

Chairman Tom Latham
Subcommittee on Transportation, Housing and Urban Development, and Related Agencies
House Committee on Appropriations
Department of Transportation FY 2014 Budget Hearing
April 16, 2013
Opening Statement as Prepared

The Subcommittee will come to order.

Today we welcome Secretary of Transportation Ray LaHood to the THUD Subcommittee to testify on behalf of DOT's fiscal year 2014 budget request. I note that this may be the last time we will have you before our subcommittee. We look forward to your testimony.

This year the Department is requesting authority to spend \$77 billion in fiscal year 2014. This represents an increase of \$6.5 billion or 9.2% from last year -- a healthy increase in the current environment.

Once again, the budget includes \$50 billion for "immediate transportation investments." This is a proposal we have seen three times before, and it is structured similar to the FY 2009 stimulus package. Also, similar to the stimulus package, it is not paid for or offset by reductions elsewhere.

The President assumes a total of \$214 billion to pay for two reauthorization programs and to shore up the Highway Trust Fund, which CBO expects to have financial solvency issues in 2014. The budget proposes to pay for this with anticipated savings in the Overseas Contingency Operations fund, a dubious source, at best.

While the Highway Trust Fund is having financial difficulty paying for its current obligations, the Administration's budget proposes to reopen the recently passed MAP-21 and fund rail programs from the trust fund. And just when you think it cannot get worse for the struggling trust fund, the budget proposes a 330% increase in rail funding - the largest increase in this entire budget. To put this in perspective, the budget request would increase the entire transportation budget by \$6.5 billion. Rail would receive \$5 billion of the \$6.5 billion increase.

We are moving from one tight budget year to another. This is an expensive proposal to put forth in this environment especially with no realistic way to pay for all of it. Moving transportation funds to the mandatory side of the ledger will only exacerbate our challenges as mandatory programs are the largest contributors to our budget problems. And using OCO funds is not a realistic option. Many members hope that the draw-down of our forces in Iraq and Afghanistan will provide an opportunity to reduce the spending and the deficit, and not serve as an excuse for even more spending.

We have the difficult job of determining how to allocate a limited pot of funds among the programs within our jurisdiction. I'm looking forward to hearing more details about your budget. We welcome you again, Mr. Secretary.