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Spending Bill Would Help High-speed Rail Projects

Panel Gives Huge Boost To High-speed Rail Projects; Increases Maximum Pell Grant By \$200

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(AP) President Barack Obama's high-speed rail initiative would get an enormous boost under a spending bill that a House committee approved Friday.

Obama sought \$1 billion for construction of a high-speed system and other intercity rail lines, which would come on top of \$8 billion provided in the economic stimulus bill in February.

The House Appropriations Committee decided to provide \$4 billion, part of a \$123 billion measure covering transportation and housing programs.

Rep. John Olver, D-Mass., said the earlier money had generated about \$70 billion in grant requests for high-speed rail projects.

Democrats turned back a GOP effort to take \$3 billion of the rail money and deposit it in the Highway Trust Fund, which is expected to go broke next month.

The measure also gives the money-losing Amtrak passenger railroad a \$1.5 billion subsidy.

The troubled rail system in the nation's capital would receive \$150 million to make repairs and replace rail cars. The system has long-overdue maintenance needs and is struggling to recover after a crash that killed nine people.

The measure also would increase spending by more than 40 percent on a much-criticized program that subsidizes rural air travel. The \$175 million for the Essential Air Service would help entice small airlines to fly unprofitable routes; the flights are often nearly empty.

Housing programs would also receive a generous boost, including \$27 billion for the

Section 8 program to finance housing vouchers for 3.4 million people. That's a 10 percent increase.

The free-spending culture of the committee was on display as well.

Rep. Tom Latham, R-Iowa, identified almost \$800 million worth of budget savings by lowering subsidies in the housing program that guarantees reverse mortgages for older people. Latham proposed slightly lowering the amounts of the federally insured mortgages to eliminate the need for the subsidies.

Democrats embraced the idea. But rather than returning the savings to taxpayers, they instead used the money to add to the Section 8 program.

The panel then approved a huge measure covering labor, health and education programs. The \$730.5 billion measure combines \$163.4 billion in discretionary spending _ the amount over which the panel has direct control _ with \$567 billion for federal benefit programs. Those mainly are Medicare and Medicaid.

The measure would provide an \$11.2 billion, or 7 percent, increase for discretionary programs such as federal grants to school districts, health research, community health centers, substance abuse programs and heating subsidies for the poor.

There would be a \$200 increase so the maximum Pell Grant would rise to \$5,550.

In the full House, lawmakers on a 320-97 vote passed a \$33.3 billion measure covering energy programs and water projects. The measure fulfills a campaign promise by Obama to close the Yucca Mountain nuclear waste facility in Nevada, which was 25 years and \$13.5 billion in the making.

But it would leave the country without a long-term solution for storing highly radioactive waste from nuclear power plants.

That bipartisan measure has money for everything from clean energy research to restoring oyster beds in the Chesapeake Bay.

Unlike virtually every other spending bill moving through Congress for the upcoming budget year that begins Oct. 1, the measure essentially freezes spending for the programs covered by it. Most of the other spending bills contain spending increases far exceeding inflation.
