

June 27, 2012

\$51.6 Billion FY 2013 Transportation-HUD Bill on Floor

This week, the House will consider the FY 2013 Transportation-HUD bill. Highlights of the legislation:

\$51.6 Billion Net Spending: The bill provides a net total spending level in FY 2013 of \$51.6 billion, \$3.9 billion (or 7.1%) less than last year. The legislation also provides \$4.4 billion of advance appropriations, of which \$4 billion is for Public and Indian Housing (same as last year and President's request). Increases for programs under the bill are offset with higher expected offsetting receipts within the Department of Housing and Urban Development (mostly the Federal Housing Administration), which would grow from \$5.8 billion in 2012 to \$11.2 billion in 2013.

The House Appropriations Committee approved 302(b) allocations for the twelve spending bills that total \$1.028 trillion—consistent with the 302(a) allocation provided under the FY 2013 House-passed budget resolution. This allocation is a \$19 billion cut compared to the cap under the Budget Control Act, and a \$15 billion cut compared to last year. The RSC Budget's 302(a) would have been \$931 billion (\$97 billion lower).

Higher Expected Collections from the Federal Housing Administration (FHA): Despite the net decrease compared to last year noted above, total funding for many individual programs in the bill increases. Department of Housing and Urban Development (mostly Federal Housing Administration) offsetting receipts are estimated by CBO to increase from \$5.8 billion to \$11.2 billion due to lower anticipated defaults. The projected savings are used to pay for the higher spending in the bill.

Highway Funding: The bill provides \$39.1 billion for federal aid to highways, the same as last year.

Elimination of Native Hawaiian Block Grants Program: The legislation eliminates this program, which saves \$13 million. Many conservatives have historically sought to eliminate this program.

Spending Increases of Note:

- Amtrak: \$1.8 billion—\$384 million above last year.
- Washington Metropolitan Transit Authority: \$150 million—the same as last year and \$15 million more than the President's request.
- Essential Air Service: \$214 million—same as President's request, and \$71 million (or 49%) above last year.
- Tenant-based Rental Assistance: \$19.1 billion—\$60 million more than the President's request and \$219.9 million more than last year.
- Community Development Block Grant: \$3.34 billion—\$396 million more than both last year and the President's request.
- Neighborhood Reinvestment Corporation: \$225.3 million—\$10 million more than last year and \$12.3 million more than the request.



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Let's Ban the Word "Trillion"

By: Andrew Tisch

Pop quiz: What's bigger—\$15.8 trillion, or \$15,772,177,351,447?

Of course, rounding off, they're about the same. But don't we all think that the first number seems so much smaller and more manageable than the second?

The first number incorporates a tidy unit of measurement called a "trillion." We can get our heads around the word "trillion," and so we think we understand what we're looking at. In this case, it is the size of our national debt.

The thing is, it should be really hard to ever get our heads around a "trillion." Very few of us have ever seen a trillion of anything with our own eyes. Maybe a trillion grains of sand, but not a trillion trees or a trillion stars.

When you look at the nighttime sky, think about this: We used to know of a few million stars. Then we moved up to billions of stars. Now we're up to billions of galaxies. But we haven't gotten to trillions of many things uniquely identifiable yet.

Except dollars.

As a nation, we spent \$3.6 trillion last year on federal government services, and about one out of every three of those dollars was borrowed. That's a lot of money.

Just how much is a trillion dollars? Consider this: If you have a briefcase full of \$100 bills, you'd have roughly \$1 million. Few of us have ever seen that much money in one place, but we can at least imagine what it looks like. But a trillion dollars in \$100 bills would weigh 22 million pounds!

Things get more interesting if you stack the \$100 bills on top of each other, rather than pack them tight in a briefcase. You'd have only \$10 billion by the time you got as high as a commercial jetliner cruises. Think about that next time you're up in the air.

If you want to see a trillion dollars of those Benjamin Franklins, you need to penetrate the Earth's atmosphere and keep on going—678 miles high. Our national debt, at 15.8 times that amount, would form a stack of \$100 bills 10,712 miles high.

That's why this enormous number is trivialized by shortening it to a word that has only one more letter than its much more benign cousins, "million" or "billion."

So let's ban the word "trillion." It's a unit of measurement neither understood nor appreciated. If we must use the number, we should give it its proper due. Write it out with all its zeros—all 12 of them. So \$15.8 trillion would be \$15,800,000,000,000.

Or, from now on, if you want to say "trillion," say "one thousand billion" or "one million million," or "one thousand thousand thousand thousand." Our national debt, then, would go from \$15.8 trillion to \$15,800 billion. Doing this would show, among other things, that even cutting \$100 billion from our debt would bring us down only to \$15,700 billion.

Still, "billions" doesn't quite cut it. One billion dollars used to be a lot of money. Today no self-respecting dictator siphons less than that amount into his or her Swiss bank account. It simply wouldn't look good among peer dictators.

So what about expressing a trillion as "a million million"? By that standard, our deficit is now \$15.8 million millions.

We can't keep piling more debt onto our children or our children's children or our children's children's children. Otherwise, the million million millions in debt will make their future worthless, worthless, worthless.