. I happen to believe in that maxim and I believe in another maxim. You ought to get what you pay for. And if you pay a dedicated tax, you ought to get what it is dedicated to. And if you pay 18.4 cents at the gas pump for roads and bridges and maintenance and construction, you ought to get 18.4 cents worth of roads and bridges and construction. So that is one essential reason that this is such a crucial vote today.

There is another reason. I want to deal with those who say, ''If you take this off-budget, then it hurts other areas of the discretionary budget.'' Well, there is one thing that Republicans and Democrats agree on and that is the need for growth. There is one thing that unfortunately neither the Republican nor Democratic budget has in it, and that is adequate growth. The best I have seen is a 2.5-percent increase every year. The worst is 2.3-percent and neither one is a growth budget. This is growth. The only way you grow is to invest in your country, in your stock, in your physical infrastructure—your roads, your bridges, your water systems, your sewer systems, your airports, your locks and dams. that is how you grow. It has also been documented that building infrastructure also improves productivity, another key to growth. So if you want to grow and we want to make sure that there is adequate money in that budget for all the programs that are so important, you have to support growth. That means you have to support investment. That means you have to support this bill because this does guarantee the investment that is so important.

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Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, 1½ minutes is not very long. Let me tell you my version of why this is not a good bill.

Mr. Chairman, everybody is for using the gas tax receipts that go into the trust fund for the purpose of highway construction. I am for that. Let me make it very clear. Every cent raised in gas taxes has been spent for highway construction since it was first started in 1956.

Let me tell you my version of what the argument is really about. During the Vietnam war, we transferred some of the highway trust fund money for the war effort. That has now accumulated over the years additional interest, which is technically part of the trust fund. That interest now represents a cash balance of $19 billion. This is the issue. The authorizing committee would like to now have the authority to spend that additional $19 billion that has been accumulated in interest.

Let me tell you very briefly why that is not fair. Since 1956, we have spent approximately $41 billion out of the general fund for road and highway construction. We have spent approximately $41 billion out of the general fund for the construction of mass transit. We have authorized those amounts. That is why the cash balance has in fact already been spent. There should be a tradeoff. The $19 billion should not now be spent to shortchange other spending of the Federal Government and really disrupt our opportunity to balance the budget.

Mr. OBERSTAR. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman is recognized for 3 minutes.

Mr. OBERSTAR. Mr. Chairman, we have heard now in the course of this rather lengthy debate from all the bogeymen with their scare arguments about unrestrained spending on transportation projects. The face is that there is restraint. It is written into the highway trust fund language, has been since the beginning in 1956, that this fund is antideficit, that it cannot run a deficit. It has not, and it will not.

But in addition to that, there is additional restraint or further restraint from the Office of Management and Budget, which must review and put its stamp of approval on highway funding requests from the Department of Transportation. There is review by the

White House. There is review by the Committee on the Budget. There is review by the Committee on Appropriations. And there will continue to be, under this legislation.

The second argument about interest, you just heard a discourse a moment ago from our good friend from Michigan about interest. Would any of the members of the Committee on Appropriations, would any Member of this body argue that the Federal Government should not pay interest to purchasers of U.S. Treasury securities? Should we not have paid interest on war bonds for World War II or World War I? Should we not pay interest to those domestic and foreign interests that buy U.S. Treasury notes, that in fact underwrite our deficit? Should we welch to those who buy U.S. Treasury notes, not pay interest to them?

No, of course not. Nor should we welch on those highway users and aviation users and waterway users whose tax dollars are used to purchase U.S. Treasury securities and on which interest is owed.

That is what we are talking about here, fairness.

Then, finally, from various Members, that old pork-barrel nostrum, tired old argument, dragged out every time they run out of steam on the merits of the issues. The fact is, this is a fairness issue. People agreed to be taxed to build highways and bridges, to build runways at airports, to deepen our waterways and our ports. It was Abraham Lincoln who first said if you do not have a tax to build a waterway, you will never get the revenue out of that waterway to build this Nation, in 1848 as a Member of this body.

This is a basic fairness issue. You agree to be taxed for a benefit to be derived, and that is what this legislation is all about.

GENERAL IMPORTANCE OF TAKING TRANSPORTATION TRUST FUNDS OFF-BUDGET

Trust fund: Dedicated revenue stream—freeing the Transportation Trust Funds from the artificial and unnecessary constraints of the budget process will allow those desperately needed funds to reverse the deterioration of the Nation's infrastructure; and

Improved infrastructure will create jobs and increase the productivity and efficiency of our industries, thereby enhancing the United States position in this fiercely competitive global economy.

DECLINE IN INFRASTRUCTURE INVESTMENT

Infrastructure investment as a percentage of the gross domestic product [GDP] fell from 1.2 percent in 1980 to 0.8 percent in 1995;

Infrastructure spending as a percentage of Federal spending declined over the past 30 years from a high of 6.3 percent in 1965 to 2.8 percent in 1994;

Infrastructure spending from 1981 to 1992 fell by $12 billion from $43.9 billion in 1980 to $31.9 billion by 1992, in constant dollars;

At the same time, our economic competitors have been devoting substantial resources to their long-term investments: Japan is spending $3 trillion over 10 years to improve its infrastructure; Germany is investing nearly $2 trillion in infrastructure to fully integrate its eastern states into Europe's most powerful economy; and even Taiwan is proposing to spend more than $100 billion over 5 years to improve and expand its infrastructure;

Overall, the U.S. ranks 55th in the world in infrastructure spending, based on 1993 statistics; and

Our lack of investment is affecting our Nation's ability to compete—from 1979 to 1989, the United States productivity growth rate was only 35 percent of the average of other industrialized countries.

REAL LIFE CONSEQUENCES OF DECLINE IN INFRASTRUCTURE INVESTMENT

Our failure to develop our transportation infrastructure has had serious, real-life consequences;

Commuters waste 2 billion hours annually sitting in traffic because of freeway delays—costing our economy $45 billion per year in wasted fuel and lost productivity in our Nation's 50 largest cities alone;

Fifteen locks on the inland waterway system average more than 3 hours of delay per barge ton because of antiquated and outdated locks and dams;

Projected growth will also occur under the budget proposals of the Republican Congress. In fact, that was the case with the budget resolution the Budget Committee brought to the House floor last year;

Taking the Transportation Trust Funds off budget would not add to the deficit; and

In scoring H.R. 842, CBO said, "By itself, taking programs off-budget does not change total spending or revenue estimates for Congressional score keeping purposes."

UNIQUENESS OF TRANSPORTATION TRUST FUNDS

They are wholly self-financed by the user;

They have dedicated revenue sources;

They are self-supporting, operating on a pay-as-you-go basis;

They are deficit-proof, with expenditures limited to receipts

They invest in infrastructure capital programs; and

They finance long-range construction programs, which benefit from certainty in funding.

TAKING THE TRUST FUNDS OFF-BUDGET DOES NOT MEAN WE WOULD LOSE CONTROL OF SPENDING

Taking the Transportation Trust Funds off-budget also does not alter the current authorization and appropriations process;

According to CBO, "The likelihood and amount of potential increase—in transportation investments—are very uncertain because they depend upon the future actions of both the authorizing and appropriations committees;"

Under H.R. 842, the Secretary of Transportation and the Secretary of the Treasury would review Aviation, Inland Waterways and Harbor Maintenance Fund spending annually and reduce proportionately for any trust fund in which projected revenues would exceed authorizations;

That review is similar to the so-called Byrd amendment in the highway program which insures that the Highway Trust Fund can never operate in a deficit;

All Transportation Trust Fund expenditures would be limited to receipts and subject to authorizations legislated by both Houses and signed into law; and

The Appropriations Committee could still continue to include an annual obligation ceiling on transportation programs to control spending further.

Mr. SHAYS. Mr. Chairman, I yield 1½ minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Chairman, I am completely opposed to this amendment because it is such horrible, horrible policy. It misses the fundamental point of how we raise money, of how we tax and why we tax and what the circumstances are for taxation.

The fact is, why do we tax gas? Sure, there is some connection between the tax that is raised and spending on the roads. But we tax gas because we can tax gas, because we are able to tax gas, the same way that we tax tobacco and alcohol and income and tariffs on goods that come into this country. It fundamentally misses the whole point. Once you go into this kind of a policy, you are running down a slippery slope that makes absolutely no sense whatsoever.

This is just terrible, terrible policy. Do we take all of the money that we tax alcohol and tobacco with and put it into the BATF? I do not think so. Do we take all of the money that we use taxing goods that come into this country under tariffs and use it to fund the customs agency? No.

This notion, and maybe what this means is we should not have had a trust fund in the first place. I will grant you that. But the idea that somehow this is separate and that it ought to be absolutely dedicated only to one thing just completely misses the fundamental model of taxation, the fundamental model of why we do this in the first place. When you understand that, then you understand that this whole bogey about interest and we should be paying interest on this phony trust fund that does not exist becomes a nonargument completely.

Mr. SABO. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I expect, like in all of these debates, certain things are overstated on both sides. But the reality is, again, there is simply no Santa Claus, no little secret pool of money, that someone can spend that does not impact deficits.

Deficits on a year-to-year basis are based on revenue coming in and outlays going out. The reality is, I listened to the advocates of this proposal, and it sounds like there is going to be a lot more money to spend on highways, but it is not going to cost anything. I do not know where the money is coming from.

The reality is that since 1981 we have spent more on highways that the total collected from the gas tax, even adding in that very generous interest allocation to the highway trust fund.

The reality is that in current years, 1994, 1995, we are spending more than what we are getting in gas tax, more than what the trust fund is getting in this very generous interest allocation to the trust fund. So the gas tax is not subsidizing anything else.

The question is whether we should take some of this surplus in this fund, which accumulated in the seventies, peaked in 1979, and start spending that now beyond current revenues, beyond interest, at a point in time we are trying to move to get our Federal budget balance of revenues and outlays in order.

The advocates say now we are going to do it. We are going to give this program priority over everything else, and if this goes up, the balance of funds coming down, something else has to be cut deeper. That is just simply the reality, if you want to hit a deficit target or try to get in balance.

If you do not want to hit a deficit target year by year, or if you do not want to be in balance within 6 or 7 years, or 5 or 8, whatever one has in mind, then you can do this. But if you have a deficit target in mind, this is a dollar-for-dollar trade-off with other priorities.

So I think we make a mistake when we set up these little kingdoms, removed from the normal budget process, that say you can go ahead and do what you like; removed from all the other arguments, the give-and-take of the legislative process, in setting our priorities on a year-to-year basis.

It is not going to be the end of the world, but it is just a foolish step to take at this point in time, so I would hope the House would defeat this bill.

Mr. SMITH of Michigan. Mr. Chairman, I yield the balance of my time to the gentleman from Connecticut, Mr. SHAYS, one of the distinguished leaders of the Committee on the Budget.

The CHAIRMAN. The gentleman from Connecticut is recognized for 1¾ minutes.

Mr. SHAYS. Mr. Chairman, there are arguments on both sides. It is not so cut and dry that it is so obvious to all of us. But while some call this the Truth in Budgeting Act, and they are right to call it that, there would be some truth in budgeting, I would call it the Unbalanced Budget Act of 1996, or, frankly, the pork barrel bill of 1996, because what it means is we are going to provide $50 billion more and make it available to people who want to spend on roads and bridges.

There is an opportunity cost. If you spend $50 billion more here, you have to do something to compensate. Are we going to cut defense? No. Are we going to raise taxes? Out of the question. So what it means is there will be, in my judgment, continued deficits to the tune of $50 billion.

Mr. Speaker, the Concord Coalition says, ''Passage of this legislation would severely jeopardize the chances of balancing the Federal budget and would be detrimental to the budget process.''

The National Taxpayers Union says, ''Placing these trust funds off budget is nothing less than a ploy to increase spending.''

The Citizens Against Government Waste say, ''The Truth in Budgeting Act sounds great to the public, but it is simply a ruse to increase the $5 trillion national debt.''

The Americans for Tax Reform say, ''American taxpayers want real reform of the budget process and not business as usual. They are depending on you to lead the fight in protecting the American taxpayers from the special interests who are trying to escape the scrutiny of fiscal responsibility.''

The Committee for Responsible Federal Budget says, ''Proponents of H.R. 842 want to make some spending invisible, pretend that it pays for itself, and thus insulate favored programs from regular review and scrutiny.''

Citizens for a Sound Economy say, ''Shielding the transportation trusts from fiscal scrutiny and accountability perpetuates pork-barrel spending and works counter to all efforts to reduce the deficit control government standing.''

This is happening under our Republican watch? We are going to all this to happen, when we have purported to want to balance the budget by the year 2002.

In my judgment, Mr. Speaker, this is a dead end, and I hope we reject it.

The CHAIRMAN. The gentleman from Pennsylvania is entitled to close debate and is recognized for 7 minutes.

Mr. SHUSTER. Mr. Chairman, many of the speakers today who have expressed their opposition to this legislation have said time-and-time again that if this passes, it would be more difficult to balance the budget.

Let us think about that for a minute. I would suggest that that is a clear, implicit, admission that their intention is to continue to use these transportation trust funds to mask the size of the deficit.

Now, nobody has had the courage really to stand up and say that directly, to say, yes, we want to use these transportation trust funds to mask the size of the general fund deficit, but that is the only logical inference one can draw. That is implicit in their statement. They apparently think it is right. Many think it is wrong. Some 224 Members of this body, a majority, have cosponsored this legislation.

My good friend talked about Republicans. Republicans historically in the past have voted, over 60 percent of Republicans, in favor of taking these transportation trust funds off budget, because they see this not only as a financial issue, but as an issue of honesty in government.

Indeed, many of us believe that it is wrong to tell the American people we are going to take your gas tax or we are going to take your airplane ticket tax, promise you we are going to use it for transportation improvements, and then instead not spend the money and use it to mask the size of the general fund deficit.

My good friend from Ohio said there is no difference between these trust fund taxes, these user taxes, and general taxes. He is certainly entitled to his point of view. However, that is not really what we are debating today.

Over the years this Congress has said the trust funds are different. Why would we call them trust funds if they were not any different? They are different because, in our case here today, these user fees are paid for and a promise is made they will be spent for the purpose intended.

Facts are stubborn things, and we have heard an awful lot of rhetoric and even a little bit of myth here today.

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We have heard, quote, more money has come in to the trust fund than has gone out. That is interesting. Is there or is there not a $30 billion balance in the trust fund? Does anybody dispute it? Right there on the chart are the balances from the Treasury Department. Does anybody here dispute there is a $30 billion balance in the transportation trust funds? Well, I think not, because that is a fact. Facts are stubborn things.

We have heard that if this passes we will have a blank check for spending. We have heard that spending will be uncontrolled. We have heard this is a Santa Claus. Well, I would suggest that Pinnochio is a more accurate comparison, because this Government has played Pinnochio, lying to the American people and saying that if they pay their gas tax that we will spend it in transportation; pay your aviation ticket tax and we will spend it, and then we have not spent it. A $30 billion balance.

Indeed, we have also heard that the line item veto will not apply here. Well, we have said and I have said in the debate very clearly that the line item veto does apply. However, there seems to be some dispute over that, so I will offer an amendment to make it very clear that the line-item veto does apply. So this is unprotected? Unprotected with a line item veto?

But that is not all, Mr. Chairman. Does anybody dispute the fact that if this passes the Committee on Appropriations still has the jurisdiction and the authority to set the obligational ceiling? I have heard nobody disagree with that. I would expect nobody would because it is a fact. Facts are stubbon things, and the fact is if this passes, the Committee on Appropriations will continue to have the authority to set the ceiling on what can be spent each year.

We have even heard this referred to as an entitlement. Well, facts are stubborn things. It is not an entitlement. That is a fact. This is subject to annual control. The annual control of the Committee on Appropriations, the annual control of the President in his line-item veto.

So, indeed, facts are stubborn things, and there are substantial controls, perhaps the most important of which is, under the law you cannot spend a penny out of these trust funds unless the money is there to pay the bills. This program, these transportation programs are deficit proof.

Oh, if we only had other programs like this that would be deficit proof, then, indeed, we would not have the massive deficit that we have.

We have also heard that the interest technically, technically, is being counted here. Well, I guess it is a small technicality. It is called the law of the land, which says if an individual buys a Government bond they get interest on it. And so the Treasury Department, under the law, must pay that interest.

Indeed, the Social Security trust fund, in its reserves, nearly 50 percent of the reserves in the Social Security trust fund is based on interest. Are we going to tell the American people, aha, we are not really going to count the interest in the Social Security trust fund. Of course not. And let us be equally fair here. Obviously, under the law, the interest must be counted.

We have heard about the so-called special interests that support this. Well, I guess there are 260 million special interests called the American people who will benefit from better highways and better airports, but there are some other special interests. The National Federation of Independent Businesses, the Small Business Legislative Council, the American Farm Bureau, the National Grange, the Air Traffic Controllers, who care about safety. And we all better care about safety and spend some more money to make our air traffic control system safe. Women First. On and on the list goes.

But let me share with you some other so-called special interests. The National Association of Counties across America. Is that a special interest? The National Conference of State Legislatures. Is that a special interest? The National League of Cities, where our people live in urban areas. Is that a special interest? No. Many, many, many Americans strongly support this because we need fairness, we need honesty in budgeting and we need to live up to our promises to the American people.

And let me also emphasize in closing that while we have heard the argument what about the other trust funds, the transportation trust funds are the only trust funds that are totally user financed, that are deficit proof, that are not entitlements but annually controlled. These are, indeed, different, and for that reason we should vigorously support this legislation.

Mr. CRAMER. Mr. Chairman, I rise in support of the Truth in Budgeting Act of 1996 and in opposition to Mr. MINGE's amendment ending off-budget status of the trust fund if there is funding for transportation projects from general revenue.

Initially, the creation of the transportation trust funds assured our state and local governments a steady, dependable stream of Federal assistance necessary in undertaking long-term projects. Those who benefited from the transportation programs paid for the program.

Today, inclusion of these trust funds in the unified Federal budget has resulted in enormous surpluses—moneys which are desperately needed for improvements to our Nation's transportation systems.

Specifically, I must oppose Mr. MINGE's amendment. It provides off-budget status would cease if any general funds are spent on the construction, rehabilitation, and maintenance of highways or grants-in-aid for airports or for aviation-related facilities, equipment, and research engineering.

This amendment is too broad as it would cover any highway or aviation general-fund spending. For example, if a law coming from a committee, or a report accompanying a law coming from a committee provides general funds for any highway or aviation program, the off-budget status of the transportation trust funds would end.

On the issue of general funds, let me give a few examples: if there were general funds appropriated through EDA or DOD that could be used for highway purposes, then under the amendment the trust funds would no longer be off-budget. Even if there were general funds appropriated for highway or aviation research and development that too would put the trust fund back on-budget.

Mr. Chairman, anyone who supports H.R. 842 should oppose this amendment.

Mrs. KELLY. Mr. Chairman, I rise in strong support of H.R. 842, legislation which will restore honesty and integrity in the manner in which we utilize the transportation trust funds.

H.R. 842 will remove the four transportation trust funds—the highway trust fund, the airport and airway trust fund, the inland waterways trust fund, and the harbor maintenance trust fund—from the totals of the budget submitted by the President and the congressional budget.

In other words, the bill takes these trust funds off budget and puts a stop to the time-worn practice of using them to mask the size of the deficit.

The legislation should be adopted for a number of reasons, Mr. Chairman. Investment in infrastructure means jobs for American companies and American workers. Improved infrastructure also translates into a more productive economy, and boosts our competitiveness in the world market.

The most important reason to pass H.R. 842, however, is trust. Every time a motorist fills up at the gas pump, they do so with the understanding that the Federal gas taxes they are paying will be invested in new and improved roads, bridges, transit systems, and other needed infrastructure improvements. By failing to use these moneys for their intended purpose we are, in effect, violating that trust.

This failure to live up to the public trust comes at a price, as well. It is estimated that New York has lost nearly $390 million between the years of 1992 and 1996 due to the failure to fully fund the program at authorized levels.

Let's keep our promise to the American people, Mr. Chairman, and use the trust fund moneys for the purpose for which they were intended—developing and improving the Nation's roadways, airways, and waterways.

Mr. DOYLE. Mr. Chairman, as a cosponsor of H.R. 842, the Truth in Budgeting Act, I rise today to urge my colleagues to view this legislation not solely as a transportation issue, but as an issue on tax fairness.

The Truth in Budgeting Act would move our Federal transportation trust funds off budget, separate from the Federal unified budget. Currently, with these funds ''on-budget'' the surpluses are used to mask a portion of our true budget deficit which prevents these funds from being used in the manner they were intended. During this time of severe budgetary pressure, it is critical for State and local governments to receive general funding support, and should benefit equitable from the transportation taxes-user fees they send to Washington to be used for transportation purposes.

As I have the privilege to represent the 18th Congressional District of Pennsylvania, I can most assuredly tell you that my constituents are concerned about funding for vital transportation projects in the southwestern part of our State. Many of you are probably familiar with the equipment problems the towers at the Pittsburgh International Airport have been experiencing. Along with the FAA Revitalization Act, H.R. 2276, this bill will help to ensure that such incidents of grave public and transportation safety will receive the urgent response they demand.

The Truth in Budgeting Act would also enhance our communitys' abilities to plan important infrastructure investments and complete transportation projects. A community's mobility is a measure of its quality of life and the competitiveness of its economy. The efficient, cost effective movement of people and goods is vital for individuals and for the businesses that contribute and bolster our Nation's economy. The decline of the industrial corridor of southwestern Pennsylvania in the 1980's has been well documented. The loss of employment opportunities effected nearly one-half million people from the Mon Valley. A decade later, there remains a significant amount of work to be done to combat this economic devastation.

The Mon Valley Expressway would for the first time provide this region physical and economic access to Pittsburgh. I am confident that the Mon Valley Expressway will prove to be as much of an infrastructure and economic success as I–279, and the East and West Parkways. We cannot afford to not complete economically rejuvenating projects such as the Mon Valley Expressway.

As an advocate of capital budgeting and economic development, I urge my colleagues to support H.R. 842, the Truth in Budgeting Act.

Mr. EWING. Mr. Chairman, I rise today in support of H.R. 842, the Truth in Budgeting Act. Strong and persuasive arguments have been presented on both sides of the transportation trust funds off budget issue. However, I believe the overriding issue is that the American public should receive $1 worth of value for every dollar of dedicated user taxes for transportation improvements collected by the Federal Government and that such funds should not be used to mask the size of the Federal deficit. This is not a debate about balancing the budget, it is a debate about honesty in government! If all of the specific transportation user taxes are not going to be used for transportation improvements, then the amount of user taxes collected for the trust funds should be reduced.

Let's be clear about the debate today. The Budget and Appropriations Committees object to moving the dedicated transportation trust funds off budget because they will lose the ability to apply the unexpended balances in the trust funds back against other total discretionary spending levels in the budget—thereby keeping spending in other budget functions under the legal spending caps. They argue that removing the trust funds from the unified budget will result in more pork barrel spending, drastic cuts in other discretionary programs, and make it impossible to balance the budget.

The truth is most of the funds paid out of the transportation trust funds are disbursed to States through established formulas. The Appropriations Committee can always choose not to fund pork barrel highway demonstration projects. The president will have line-item veto authority starting in 1997. Appropriators and budgeteers are playing shell games when they apply paper excesses in one government account back against real borrowing for real deficit spending in other areas of the budget. Finally, collecting taxes for a dedicated purpose, and then using the taxes to support other unrelated spending is dishonest and not fiscally responsible, and it is certainly not the right way to balance the budget!

Testimony before the Transportation and Infrastructure Committee, from all segments of the transportation community, leave no doubt that the demands upon our Nation's existing transportation infrastructure are going to increase significantly over the next decade. Since our Nation's transportation infrastructure is already under funded, it stands to reason that this disparity will only continue to grow under the current arrangement. This situation is particularly damaging to States like Illinois, which pays more in taxes than it receives in benefits. When the total appropriated amount is reduced it is donor States, like Illinois, Michigan, New York, and California that are hurt the most, because they must wait until other States are paid their guaranteed allotments before their greater needs are funded. Placing the transportation trust funds off budget is the best way to correct this funding disparity, and why not? The taxpayers of these donor States are already paying for it!

In closing, I want to urge my colleagues to accept the premise, if Congress is going to mandate dedicated transportation user taxes, then Congress has a responsibility to ensure the public that these taxes are being used for their intended purpose—not to hide other deficit spending. The condition of our Nation's transportation infrastructure is critical to our Nation's economic health, let's protect the transportation trust funds. Vote aye on H.R. 842.

Mr. EVANS. Mr. Chairman. I rise today in support of H.R. 842, the Truth in Budgeting Act which would restore our Nation's transportation trust funds to their original purpose of serving the people. This bill would also restore the trust of the American taxpayer who has contributed billions of dollars in taxes and user fees to maintain this country's transportation infrastructure.

We have certainly abused this trust by allowing our Nation's roads, trains, airways, and waterways to deteriorate. Our transportation infrastructure is in desperate need of the money that will be freed by removing the trust fund off budget. According to a recent Department of Transportation report, approximately 30 percent of the interstate pavement on our highways is in poor condition. In fact, there are about $360 billion in unmet highway and bridge needs in this country.

Because of fiscal constraints, the Centennial Bridge in Rock Island County, IL, has fallen into severe disrepair. However, if these trust fund dollars are released for the purposes intended, the bridge authority will be able to make infrastructural improvements needed to keep this major crossing of the Mississippi River safe and viable for years to come.

I also share the outrage of many of my constituents about last year's drastic cuts in transit funding. Hard-working Americans have paid their fair share to help maintain healthy mass transit systems. Mass transit is the lifeblood of our cities and our suburban and rural communities. It provides a way to work for millions of middle- and low-income Americans. We cannot continue to jeopardize their livelihoods by using these transit dollars for other unintended purposes.

We cannot continue to use the billions of dollars accrued in the transportation trust funds used to mask the true size of the deficit at the expense of deteriorating roads, bridges, and tunnels, and failing bus terminals and airports. The American people have suffered long enough. The time has come to allow these funds to rejuvenate our decaying infrastructure. We need to maintain a safe, efficient, and cost effective transportation infrastructure.

This vote presents us the opportunity to meet critical highway and transit needs with honesty and accountability. I urge my colleagues to restore the faith the American people have given us by supporting this Truth In Budgeting Act.

Mr. EMERSON. Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act, because it does just that: it requires Congress to be truthful with the American people about where their money is going. We have made reducing the Federal deficit a major theme of this Congress, and yet some want to continue to use the transportation trust fund to hide the true size of the deficit. Ladies and gentlemen, that is smoke and mirrors, plain and simple. We must be consistent with our approach to tackling this country's fiscal problems. We cannot simultaneously talk about cutting the deficit and eliminating unneeded programs and yet continue to engage in a policy that does not honestly address the true size and nature of our deficit. This Congress needs to be truthful with the American people.

Mr. Speaker, we have been persistent and determined in our attempts to balance the budget because we know that our current spending patterns are taking away from future generations. The same issue applies here. Money set aside for the transportation trust fund should be used for transportation and infrastructure projects that will benefit our children and grandchildren. This money should not be subject to the political whims of the day because it is, quite literally, an investment in this Nation's future. By taking this fund off-budget we are ensuring that the money necessary to maintain and expand our current national transportation system will be available as this country moves into the 21st century. My home State of Missouri continues to fall behind in its infrastructure needs. It is imperative that as Missouri and other States expand their markets abroad and increase their exports that we maintain our vast network of highways, railways, ports, and airports.

Experts from around the country have told us that investment in our transportation system is a key ingredient to America's competitiveness and economic vitality in the next century. However, the 1995 budget resolution reduces transportation spending by 20 percent by the year 2002, precisely the time when our Nation will be in need of major infrastructure repairs. In fact, the Department of Transportation estimates that this country needs to invest an average of $74 billion annually over the next 20 years on transportation projects—that is double what was spent in 1994! Whether or not everyone agrees with these figures, the facts are obvious enough: the United States needs serious investment in our transportation system in the coming decades, and an off-budget trust fund ensures that we have the money that is necessary.

Mr. Speaker, this trust fund is made up entirely from user fees. It is very obvious that those fees should go to pay for infrastructure repairs and nothing else. That is what a user fee is for—to maintain and expand the services that require the fee. To spend it on anything other than what it is intended for is bad policy and downright dishonest, and I reject the notion that we can just take this money and use it as general revenue.

Mr. Speaker, for the safety of our children and to promote the economic growth of our country, we must ensure that the Nation's infrastructure and transportation system is not allowed to decay and collapse. That is why I urge my colleagues to be truthful with the American people and support the Truth in Budgeting Act.

Mr. COSTELLO. Mr. Chairman, I want to express my strong support for the bill, H.R. 842. As a cosponsor of this important legislation, I believe taking the self-financed trust funds off budget is not only appropriate but necessary.

Currently, the accumulated cash balanced 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 credited, 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 1950's, 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 passage of this important legislation.

Ms. EDDIE BERNICE JOHNSON of Texas. Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act. This legislation is critical to the viability of the Nation's highway program and to ensuring tax fairness.

The transportation trust funds were created with a special obligation between Congress and transportation users—that these user fees would be used to construct, rebuild and maintain our Nation's transportation infrastructure. Currently highway users contribute over $5 billion annually toward deficit reduction. Further reductions in spending from this program will increase trust fund balances and ignore the commitments made to taxpayers.

Mr. Chairman, while budgetary manipulation restrains investment, America's transportation needs continue to grow. The Department of Transportation recently reported that just to maintain current conditions would require an annual investment of $44.8 billion for highways, $5.1 billion for bridges and $7.3 billion for transit systems. Actual 1993 outlays for these purposes were $34.8 billion by all levels of government. Airport needs alone are estimated at $10 billion annually. It is argued that transportation should make a contribution to reducing the deficit. The truth is, that since 1990 transportation users already have contributed more than $30 billion to deficit reduction through diversion of part of the Federal motor fuels tax to the general fund. Both congressional and administration budget plans would result in transportation spending reductions and increases in trust fund balances to offset the deficit.

Mr. Chairman, concerns have been expressed about the impact on the deficit and other programs of taking the transportation trust funds off budget. These concerns are unfounded. Removal of the trust funds from the unified budget itself will not increase the deficit, will not mandate cuts in other programs, will not restrict the Appropriations Committee's ability to set transportation spending levels. In a written cost estimate the Congressional Budget Office has ruled that taking the trust funds off budget would not result in any change to the deficit. Mr. Chairman, by passing this bill, Congress will retain its pivotal role in setting spending and policy priorities in transportation.

Mr. Chairman, it is necessary only to drive to work these days to be reminded that America's transportation infrastructure needs some heavy duty work. The winter's lingering potholes and the traffic jams are only part of the evidence that not enough is being done to improve the Nation's mobility. It is time to make the situation right and surely not allowing more and more deterioration. But making it right means allowing the balances in the trust funds to be spent down in a responsible manner. It means helping to meet the billions of dollars in unmet needs on highways, bridges, transit systems and airports.

Mr. Chairman, without this legislation it is likely that the balances in the trust funds will continue to increase and there will be fewer resources available for the Nation's transportation infrastructure. The transportation trust funds must be removed from the unified budget so that we can keep our commitments to the highway users and to future generations. I urge my colleagues to support H.R. 842 the Truth in Budgeting Act.

I yield back the balance of my time.

Mr. RAMSTAD. Mr. Chairman, I rise today in opposition to H.R. 842, which would take the transportation trust funds off-budget, thereby giving them special status so the rules that apply to almost all other portions of the budget would not apply.

I certainly appreciate the important role the Federal Government plays in maintaining Federal highways and helping States to build and repair State and local roads, highways, bridges and mass transit projects. I also understand the concerns of States whose citizens contribute more in taxes to the trust funds than they receive back in transportation assistance from the Federal Government.

While at one time I supported this proposal, I now believe that taking the trust funds off-budget is not the most responsible or appropriate solution to the transportation funding problem. I also believe it would cause a budgetary nightmare that would make our efforts to balance the Federal budget—already a Herculean task that we have yet to complete—virtually impossible.

Rather than having some States receive less than their fair share back from the highway trust fund, we should reform the structure by which the Federal Government collects taxes and returns money back to the States for transportation projects. If a State were allowed to keep the money, it would be better able to plan and execute highway construction and upkeep.

The main problem with H.R. 842 is the impact it would have on our efforts to balance the Federal budget. Balancing the budget must be our highest priority. The Congressional Budget Office [CBO] has estimated that taking the trust funds off-budget would increase the Federal budget deficit by more than $20 billion over the next 5 years. That means we would need to find an additional $20 billion in order to balance the budget. Where would the $20 billion in cuts come from? Education? Environmental protection? Medical research?

The Federal Government has spent $6 billion more on transportation projects than it has collected in gas taxes since the creation of the highway trust fund in 1957. The $19 billion surplus everyone talks does not exist in any form other than an accounting entry at the Department of the Treasury.

Because of my overriding concern about the impact this legislation would have on our efforts to balance the Federal budget, I must vote against this bill.

Mr. TRAFICANT. Mr. Chairman, I rise in strong support of H.R. 842, the Truth in Budgeting Act, which would take the Federal transportation trust funds off-budget. I want to commend the chairman of the Transportation and Infrastructure Committee, BUD SHUSTER, and the distinguished ranking member of the committee, JIM OBERSTAR, for their perserverence in getting this important legislation to the House floor.

H.R. 842 takes the highway, aviation, inland waterways, and harbor maintenance trust funds off budget. As one of the bill's original cosponsors I urge all of my colleagues to look past the ''sky is falling'' rhetoric of some of its opponents and support the bill.

The four transportation trust funds have proven to be an effective way to raise the necessary revenue to pay for many of the varied transportation needs of the country. Unfortunately, the vast revenues generated by the trust funds have been used to mask the true size of the Federal deficit.

Some have argued today—and they've bolstered their arguments with testimonials from some of the Nation's leading economic experts, the same experts, by the way, who brought us NAFTA and GATT, that the transportation trust funds should make a contribution to reducing the deficit. The fact is, since 1990 transportation users already have contributed more than $30 billion to deficit reduction through the diversion of part of the Federal motor fuels tax to the general fund.

There is a huge surplus in the trust funds—surpluses that are projected to grow by leaps and bounds in the years ahead. Under the President's most recent budget plan, the highway trust fund alone would make the third largest contribution to deficit reduction—only Medicare and Medicaid would be cut more.

Let's put this in perspective. According to the Alliance for Truth in Transportation Budgeting, from fiscal years 1996 to 2002, the balances in the highway trust fund will almost triple from $21 billion to $60 billion—an increase of $39 billion. The $39 billion increase will be used on spending in the rest of the Government—these are funds that are supposed to be used only for transportation purposes. There is no justification to collect transportation user fees for the purpose of hiding Government spending in other areas.

This is what today's debate is all about. Are we going to continue diverting the bulk of the balances in the transportation trust funds to shield the true size of the Federal budget deficit, or are we going to spend the revenues generated by the trust funds on their intended purpose? If we don't pass this bill, then we should be honest with the American people and do away with the trust funds and simply call the transportation user fees what they really are: taxes.

The current transportation and infrastructure needs of the country are indeed staggering. The U.S. Department of Transportation estimates the backlog of needs for our Nation's highways and bridges totals $315 billion. Airport investment needs are estimated at $10 billion a year, while it will cost an estimated $8 billion a year simply to maintain the Nation's transit systems.

Even if we spent all of the money generated every year by the transportation trust funds we would not be able to meet all of this Nation's transportation needs.

And H.R. 842 would not result in all of the money in the trust funds being spent every year. Under H.R. 842, spending from the trust funds would still have to go through the normal appropriations process. Congress would still have a final say on how much is spent on transportation.

But H.R. 842 will preserve the fiscal integrity of the trust funds by ensuring that the revenue is spent on transportation projects and not used to mask the size of the federal deficit.

Would H.R. 842 result in more Federal spending on transportation projects? Yes it would, and I say bravo. Keep in mind that this spending is not deficit spending—it is spending that will already have been paid for through the transportation user fees. H.R. 842 will ensure, for the first time, that these user fees are exactly that and not simply another tax that goes in the black hole known as the general fund.

One final note. If any of you are concerned that H.R. 842 will put a squeeze on other needed Federal programs, let me remind Members of two key points:

First, transportation spending would still have to be approved by the Appropriations Committee; and

Second, 42,000 jobs are created in America for every $1 billion invested in Federal transportation projects.

The bottom line is, Congress will never balance the Federal budget unless the American economy continues to grow. Unless the Congress takes action now to make the needed investments in our Nation's infrastructure, our economy will wilt on the vine, we will continue to lose jobs, and America will cease to be the economic leader of the world.

Vote ''yes'' on H.R. 842.

Ms. BROWN of Florida. Mr. Chairman, I want to thank the entire leadership of the Transportation and Infrastructure Committee for being so diligent in bringing the issue of investment in our Nation's infrastructure to the attention of the American people. You should be commended for all of your efforts in getting this bill to the floor for a vote, despite the strong opposition of H.R. 842 by powerful Members of the House.

As a cosponsor of H.R. 842, the Truth in Budgeting Act, I believe that moving the trust funds off budget is vital to ensuring that we will be able to meet the vast infrastructure needs of our Nation's transportation systems, provide adequate funding for the National Highway System, and ensure that ISTEA is fully funded.

The current, documented, unmet transportation infrastructure needs of our Nation are enormous. Those needs are $212 billion to fix 265,000 miles of highways which are below acceptable engineering standards; $78 billion to fix 238,000 bridges which are rated as structurally deficient; and $80 billion in public wastewater treatment facility needs.

I represent Florida's Third Congressional District which includes four interstate highways, two international airports, eight regional or commuter airports, a major seaport, and a river used extensively for intrastate commerce.

Every year, I assist these Florida transportation facilities in getting Federal dollars. But there is never enough money to meet all of their needs. I would like to enter into the RECORD a letter that I just received from the FAA talking about severely limited AIP funds and denying a funding request from the Gainesville Regional Airport. The city of Gainesville's airport is not the only airport affected by the AIP funding situation. Of the Nation's top 100 airports, 23 are incredibly congested, and would use additional funds for expansion purposes.

We would be able to address some of these transportation needs if the transportation trust funds are moved off budget. The four transportation trust funds, highway trust fund, aviation trust fund, inland waterways trust fund, and the harbor maintenance trust fund are unique in that they are wholly user financed, invest in transportation infrastructure, and are deficit proof. Taking highway trust funds off budget frees up $1.1 billion for ISTEA spending.

I urge all of my colleagues to support this good bill which will ensure that taxes paid by the American people for more roads, expanded transit systems, safer bridges, updated equipment for our air traffic control centers, adequate number of Coast Guard stations, and for many other transportation purposes are used for those purposes.

DEPARTMENT OF TRANSPORTATION, FEDERAL AVIATION ADMINISTRATION,
Washington, DC, April 5, 1996.

Hon. CORRINE BROWN,
House of Representatives,
Washington, DC.

DEAR CONGRESSWOMAN BROWN: Administrator Hinson has asked me to respond to your letter supporting a request for Airport Improvement Program (AIP) funding to reimburse the city of Gainesville for expenses involved in acquiring property through inverse condemnation.

The city of Gainesville's request for fiscal year (FY) 1996 noise discretionary funds was considered carefully. Because of severely limited AIP funds, including those funds designated for noise compatibility and planning, we rely strongly on our priority-rating system to select projects for funding. This rating system considers the type of work and the activity level of the airport when assigning the priorities. Unfortunately, based on its priority, we do not have sufficient funding to approve a grant for Gainesville's noise project at this time.

I assure you that the Federal Aviation Administration (FAA) will continue to work with the city to provide reimbursement for the land acquisition already completed. Toward that end, we will retain the city's grant application on file for future consideration as funds become available. We are hopeful that reauthorization of the AIP beyond FY 1996 will provide adequate funding and allow us to carry out these intentions.

The FAA continues to support the Gainesville Regional Airport through AIP entitlement funds. A current year project has been approved totaling $1.66 million in Federal funds to continue the expansion and renovation of the terminal building.

If we can be of further assistance, please contact Mr. A. Bradley Mims, Assistant Administrator for Government and Industry Affairs, at 202–267–3277.

Sincerely,

JAMES H. WASHINGTON,
Acting Associate Administrator for Airports.

The CHAIRMAN. All time for general debate has expired.

The amendment in the nature of a substitute printed in the bill shall be considered by sections as an original bill for the purpose of amendment, and pursuant to the rule, each section is considered as having been read.

During consideration of the bill for amendment the Chairman of the Committee of the Whole may accord priority in recognition to a Member offering an amendment that has been printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as read.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Truth in Budgeting Act''.

The CHAIRMAN. Are there any amendments to section 1?

Mr. SHUSTER. Mr. Chairman, I ask unanimous consent that the amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. SHAYS. Mr. Chairman, reserving the right to object, I request to know why we would be doing it this way. There are only five sections.

Mr. SHUSTER. Mr. Chairman, if the gentleman will yield, for the convenience of the Members.

Mr. SHAYS. Mr. Chairman, I would be willing to consider the gentleman's request in the future, but until we consult, I do object.

The CHAIRMAN. Objection is heard.

Are there amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

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

Notwithstanding any other provision of law, the receipts and disbursements of the Highway Trust Fund, the Airport and Airway Trust Fund, the Inland Waterways Trust Fund, and the Harbor Maintenance Trust Fund—

(1) shall not be counted as new budget authority, outlays, receipts, or deficit for surplus for purposes of—

(A) the budget of the United States Government as submitted by the President,

(B) the congressional budget (including allocations of budget authority and outlays provided therein), or

(C) the Balanced Budget and Emergency Deficit Control Act of 1985; and

(2) shall be exempt from any general budget limitation imposed by statute on expenditures and net lending (budget outlays) of the United States Government.

The CHAIRMAN. Are there amendments to section 2?

AMENDMENT OFFERED BY MR. SHUSTER.

Mr. SHUSTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHUSTER: Page 3, line 10, insert ''except the Line Item Veto Act of 1996'' before the comma.

Mr. SHUSTER. During the debate on the rule, Mr. Chairman, some concern was expressed as to whether the Line-Item Veto Act would apply to trust fund spending if this bill passes. We believe it will, and it certainly is our intent that it apply. However, because this question has been raised, I want to make it crystal clear that this is one more of the protections that exist in this legislation and, indeed, this amendment clarifies it, and I offer it on behalf of myself and the gentleman from Florida [Mr. GOSS], to clarify the fact that the line-item veto does apply. This amendment removes any ambiguity.

Mr. ORTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, before stating opposition to the amendment, I would like to inquire about some further explanation of the amendment, and I may not actually oppose the amendment. I have not had an opportunity to see the wording of the amendment.

My inquiry to the chairman would be if it is the intent of this amendment to apply the line-item veto provisions as signed by the President to all expenditures of the trust fund, which would include contract authority as well?

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, the answer is yes, just as it applies to anything else.

Mr. ORTON. And so, then, contract authority spending by the Committee on Transportation and Infrastructure would be subject to line-item veto?

Mr. SHUSTER. Mr. Chairman, if the gentleman will continue to yield, that is the way it is today and that is the way it would be under our legislation. The answer is yes.

Mr. ORTON. Only above baseline.

Mr. SHUSTER. It applies just the way the bill currently applies.

Mr. ORTON. Well, Mr. Chairman, that is my concern, because as the gentleman will recall, during the debate of the line-item veto bill I rose to propose an amendment to the line-item veto bill, to apply the line-item veto to contract authority as well. The proponent of the amendment rose and vehemently opposed my amendment. My amendment failed.

Mr. SHUSTER. Mr. Chairman, I would say to the gentleman that the conference report includes all discretionary spending, including contract authority and, therefore, this would apply.

Mr. ORTON. Mr. Chairman, I am happy to hear the gentleman's interpretation of that. That, I think, clarifies, and if, in fact, that is an accurate interpretation, that this would apply to all spending from the trust fund, including all contract authority, not just an amount above the baseline.

Mr. SHUSTER. Mr. Chairman, I would say to the gentleman that it applies the same way the existing law applies today. The gentleman's amendment offered some months ago failed in this body.

Mr. ORTON. But, Mr. Chairman, I would ask if it is the gentleman's interpretation that all contract authority would——

Mr. SHUSTER. No, Mr. Chairman, it is my interpretation that this applies just exactly the way the law applies today.

Mr. ORTON. In other words, Mr. Chairman, the gentleman is saying that this does not apply to contract authority spending.

Mr. SHUSTER. Yes, it does apply to contract authority in the same way that is applied under the current law.

Mr. ORTON. Mr. Chairman, there is a question whether the current law does apply to contract authority, which is the issue I am raising, and that is why I wish for the chairman to be on record.

Mr. SHUSTER. Mr. Chairman, I am told by our counsel it does apply to contract authority.

Mr. ORTON. That is the point I wish to make. And if, in fact, as the gentleman has indicated, Mr. Chairman, that the line-item veto would, not only under current law but under his amendment, apply line-item veto to all contract authority, then I would favor the amendment and urge its adoption.

Mr. SHUSTER. No, not at all, Mr. Chairman. I would say to my friend that it applies to contract authority in the same way that the current law applies to contract authority, which, indeed, is above the baseline.

Mr. ORTON. Mr. Chairman, may I ask the gentleman to amend his amendment to expand it so that, in fact, it would apply to all contract authority?

Mr. SHUSTER. No, I would not because we have offered this to have it apply exactly as the current law applies.

Mr. ORTON. Then, in fact, Mr. Chairman, I take back the balance of my time and I would simply make the point that if the gentleman is not willing to expand his amendment to make it absolutely clear that the line-item veto applies to all contract authority spending by the committee, then, in fact, the argument that was raised during the debate on the rule is, in fact, applicable.

Because there is a concern that there may be spending that is not covered by line-item veto; that, in fact, that spending may continue to be simply pork barrel spending; it may continue to be authorized under this legislation, so that a committee of Congress can directly authorize contract expenditures, which neither come within the fiscal restraints of the budget act nor comes within the fiscal restraints of the line-item veto, thereby completely avoiding and evading any type of fiscal restraint on that spending.

So, Mr. Chairman, I would oppose the amendment as it stands; would encourage the gentleman to expand the amendment to make it clear that the line-item veto does, in fact, apply to all contract spending by the committee, authorized by the committee; and if, in fact, he would do that, I would support the amendment and urge my colleagues to vote for it.

The CHAIRMAN. The time of the gentleman from Utah [Mr. ORTON] has expired.

(On request of Mr. SHUSTER, and by unanimous consent, Mr. ORTON was allowed to proceed for 3 additional minutes.)

Mr. SHUSTER. Mr. Chairman, if the gentleman will continue to yield, the gentleman is trying to rewrite the line-item veto law. I am informed what we have done here goes as far as we can go within this legislation. It would not be germane for us to attempt to rewrite the line-item veto law in this legislation. So we are simply offering this to conform with the line-item veto law, which is now the law of the land.

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Mr. ORTON. Mr. Chairman, I am simply suggesting that if needed the committee chairman wished to avoid all criticism of this bill as not pertaining under line-item veto, then in fact he could seek to waive the germaneness requirement under unanimous consent, could in fact ask to have that amended expanded.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. ORTON. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. If the gentleman can assure me that by doing so I would remove all criticism from this bill, I would certainly seriously consider doing that, but I do not think that is a reality. I thank the gentleman for yielding.

Mr. ORTON. Reclaiming my time, I think it will remove criticism from the amendment and in fact eliminate one of the objections that many people have had to this particular bill.

Mr. GOSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I was unable to be on the floor for the full discussion of the line-item veto. The chairman of the committee and I had a bit of a dialog about it this morning during the rule, and we came down to the conclusion that we were not sure whether we were clear on whether or not the legislation before us would or would not be subject to the line-item veto. In the interest of clarity, we wanted to make absolutely certain that this legislation was subject to the line-item veto as passed by the Congress, as signed by the President into law, and that, I believe, is the purpose of the chairman's amendment.

I certainly support what the chairman is trying to accomplish, if it is as I believe, to clarify that this legislation will be subject to the Line Item Veto Act of 1996, which is the way I read the one-line amendment that he has proposed.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield.

Mr. GOSS. I am happy to yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, this amendment will make this legislation subject to the Line Item Veto Act of 1996, the answer is yes.

Mr. GOSS. I thank the gentleman.

Mr. Chairman, reclaiming my time, I think that that was the clarification that we were all seeking with regard to the line item veto, and I think that to go any further than that, to try and somehow now amend the line item veto, would of course not only be inappropriate but nongermane and beyond the scope and so forth.

Mr. SABO. Mr. Chairman, will the gentleman from Florida yield?

Mr. GOSS. I am happy to yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, I am just curious, how could this bill not have the Line Item Veto Act of 1996 apply to it.

Mr. GOSS. Reclaiming my time, my understanding from the Parliamentarian, the need for this amendment follows this reason. The main reason the trust fund bill is now exempt from the Line Item Veto Act is that the President can only exercise the line-item veto if he certifies that cancellation of the item will reduce the deficit. Since the trust fund bill would remove disbursements for purposes of calculating the deficit, the President would be prevented from exercising a veto authority absent compliance with the deficit reduction standard.

I am happy to yield further to the gentleman from Minnesota.

Mr. SABO. Now I understand why the gentleman may need this amendment, because of that language. Do I also understand that the Line Item Veto Act does not apply to contract authority in the same fashion as it applies to other discretionary spending?

Mr. GOSS. Mr. Chairman, I do not want to speak for the Line Item Veto Act. The Line Item Veto Act speaks for itself. As the gentleman knows, we did discretionary authority, new entitlements and targeted tax benefits in line-item veto. So to the extent what we are talking about falls into those areas under the act as written, the answer would be yes.

Mr. SABO. Mr. Chairman, my understanding is the Line Item Veto Act, that its application to contract authority is much more limited than it is to discretionary spending as exists in appropriation bills from year to year. Is that accurate?

Mr. GOSS. Reclaiming my time, I am not sure that it is. Again, I think that I should refer the gentleman to the act the way it is written. I believe it refers to contract authority, and I believe that the proper way to respond to the question is to refer the gentleman to the act. There may be some parliamentary interpretation.

Mr. SABO. I would ask the gentleman from Pennsylvania, is it his understanding that the Line Item Veto Act pertains to contract authority in the same fashion as it does to discretionary appropriated spending or is it a more limited application?

Mr. GOSS. Since the time is mine, I would be very happy to yield to the gentleman if he wishes me to. But I will tell the gentleman that what he is asking is contract authority and direct spending questions are covered already in the act.

Mr. SABO. But I am just curious, to what degree the line-item veto is different for the direct spending of contract authority versus that of appropriated discretionary funds.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I am happy to yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, all I can tell the gentleman is, it is our intention and our belief that in fact what we are doing here is saying that the line-item veto shall apply as it applies in the current line-item veto law. If the gentleman has questions about the nuances of that law, this gentleman is not prepared to answer them.

Mr. GOSS. Reclaiming my time, contract authority is not discretionary. It is direct spending, and direct spending is covered but it is not discretionary. I am sorry, that is the way it is.

I yield further to the gentleman from Minnesota.

Mr. SABO. I thank the gentleman for yielding.

It is my understanding that the application of line-item veto to contract authority is much more limited than it is to any discretionary appropriated funds, and that in fact that it only applies to increases in baseline spending.

Mr. GOSS. My time is finished. I am not sure the gentleman's interpretation is correct. But the gentleman is entitled to his interpretation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. SHUSTER].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2?

Mr. SHUSTER. Mr. Chairman, I ask unanimous consent that the remainder of the amendment in the nature of a substitute be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The text of the remainder of the amendment in the nature of a substitute is as follows:

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

(a) IN GENERAL.—Chapter 471 of title 49, United States Code, is amended—

(1) by redesignating section 47131 as section 47132; and

(2) by inserting after section 47130 the following new section:

''§ 47131. 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 first fiscal year that begins after that March 31 and

''(2) the net aviation receipts at the close of such fiscal year.

''(b) PROCEDURE IF 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 IF UNFUNDED AUTHORIZATIONS EXCEED RECEIPTS.—

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

''(A) such excess, is of

''(B) the total of the amounts authorized to be appropriated 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 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 a reduction 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 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 paragraph (1).

''(3) PERIOD OF AVAILABILITY.—Any funds apportioned under 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 under paragraph (2).

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

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

''(1) 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).

''(2) 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 from the Airport and Airway Trust Fund which has not been appropriated, over

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

(b) CONFORMING AMENDMENT.—The analysis for chapter 471 of title 49, United States Code, is amended by striking

''47131. Annual report.''

and inserting the following:

''47131. Safeguards against deficit spending.

''47132. Annual report.''.

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

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

(1) the amount which would (but for this section) be the unfunded inland waterways authorizations and unfunded harbor maintenance authorizations at the close of the first fiscal year that begins after that March 31; and

(2) the net inland waterways receipts and net harbor maintenance receipts at the close of such fiscal year.

(b) PROCEDURE IF EXCESS UNFUNDED INLAND WATERWAYS AUTHORIZATIONS.—If the Secretary of the Army determines with respect to the Inland Waterways Trust Fund or the Harbor Maintenance Trust Fund 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 IF UNFUNDED AUTHORIZATIONS EXCEED RECEIPTS.—

(1) DETERMINATION OF PERCENTAGE.—If the Secretary of the Army determines that there is an excess referred to in subsection (b) for a fiscal year, the Secretary of the Army shall determine the percentage which—

(A) such excess, is of

(B) the total of the amounts authorized to be appropriated from the Inland Waterways Trust Fund or the Harbor Maintenance Trust Fund, as the case may be, for the next fiscal year.

(2) ADJUSTMENT OF AUTHORIZATIONS.—If the Secretary of the Army determines a percentage under paragraph (1), each amount authorized to be appropriated from the Trust Fund for the next fiscal year shall be reduced by such percentage.

(d) AVAILABILITY OF AMOUNTS PREVIOUSLY WITHHELD.—If, after an adjustment has been made under subsection (c)(2), the Secretary of the Army determines with respect to the Inland Waterways Trust Fund or the Harbor Maintenance Trust Fund 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) with respect to the Trust Fund is less than the amount previously determined, each amount authorized to be appropriated that was reduced under subsection (c)(2) with respect to the Trust Fund shall be increased, by an equal percentage, to the extent the Secretary of the Army determines that it may be so increased without causing the amount described in subsection (a)(1) to exceed with respect to the Trust Fund the amount described in subsection (a)(2) (but not by more than the amount of the reduction).

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

(f) DEFINITIONS.—For purposes of this section the following definitions apply:

(1) AIRPORT AND AIRWAY TRUST FUND.—The term ''Airport and Airway Trust Fund'' means the Airport and Airway Trust Fund established by section 9502 of the Internal Revenue Code of 1986.

(2) HARBOR MAINTENANCE TRUST FUND.—The term ''Harbor Maintenance Trust Fund'' means the Harbor Maintenance Trust Fund established by section 9505 of the Internal Revenue Code of 1986.

(3) HIGHWAY TRUST FUND.—The term ''Highway Trust Fund'' means the Highway Trust Fund established by section 9503 of the Internal Revenue Code of 1986.

(4) INLAND WATERWAYS TRUST FUND.—The term ''Inland Waterways Trust Fund'' means the Inland Waterways Trust Fund established by section 9506 of the Internal Revenue Code of 1986.

(5) NET HARBOR MAINTENANCE RECEIPTS.—The term ''net harbor maintenance receipts'' means, with respect to any period, the receipts (including interest) of the Harbor Maintenance Trust Fund during such period.

(6) NET INLAND WATERWAYS RECEIPTS.—The term ''net inland waterways receipts'' means, with respect to any period, the receipts (including interest) of the Inland Waterways Trust Fund during such period.

(7) UNFUNDED INLAND WATERWAYS AUTHORIZATIONS.—The term ''unfunded inland waterways authorizations'' means, at any time, the excess (if any) of—

(A) the total amount authorized to be appropriated from the Inland Waterways Trust Fund which has not been appropriated, over

(B) the amount available in the Inland Waterways Trust Fund at such time to make such appropriations.

(8) UNFUNDED HARBOR MAINTENANCE AUTHORIZATIONS.—The term ''unfunded harbor maintenance authorizations'' means, at any time, the excess (if any) of—

(A) the total amount authorized to be appropriated from the Harbor Maintenance Trust Fund which has not been appropriated, over

(B) the amount available in the Harbor Maintenance Trust Fund at such time to make such appropriations.

SEC. 5. APPLICABILITY.

This Act (including the amendments made by this Act) shall apply to fiscal years beginning after September 30, 1995.

The CHAIRMAN. Are there further amendments to the amendment in the nature of a substitute?

AMENDMENT OFFERED BY MR. OBERSTAR

Mr. OBERSTAR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBERSTAR:

Page 3, line 10, strike ''Notwithstanding'' and insert ''(a) IN GENERAL.—Notwithstanding''.

Page 4, after line 14, insert the following new subsection:

(b) LIMITATION ON INTEREST PAID TO TRUST FUNDS.—

(1) IN GENERAL.—Paragraph (3) of section 9602(b) of the Internal Revenue Code of 1986 is amended by adding at the end the following new sentence: ''The amount of interest credited to the Airport and Airway Trust Fund, the Highway Trust Fund, the Harbor Maintenance Trust Fund, or the Inland Waterways Trust Fund for any fiscal year shall not exceed the amount of interest which would be credited to such Fund if such interest were determined at the average interest rate on 52-week Treasury securities sold to the public during such fiscal year.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to fiscal years beginning after the date of the enactment of this Act.

Mr. OBERSTAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. OBERSTAR. Mr. Chairman, we had during the time of general debate extensive discussion about the role of interest paid on revenues from the highway trust fund that are collected at the pump and then used by the Treasury Department to purchase Treasury notes, as happens with all trust funds in the Federal Government. As I said in my remarks, my closing remarks, would anyone reasonably expect the Federal Government not to honor its obligation to pay interest on Treasury bonds, on our World War I bonds, on World War II bonds, on other securities of the Treasury Department that are purchased by U.S. citizens, by foreign interests, by foreign governments, which buy in great numbers Treasury securities which underwrite the deficit? No, of course not, not expected. So with the trust funds.

Mr. Chairman, those trust funds are used to purchase Treasury securities, and interest is required to be paid. Under current law, the interest earned by the highway trust fund is the average of all interest paid on the public debt. That average runs about 6.6 percent.

The amendment I offer proposes to limit the interest earned on highway trust fund dollars in an amount equal to the rate on a 1-year Federal Treasury note. That number is about 5 percent, just a little above, 5.1 percent.

The effect of the amendment would be to reduce the amount of interest earned by the transportation trust funds, thereby reducing the ever-increasing balance that has accumulated over a period of several years. Now, this is an amendment that I offer for myself, for the Chairman, with whom I have consulted in the preparation of this amendment. This is, again, a demonstration on our part of our good faith to limit in the future the growth of this trust fund and to gradually reduce that amount, not take that surplus all at once off budget, but gradually reduce it over a period of time. To help do that, we propose this limitation on the interest rate because over a period of time, the trust fund is being long-range dollars, have benefited from the longer term interest rate on Treasury securities. So in the spirit of fairness and comity I propose that we make this change.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to my Chairman, the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I understand that this has indeed been worked out with the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Minnesota [Mr. SABO], Members on our side, and I think it is a fair approach and I support it.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I yield to my colleague, the gentleman from Minnesota.

Mr. SABO. I thank the gentleman from Minnesota for yielding, and he has a good amendment, we should pass it.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. OBERSTAR. I am happy to yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I am happy to support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. OBERSTAR].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SMITH of Michigan: Page 12, after line 22, insert the following:

SEC. 5. APPROPRIATION OF INTEREST EARNINGS OF HIGHWAY TRUST FUND.

(a) PURPOSE.—It is the purpose of this section to offset the approximately $82,000,000,000 that has been appropriated from the general fund of the Treasury for Federal-aid highway and mass transit construction projects.

(b) APPROPRIATION OF INTEREST EARNINGS.—On September 30, 1996, there is hereby appropriated from the Highway Trust Fund to the general fund of the Treasury an amount equal to the aggregate amounts of interest credited to the Highway Trust Fund before such date.

Page 13, line 1, strike ''5'' and insert ''6''.

Mr. SHUSTER. Mr. Chairman, I reserve a point of order against the amendment until we know what the amendment is.

Mr. SMITH of Michigan. Mr. Chairman, this is amendment No. 8 printed on page H3489, amendment on page 12 after line 22.

Mr. SHUSTER. Mr. Chairman, I reserve the right to object until we have an opportunity to examine the amendment to see whether it is germane.

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order against the amendment.

The gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Michigan. Mr. Chairman, this amendment takes into account the problem of the accumulated interest that is now in the highway trust fund in the amount of $19 billion. Again, the question is, should Congress, in past general fund appropriations for highway purposes, so designate that it was trust fund money rather than the general fund? General fund expenditures since 1956, when we started the highway trust fund, have exceeded $38 billion. The estimate is someplace between $38 billion and $40 billion. This is general fund appropriations for highway purposes that were not designated to come out of the trust fund.

So what we have been doing over the years is spending more and more money out of the general fund, at the same time we were spending every cent that came in from the highway gas tax. So it is reasonable, I am suggesting to my colleagues, to consider that money that has been spent out of the general fund an offset to the $19 billion now owed to the trust fund by the general fund. The accumulated interest on some of the trust fund money diverted in the 1960's is the question in this taking off-budget debate. Some have suggested that that $19 billion is the property of the trust fund and therefore should be spent for roads. I am suggesting that because of the fact that we have now spent approximately $40 billion out of the general fund for roads, an additional $40 billion out of the general funds for mass transit, that it is reasonable to consider those expenditures as an offset to the interest that has been accumulating which represents approximately $19 billion. This amendment negates that $19 billion.

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I understand that my colleague from Pennsylvania is going to pursue his point of order that this amendment is not germane. It is technically not germane, and, therefore, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan to withdraw his amendment?

There was no objection.

The CHAIRMAN. The amendment of the gentleman from Michigan [Mr. SMITH] is withdrawn.

AMENDMENT OFFERED BY MR. SMITH OF MICHIGAN

Mr. SMITH of Michigan. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SMITH of Michigan: Page 8, lines 10 and 11, strike ''the receipts and disbursements of'' and insert the following: ''the amounts that after the date of the enactment of this Act are received by or disbursed from''.

Mr. SHUSTER. Mr. Chairman, I reserve a point of order against this amendment until we have an opportunity to examine it.

The CHAIRMAN. The gentleman from Pennsylvania reserves a point of order.

The gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

Mr. SHUSTER. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman from Pennsylvania withdraws his point of order.

The Chair recognizes the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. This amendment deals with the same issue. A lot of the concern about taking the Highway Trust Fund off budget is that the additional moneys that have now accumulated in interest and indebtedness from the Highway Trust Fund, in the amount of $20 billion, the Airport and Airway Trust Fund, amounting to additional $11 billion would be spent, thereby taking money away from other programs. This would result in one of two scenarios: Either we borrow more money or we reduce expenditures in other areas.

This amendment provides that the only funds coming off budget would be funds being received into those trust funds from this coming September forward. So what it does is it reserves and keeps on budget the so-called cash account or the accumulated interest and other assumed debt that now exists. It is my suggestion that that is reasonable because this body needs to deal with the question of whether or not those funds have already been paid back. It is my suggestion that, because there has been approximately $40 billion coming out of the general fund for highway construction, because of the fact that there has been another $40 billion coming out of the general fund for mass transit, that we have adequately paid back those funds. Therefore, at this time it seems reasonable that we not transfer these funds off budget and we amend this bill accordingly.

The question of taking the highway trust fund off budget or continuing to expend these moneys under current procedures misses the point of what our ultimate goal should be. I would hope that we all agree that our goal is to spend transportation money from the States in the most effective and efficient way and accommodate the transportation needs of each State.

Detouring gas tax funds through the Federal Government to be returned after paying Federal administration costs is not effective or efficient. Allowing politicians in power to get more than their fair share is not effective or efficient. Not only do we use up vast sums in administration and manipulate funding for political purposes but we send the remaining funds back to the States with Federal regulations and mandates such as the Davis-Bacon Act that add billions of dollars of increased costs to highway and mass transit construction. Gabriel Roth who wrote ''Roads in a Market Economy'' suggests that a State would have to get back 150% of what it sent to Washington in order to break even because of these Federal mandates. That means that there are only 10 States in the Nation that get back enough from Washington to equal what could be accomplished if the gas tax money stayed in the State to begin with.

If we agree that we want the most efficient use of the available funds for transportation, then I suggest that we leave these funds at the State level in the first place. The Federal Government should retain only funding to provide a transition for those States that are currently benefiting and for transportation safety. Each State would then levy the gas tax locally in order to fund its own transportation system. This would end the process of sending State money to Washington to have some of it drained off in administration, some of it redistributed, and then be forced to beg to get the remainder.

This suggestion is not new. The concept of returning responsibilities to the States has been at the forefront of the welfare debate. Senator MACK of Florida has been a leader on this issue on the Senate side. The Heritage Foundation suggested devolution of the highway program to the States in a report last year. The support for this concept is building.

We should not shy away from examining from time to time each of our Federal programs and see if conditions still warrant the program at all, and if they do, should another level of government be responsible. Having served in local and State government before coming to Congress, I can say that the benefit of the doubt should lie with the government closest to the people. We should not be afraid to examine the proper role of the various level of governments in the highway program. I believe that once one looks into the transportation system in detail, the arguments support a smaller Federal role and a greater State and local role.

This body should vote against this bill that would simply move the inefficient way we expend dollars for transportation infrastructure from one committee to another and truly take the highway trust fund off budget by devolving the responsibility and revenue base back to our States and communities.

Mr. SHUSTER. Mr. Chairman, I rise in strong opposition to this amendment.

There are several reasons why this amendment should be defeated. It is a killer amendment which really has the effect of prohibiting any spending of the accumulated balances in any of the trust funds.

Now, if we believe that it is fundamentally wrong to have a $30 billion balance, money paid in there by the users, and are now saying that it can never be spent, that is just fundamentally wrong. There are other ways to deal with this, more appropriate ways, and indeed the Committee on Appropriations which sets the annual ceiling. If our legislation passes today, the Committee on Appropriations will still set the annual ceiling, and that is the place to make that decision. But to say today that none of the $30 billion that has accumulated can ever be spent is just fundamentally wrong. This would artificially cordon off that nearly $30 billion in accumulated balances and hold them hostage.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield.

Mr. SHUSTER. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. But it is not a question of them not being allowed to be spent. It is a question of them being spent in the same way that it has been spent since the existence of the trust fund in 1956.

Mr. SHUSTER. Mr. Chairman, I do not believe that is what the amendment does. What the amendment does is say you cannot spend it.

Mr. SMITH of Michigan. No, it just does not take them off budget.

Mr. SHUSTER. Mr. Chairman, it does not take them off budget, and the fundamental issue here is that these should be taken off budget. This gets to the heart of the question. Indeed these are user fees paid in there. They should be taken off budget.

But I would be quick to emphasize that limits should be set on what can be spent, and those limits are what should be set by the authorizers and by the appropriators, and in fact for the past year we have been saying we want to sit down with the appropriators and the budgeteers in order to negotiate a compromise on this kind of an issue, but unfortunately they were never willing to sit down and negotiate with us. So now to come at the last minute with a proposal I think, while I would not want to say it lacks good faith, although others have said that, nevertheless I think that this should be defeated and we should set these limits through the normal process of the authorizing and appropriating committees.

Mr. OBERSTAR. Mr. Chairman, I move to strike the requisite number of words.

This amendment is like so many others that look benign but have a poison pill attached. Clearly, this amendment undercuts a vitally important purpose of this legislation, which is to enable the Congress to spend down in a phased and fiscally responsible manner the $30 billion in surplus built up in the highway trust funds and the aviation and the other trust funds.

The $30 billion of surplus that we have been debating about all afternoon, the gentleman would say, oh, sorry, we are not going to spend the surplus, we can just spend what comes in on an annual basis. That is what this debate is all about, about withholding funds and building up these accumulated surpluses that then are sued to mask the deficit.

These surpluses should be off budget with the trust fund. The surpluses have accumulated because of failure to spend the user taxes we agreed to be taxed for that we have agreeably paid for the purpose of building highways and bridges and airports and deepening our waterways and improving our navigation channels. As budgetary conditions permit, the surplus should be devoted to their intended purpose.

The surpluses will not be spent down overnight, as we have repeatedly said in the course of this afternoon's debate. The bill does not exempt funds or the surpluses from the authorization or the appropriation process. We will have complete control over whether and when the surpluses are drawn down. In fact, over the past year the gentleman for Pennsylvania [Mr. SHUSTER] has been working diligently with the Committee on Appropriations and Committee on the Budget leadership to try to work out a plan under which the spend down would occur. It can be done; we have done so in the past in the aviation bill of 1990, the AIP reauthorization bill.

We worked out a very fine accommodation of reasonable accommodation with the Committee on Appropriations, the transportation appropriation subcommittee, the Office of Management and Budget, the Department of Transportation, the Committee on Ways and Means, under which agreement over a period of time, the very complex adjustment, we would draw down the surplus built up in the aviation trust fund, those moneys to be invested in airport runways and taxiways and parking aprons that were needed to relieve congestion at the Nation's airports, and it worked. That money was not all drawn down overnight in one big fell swoop; gradually over a period of time. Unfortunately, now the surpluses have begun to build up again.

So take the trust funds off budget, the surplus will be spent down in a reasonable and responsible fashion under accommodations between our committee and the Committee on Appropriations, working with the Committee on the Budget as well. We do not need this amendment. This really is a killer amendment. It ought to be defeated and ought to be unmasked for what it is: an attempt to gut the bill.

Defeat the Smith amendment.

Mr. LAHOOD. Mr. Chairman, I move to strike the last word.

I just want to emphasize what the distinguished ranking member of the Committee on Transportation and Infrastructure said. If my colleagues vote for the Smith amendment, they kill the bill. This is a killer amendment. The gentleman from Michigan [Mr. SMITH] does not like this bill. So in the option that he has been given he has offered his amendment to simply kill the bill.

We know the purpose of the bill is to take trust funds off budget and permit Congress to set whatever levels of spending it deems appropriate. In the Truth in Budgeting Act this amendment would not allow Congress to determine what trust funds support the aviation and highway system needed.

So I want to support what the ranking member said and advise Members to defeat this amendment because it, in fact, will kill the bill.

Mr. SHAYS. Mr. Chairman, I move to strike the requisite number of words, and with that I yield to my colleague, the gentleman from Michigan [Mr. SMITH] to respond to some of the points made.

Mr. SMITH of Michigan. Mr. Chairman, just very briefly, by not having the so-called cash reserve or the accumulated interest transferred and taken off budget means it will be spent exactly how the total trust fund has been spent since it was first started in 1956. So it is not a question of not spending the money, it is a question of that $30 billion coming under the caps and being spent in such a way through the budget process and the appropriation process as it has always been spent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. SMITH].

The amendment was rejected.

The CHAIRMAN. The Committee will rise informally.

MESSAGE FROM THE PRESIDENT

The SPEAKER pro tempore (Mr. LAHOOD) assumed the chair.

The SPEAKER pro tempore. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

The SPEAKER pro tempore. The Committee will resume its sitting.

TRUTH IN BUDGETING ACT

The Committee resumed its sitting.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. MINGE

Mr. MINGE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MINGE: At the end of Section 2 insert the following:

(c) PROHIBITION ON EARMARKING OF HIGHWAY TRUST FUND AMOUNTS.—Subsection (a) shall no longer apply with respect to the Highway Trust Fund after the last day of any fiscal year in which amounts are made available for obligation from the Highway Trust Fund for any highway construction