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Faxed to:

Chapter Executives

Executive Committee

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Legislative Network

The Construction Legislative Week in Review

Transportation Conferees Reach Agreement on Transportation Appropriations Bill and Record \$33.42 Billion in Highway Funding

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On October 3, the House and Senate Transportation Appropriations conferees reached agreement on federal funding for highways, transit, and aviation. With a heightened focus on special highway projects, conferees approved a record \$33.42 billion federal highway program – an increase of \$4.62 billion (16%) over this year's level. Included in this funding level is \$3 billion in additional gas tax revenue that was not anticipated when TEA-21 was enacted. Transit received \$6.3 billion (\$486 million increase) and the Airport Improvement Program received \$3.2 billion, a 64% increase over this year's level. The bill also included an AGC-backed provision that prohibits the Federal Motor Carrier Safety Administration from issuing a new hours-of-service rule for one year. The conferees reached a compromise on the controversial .08 Blood Alcohol Content (BAC) mandate. The conferees agreed to include a lesser sanction against states that do not adopt a .08 (BAC) standard for drunk driving than the Senate had requested. States that do not adopt a .08 BAC standard would lose 2% of their federal highway funds beginning in FY 2004. The sanction increases an additional 2% in each fiscal year through FY 2007, up to 8%. If, however, a state adopts .08 by 2008, all the funding they lost will be restored. The House and Senate are expected to pass the conference report this week or early next week.

Congress Passes a Second Continuing Resolution to Keep Federal Government Funded Through October 14: While the Congress and President Clinton work to finalize the remaining eleven appropriations bills for fiscal year 2001, Congress passed another continuing resolution (CR) to keep the federal government programs funded through October 14. The Republican congressional leaders are still hoping they can finish the remaining appropriations bills by October 14 and return home to campaign for the November elections. It is likely, however, that some bills will not be finished by October 14, and another CR may be needed.

VA-HUD Report Being Finalized: Appropriations for the Veterans' Affairs, Housing and Urban Development and Independent Agencies are close to being finalized. This bill funds the Environmental Protection Agency (EPA). One important provision of the legislation would prevent the EPA from designating counties in nonattainment of the 8-hour ozone standard until the Supreme Court has ruled on the validity of the standard. If a county were to be designated in nonattainment, the Federal Highway Administration would be forced to cut off highway funds from the state. AGC supported the inclusion of this provision.

Interior Appropriations Passes the Senate: The Interior Appropriations package is ready for the President's signature. The legislation contains \$202 million for the Abandoned Mine Land Trust Fund. In addition, a new trust fund is created in this legislation for conservation programs. The Land Conservation, Preservation and Infrastructure Improvement trust fund provides \$1.6 billion in the first year, increasing over six years to \$2.4 billion. This money can be used for coastal restoration, historic preservation, and other state conservation programs.

Senators Urge Action on Blacklisting: Twenty-five Senators signed a letter to Majority Leader Lott asking for the Senate to take action on the Just Opportunities in Bidding Act (S. 2986) before Congress adjourns. The legislation would prevent the administration from implementing the blacklisting regulation until the General Accounting Office has reviewed the proposal and made recommendations about the need for the rule. AGC supports S. 2986.

New Death Tax Bill Introduced: Rep. John Tanner (D-TN) has introduced a new death tax relief bill (H.R. 5315) that would immediately slash all death tax rates by 20% and increase the exemption amount to \$1.3 million per person from the current \$675,000 level. The bill has attracted over 20 Democrat cosponsors. Tanner drafted the bill as a compromise position he believes President

Clinton could sign into law. The projected 5-year cost is roughly \$38 billion and the 10-year cost is just shy of \$100 billion. AGC views the new proposal as a welcome step in the right direction -- this new bill provides more immediate relief than H.R. 8, but there has been no indication that either the White House or the Republican leadership will support the new bill.

Energy and Water Bill Contains Wetlands Language: The Energy and Water Conference Report contains language that would require the Corps of Engineers to further study the new nationwide (wetlands dredge and fill) permits (NWP). The Corps would have to complete a cost analysis of the changes and develop a plan to handle the current backlog of permits as well as a system to process the new permits in a more timely manner. The President, however, has indicated he will veto this legislation for other reasons. On Friday, the House Government Reform Committee will have a hearing on the wetlands program. The Committee will be asking the Corps about attempts to regulate "incidental fallback." See Environment Bulletin (00-05) on the AGC Environmental Services page (constructionenvironment.org) for further information.

Utilize "Congress At Your Fingertips" Located in the Member's Only Section at www.agc.org to contact your Congressional Representatives.

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