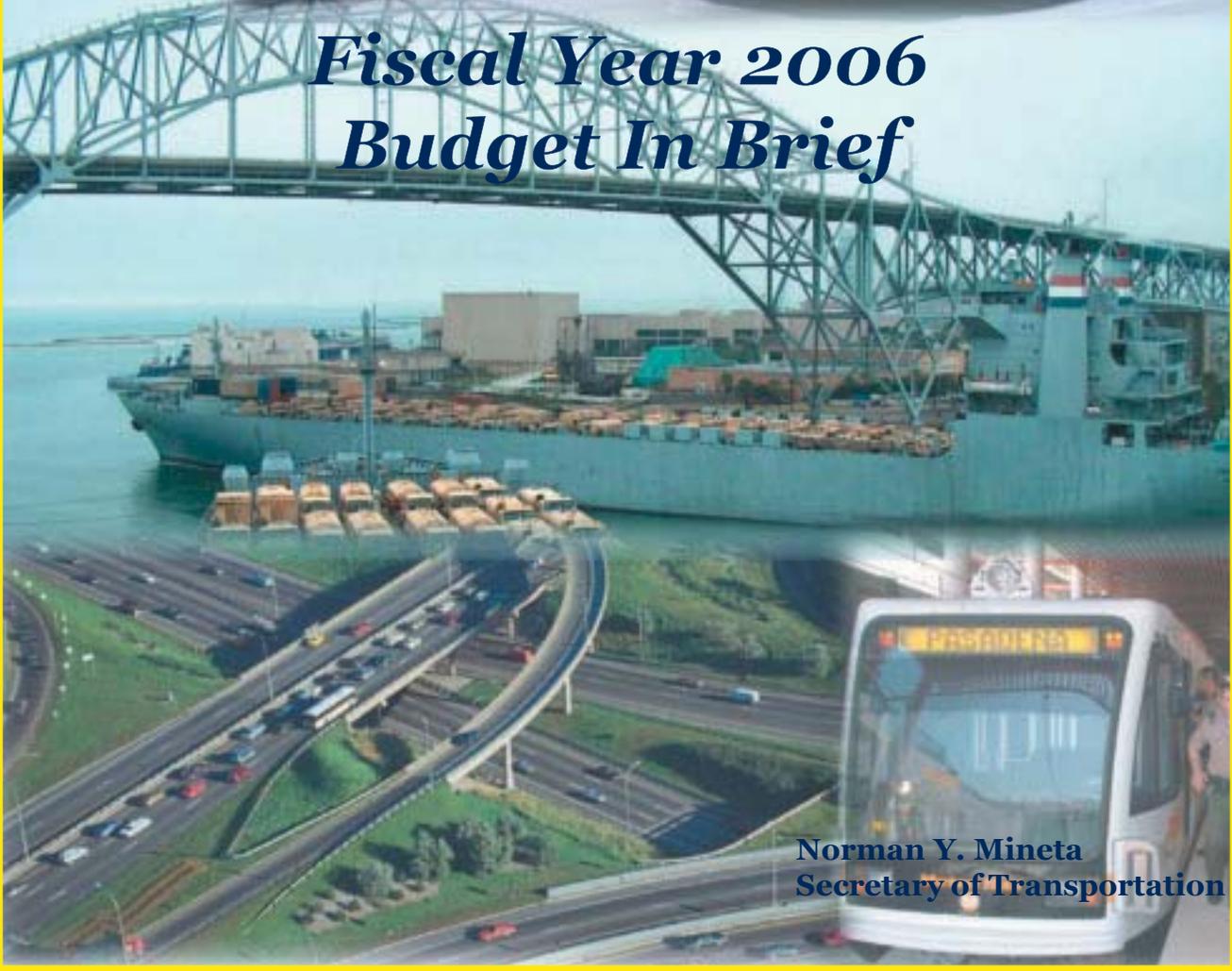




# United States Department of Transportation



## *Fiscal Year 2006 Budget In Brief*



**Norman Y. Mineta**  
Secretary of Transportation



**U.S. Department of Transportation  
2006 Budget In Brief  
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**Message from the Secretary**

I am pleased to present President Bush's fiscal year 2006 budget request for the U.S. Department of Transportation (DOT). The President's request, which totals \$59.5 billion in budgetary resources, includes major investments in our Nation's highways and roadways, airports and airways, railroads, transit systems, and other transportation programs that move the American economy.



This budget makes a strong commitment to the infrastructure, technology, and research that will ensure that our Nation's transportation network remains a potent and capable partner as our economy continues to grow.

I am proud of the considerable progress that the Department of Transportation has made over the past four years in advancing the safety, reliability, and efficiency of our transportation system. Through the Bush Administration's unprecedented focus on safety, for example, we have helped America achieve the lowest vehicle fatality rate ever recorded and the highest safety belt usage rate ever recorded. During the same time, we have helped bring about the safest three-year period in aviation history.

Building on this progress, the President has proposed major improvements in both surface transportation and intercity passenger rail programs to help them better meet America's 21st Century transportation needs.

Enactment of the Safe, Accountable, Flexible, and Efficient Transportation Equity Act, or SAFETEA, is a top priority. The Administration's reauthorization legislation provides a blueprint for investment that relieves gridlock and ensures future mobility and safety on the Nation's roads and transit systems. The 2006 budget includes a record investment of \$284 billion in Federal resources over the six-year life of the bill - almost \$35 billion more than funding under TEA-21, the previous surface transportation authorization. Continued delays in enactment of the reauthorization frustrate proper planning by states and communities and deprive them of the ability to use new flexibilities that the Bush Administration is proposing to encourage private investment and achieve more efficient use of the Nation's highways.

The budget request also reflects the imperative for reform of America's intercity passenger rail system, which has been operating at a loss for 35 years. Deteriorating infrastructure and declining service further the case that, without congressional action on the Administration's reform proposals, continued taxpayer subsidies cannot be justified. Consequently, no funding is included in the 2006 budget for Amtrak. Rather, \$360 million is budgeted to allow the Surface Transportation Board to support existing commuter rail service along the Northeast Corridor and elsewhere should Amtrak cease commuter rail operations in the absence of federal subsidies.

The President's FY 2006 budget includes nearly \$14 billion for the Federal Aviation Administration to continue our investments both in building new infrastructure and in deploying technology that enhances the capacity and safety of the Nation's aviation system.

The Congress has acted on our reorganization proposal for the Department. Creation of the new Research and Innovative Technology Administration (RITA) promises to bring new energy and focus to the Department's research efforts and expedite implementation of cross-cutting, innovative

transportation technologies. The reorganization also creates the Pipeline and Hazardous Materials Safety Administration (PHMSA), with responsibility for the safe and secure transport of hazardous materials throughout the transportation network. The 2006 budget includes \$130.8 million for PHMSA's first full year of operations, along with \$39.1 million for RITA. In addition, RITA is expected to receive over \$300 million for transportation research conducted on behalf of other agencies on a reimbursable basis.

The FY 2006 budget request recognizes that the transportation sector is the workhorse that drives the American economy, providing mobility and accessibility for passengers and freight, supplying millions of jobs, and creating growth-generating revenue. For our part, President Bush and I remain committed to working with the Congress, and with our public- and private-sector partners to ensure that our transportation network can keep America moving confidently into the future.

Norman Y. Mineta  
Secretary



## POLICY, PERFORMANCE, AND PROGRAM OUTLOOK

*Government likes to begin things - to declare grand new programs and causes. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results. Not just making promises, but making good on promises.*

President George W. Bush

The U.S. Department of Transportation (DOT) continues to be a leader among Federal agencies in supporting the President's Management Agenda and instituting the use of performance-based budgeting in its internal processes. The fiscal year (FY) 2006 budget request builds on DOT's successful implementation of the Government Performance and Results Act of 1993 by strengthening the linkages between budgetary resources and programmatic and performance outcomes that benefit the Nation. The resources requested in the Department's FY 2006 budget will enable DOT to achieve a transportation system that is safe, efficient, and secure. At the Departmental level, performance goals and measures focus on core transportation missions, and reflect the Secretary's transportation priorities of safety, mobility, global connectivity, environmental stewardship, security, and organizational excellence.

The budget documents for DOT's individual operating administrations reflect the successful steps to integrate budget and performance. Beginning with the FY 2004 budget cycle, DOT organized its Office of Management and Budget (OMB) and Congressional budget submissions in such a way that the linkages between additional resources and improved performance would be more apparent. The linkages were further strengthened for the FY 2005 budget submissions. For FY 2006, DOT is taking performance budgeting to the next level by estimating the marginal cost of performance (what results can be achieved at different levels of funding) for selected programs.

Typically, a marginal cost of performance analysis would require the Department to have a fully functioning cost accounting system. While all DOT modes have implemented the DOT-wide accounting system, it will be several years before cost-accounting data systems are fully mature and include historical data that will allow DOT managers to integrate performance and accounting data. As a result, DOT has developed an alternative model that will enable the Department to tie resources to results and has selected several pilot programs that will be used to test this approach. The lessons learned from this initial effort will be reflected in future budget requests for the remaining DOT operating administrations.

### **Program Assessment Rating Tool (PART)**

The FY 2006 budget formulation process has been expanded to incorporate fully the use of OMB's Program Assessment Rating Tool (PART). The PART is designed to gauge whether a program's design and purpose are clear and defensible; weigh whether the agency sets valid annual and long-term goals for programs; rate agency management of programs, including financial oversight and program improvement efforts; and focus on results. The PART process is meant to complement traditional management techniques and to be used to stimulate a constructive dialogue between program managers, and budget and policy officials.

During the FY 2004 budget formulation process, four DOT programs were evaluated using the PART instrument: the Federal Aviation Administration's (FAA) Grants-in-Aid for Airports program; Federal Motor Carrier Safety Grants; the Federal Highway Administration's (FHWA) Infrastructure

Investments; and the National Highway Traffic Safety Administration's (NHTSA) Grants.

Six additional DOT programs were evaluated during the FY 2005 budget formulation process: FAA Air Traffic Services; FAA Research, Engineering and Development; FHWA's Federal Lands Highways program; the rail safety portion of the Federal Railroad Administration's (FRA) Safety and Operations; the Federal Transit Administration's (FTA) New Starts program; and the Pipeline and Hazardous Materials Safety Administration's (PHMSA) (formerly Research and Special Programs Administration) Hazardous Materials Emergency Preparedness Grants.

For FY 2006, we have evaluated nine more programs: FAA Facilities and Equipment; FAA Regulation and Certification; FHWA's Research and Development program; the Maritime Administration's Maritime Security Program; PHMSA's Pipeline Safety program; FRA's Research and Development program; FTA Urbanized Area Formula Grant and Fixed Guideway Modernization program; Federal Motor Carrier Safety and Operations; and NHTSA Operations and Research.

The PART process assisted in identifying programs that were "effective," "moderately effective," "adequate," and "ineffective." The information gathered through the FY 2004, FY 2005 and FY 2006 PART processes was provided to senior officials and was instrumental in making decisions regarding programmatic funding requests.

### **Programmatic and Organizational Restructuring**

The focus and operations of the Department of Transportation have been significantly affected by the transfer of the Transportation Security Administration and U.S. Coast Guard to the Department of Homeland Security in March 2003. Secretary Mineta took stock of the Department and the services that DOT provides, and saw need for certain organizational changes to help the Department generate greater operational efficiency and increase the effectiveness of our budgetary, human capital, and managerial resources.

The Congress agreed with Secretary Mineta and recently passed the Norman Y. Mineta Research and Special Programs Improvement Act (Public Law 108-426), which was signed into law by President Bush on November 30, 2004.

The purpose of the Act is to provide the Department a more focused research organization and establish a separate operating administration for pipeline safety and hazardous materials transportation safety operations. It will allow us to more effectively coordinate and manage the Department's research portfolio and expedite implementation of cross-cutting, innovative technologies. The Act will also reflect the Department's longstanding commitment to the safety of our Nation's pipeline infrastructure and our continuing emphasis on the safe and secure transport of hazardous materials throughout the transportation network. In addition, the Act presents the Department an opportunity to establish model practices in the area of government budget and information practices in support of the President's Management Agenda initiatives.

The FY 2006 budget request reflects the Department's reorganization efforts to implement the Act. The Research and Special Programs Administration (RSPA), the Office of Intermodalism currently located in the Office of the Secretary, and the Bureau of Transportation Statistics are being merged to form two new organizations: the Research and Innovative Technology Administration and the Pipeline and Hazardous Materials Safety Administration. Implementation of this reorganization will lead to a strong coordination, analysis and review function for the Department's other research and

development programs, progress and products. The restructuring will also provide increased effectiveness and efficiency of the other operating functions and programs of the Department that increasingly rely on technological innovations. Our effort is to ensure that the transition to this new structure is seamless and that the safety and efficiency of our Nation's transportation systems is uninterrupted.

### **Managing for Results**

Fiscal responsibility requires sound stewardship of taxpayer dollars. This means that once the Congress and the President decide on overall spending levels, taxpayer dollars should be managed to maximize results. The President's Management Agenda (PMA) is creating a results-oriented Government where each agency and program is managed professionally and efficiently and achieves the results expected by the Congress and the American people.

The PMA, launched with the broad goal of making the Government more results-oriented, focuses on achievement and accountability. Areas of emphasis, or sub-components, were identified for the Agenda, as well as expected levels of achievement, or Standards for Success. Implementation of the PMA has brought focus and attention to how the DOT operates, and identified ways that it can be more effective.

The PMA initiatives are identified in the following PMA Scorecard Table along with OMB's assessment of the Department's efforts to improve performance in each initiative area. OMB provides both a "Status" and "Progress" rating for each initiative. The "Progress" rating indicates the direction of the Department's efforts as it strives to improve its "Status" rating.

**PRESIDENT'S MANAGEMENT AGENDA SCORECARD**

Initiative	Status as of 12/31/04	Progress as of 12/31/04
<b>Human Capital</b> - DOT has achieved a "green" status for its human capital initiative by establishing a new strategic plan for managing its human capital and progressing toward implementing multi-tier employee evaluation systems for each of its operating administrations.	 Green	 Green
<b>Competitive Sourcing</b> - DOT has achieved a "green" status for its competitive sourcing initiative. All competitions have been completed within prescribed timeframes and DOT believes it has developed best practices in streamlined competitions.	 Green	 Green
<b>Improved Financial Management</b> - DOT has implemented a Department-wide integrated financial system to make the Department's accounting practices more streamlined and accurate. DOT still faces several challenges relating to financial management, including a need to improve the oversight of highway and transit grants.	 Red	 Green
<b>E-Government</b> - DOT has achieved its "green" status. DOT has created an Enterprise Architecture that focuses on IT investments and plans to address "at risk" programs in the Department. Over the next year, DOT will work towards achieving the challenging goal of securing all of its information technology systems.	 Green	 Green
<b>Budget and Performance Integration</b> - DOT is a leader in the government on Budget and Performance Integration and has achieved its "green" status. DOT's FY 2006 Budget submissions incorporated PART findings and are structured to show full costs by strategic goal.	 Green	 Green
<b>Eliminating Improper Payments</b> - DOT is working to eliminate improper payments. Accounting firm KPMG was hired to review the Department's risk susceptible programs. DOT has identified a potential volunteer State to participate in its Single Audit Act program to review the management of highway grants.	 Red	 Gray
<b>Real Property Asset Management</b> - FAA identified as program lead for implementation of this initiative. FAA completed analysis of their inventory systems, asset management plans and performance metrics. Similar analysis for other modes scheduled for completion by the 2nd quarter of FY 2005.	 Red	 Yellow

Green= Satisfactory

Red= Unsatisfactory

Yellow= Good Progress

Gray= No rating yet received

**PERFORMANCE PROGRESS REPORT <sup>1/</sup>**

<b>SAFETY</b>	<b>ACHIEVED IN 2003</b>	<b>ACHIEVED IN 2004</b>	<b>2006 TARGET</b>
❖ Highway fatalities per 100 million vehicle-miles traveled (VMT)	1.48	<i>1.45</i>	1.38
❖ Fatalities involving large trucks per 100 million truck VMT	2.31	<i>2.23</i>	1.85
❖ U.S. commercial fatal aviation accidents/100,000 departures (Last 3 years' average)	0.024	<i>0.021</i>	0.018
❖ Rail-related accidents and incidents per million train-miles	18.98	<i>17.52</i>	16.80
❖ Number of incidents for natural gas and hazardous liquid pipelines	369	<i>298</i>	280
❖ Serious hazardous materials incidents in transportation	490	<i>450</i>	498
<b>MOBILITY</b>			
❖ Percent of travel on the National Highway System (NHS) meeting pavement performance standards for acceptable ride	89.8	<i>90.8</i>	94.0
❖ Percent of total annual urban-area travel time occurring in congested conditions <sup>2/</sup>	30.8	<i>30.9</i>	33.7
❖ Percent of flights arriving on time	82.3	<i>79.1</i>	88.4
❖ Percent of key rail stations compliant with the Americans with Disabilities Act (ADA)	82	82	86
❖ Percent of bus fleets ADA compliant	93	95	97
<b>GLOBAL CONNECTIVITY</b>			
❖ Potential air transportation consumers (billions) in international markets traveling between the U.S. and countries with open skies and open trans-border aviation agreements	1.48	<i>1.51</i>	1.55
❖ Percent of days in shipping season that the U.S. sectors of the St. Lawrence Seaway are available, including the two U.S. locks in Massena, NY	98.9	99.1	99.0
<b>ENVIRONMENTAL STEWARDSHIP</b>			
❖ Acres of wetlands replaced for every acre affected by Federal-aid highway projects	2.7	2.1	1.5
❖ Tons of hazardous liquid materials spilled per million ton-miles shipped by pipeline <sup>3/</sup>	0.0071	<i>0.0070</i>	0.0060
<b>SECURITY</b>			
❖ Percent of DOD-required shipping capacity, complete with crews available within mobilization timelines	96	94	94

1/ Italicized numbers represent preliminary estimates or projections from trends.

2/ The FY 2006 goal reflects a 0.2 percent decrease below the projected 0.7 percent yearly growth rate in congestion.

3/ Starting in FY 2006, measure has been redefined to exclude highly volatile liquids. FY 2003 and FY 2004 actuals were recalculated accordingly.

# Overview

## Introduction

The American people deserve a safe, secure, and efficient transportation system. The quality of our lives, the shape of our communities, and the productivity of our Nation's economy depend on the U.S. Department of Transportation's (DOT) success in fulfilling these goals.

Established in 1967, DOT sets Federal transportation policy and works with State, local, and private sector partners to promote a safe, secure, efficient, and interconnected national transportation system of roads, railways, pipelines, airways, and waterways. DOT's overall objective of creating a safer, simpler, and smarter transportation program is the guiding principle as we move forward to achieve specific goals.

The fiscal year (FY) 2006 budget request for the Department of Transportation totals \$59.5 billion in appropriations, obligation limitation, user fees, and exempt obligations. The Department's five key strategic objectives are to: (1) improve safety; (2) increase mobility for all Americans; (3) increase global transportation connectivity in support of the Nation's economy; (4) protect the environment; and, (5) support national security. These five goals, along with furthering the objectives outlined in the President's Management Agenda through organizational excellence, form the foundation for the FY 2006 budget request.

### NET BUDGETARY RESOURCES BY STRATEGIC AND ORGANIZATIONAL GOALS

(Dollars In Millions)

FY 2006 Request <sup>1/</sup>

	TOTAL	Safety	Mobility	Global Connectivity	Environmental Stewardship	Security	Organizational Excellence
Federal Aviation Administration	13,779	9,746	3,066	33	380	118	436
Federal Highway Administration	34,406	4,326	26,421	179	3,295	138	48
Federal Motor Carrier Safety Administration	465	431	2	0	0	8	24
National Highway Traffic Safety Administration	696	694	0	0	2	0	0
Federal Transit Administration	8,781	16	8,459	1	236	40	29
Federal Railroad Administration	552	189	360	0	1	1	2
Research & Innovative Technology Administration: <sup>2/</sup>	39	2	11	15	0	0	11
Bureau of Transportation Statistics [non-add]	[33]	[1]	[9]	[14]	[0]	[0]	[9]
Pipeline & Hazardous Materials Safety Administration	131	104	0	0	23	0	4
Maritime Administration	294	0	13	9	23	248	1
St. Lawrence Seaway Development Corporation	16	0	0	16	0	0	0
Office of the Secretary	259	2	57	21	0	9	170
Office of Inspector General	62	0	0	0	0	0	62
Surface Transportation Board	24	0	12	0	0	0	12
TOTAL, Department of Transportation	59,506	15,508	38,388	274	3,961	561	800
Share of Total DOT Budgetary Resources	100%	26.1%	64.5%	0.5%	6.7%	0.9%	1.3%

1/ Totals may not add due to rounding.

2/ Includes \$33 million allocation received from the Federal Highway Administration.

## Safety

Transportation safety is the Department of Transportation's top strategic priority. Because the human toll and economic cost of transportation accidents are massive, sustaining continuous progress in improving transportation safety is the first objective of all DOT operations. Evaluations using the Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) support DOT's decision to retain safety as the number one strategic objective and forms the foundation for much of this resource request.

The FY 2006 budget request proposes overall transportation safety funding of \$15.5 billion. This request will fund the aviation and surface transportation safety programs and initiatives of the Federal Aviation Administration (FAA), the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA), the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration (FRA), the Federal Transit Administration (FTA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA).

### *Surface Transportation Safety*

In 2003, an estimated 42,643 lives were lost in traffic crashes. The economic cost of motor vehicle crashes is estimated to be more than \$230 billion annually. Within DOT, FMCSA and NHTSA are the two operating administrations primarily focused on regulating highway safety, and FHWA supports highway safety through its infrastructure programs. Almost exclusively, FRA's focus is on improving the railroad safety record, and PHMSA's focus is on hazardous material (hazmat) and pipeline safety.

- ❖ Improve Motor Vehicle and Driver Safety. In 2003, the fatality rate per 100 million vehicle-miles traveled experienced the largest drop since 1999, falling to 1.48. Early estimates for 2004 show a further improvement in the highway fatality rate, dropping to 1.45. OMB's PART review for NHTSA's operations and research program indicated that steady progress has been made in reducing highway fatalities, which is evidenced by the 2003 statistics. While progress has been made, NHTSA will continue to focus on two significant areas to further reduce the overall highway fatality rate to 1.0 per 100 million vehicle-miles traveled by 2008: (1) increasing safety belt usage from 69 percent in 1998 to 82 percent in 2006, depending on how many additional States pass primary safety belt laws; and (2) reducing the rate of fatalities in high blood alcohol concentration (BAC 0.08 or above) crashes per 100 million vehicle-miles traveled from 0.61 in 1996 to 0.51 in 2006. The FY 2006 budget request includes \$229.4 million for NHTSA safety operations and research programs, and \$465 million for grants to States for targeted highway safety programs to counter drugged and drunk driving and to enforce safety belt use. This funding level is consistent with the Administration's Safe, Accountable, Flexible, and Efficient Transportation Equity Act (SAFETEA) proposal to consolidate NHTSA highway safety grant programs to the States. The Research and Innovative Technology Administration (RITA) will continue its efforts, in concert with the Department of Energy, to develop safe hydrogen fuel infrastructure and vehicles for transportation use.
- ❖ Safer and Smarter Highway and Intersection Infrastructure. FHWA's FY 2006 safety request of \$4.3 billion continues the Administration's policy of providing increased flexibility in safety funding to the States to tailor their resources to address unique factors that impact highway safety, such as highway design and operation. These funds also enable FHWA to increase its research focus on safety and concentrate efforts on reducing the number of fatalities in three types of crashes: roadway departures, crashes at or near intersections, and collisions involv-

ing pedestrians. Roadway departures, including run off-the-road and head-on crashes, accounted for over 25,000 fatalities in 2003. Safer and smarter highway and intersection design and operation will remove roadside hazards and help keep vehicles on the roadway. Approximately 9,200 fatal crashes occurred in 2003 between vehicles in collisions at intersections. FHWA will continue to promote the use of comprehensive intersection design and operational tools and enforcement strategies, and will assist States in improving intersection safety problems at specific locations. Approximately 4,800 pedestrians are killed each year in collisions with one or more vehicles. To counter this trend, FHWA will continue to target crash causes in major urban areas and select rural locations and facilitate community-based programs that fully and safely accommodate pedestrians.

- ❖ Improve Motor Carrier Safety. OMB's FY 2005 PART review for FMCSA's safety grant program indicated that steady progress has been made in reducing truck-related fatalities. Further, the FY 2006 PART review for FMCSA's safety and operations programs found that FMCSA has continued to achieve reductions in the rate of fatalities involving large trucks. The large truck-related fatality rate in 2003 was 2.31 fatalities per 100 million truck vehicle-miles traveled (TVMT), which is 18 percent lower than the baseline rate of 2.81 fatalities per 100 million TVMT, established in 1996. Further, FMCSA's progress in reducing injuries in crashes involving trucks continues to be very significant. Estimates of 2003 truck-related injuries - 122,000 - represent a 7 percent decrease from 2002, and are the lowest level since 1995. The large truck injury rate of 55 per 100 million truck-miles is at the lowest level since injury data have been collected. Aggressive enforcement, FMCSA's primary safety mitigation strategy, has proven effective in reducing crashes, fatalities, hazardous materials releases, and injuries. Consistent with the Administration's SAFETEA proposal, the budget request of \$465 million includes \$233 million for Motor Carrier Safety Operations and Programs to support critical motor carrier program activities to reduce crashes, save lives, and prevent injuries on our Nation's highways. The request also includes \$232 million for Motor Carrier Safety Grants to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of a Federal-State partnership aimed at meeting the Department's strategic goals and performance targets.
- ❖ Improve Railroad Safety. OMB's FY 2005 PART review of FRA's rail safety program showed that this program is well managed and is making good progress in achieving rail safety goals. The FY 2006 PART review of its Research and Development program, with goals that also support safety, furthered these findings. The FY 2006 budget request for FRA safety includes \$151.7 million to support FRA's efforts to reduce rail accidents and incidents to 16.8 per million train-miles in FY 2006. By reducing accidents and incidents, fatalities, injuries, and serious rail hazardous materials incidents will also be avoided. The funds requested in FY 2006 will provide two new safety positions to provide an inspection function at tank car repair facilities, provide additional support in FRA's Research and Development program, and direct significant funding in the installation of the Nationwide Differential Global Positioning System for the continental United States.
- ❖ Improve Transit Safety. Public transit is one of the safest modes of transportation per passenger-mile traveled. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases. To help meet this challenge, the President's budget requests more than \$16 million for FTA safety oversight, research projects, and associated administrative costs. Continuing to fund transit safety will support efforts to keep transit

fatalities at or below 0.477 per 100 million transit passenger-miles traveled in FY 2006. These funds will also contribute to reducing the rate of transit-related injuries and incidents.

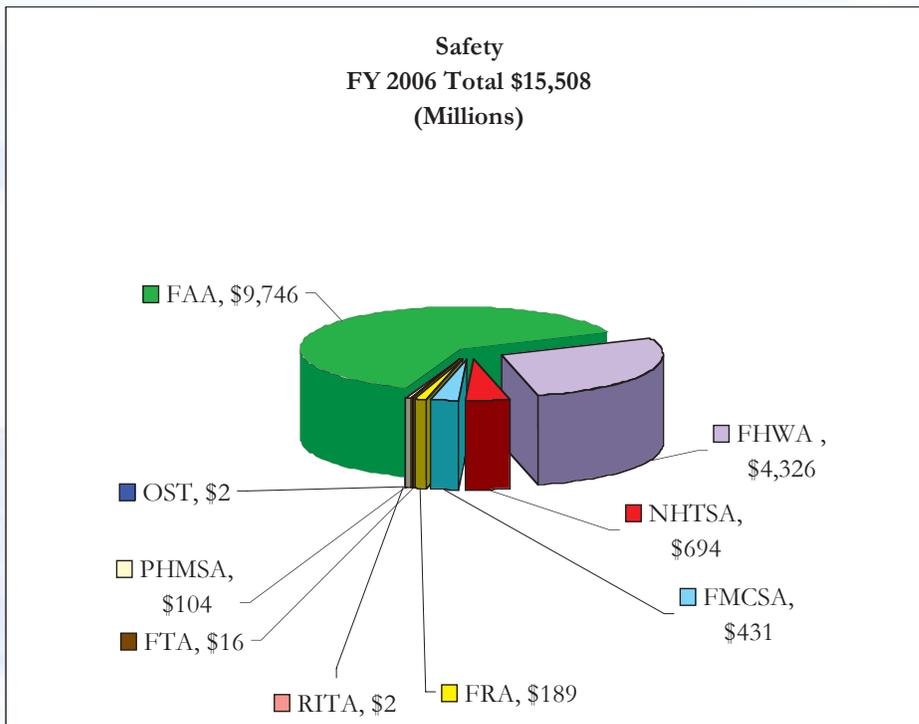
- ❖ Improve Pipeline and Hazardous Materials Safety. OMB's FY 2005 PART review of PHMSA's (formerly Research and Special Programs Administration) hazardous materials safety grant assistance program showed that this program is well-managed and making progress in achieving hazardous materials safety goals. Similarly, the FY 2006 PART review for PHMSA's pipeline safety program found that the program is effectively managed. In FY 2006, \$103.8 million is requested for PHMSA to support efforts to reduce the number of natural gas and hazardous liquid pipeline incidents to 280 in FY 2006, and for PHMSA's share of the overall DOT performance target of achieving no more than 498 serious hazardous materials transportation incidents in FY 2006.

### *Aviation Safety*

- ❖ Improve Aviation Safety. FAA's efforts to improve aviation safety have produced impressive results. The FY 2004 commercial air carrier accident rate of 0.021 per 100,000 departures was the lowest in history. FAA also exceeded its FY 2004 target for reducing general aviation accidents. Nevertheless, as OMB's FY 2005 PART reviews of FAA's Air Traffic Service and Research, Engineering and Development programs concluded, FAA needs to make better progress towards reducing the precursors of aircraft accidents (runway incursions and operational errors). More recently, the FY 2006 PART review for FAA Regulation and Certification found that the FAA is unable to determine if the cost of rule development is minimized at the least incremental cost. Steps are being taken to analyze the complexity of rulemakings, as well as the workload by organization, to better understand the cost of rule development and increase efficiency.

The FY 2006 budget request for FAA includes \$7.9 billion to reduce U.S. commercial air carrier fatal accidents to 0.018 per 100,000 departures in FY 2006, and to reduce all general aviation fatal accidents to 337 in FY 2006. The request supports FAA's efforts to provide the safest possible system through additional investments in personnel and airspace safety technology, including systems to reduce the most serious runway incursions to no more than 33, equivalent to a rate of 0.502 per million operations, and to reduce the most serious operational errors to no more than 618, equivalent to a rate of 3.72 per million activities. The request provides funding for inspecting aircraft, certifying new equipment, and ensuring the safety of flight procedures and the competence of airmen and women.

DOT's Safety Performance Budget is distributed as follows:



## Mobility

The President's budget request includes \$38.3 billion in FY 2006 to continue improvements in transportation mobility. Mobility is essential to America's economic prosperity and quality of life. In today's global economy, it is more important than ever to have seamless transitions among the modes of transportation so that people and cargo can move effectively and efficiently. Over the past 20 years, congestion has increased for all modes of transportation. To address this problem and to enhance infrastructure conditions, the Department is concentrating on smart technology and system improvements. Initiatives supported by the FY 2006 budget request include expanding "intelligent highway system technology" and modernization of the airspace control system. The search for new innovative solutions to our mobility challenges is strongly supported in the FY 2006 budget request with overall investment in research, development, and technology proposed at \$1.1 billion.

### Surface Mobility

- ❖ Improve Highway Infrastructure Condition and Relieve Congestion. OMB's FY 2004 and FY 2005 PART reviews for the Federal-aid Highway infrastructure program and the Federal Lands Highway program, respectively, affirm that these programs effectively support States in maintaining the good condition of highway infrastructure and ensuring that there is sufficient capacity and access to transportation to move people and goods.

Consistent with the Administration's SAFETEA proposal, the FY 2006 budget requests \$26.4 billion for FHWA to improve highway infrastructure conditions and relieve congestion. Of this amount, \$19.9 billion is requested to improve pavement conditions on the National Highway System (NHS) and thus increase to 94 percent in FY 2006 the share of travel on the NHS that meets pavement performance standards for acceptable ride. Another \$6.5 billion will be used to limit the growth in total annual urban-area road travel that occurs in congested conditions to no more than 33.7 percent in FY 2006. The goal in FY 2006 is to slow the annual

rate of increase to less than the 0.7 percent projection. Within the mobility budget request are funds for an infrastructure performance and maintenance initiative, which targets "ready-to-go" highway projects that address traffic bottlenecks and improve infrastructure conditions. The NHS is comprised of the most important national routes for trade and commerce, including all Interstates and over 68 percent of other principal arterials. While the NHS accounts for only 4.1 percent of total road mileage in the United States, it handles 44.3 percent of total vehicle-miles traveled. Improving the condition of highways and bridges is critical to transportation mobility and key indicators of system performance. Consequently, the condition of the NHS significantly impacts congestion, wear-and-tear on vehicles and fuel consumption.

- ❖ Improve Mobility through the Maritime Transportation System. The budget request includes \$2.9 million for MARAD's efforts to improve mobility through the maritime transportation system. Greater use of marine transportation, specifically the Nation's waterways, offers the potential to reduce passenger and freight congestion for surface transportation and make the best use of highways, railways, airways, and waterways.
- ❖ Restructure Intercity Passenger Rail Service. In July 2003, Secretary Mineta transmitted to Congress the Passenger Rail Investment Reform Act (PRIRA). The purpose of PRIRA is to undertake a restructuring of intercity passenger rail transportation in the United States that will increase management accountability and encourage responses to market forces. Consistent with the PRIRA, the Department of Transportation continues to support passenger rail service and Federal-State partnerships to improve Amtrak's future viability, while facilitating vitally needed changes in Amtrak's operating model and capital infrastructure program. Until these reform actions are undertaken, however, intercity passenger rail remains in a state of flux. The budget does not provide any additional funding for Amtrak, but instead makes available \$360 million for the Surface Transportation Board to maintain existing commuter services along the Northeast Corridor and elsewhere while the future of intercity passenger rail is determined.
- ❖ Increase Transit Ridership and Improve Access to Transportation Services. OMB's FY 2005 and FY 2006 PART reviews for the Major Capital Investment (New Starts) and formula transit grant programs affirm that these programs are well managed and effective in meeting the demand for transit in communities nationwide. FTA requires all New Starts projects to conduct a rigorous "Before and After Study" to document the impact of the project on ridership and other performance indicators. In communities that have completed New Starts projects, significant regional transit ridership growth has been demonstrated after the beginning of revenue operations.

Consistent with the Administration's SAFETEA proposal, the Department of Transportation is requesting more than \$7.9 billion for FTA to increase by 1 percent the average yearly number of transit boardings per transit market adjusted for changes in employment; maintain at 50,000 in FY 2006 the number of employment sites made accessible by Job Access and Reverse Commute (JARC) transportation services; increase to 97 percent in FY 2006 the proportion of bus fleets that are compliant with the Americans with Disabilities Act (ADA); and increase to 86 percent in FY 2006 the proportion of key rail stations that are ADA-compliant. Transit formula programs are essential to maintaining and upgrading the condition and performance of the Nation's transit infrastructure so that America's transit systems continue to move millions of people safely and efficiently every day, thereby reducing congestion, facilitating economic development, and connecting people to their jobs and communities. Passenger miles traveled on transit have increased every year since 1995, taking riders off city streets, commuting thor-

oughfares, and freight routes, and curbing the rise in road congestion.

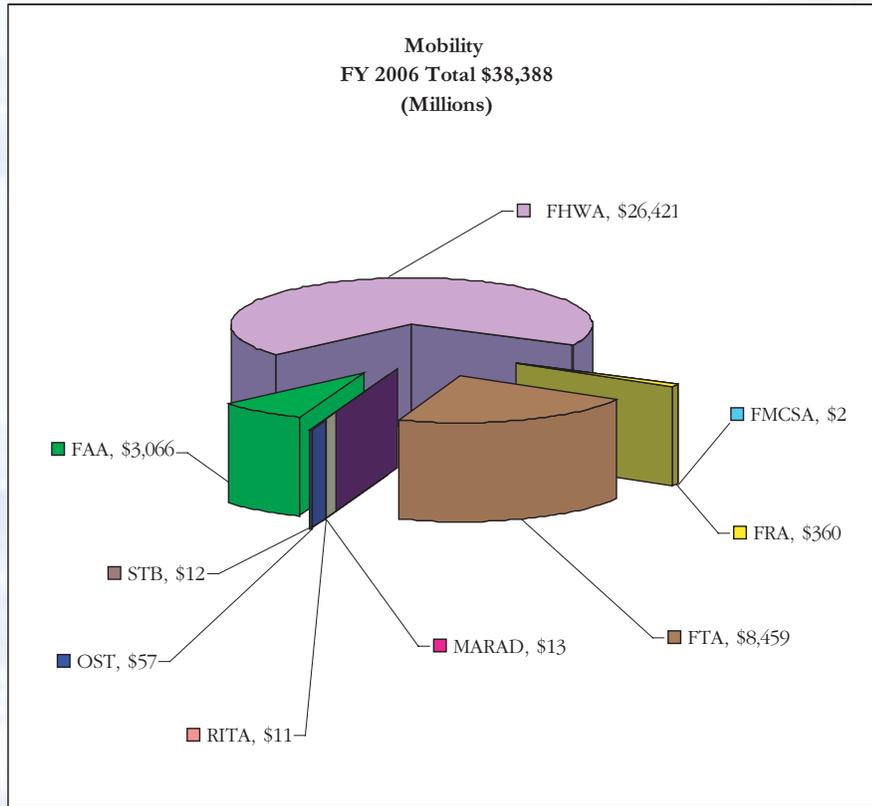
Consistent with the national commitment to improve coordination and access to specialized transportation, the President signed Executive Order 13330 on Human Service Transportation Coordination in February 2004, to improve human service transportation coordination for individuals with disabilities, older adults, and people with lower incomes. The Executive Order established the Interagency Transportation Coordinating Council on Access and Mobility (CCAM) representing 11 Federal departments, with Secretary Mineta as the Chairman. With DOT leadership, the CCAM has launched “United We Ride,” a nationwide initiative to implement the Executive Order, which requires Federal agencies to simplify access, reduce duplication of Federal rules and regulations, and increase cost efficiencies using existing resources.

### *Aviation Mobility*

The aviation industry is responsible for moving people and products, and it contributes approximately \$900 billion to our economy. Nearly two million people a day travel on our Nation's airlines and more than one-third of the value of all goods is moved by air. As the economy rebounds and travel demand for air service meets or exceeds pre-9/11 levels, we cannot afford to reduce our commitment to investing in the Nation's air traffic control system and our airports.

- ❖ Improve Access to Transportation Service. To allow Americans living in rural areas to have reasonable access to air travel, the Department of Transportation's FY 2006 budget request assumes \$50 million of overflight fees collected by the FAA will fund a program managed by the Office of the Secretary to make payments to air carriers serving rural airports.
  
- ❖ Improve NAS On-Time Arrival Performance. To achieve an on-time arrival rate of 88.4 percent of flights in FY 2006, the President's budget requests \$2.7 billion primarily for FAA Facilities and Equipment and Airport Improvement Grants. This includes funds to replace obsolescent radars and to continue automating terminal control facilities, and \$109 million for the User Request Evaluation Tool and oceanic automation to improve flight route flexibility. OMB's FY 2004 PART review for the Airport Improvement Grants program affirmed that this program is well managed and effective in providing support to airport authorities for moving people and goods.

DOT's Mobility Performance Budget is distributed as follows:



### Global Connectivity

The U.S. and global transportation systems are inextricably linked to the Nation's economic growth. Transportation is a key economic and productivity enabler, connecting people with work, school, and community services, and connecting American enterprise with domestic and global markets. The U.S. transportation system handles over 4.9 trillion passenger-miles of travel and 3.8 trillion ton-miles of freight every year - generated by more than 281 million people and 7.1 million businesses.

An intermodal domestic and international approach is central to DOT's role in promoting global connectivity. For the freight industry, efficient connections between transportation modes, and efficient transport within each mode, are essential to the competitive position of U.S. products in global markets. Increasing foreign trade requires transportation system capacity around our ports and borders. The U.S. freight system currently carries about 15 billion tons of cargo each year that has a value of \$9.1 trillion, and forecasts suggest a doubling in tonnage of general cargo and international trade movements, and a tripling of freight by value by 2020.

Our strategies to address transportation in the global economy have two synergistic thrusts: (1) opening international transportation markets; and (2) the improvement of essential, intermodal transportation linkages. Both are needed to achieve the outcomes that will yield better global connectivity and a more competitive, cost-effective transportation marketplace. The FY 2006 budget request includes \$274 million to meet this challenge.

*Reduced barriers to trade in transportation goods and services, and enhanced international competitiveness of U.S. transport providers and manufacturers*

- ❖ Increase International Aviation Service. The 2006 budget requests \$5.9 million for the Office

of the Secretary to increase opportunities for air transportation consumers traveling in international markets by expanding open skies and open transborder aviation agreements. The domestic airline industry continues to undergo major changes, and international deregulation, which poses even more complex and controversial issues, is barely underway. Common to all of the aviation issues currently facing DOT is the need for in-depth and intensive analysis of airline practices, mergers, and international alliances. As the United States moves towards a multilateral approach to air service agreements, the Department of Transportation is seeking an understanding of the long-term trends in the airline industry's operating and competitive structures in order to formulate and execute effective negotiating strategies that will ensure pro-competitive liberalization.

- ❖ Preserve and Expand International Cargo Carrying Opportunities for U.S.-Flag Vessels. The budget request includes \$1.8 million for maritime programs that preserve and enhance market opportunities for U.S.-flag vessels. The budget request will allow MARAD to continue to ensure that Federal agencies and other shippers comply with cargo preference laws designed to assure appropriate use of U.S.-flag ships in the carriage of certain cargoes to foreign locations. MARAD also continues its efforts to reduce and eliminate international trade barriers that impede the competitiveness of U.S. shipping companies in the international market.

#### *Efficient movement of cargo throughout the domestic and international supply chain*

- ❖ Increase Freight Travel Efficiency. Consistent with Secretary Mineta's Freight Action Plan, the budget request includes \$209 million in FY 2006 for FHWA, RITA, FMCSA and the Office of the Secretary to improve global connectivity in freight, reduce travel time in major freight corridors, and reduce border-crossing delays. FHWA programs include the border and corridor programs, which work together to reduce bottlenecks in and around seaports and land borders with Canada and Mexico, and parts of the ITS program implementing intelligent transportation systems for improved freight technology, efficiency, and security. This request also includes funds being requested by FHWA and RITA to improve the quality and availability of freight data, freight professional capacity-building efforts, and freight technology development and evaluation.
- ❖ Maintain a High Level of Seaway System Availability. The FY 2006 budget requests \$16.3 million for the Saint Lawrence Seaway Development Corporation (SLSDC) to maintain 99 percent system and lock availability in the U.S. portion of the St. Lawrence Seaway during the navigation season. The request includes an appropriation request of \$8.0 million from the Harbor Maintenance Trust Fund, plus \$8.3 million through the proposed re-establishment of U.S. Seaway commercial tolls. A legislative proposal to re-establish U.S. Seaway commercial tolls as a self-funding mechanism for the SLSDC will be transmitted during this Congress.

#### *Harmonized and standardized regulatory and facilitation requirements*

- ❖ Increase the Standardization and Harmonization of Transportation Standards and Practices. The Department of Transportation is requesting \$38.4 million in FY 2006 for FAA, NHTSA, and the Office of the Secretary to increase the number of bilateral and multilateral agreements that standardize transportation practices and harmonize standards. FAA will expand its training and technical assistance programs that help civil aviation authorities around the world meet international safety standards. FAA continues to work with its international partners and the International Civil Aviation Organization to harmonize global technological standards, such as

the use of global satellite navigation systems. NHTSA will also continue its efforts within the United Nations Working Party 29 to develop international standards for vehicle safety and Working Party 1 to share best practices for traffic safety.

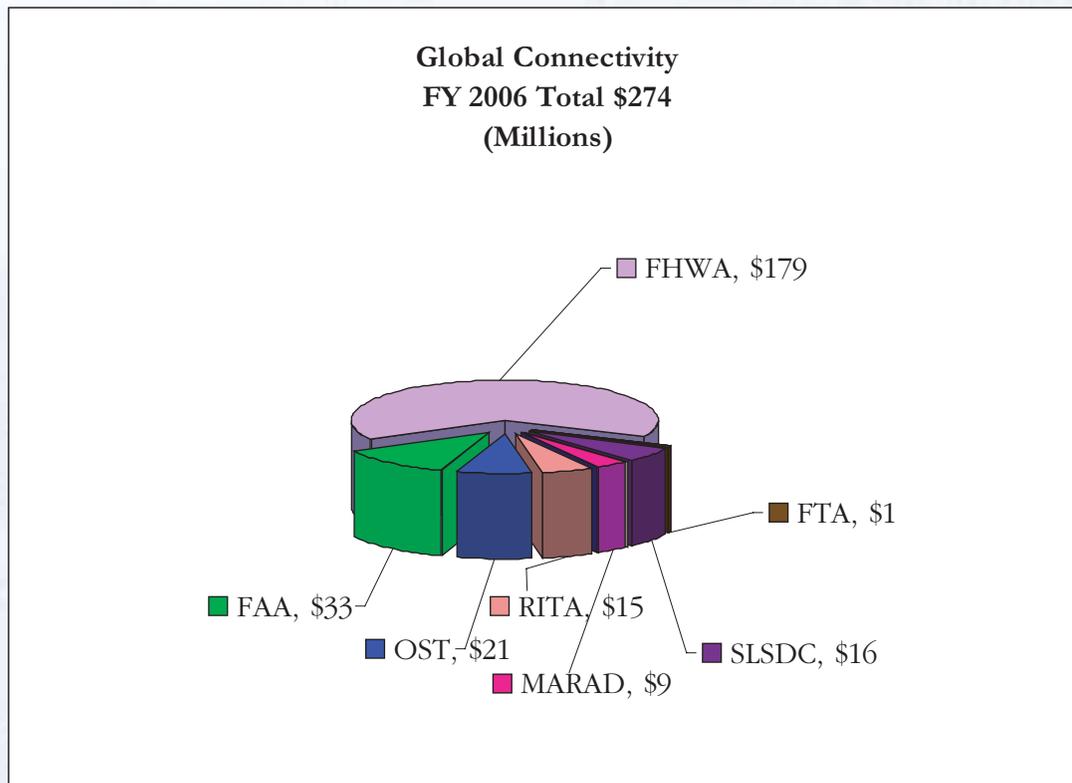
*Achieve the most competitive, cost-effective, and efficient environment for passenger travel*

- ❖ Improve the efficiency and cost-effectiveness of passenger travel. The budget includes \$6.3 million for the Office of the Secretary and FTA to promote the opening of transportation markets to competition through multilateral or regional agreements in FY 2006.

*Expanded opportunities for all businesses, especially women-owned and disadvantaged businesses*

- ❖ Increase Opportunities for Small Disadvantaged (SDB) and Women-Owned Businesses (WOB). The budget request includes \$5.2 million for outreach and technical assistance to small businesses in general, including disadvantaged and women-owned businesses. These resources will promote the goals of awarding 5.1 percent of the total dollar value of DOT direct contracts to women-owned businesses in FY 2006, and 14.5 percent of the total dollar value of DOT direct contracts to small disadvantaged businesses in FY 2006. DOT's SDB and WOB percentage goals are set in cooperation with the Small Business Administration. WOBs do not have a special set-aside authority allowing them to compete in a restricted market for Federal procurements. Therefore, WOBs must successfully compete with other small businesses for small business set-aside procurements or with all businesses for full and open procurements. To assist WOBs to successfully compete, DOT and the Office of Small and Disadvantaged Business Utilization (OSDBU) conduct outreach, training and offer financial assistance.

DOT's Global Connectivity Performance Budget is distributed as follows:



## Environmental Stewardship

Transportation makes our communities more livable, enhancing the quality of our lives and our society. At the same time, transportation generates pollution and noise, and uses valuable land and aquatic habitat on which fisheries depend. Approximately two-thirds of transportation-related emissions of those pollutants originate from on-road motor vehicles. However, total on-road mobile source emissions declined from 87 million tons in 1988 to 62 million tons in 2000, marking a 29 percent improvement in a little more than a decade. No matter how much is done to improve the capacity and efficiency of our transportation system, we cannot consider our programs to be successful unless we also manage the effects on our environment and our quality of life.

DOT's objective is to reduce the time it takes to gain benefits from transportation projects while minimizing negative environmental impacts. The FY 2006 budget request includes \$4.0 billion in funding to continue progress in achieving our environmental outcomes. This will require further streamlining of the environmental review process and greater emphasis on program level and major-project oversight activities in conjunction with the Federal, State and local agencies involved.

### *Reduce pollution and other adverse environmental effects of transportation*

- ❖ Reduce the Impacts of Transportation on Wetlands and Ecosystems. The budget requests \$278.3 million for FHWA in FY 2006 to ensure that the program-wide ratio of wetland acres replaced per acre that are unavoidably affected by Federal-aid Highway projects is at least 1.5-to-1 in FY 2006. This goal was exceeded in 2004, with over 2 acres replacing every acre adversely impacted.

Wetlands are important natural ecosystems that filter pollutants, minimize potential floodwater damage and provide essential habitat for the maintenance of diverse plant and animal life. FHWA works with the States to ensure that transportation infrastructure projects do as little harm as possible to the Nation's wetlands. FHWA will support activities in the States to improve highway planning and project development, thereby enhancing the scenic beauty of facilities, promoting native habitat conservation, protecting wildlife populations, and reducing impacts on land and water resources in general. Funds will also be used for research, technical assistance, and public education initiatives to support further implementation of exemplary ecosystem and habitat conservation initiatives. An exemplary ecosystem is an action or measure that will help sustain or restore natural systems and their function and values. Examples include mitigation projects that support wildlife movement and habitat connectivity, the development of watershed-based environmental assessment and mitigation approaches, the use of wetland banking, and the use of special measures to prevent invasive species along highway right-of-ways.

- ❖ Reduce Emissions. The President's budget requests \$3.2 billion in FY 2006 for FHWA, FRA, FTA, and MARAD for environmental programs that help to reduce emissions. One of DOT's performance goals for FHWA and FTA is to ensure that the 12-month moving average of the number of areas with transportation emissions conformity lapses in FY 2006 is no greater than six. DOT aims to reduce mobile source emissions by encouraging the use of less polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and supporting the development of fuel- and emission-efficient vehicles. FHWA and FTA will fund improvement projects in States to ease congestion, reduce emissions, improve highway planning, and

expand transportation options. Funds will also be used for research, technical assistance, and public education initiatives to improve air quality. In 2006, MARAD will implement an Environmental Management System and continue to work to mitigate air quality problems and evaluate ballast water treatment technologies.

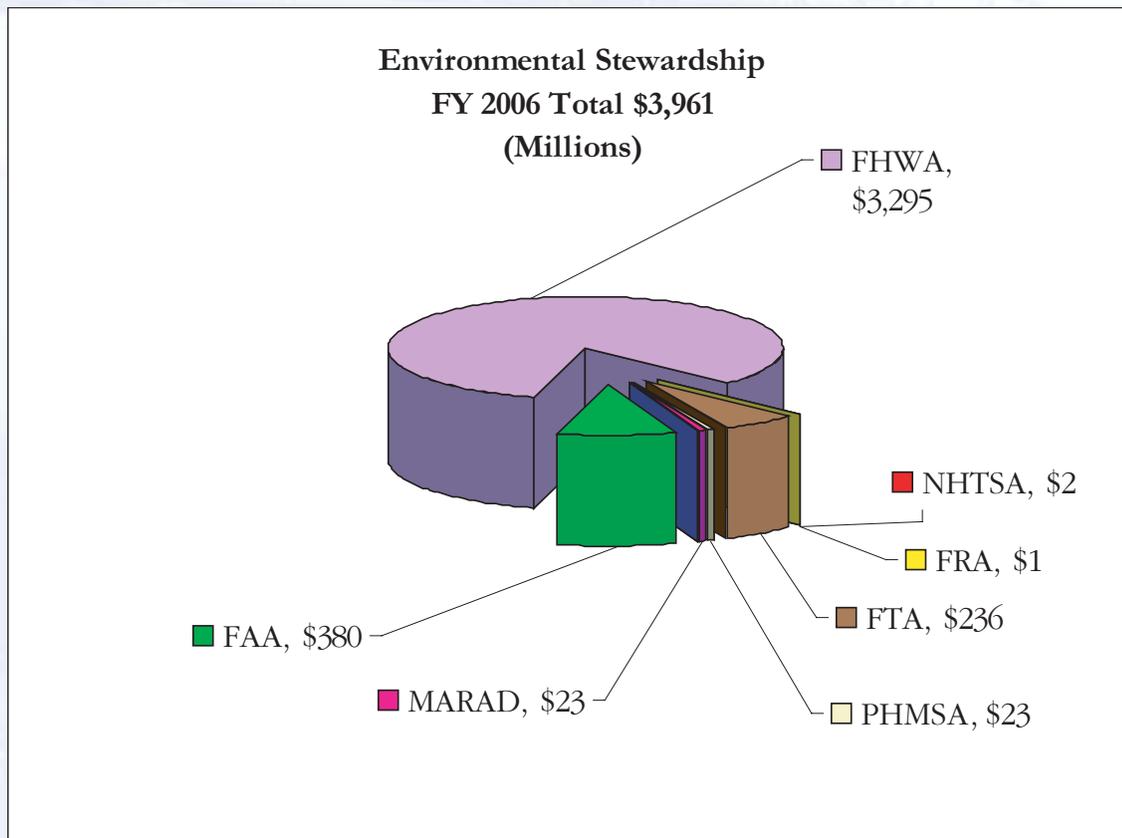
- ❖ Reduce Pipeline Spills. The FY 2006 budget request includes \$23.3 million for PHMSA to ensure that the amount of hazardous liquid materials spilled per million ton-miles shipped by pipelines in FY 2006 is no greater than 0.0060 tons. To reduce pipeline failures, thereby reducing hazardous liquids spills from pipelines, PHMSA reviews the compliance of large hazardous liquid pipeline operators subject to PHMSA's integrity management program (IMP). PHMSA will increase IMP reviews to 75 percent of pipeline miles operated by the Nation's 65 largest hazardous liquid pipeline operators, accelerate integrity testing, comprehensively evaluate all pipeline risks, and strengthen Federal and State pipeline safety oversight. Testing, evaluation, and repair will result in finding and solving problems before they lead to failures, thereby directly supporting the goal of reducing spills. These initiatives support the National Energy Policy for energy infrastructure growth by improving the integrity of, and public confidence in, existing pipeline infrastructure.
- ❖ Limit Exposure to Aviation Noise. The budget request includes \$289 million for FAA in FY 2006 to ensure that the number of people in the United States who are exposed to significant aircraft noise levels - a Day/Night Average Sound Level (DNL) of 65 decibels or more - continues to decline. FAA will address the environmental impacts of airport projects, primarily aircraft noise. FAA will also provide expertise and funding to assist in abating the impacts of aircraft noise in neighborhoods surrounding airports by purchasing land, relocating persons and businesses, soundproofing residential homes or buildings used for educational and medical purposes, purchasing noise barriers and monitors, and researching new noise prediction and abatement models and new technologies.
- ❖ Clean Up DOT Facilities. The budget request includes \$75.1 million for FAA, MARAD, and OST in FY 2006 to ensure that the percentage of DOT facilities categorized as No Further Remedial Action Planned (NFRAP) under the Superfund Amendments and Reauthorization Act (SARA) is no less than 93 percent in FY 2006. Facility cleanup will comply with the SARA process and the requirements of the National Oil and Hazardous Substances Pollution Contingency Plan. A "worst first" prioritization system is used to assign higher priority to those facilities representing the greatest potential hazard to the public health and the environment.

Regulatory factors at the local, State, and Federal levels are also considered in the decision-making process. FAA funds pollution prevention; complies with occupational safety, health and environmental regulations; promotes good energy management practices; and conducts environmental impact analyses. In addition, MARAD conducts an obsolete ship disposal program in support of DOT's strategy to improve DOT-owned or controlled facilities. MARAD has a statutory deadline of September 30, 2006, to dispose of all obsolete ships on hand. In 2006, MARAD proposes to remove approximately 13 ships from the reserve ship fleet sites for disposal, and to relocate the N/S SAVANNAH to Charleston, South Carolina, closer to where the reactor decommissioning project will occur.

*Improve timeliness of environmental review for federally funded infrastructure projects*

- ❖ Improve Project Review Efficiency. The budget requests \$81.5 million in FY 2006 for FAA and FHWA to streamline the completion of an environmental impact statement or environmental assessment on all infrastructure projects. The overall performance target is to reduce the median time for completing an environmental impact or environmental assessment on all DOT-funded infrastructure projects to 30 months in FY 2006, and to reduce the percentage of Environmental Justice cases that remain unresolved after one year to 35 percent in FY 2006. Executive Order 13274 contains a mandate for DOT to reduce the time required for decision-making for transportation infrastructure projects. Environmental reviews consume a significant amount of time in project review and final decisions. A key challenge to DOT's stewardship of the environment vis-à-vis the Nation's transportation system is to strike a better balance between adding capacity and doing so at the smallest reasonable impact to the human and natural environment. Executive Order 12898 directs each Federal agency to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations. To achieve this objective, DOT operates under existing authorities, such as the National Environmental Policy Act (NEPA) and Title VI of the Civil Rights Act of 1964. DOT's Environmental Justice policy incorporates these considerations in all DOT programs, policies, and activities.

DOT's Environmental Stewardship Performance Budget is distributed as follows:



## Security

The Department of Transportation is responsible for ensuring that the national transportation system remains operable in the face of natural and man-made disasters. DOT also manages the Civil Reserve Air Fleet and operates the Ready Reserve Force in support of the Department of Defense's strategic airlift and sealift needs. Under the current Federal Response Plan, DOT is the lead agent for Emergency Support Function One - Transportation. DOT will work with the Departments of Defense and Homeland Security, as well as State, local, and tribal governments, and private sector partners, to ensure that DOT's core competencies are used to meet critical transportation needs during any contingency. This involves such tasks as:

- ❖ operating national and field Movement Coordination Centers to obtain transportation services and provide transportation assets into and out of the disaster area;
- ❖ assessing transportation infrastructure damage and effects on the national and regional transportation system, monitoring the accessibility of transportation capacity and congestion in the transportation system, and implementing management controls as required;
- ❖ assisting in the design and implementation of alternate transportation services, such as mass transit systems, to replace system capacity temporarily lost to disaster damage; and
- ❖ coordinating the clearing and restoration of transportation infrastructure.

### *Rapid recovery of transportation in all modes from intentional harm and natural disasters*

- ❖ Increase Overall Resilience of the National Transportation System. The FY 2006 budget requests \$313.2 million to improve the overall readiness of the Department to respond to acts of intentional harm and natural disasters and to prepare for a rapid recovery from such events.
- ❖ FAA insures the operability of the national airspace through the facilities, equipment and personnel of the air traffic control system, which is essential to the rapid recovery of transportation services in the event of a national crisis. The budget request includes \$117.5 million to continue upgrading and accrediting facilities, procure and implement additional security systems, and upgrade the Command and Control Communications equipment.
- ❖ FHWA works with a number of DOT agencies and the Department of Homeland Security and its Transportation Security Administration to improve highway-related security by assessing the vulnerability of critical highway infrastructure and developing measures to reduce vulnerability, ensuring State and local highway departments are prepared to respond to attacks on the highway system, improving the readiness of military and civilian authorities to support military deployments, and conducting security-related research. FHWA also administers the Emergency Relief Program, which provides funds to repair and reconstruct highways and bridges damaged as a result of catastrophic failures. The budget request includes \$138.5 million to support FHWA's security activities. Approximately \$125 million of the requested funds will be dedicated from the Emergency Relief Program and the remaining \$13 million will fund security activities such as vulnerability assessments and emergency operations, preparedness, and response.

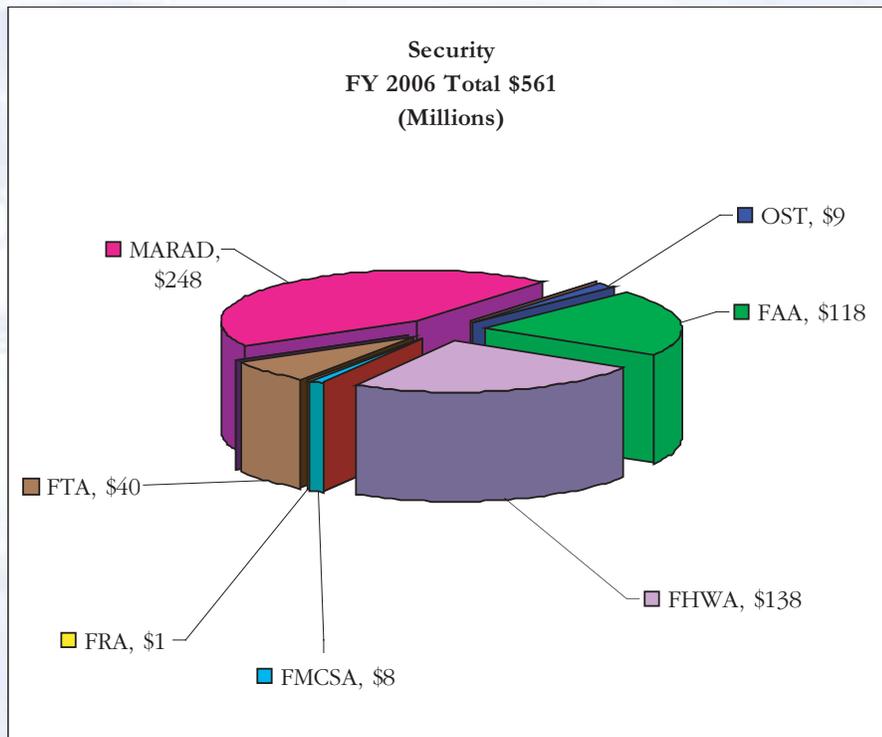
- ❖ FTA, in coordination with the Transportation Security Administration, works with transit agencies to enhance the security of public transportation systems. The Department of Transportation is requesting \$36.6 million to ensure that transit agencies address security needs and to provide assistance in the areas of emergency preparedness, employee training, and public awareness.
- ❖ DOT's Crisis Management Center assists DOT and the Nation in dealing with disruptions in the national transportation system due to man-made disasters by regularly and continuously coordinating State and local government planning, training, and disaster preparedness exercises; by ensuring that essential Secretarial functions can continue at an alternate site if the DOT Headquarters building is unavailable during a crisis; and by ensuring that essential DOT functions can continue at a secure location during national security emergencies. The budget request includes \$1.9 million for security-related activities of OST to improve DOT's ability to carry out essential national functions at the alternate site and to make improvements to the Crisis Management Center. The goal is to increase the Transportation Capability Assessment for Readiness rating for emergency preparedness from 67 in FY 2004 to 71 in FY 2006.
- ❖ FMCSA works in concert with the Transportation Security Administration to establish protocols enhancing the security of commercial motor vehicle transportation, including particularly the security of commercial motor vehicles carrying hazardous materials. The budget request includes nearly \$8 million to continue security compliance reviews of hazardous materials carriers and to continue an outreach initiative that communicates threat characteristics and security advice to commercial motor vehicle drivers, carriers and law enforcement agencies.
- ❖ The U.S. railroad system carries approximately 40 percent of the ton-miles of freight in the United States, making it imperative that the FRA reduce the vulnerability of the railroad infrastructure and systems to physical and cyber attack. The budget request includes \$0.7 million to coordinate all FRA-related security projects in addition to responding to notifications of bomb threats and criminal acts against railroads as they are reported to the National Response Center. Personnel monitor FRA's accident/incident database for reported acts of vandalism, sabotage, criminal mischief, and/or other malicious, intentional acts of destruction. FRA personnel also provide information to railroads regarding terrorist activity and threats or acts against rail transportation.
- ❖ The SLSDC is a critical transportation link to and from the agricultural and industrial heartland of the United States. A shutdown of any one of the Seaway's 15 U.S. and Canadian locks due to a security-related event or lock malfunction or failure would stop operations through the St. Lawrence Seaway System and severely disrupt traffic throughout the entire Great Lakes. The budget request includes \$0.3 million to continue SLSDC's physical security program around the U.S. Seaway lock facilities.

#### *National Security Contingency Sealift*

- ❖ Ensure the Availability of Contingency Strategic Sealift. The FY 2006 budget request includes \$247.7 million to achieve the goal that 94 percent of DOD-required shipping capacity, complete with crews, be available within mobilization timelines in FY 2006; and to maintain 93 percent of DOD-designated commercial ports available for military use within DOD established readiness timelines in FY 2006.

MARAD works closely with the Department of Defense to provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD ensures that strategic port facilities are available and ready to move military cargo smoothly through commercial ports during DOD mobilizations. Through the Maritime Security Program, the Voluntary Intermodal Sealift Agreement, and the Ready Reserve Force, MARAD assures that DOD has access to commercial sealift capacity to support the rapid deployment of U.S. military forces. MARAD's contribution to Operation Enduring Freedom and Operation Iraqi Freedom underscores the critical importance of readiness to meet national security needs. The U.S. Merchant Marine Academy and six State Maritime Schools provide the skilled U.S. merchant marine officers essential to the success of its security activities.

DOT's Security Performance Budget is distributed as follows:



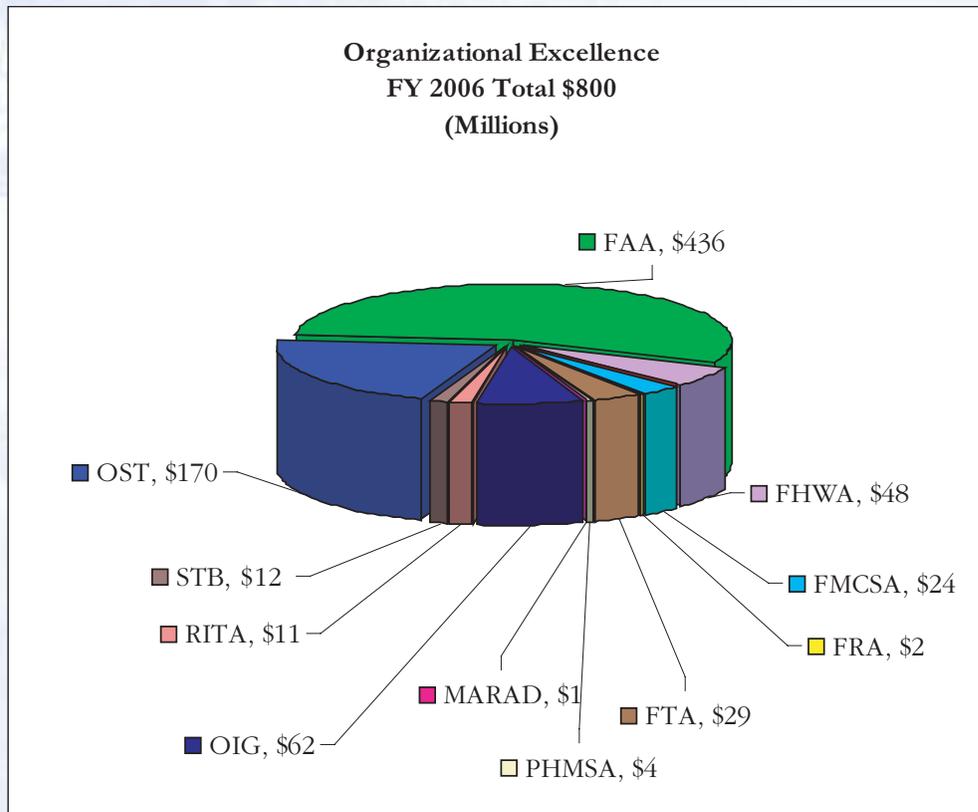
### President's Management Agenda - Organizational Excellence

With approximately 60,000 employees and hundreds of programs, DOT faces significant challenges regarding customer satisfaction, employee effectiveness, and organizational performance and productivity. The FY 2006 budget requests an overall \$800 million, including \$12 million in the Office of the Secretary, to strengthen the management of the Department's large information technology investment portfolio and to improve the American public's access to information and services through electronic government. Also included is \$100 million to finance the FY 2006 costs for the new Department headquarters building that will consolidate headquarters operating functions into efficient leased office space.

Overall, the Secretary is improving Departmental management by ensuring that:

- ❖ All elements of the Human Capital, Competitive Sourcing, Improved Financial Management, Electronic Government, Budget and Performance Integration, and Research and Development Investment Criteria segments of the President's Management Agenda are accomplished.
- ❖ For major DOT systems acquisitions, a minimum of 80 percent of cost goals established in acquisition project baselines are met.
- ❖ At least 95 percent of major federally funded infrastructure projects meet schedule milestones established in project or contract agreements, or miss them by less than 10 percent.
- ❖ At least 80 percent of transit grants are obligated within 60 days after submission of a completed application.

The DOT Organizational Excellence Performance Budget is distributed as follows:



### Conclusion

DOT's goal is to provide the resources necessary to support our Nation's transportation system. The funding requested for FY 2006 will help improve transportation safety, enhance homeland and national security, maintain and expand our transportation infrastructure and increase its capacity, reduce environmental degradation, and improve the quality of life for all citizens. The following pages provide highlights of the budget request by DOT operating administration.

## FEDERAL AVIATION ADMINISTRATION

**Overview:** The Federal Aviation Administration's (FAA) mission is to promote aviation safety and mobility by building, maintaining, and operating the Nation's air traffic control system; overseeing commercial and general aviation safety through regulation and inspection; and providing assistance to improve the capacity and safety of our airports. The 2006 budget request of \$13.8 billion for the FAA reflects the Administration's commitment to increase the performance and capacity of our aviation system.

### FEDERAL AVIATION ADMINISTRATION BUDGET

(Dollars In Millions)

	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Request</u>
Operations	7,479	7,707	8,051
Flight Service Stations	0	0	150
Facilities & Equipment	2,871	2,525 <sup>2/</sup>	2,448
Research, Engineering, and Development	119	130	130
Airport Grants (Ob Lim)	3,380 <sup>1/</sup>	3,472 <sup>2/</sup>	3,000
Airport Grants	2	25	0
<b>TOTAL</b>	<b>13,851</b>	<b>13,858</b>	<b>13,779</b>

1/ P.L. 108-199 provided \$2 million to Grants-In-Aid for Airports Program for Fort Worth, Alliance Airport, Texas.

2/ P.L. 108-324 provided \$25 million for hurricane-related repairs to airports and \$5.1 million for repairs to FAA Facilities and Equipment.



## FY 2006 Budget

**Operations:** The FY 2006 budget requests \$8.2 billion for FAA Operations. This total includes a one-time \$150 million for transition costs for the FAA's Flight Service Station A-76 competition. Most of the funds requested for FAA Operations in FY 2006 support the goal of maintaining and increasing aviation safety, reflecting the President's commitment in this area. Other significant amounts support mobility and security.

- ❖ **Safety** - \$7.7 billion includes all funding for inspecting aircraft and ensuring the safety of flight procedures. This includes an increase of \$24.9 million to hire and train 595 air traffic controllers; \$5.4 million to hire and train 258 field maintenance technicians consistent with a recent Federal Labor Relations Board ruling requiring the FAA to employ 6,100 maintenance technicians; and \$7.9 million to hire and train 97 safety inspectors. The budget supports continued development of the Air Traffic Organization (ATO), which was formed in FY 2004 to improve the delivery of air traffic services by adopting "best business-like" practices. It also includes funding for operating and maintaining the air traffic control system, developing a replacement air traffic data and telecommunications system, commercial space transportation, and a share of agency overhead support costs.

The ATO budget request includes \$85 million, the majority of which is for National Airspace System (NAS) handoff requirements for new systems transitioning from the Facilities and Equipment appropriation to the Operations appropriation. This increase will provide first- and second-level field maintenance support, leased telecommunications costs, logistics support, backfill overtime for controllers, and associated costs.

- ❖ **Mobility** - The request includes \$293 million to improve air traffic efficiency by various means including improving the flow of air traffic through better airspace design.
- ❖ **Other** - The request includes \$210 million to promote other goals, most notably reductions in aviation noise, and improvements in organizational excellence and global connectivity.

**Facilities and Equipment:** The FAA requests \$2.4 billion to continue to improve and modernize the equipment central to the NAS. The request includes:

- ❖ Safety - \$324 million for projects that support safety performance goals to reduce aviation fatalities, such as improvements to weather sensing and reporting systems, safety information databases and computer systems to assist safety inspections, improvements to flight services for general aviation, and runway incursion research and new technology.
- ❖ Mobility - \$1.7 billion for projects to support mobility goals to reduce aircraft delays, such as replacement of older radars, Free Flight and oceanic automation to improve flight route flexibility, and significant infrastructure improvements to reduce outages caused by older, less capable facilities and equipment.
- ❖ Global Connectivity - \$3.6 million for projects to support navigation aids.
- ❖ Environmental Stewardship - \$54 million for projects to support environmental performance goals, such as replacing fuel tanks at FAA facilities, removing environmental hazards, and cleaning up hazardous materials at identified sites.
- ❖ Security - \$63.2 million for projects to support security goals, including \$30 million for security of NAS facilities and \$12 million for information security.
- ❖ Organizational Excellence - \$298.1 million for projects to support telecommunications infrastructure and competitive sourcing initiatives.

**Research, Engineering, and Development:** The budget requests \$130 million, including \$92 million for continued research on aviation safety issues. The remaining research funding is for mobility and environmental issues, including \$18.1 million for the Joint Planning and Development Office to develop a plan for transforming the future of the National air space.

**Grants-in-Aid for Airports:** The budget request includes \$3.0 billion for planning and development of the Nation's airports, including grants for security, safety, capacity, and noise-reduction projects. Funding also includes \$81 million for administrative expenses, and \$17.5 million for airport technology research.



# FEDERAL AVIATION ADMINISTRATION FACILITIES AND EQUIPMENT

(Dollars in Millions)

<i>Safety</i>	
Wide Area Augmentation System	100.0
Airport Surface Detection	23.6
Safety Database and Computer Systems	30.5
Safe Flight 21	33.0
Advanced Technology	16.7
Other (including mission support)	62.6
Personnel compensation, benefits, and travel	57.6
<i>Mobility</i>	
User Request Evaluation Tool	73.3
Traffic Management Advisor	24.0
Oceanic Automation	35.7
En Route Automation	389.1
Terminal Automation	122.5
Terminal Digital Radar	60.6
Improve Weather Systems	34.0
Improve Communications	68.4
Infrastructure Improvements	238.2
Other (including mission support)	356.2
Personnel compensation, benefits, and travel	303.0
<i>Global Connectivity</i>	
Visual Nav aids-Replace VASI with PAPI	3.0
Personnel compensation, benefits, and travel	0.6
<i>Environmental Stewardship</i>	
NAS Facilities OSHA Standards	20.7
Replace Fuel Tanks	6.7
Hazardous Materials Clean-Up	17.0
Personnel compensation, benefits, and travel	9.6
<i>Security</i>	
Facility Risk Management	30.0
NAS Recovery Communications	10.0
Information Security	12.0
Personnel compensation, benefits, and travel	11.2
<i>Organizational Excellence</i>	
Telecommunications Infrastructure	57.8
Other	187.3
Personnel compensation, benefits, and travel	53.0
<b>Total</b>	<b>2,448.0</b>

## FEDERAL HIGHWAY ADMINISTRATION

**Overview:** The mission of the Federal Highway Administration (FHWA) is to enhance the quality and performance of our Nation's highway system and its intermodal connectors through innovation, leadership and public service. Highways are the critical link in our Nation's transportation system, as virtually every trip we take and every good consumed passes over a road at some point. Our challenge is to preserve and improve the 160,000-mile National Highway System, which includes the Interstate System and other roads of importance for national defense and mobility, while also improving highway safety, minimizing traffic congestion, and protecting the environment on these and other key facilities. Through surface transportation programs, innovative financing mechanisms, and increased use of innovative pavement and highway operational technology, FHWA will increase the efficiency by which people and goods move throughout the Nation, and improve the efficiency of highway and road connections to other transportation modes. The FY 2006 budget request of \$34.7 billion in obligation limitation will allow the FHWA to address these challenges.

### FEDERAL HIGHWAY ADMINISTRATION BUDGET

(Dollars In Millions)

	2004 <u>Actual</u>	2005 <sup>1/</sup> <u>Proposal</u>	2006 <u>Request</u>
Federal-Aid Highways Obligation Limitation	33,950	34,419	34,700
Flex Funding Transfer to FTA	-1,022	-1,000	-1,000
Transfer to NHTSA	0	-156	0
Subtotal: Federal-aid Highways Obligation Limitation	32,928	33,263	33,700
Exempt Mandatory Federal-Aid Highways	798	739	739
Emergency Relief Supplemental Limitation on Admin. Expenses [non-add]	0 [334]	1,937 [341]	0 [368]
Other <sup>2/</sup>	177	116	0
<b>TOTAL</b>	<b>33,903</b>	<b>36,055</b>	<b>34,439</b>

1/ FY 2005 proposal reflects SAFETEA policy funding levels for FY 2004 - 2009 included in the FY 2006 President's Budget.

2/ Includes Miscellaneous Appropriations, Miscellaneous Highway Trust Funds, and Appalachian Development Highway System.



## FY 2006 Budget

The FY 2006 budget request of \$34.4 billion supports the Administration's blueprint for the future, as described in the Safe, Accountable, Flexible, and Efficient Transportation Equity Act (SAFETEA). This funding level will support the Secretary's goals and continue efforts to improve highway safety dramatically, slow the growth of traffic congestion, and promote good stewardship of the environment. FHWA will also strengthen its stewardship of Federal surface transportation funds by improving oversight and increasing accountability to ensure every dollar spent achieves maximum benefits for Americans.

**Federal-aid Highway Program:** The Federal-aid Highway Program (FAHP) provides Federal financial assistance to the States to construct and improve the National Highway System, urban and rural roads, and bridges. The FY 2006 budget request includes an obligation limitation of \$34.7 billion for the FAHP. This amount is more than doubled by additional resources from State and local governments that utilize the funds for highway investment. The FY 2006 budget request reflects a proposal to transfer \$1.0 billion of the FAHP obligation limitation to the Federal Transit Administration for flex funding, similar to FY 2005. In total, investments in highway improvements support the achievement of safety, mobility, environmental stewardship, and security goals. FHWA will continue its efforts to increase oversight and accountability, including large-project management and oversight, to ensure the protection of the large Federal investment, while maintaining the prerogatives of the States in the delivery of highway transportation projects to the public. The Federal-aid Highway Program includes the following:

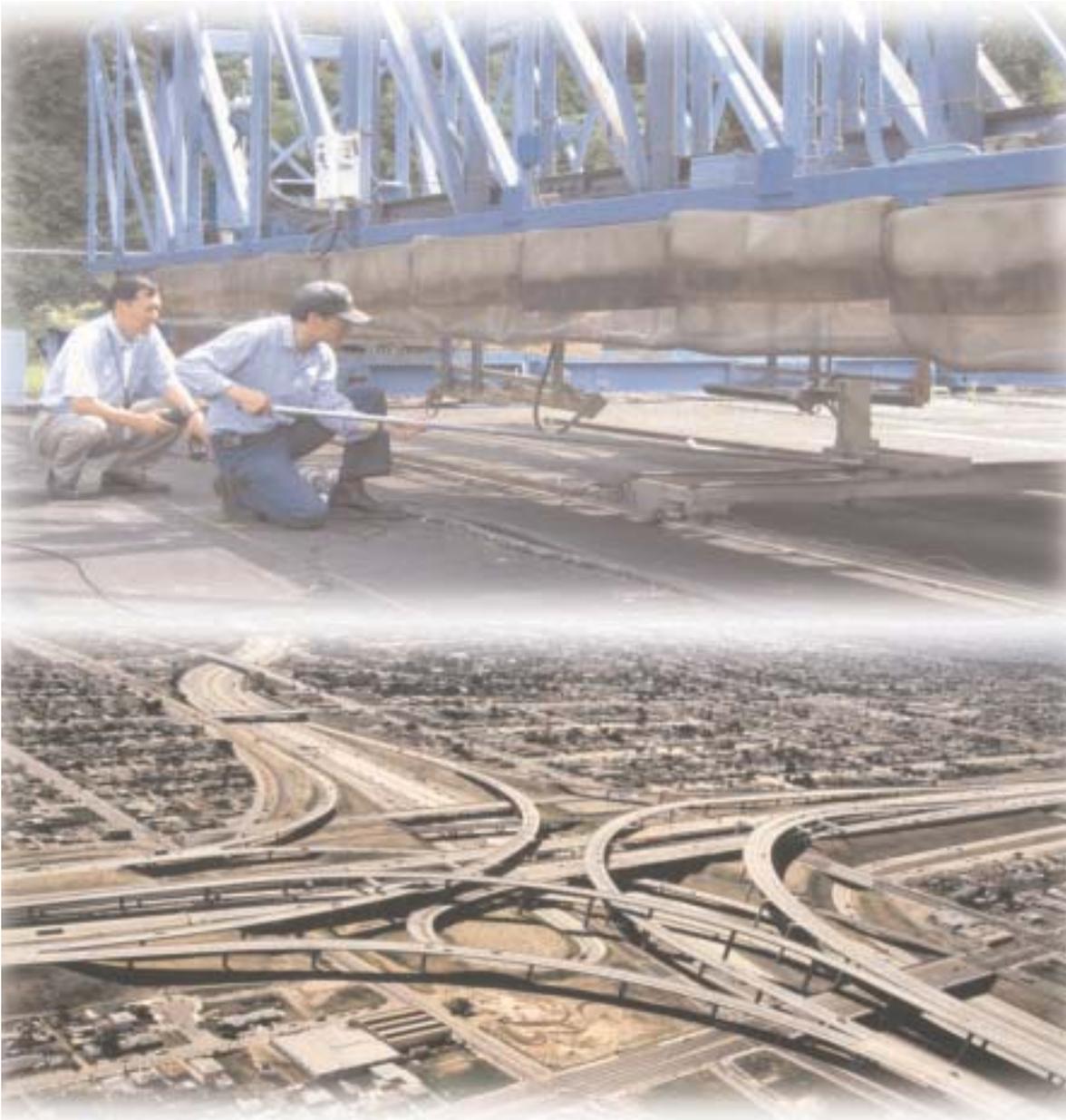
- ❖ **Federal Lands Highway Program:** The Federal Lands Highway Program (FLHP) improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$959 million requested for the FLHP in FY 2006 will support the President's initiatives to enhance the protection of America's national parks and protect these national treasures for present and future generations. This will include enhancement of ecosystems, improvement of outdoor opportunities, improved infrastructure, and greater accountability. The FLHP will also continue to develop and implement two new funding categories - Recreational Roads and Safety - as proposed in SAFETEA.

- ❖ **Research and Intelligent Transportation System (ITS):** To support the FAHP and FLHP, FHWA conducts and manages a comprehensive research, development, and technology program. For FY 2006, \$425.6 million is requested for Research and ITS. FHWA will continue to work on identifying ways to reduce the number of injuries and fatalities on our Nation's roadways by demonstrating the application of innovative technologies in highway safety, deploying and evaluating safety technologies and innovations at the State and local levels, and assuring the deployment of best practices in training, management, design, and planning.
- ❖ **Credit Program:** Under the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, the FHWA, on behalf of the Department of Transportation, will use FY 2006 funding of \$130 million to help stimulate private capital investment in transportation infrastructure. Approved applicants receive credit assistance in the form of direct loans, loan guarantees, and lines of credit for up to one-third of the cost of large infrastructure construction projects of national or regional significance.



❖ **Limitation on Administrative Expenses:** A Limitation on Administrative Expense (LAE) of \$368 million is requested for FY 2006 for the necessary salaries and benefits of 2,430 FTE and on-going administrative expenses in support of the above Federal programs. This LAE includes increased funding of \$10 million to support the President's Management Agenda activities.

**Emergency Relief Program:** The Emergency Relief (ER) program provides funding for the repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Section 125 of title 23, of the United States Code, authorizes \$100 million annually. DOT proposes the ER funding be increased to \$250 million in FY 2006.



## FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

**Overview:** The Federal Motor Carrier Safety Administration's (FMCSA) primary mission is to prevent commercial motor vehicle-related fatalities and injuries. Large trucks represent about four percent of registered vehicles; however, they account for 8 percent of the travel volume on our Nation's highways. Eleven percent of all the people killed in motor vehicle crashes die in crashes involving a large truck. In 2003, 4,986 people died and 122,000 were injured in crashes involving large trucks. This compares to 4,939 deaths and 130,000 injuries in 2002. While progress is being made toward the agency's goal of saving lives and reducing injuries by preventing truck and bus crashes, too many people continue to be injured and die as a result of crashes involving large trucks. The 2006 budget request for FMCSA, \$465 million, will help meet this challenge.

### FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION BUDGET

(Dollars In Millions)

	2004 <u>Actual</u>	2005 <sup>1/</sup> <u>Proposal</u>	2006 <u>Request</u>
Motor Carrier Safety Operations & Programs <sup>2/</sup>	--	--	233
Motor Carrier Safety Grants <sup>2/</sup>	--	--	232
Motor Carrier Safety	175	255	--
National Motor Carrier Safety Program	189	188	--
<b>TOTAL</b>	<b>363</b>	<b>443</b>	<b>465</b>

<sup>1/</sup> FY 2005 proposal reflects SAFETEA policy funding levels for FY 2004 - 2009 included in the FY 2006 President's Budget.

<sup>2/</sup> New accounts for FY 2006.

### FY 2006 Budget

**Motor Carrier Safety Operations & Programs:** \$233 million is requested to support critical motor carrier program activities that will reduce crashes, save lives, and prevent injuries on our Nation's highways. The FY 2006 budget proposes the following funding requests aimed at meeting DOT's strategic goals and performance targets:

- ❖ Commercial Motor Vehicle Safety - \$189 million is dedicated to reducing the incidence and severity of commercial truck and bus crashes by advancing motor carrier standards and rule-making; increasing compliance with Federal Motor Carrier Safety Regulations through enforcement operations; enforcing safety regulations at the borders; extending motor carrier safety education and best practices; overseeing certification of physical qualifications to operate motor carriers; improving commercial motor vehicle safety information and analysis; and advancing technological solutions.
- ❖ Hazardous Materials Safety - \$10 million is requested to reduce the number and severity of commercial motor vehicle hazardous materials (HAZMAT) incidents through enforcement and compliance operations, research, and technology.

- ❖ Hazardous Materials Security - \$8 million is requested to improve the security of motor carrier transport of hazardous materials through outreach and security operations.
- ❖ Commercial Motor Vehicle Productivity - \$2 million is requested to improve the efficiency and integrity of commercial truck and bus transportation by ensuring compliance with Federal Motor Carrier Commercial Regulations through increased household goods carrier enforcement, education, and outreach efforts, and maintaining a nationwide safety violation and consumer complaints telephone hotline.
- ❖ Organizational Excellence - \$24 million is requested to increase accountability and program performance through meeting the objectives of the President's Management Agenda in the areas of strategic management of human capital, citizen-centered e-government, competitive sourcing, financial and procurement performance, and budget and performance integration. Efforts focus on evaluating and improving business practices and processes that support program delivery.

**Motor Carrier Safety Grants:** \$232 million is requested to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of the Federal/State partnership aimed at meeting DOT's strategic goals and performance targets:

- ❖ Commercial Motor Vehicle Safety - \$222 million is requested to support State enforcement, regulatory compatibility, and safety information capabilities. This includes \$172 million dedicated to Motor Carrier Safety Assistance Program (MCSAP) State grants. Grants will be used to support State motor carrier compliance reviews; conduct roadside inspections; enforce violations noted in roadside inspections; and ensure that new commercial trucking firms pass a safety audit within the first 18 months of operations in order to receive permanent registration. State safety enforcement efforts at the international borders are funded at \$23 million to ensure Mexican and Canadian trucks and buses adhere to the same safety standards as U.S. motor carriers. In addition, \$23 million is included to improve State commercial drivers' license (CDL) oversight activities to prevent unqualified drivers from being issued CDLs, and \$4 million is provided for the Performance Registration Information Systems and Management (PRISM) program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial trucks and buses.
- ❖ Hazardous Materials Safety - \$10 million is requested to continue a grant program in support of State HAZMAT enforcement and regulatory compatibility at the international borders with Mexico and Canada to ensure that all points of entry to the U.S. transportation system are fortified with comprehensive safety measures.



## NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

**Overview:** The National Highway Traffic Safety Administration (NHTSA) conducts critical behavioral and vehicle programs, and provides grants to the States for the administration of highway traffic safety programs. Motor vehicle crashes are the leading cause of death for people in the United States ages 3 through 33. In 2003, motor vehicle crashes claimed 42,643 lives and accounted for over 95 percent of transportation-related deaths. The economic cost of motor vehicle crashes is estimated to be more than \$230 billion annually. Emerging demographic trends, such as a continuing increase in the number of drivers and a significant growth in both older and teenage drivers, pose increased traffic safety challenges that must be addressed. The FY 2006 budget request includes \$696.4 million for NHTSA to carry out its mission. The request reflects an increase of \$23 million above the enacted FY 2005 budget, plus the transfer of the safety belt use and impaired-driving law incentive programs from FHWA to NHTSA in FY 2006.

### NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION BUDGET

(Dollars In Millions)

	2004 <u>Actual</u>	2005 <sup>1/</sup> <u>Proposal</u>	2006 <sup>2/</sup> <u>Request</u>
Operations & Research <sup>3/</sup>	[150]	--	--
Operations & Research (Highway Trust Fund) <sup>4/</sup>	73	228	231
Highway Traffic Safety Grants	224	223	465
<b>TOTAL</b>	<b>297</b>	<b>452</b>	<b>696</b>

<sup>1/</sup> FY 2005 proposal reflects SAFETEA policy funding levels for FY 2004 - 2009 included in the FY 2006 President's Budget.

<sup>2/</sup> In FY 2004 and FY 2005, \$222 million of TEA-21 resources for Sections 157 and 163 grant programs were appropriated to the Federal Highway Administration. NHTSA has always administered these funds; therefore, the FY 2006 budget proposes that the funding be appropriated directly to NHTSA.

<sup>3/</sup> FY 2004 enacted level provided \$150 million for vehicle safety activities under the Federal-aid Highway account.

<sup>4/</sup> FY 2005 level includes \$156 million for vehicle safety activities under the Federal-aid Highway account. Funds will be transferred from FHWA to NHTSA.

### FY 2006 Budget

**Operations and Research:** The FY 2006 budget request includes \$231.4 million for Operations and Research activities to reduce highway fatalities, prevent injuries, and significantly reduce their associated economic toll. The request includes:

- ❖ Research and Analysis - The \$94 million request includes crashworthiness research for occupant protection and biomechanics; driver distraction testing; crash causation research; and national crash data systems.
- ❖ Highway Safety Programs - \$74 million is requested for programs committed to changing driver behavior, a critical factor in reducing the number of highway fatalities and injuries. NHTSA will continue to develop and disseminate programs that address impaired driving deterrence,

increased safety belt usage, and correct placement of child safety restraints. Funds will also be used to strengthen motorcycle safety, pedestrian, bicycle, and pupil transportation safety programs by developing additional countermeasures. In addition, NHTSA will serve as the lead Federal Emergency Medical Services (EMS) agency in coordinating and facilitating EMS system development and effecting system improvements.



- ❖ **Enforcement** - The \$35 million request includes vehicle testing to ensure compliance with Federal Motor Vehicle Safety Standards, investigating alleged safety-related defects, and monitoring safety recalls.
- ❖ **Rulemaking** - \$26 million is requested for crash avoidance and crashworthiness testing; evaluating child safety seats; and reducing occupant ejection in rollover crashes; initiatives to increase motor vehicle compatibility; and studies to improve seating systems and headlight glare reduction. Through the New Car Assessment Program, consumers will be provided with information on frontal and side impact protection, and rollover resistance of light vehicles. NHTSA will continue its analytical work and technology assessments to determine future fuel economy standards and possible reforms to the Corporate Average Fuel Economy (CAFE) program.

**Highway Traffic Safety Grants:** NHTSA's highway traffic safety grant program will help reduce highway fatalities and injuries through innovative grant programs. The FY 2006 budget request of \$465 million includes \$405 million to support a full range of highway safety programs in every State, territory, and Indian nation, including an impaired driving initiative in which grants are awarded strategically to States where the greatest gains in reducing alcohol-related fatalities can be made. Funds are also provided for safety belt use performance grants and primary safety belt law incentive grants. Of the \$405 million, \$20 million will be set aside to fund national paid advertising in support of high visibility safety belt use and impaired driving mobilizations. Additional programs include \$50 million for State Traffic Safety Information Systems Improvement programs to support improvements in highway safety data systems and \$10 million for a new Emergency Medical Services Initiative to assist States in adopting comprehensive wireless emergency and response systems.



## FEDERAL TRANSIT ADMINISTRATION

**Overview:** The Federal Transit Administration (FTA) provides leadership, technical assistance and financial resources for safe, technologically advanced public transportation that enhances mobility and accessibility, improves America's communities, preserves the natural environment, advances economic growth, and ensures that transit systems are prepared to function during and after criminal or terrorist attack. Transit systems safely and efficiently move millions of people every day, reducing congestion, improving air quality, facilitating economic development, and connecting people to their jobs and communities. The FY 2006 budget request includes \$8.8 billion for Federal transit programs, which includes \$1.0 billion in flex funding from FHWA. The request maintains the Federal commitment to transit and, when combined with State and local funding, will improve mobility and accessibility, address critical safety and security requirements, and advance the President's Management Agenda.

### FEDERAL TRANSIT ADMINISTRATION BUDGET

(Dollars In Millions)

	2004 <sup>1/</sup> <u>Actual</u>	2005 <sup>2/</sup> <u>Proposal</u>	2006 <u>Request</u>
Formula Grants & Research	--	6,118	6,135
Flex Funding from FHWA <sup>3/</sup>	--	1,000	1,000
Formula Grants	4,732	--	--
Major Capital Investment Grants	--	1,452	1,563
Capital Investment Grants	3,189	--	--
Job Access & Reverse Commute	104	--	--
Research & Planning <sup>4/</sup>	187	--	--
Administrative Expenses	74	76	84
<b>TOTAL</b>	<b>8,287</b>	<b>8,647</b>	<b>8,781</b>

1/ Includes a net transfer of \$1,022 million in flex funding from FHWA to FTA.

2/ FY 2005 proposal reflects SAFETEA policy funding levels for FY 2004 - 2009 included in the FY 2006 President's Budget.

3/ Net transfer of \$1,000 million in flex funding from FHWA to FTA.

4/ Includes the University Transportation Centers.

### FY 2006 Budget

The FY 2006 budget request reflects program streamlining and consolidation proposed in the Administration's SAFETEA legislation, and supports the President's goal of creating a customer-focused, outcome-based Federal Government. This consolidation will give States and localities additional flexibility to meet the mobility needs of their communities without the constraints and administrative burdens that the current budget structure imposes.

**Formula Grants and Research:** FTA requests \$7.1 billion for transit purposes, including security, planning, bus and railcar purchases and maintenance, facility repair and construction, and where eligible, operating expenses. The program includes grants specifically targeted to urbanized areas and, through States, to non-urbanized areas and to transportation providers that address the special transportation needs of the elderly, people with low incomes, and persons with disabilities. In addition,

funds proposed for the Formula Grants and Research program will contribute \$7 million to improve the accessibility of over-the-road buses, \$4.8 million for the Alaska Railroad, and \$3.9 million for the National Transit Database that will support important research and training activities. The following summary describes the major programs within this account:

- ❖ Urbanized Area Programs - \$6.0 billion is requested for the Urbanized Area Formula program and the Fixed Guideway Modernization program to help meet the capital replacement, rehabilitation and refurbishment needs of existing transit systems and to ensure that customers continue to receive safe and reliable public transportation. FTA is fully committed to the President's mandate that the Federal Government become customer-focused and outcome-based. Creating an outcome-based performance incentive program to promote increased transit ridership in every community is a key feature of this budget request. This proposal represents an important and effective means to focus attention on better meeting the needs of current and potential transit riders.
- ❖ State Administered Programs - \$802 million is requested for programs to be administered directly by the States, including \$157 million for the President's New Freedom Initiative to reduce barriers to work for persons with disabilities by providing funding to States to implement innovative transportation solutions. This program will increase access and opportunities for Americans with disabilities, and strengthen the communities in which they live and work. The request also includes funding for the Non-Urbanized Area Formula Program, the Elderly and Persons with Disabilities Program, and the Job Access and Reverse Commute Program, and will promote a coordinated approach to meeting the needs of transportation-disadvantaged individuals.
- ❖ National Research - \$53.8 million is requested for National Research. This program includes \$34.4 million for the National Research Program, \$9.0 million for the Transit Cooperative Research Program, \$4.4 million for the National Transit Institute training programs, and \$6 million for the University Transportation Research Program.
- ❖ Planning - \$122.7 million is requested to support the activities of regional planning agencies and States, helping them to plan for transit investments that best meet the needs of the urban and rural communities they serve. This includes funding for Metropolitan Planning and Statewide Planning.
- ❖ National Parks Legacy Project - \$30 million is requested to enhance the protection of America's national parks and increase the enjoyment of those visiting the parks. The goals of the National Parks Legacy Project include ensuring access for all, including individuals with disabilities, and improving conservation of parks and public lands.
- ❖ Intermodal Passenger Facilities Program - \$75 million would accelerate intermodal integration among America's passenger transportation modes by assuring intercity public transportation access to intermodal passenger facilities. These funds would be combined with \$10 million per year from the Highway Trust Fund.

**Major Capital Investment Grants:** \$1.6 billion is proposed in FY 2006 for the construction of new-fixed guideway and non-fixed guideway corridor systems and extensions to existing systems.

- ❖ **New Starts** - \$1.5 billion is requested for New Starts projects, reflecting an expansion of the New Starts program to make new non-fixed guideway transportation corridor projects eligible for funding, and to encourage project sponsors to consider more cost-effective transit options that may not require a fixed guideway. The request includes funding for existing and anticipated Full Funding Grant Agreements (FFGAs), which are multi-year contractual agreements between FTA and the grantees. Located in 14 States and the Commonwealth of Puerto Rico, and in cities of all sizes, these projects include commuter rail, light rail, heavy rail, and bus rapid transit. When completed, they will carry 194 million riders annually, save over 95 million hours in travel time annually, and significantly improve mobility in America.
- ❖ **Planning** - \$31.3 million is requested to support the activities of regional planning agencies and States, and to facilitate planning for transit investments that best meet the needs of the communities they serve. This includes funding for metropolitan and statewide planning.

**Transit Security:** \$36.6 million is requested to support transit security, which will remain a high priority in FY 2006. This funding includes the one percent of Urbanized Formula Grant funding that is statutorily required to be spent on security initiatives. Through its technical assistance and other programs, FTA will place emphasis on security training for transit system employees, emergency preparedness and response, and public awareness efforts.

**Project and Financial Management Oversight:** To provide oversight of FTA grants, \$72 million is requested in FY 2006. Project and financial management oversight are core management responsibilities of FTA, and are essential to good stewardship of Federal taxpayers' dollars.



**FEDERAL TRANSIT ADMINISTRATION  
FY 2006 PROPOSED SECTION 5309 NEW STARTS**

(Dollars in Millions)

**EXISTING FULL FUNDING GRANT AGREEMENTS (FFGAs)**

California	Los Angeles - Metro Gold Line East Side Extension	80.00
California	San Diego - Mission Valley East LRT Extension	7.70
California	San Diego - Oceanside-Escondido Rail Corridor	12.21
California	San Francisco - BART Extension to San Francisco Airport	81.86
Colorado	Denver - Southeast Corridor LRT	80.00
Illinois	Chicago - Douglas Branch Reconstruction	45.15
Illinois	Chicago - North Central Corridor Commuter Rail	20.61
Illinois	Chicago - Ravenswood Line Extension	40.00
Illinois	Chicago - South West Corridor Commuter Rail	7.28
Illinois	Chicago - Union-Pacific West Line Extension	14.29
Maryland	Baltimore - Central LRT Double-Track	12.42
New Jersey	Northern New Jersey - Hudson-Bergen MOS-2	100.00
Ohio	Cleveland - Euclid Corridor Transportation Project	24.77
Oregon	Portland - Interstate MAX LRT Extension	18.11
Puerto Rico	San Juan - Tren Urbano	10.20
Washington	Seattle - Central Link Initial Segment	80.00

**ANTICIPATED FFGAs**

Arizona	Phoenix - Central Phoenix/East Valley LRT Corridor	90.00
North Carolina	Charlotte - South Corridor LRT	55.00
New York	New York - Long Island Rail Road East Side Access	390.00
Pennsylvania	Pittsburgh - North Shore LRT Connector	55.00

**OTHER PROJECTS (Funding Not Allocated to Specific Projects)**

California	San Diego/Midcoast LRT Extension	158.58
Colorado	Denver/West Corridor LRT	
New York	New York/Second Avenue Subway MOS	
Oregon	Wilsonville to Beaverton, Oregon Commuter Rail	
Texas	Dallas/Northwest Southeast LRT MOS	
Utah	Salt Lake/Weber County to Salt Lake City Commuter Rail	

**OTHER PROPOSED PROJECT FUNDING**

Other projects in Preliminary Engineering	122.46
Ferry Capital Projects (Alaska/Hawaii)	10.30
Oversight Activities (1%)	15.31

**TOTAL** **1,531.25**

**FEDERAL TRANSIT ADMINISTRATION**

## FEDERAL RAILROAD ADMINISTRATION

**Overview:** The Federal Railroad Administration's (FRA) mission is to ensure that our Nation has safe, secure, and efficient rail transportation that enhances the quality of life for all. The FY 2006 budget request of \$552 million supports our commitment to continue and improve the Nation's strong railroad safety record. It also provides funding to ensure the continuation of operations in the Northeast Corridor and elsewhere.

### FEDERAL RAILROAD ADMINISTRATION BUDGET

(Dollars In Millions)

	<u>2004 Actual</u>	<u>2005 Enacted</u>	<u>2006 Request</u>
Amtrak/Passenger Rail	1,218	1,207	360
Safety & Operations	130	138	146
Research & Development	34	36	46
Next Generation High-Speed Rail	37	19	0
Alaska Railroad Rehabilitation	25	25	0
Railroad Rehabilitation and Improvement Program	6	--	--
<b>TOTAL</b>	<b>1,449</b>	<b>1,425</b>	<b>552</b>



## FY 2006 Budget

**Grants to the National Passenger Rail Corporation/Intercity Passenger Rail:** The FY 2006 request of \$360 million would provide funding to STB to allow the agency to oversee the continuation of commuter operations in the Northeast Corridor and elsewhere should Amtrak cease commuter rail operations as the future of intercity passenger rail is determined.

**Safety & Operations:** Safety remains FRA's most important performance segment. The request for FY 2006 includes \$146 million to support the Department's goal of reducing railroad accidents and incidents, while contributing to the avoidance of serious hazardous materials incidents in rail transportation. The FY 2006 budget reflects an increase of 5.8 percent over the FY 2005 enacted level for this account. The new initiative includes funding for two new safety positions to conduct inspections at facilities where tank cars are built or repaired.

**Research & Development:** In FY 2006, \$46 million is requested to support research efforts in the areas of rail systems safety, track and structures, train occupant protection, human factors in train operations, rolling stock and components, track and train interaction, train control, grade crossings, hazardous materials, and transportation and research development facilities and test equipment. The request is an increase of more than \$10 million over the FY 2005 enacted amount. The increase will be used to implement a revised plan to install the Nationwide Differential Global Positioning System. The overall funding level enables FRA to continue various research projects in support of the Department's safety mission.

**Railroad Rehabilitation Infrastructure Financing (RRIF):** Consistent with the Administration's intent to eliminate corporate subsidies, no new credit assistance will be provided under the RRIF program in FY 2006.



## RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

**Overview:** The Research and Innovative Technology Administration (RITA) was created under the Norman Y. Mineta Research and Specials Programs Improvement Act (Public Law 108-426). The establishment of RITA will enable the Department to more effectively coordinate and manage the Department's research portfolio and expedite implementation of cross-cutting innovative technologies. Under the reorganization, RITA's resources will be used to coordinate and advance transportation research efforts within DOT; support transportation professionals in their research efforts through grants and consulting services, as well as professional development through training centers; and inform transportation decision-makers on intermodal and multi-modal transportation topics through the release of statistics, research reports, and a variety of information products via the internet, publications, and in-person venues such as conferences.

The FY 2006 budget request of \$39.1 million is composed of \$32.8 million from the Highway Trust Fund and \$6.3 million from the General Fund appropriation. In addition, RITA will undertake over \$300 million in transportation-related research on a reimbursable basis for other agencies.

<b>RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION BUDGET</b>			
(Dollars In Millions)			
	<b>2004 <sup>1/</sup></b>	<b>2005 <sup>1/</sup></b>	<b>2006</b>
	<b><u>Actual</u></b>	<b><u>Enacted</u></b>	<b><u>Request</u></b>
Research and Development	--	4	6
Bureau of Transportation Statistics (non-add Allocation Account under Federal-aid Highways)	[31]	[30]	[33]
<b>TOTAL</b>	<b>--</b>	<b>4</b>	<b>6</b>

<sup>1/</sup> For FY 2004 and FY 2005, Research and Development funding prior to the effective date of the reorganization is shown under the Research and Special Programs account of the Pipeline and Hazardous Materials Safety Administration (formerly the Research and Special Programs Administration).

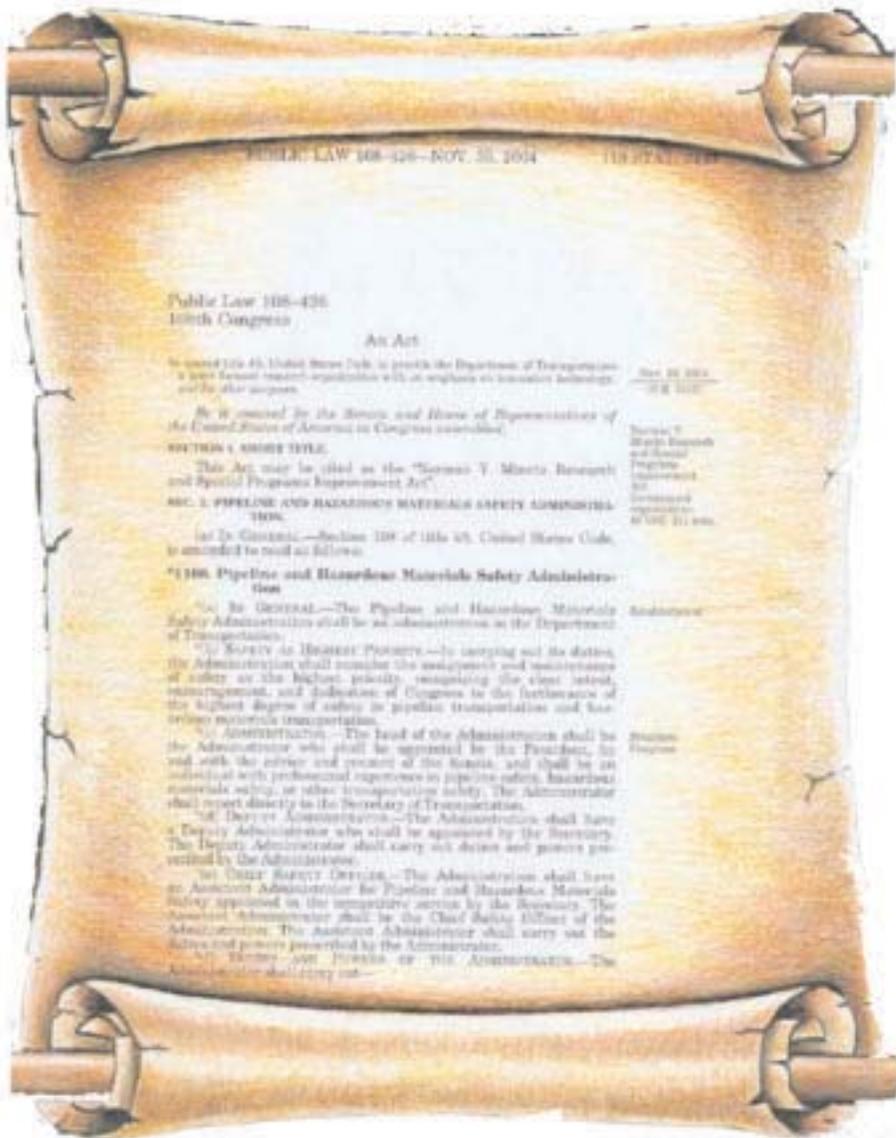
### FY 2006 Budget

The Administration's FY 2006 budget request reflects a reorganization of several of the Department of Transportation's intermodal and multi-modal research and related activities into a single agency.

**Research and Development:** The budget request includes \$6.2 million for Research and Development. RITA will coordinate and advance the pursuit of transportation research that cuts across all modes of transportation, and will provide research results to transportation professionals for inclusion in evaluative and decision-making processes. In addition, the agency will coordinate and advance innovative transportation technologies intended to improve the effectiveness and efficiency of the movement of people and goods. Further, RITA will provide transportation providers and decision-makers with information about the effectiveness of transportation infrastructure investments and the efficiency of intermodal transportation in the movement of people and goods.

**Transportation Statistics:** In FY 2006, \$33 million is requested for the Bureau of Transportation Statistics to provide multi-modal and intermodal transportation data and information through public venues.

**Consulting and Other Professional Services:** Over \$300 million in transportation-related research will be conducted by RITA on a reimbursable basis for other agencies during FY 2006. The Volpe Transportation Systems Center will provide technical knowledge and expertise to customers with specific transportation systems and logistics projects or issues. The Transportation Safety Institute will provide training to transportation professionals in state-of-the-art safety methods and technologies. Through the National Transportation Library, RITA will provide professionals, as well as the public, with access to transportation and related documents or reference to source information. Through the University Transportation Centers, RITA will support the education of transportation professionals in obtaining advanced degrees in transportation-related programs from participating universities.



## PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

**Overview:** The Pipeline and Hazardous Materials Safety Administration (PHMSA) was created under the Norman Y. Mineta Research and Specials Programs Improvement Act (Public Law 108-426). The top priority of the agency is to maintain the safety and integrity of our Nation's pipeline transportation system and the highest levels of safety for hazardous materials transportation.

In FY 2006, PHMSA will focus on reducing hazardous materials pipeline transportation incidents. The agency will also provide planning and training grants to States and Indian tribes to improve hazardous materials emergency preparedness. The FY 2006 budget request includes \$131 million towards these efforts.

### PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION BUDGET

(Dollars In Millions)

	2004 <sup>1/</sup> <u>Actual</u>	2005 <sup>1/</sup> <u>Enacted</u>	2006 <u>Request</u>
Research & Special Programs	46	43	0
Hazardous Materials Safety	0	0	26
Administrative Expenses	0	0	17
Emergency Preparedness Grants	13	14	14
Pipeline Safety	66	69	73
<b>TOTAL</b>	<b>124</b>	<b>126</b>	<b>131</b>

<sup>1/</sup> The FY 2004 and FY 2005 columns reflect the funding structure for the Research and Special Programs Administration prior to the effective date of the reorganization. Once the reorganization is completed, funding for Research and Special Programs will be reflected in three accounts: Research and Development (RITA), Hazardous Materials Safety (PHMSA), and Administrative Expenses (PHMSA). In FY 2005, \$3 million is estimated to be transferred from the Research and Special Programs account to RITA, and has been reduced from the table above.



## FY 2006 Budget

**Hazardous Materials Safety Program:** The FY 2006 request provides \$26 million to achieve PHMSA's share of the overall DOT performance target of no more than 498 serious hazardous materials incidents in 2006.

**Emergency Preparedness Grants:** The FY 2006 request provides \$14.3 million, the same level of funding as in the enacted FY 2005 budget, for States to train hazardous materials responders and improve hazardous materials response plans.

**Pipeline Safety:** The budget request includes \$73.2 million, 6.2 percent (\$4.2 million) above the enacted FY 2005, to meet the performance goals of holding serious pipeline incidents to no more than 280 in FY 2006 and reducing hazardous liquids spilled in pipelines to a level that equates to no more than 2.2 teaspoons for every 100 gallons shipped 3,000 miles coast-to-coast. The increases will continue implementation of our important integrity management safety protocols.

**Administrative Expenses:** The FY 2006 request includes \$17 million for administrative expenses.



## MARITIME ADMINISTRATION

**Overview:** The Maritime Administration's (MARAD) mission is to strengthen the U.S. maritime transportation system - including infrastructure, industry and labor - to meet the economic and security needs of the Nation. Through the management of the Maritime Security Program, the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, MARAD helps support national security and strategic mobility by assuring access to ships and crews for Department of Defense mobilizations. MARAD's mariner education and training programs, through the U. S. Merchant Marine Academy and six State Maritime Schools, help provide skilled U.S. merchant marine officers, capable of serving both defense and commercial transportation needs. Through its ship disposal program, MARAD also continues to address the environmental risks posed by obsolete ships in the National Defense Reserve Fleet.

The FY 2006 request of \$294 million is a decrease of \$11 million (about 3.7 percent) below the 2005 enacted funding level.

### MARITIME ADMINISTRATION BUDGET

(Dollars In Millions)

	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Request</u>
Operations & Training	106	107	114
Ship Disposal	16	21	21
National Defense Tank Vessel Construction Program	0	74	--
Maritime Security Program	98	98	156
Maritime Guaranteed Loans	4	5	4
<b>TOTAL</b>	<b>224</b>	<b>305</b>	<b>294</b>



## FY 2006 Budget

**Operations and Training:** The FY 2006 budget request includes \$114 million to support the U.S. Merchant Marine Academy, State Maritime Schools, and MARAD operations. All three programs support national security, mobility, global connectivity, and environmental stewardship. The budget request includes \$64 million for the U.S. Merchant Marine Academy, including \$17 million for critical capital improvement projects, \$11 million for the State Maritime Schools, and \$39 million for MARAD Operations.

**Maritime Security Program:** The FY 2006 budget request includes \$156 million for the Maritime Security Program, for payments of \$2.6 million for 60 ships, a payment increase of \$0.5 million per ship, as authorized by the National Defense Authorization Act for Fiscal Year 2004. The fleet will increase from 47 to 60 active, militarily useful, privately owned vessels to meet national defense and other security requirements, and to maintain a U.S. presence in international commercial shipping. The Maritime Security Program, together with the Voluntary Intermodal Sealift Agreement Program and the Ready Reserve Force, assures DOD access to ships and crews during DOD mobilizations, and helps ensure the efficient flow of military cargo through commercial ports.

**Ship Disposal:** The FY 2006 budget request includes \$18 million to remove approximately 13 obsolete ships from the National Defense Reserve Fleet (NDRF). MARAD continues to pursue alternative disposal methods, such as export and artificial reefing initiatives, with other Federal agencies to minimize any impact on the human and natural environment. In addition, the budget request also includes \$3 million to decommission, remove, and dispose of the nuclear reactor remnants and hazardous materials aboard the nuclear ship SAVANNAH.

**Maritime Guaranteed Loan Program:** Consistent with the Administration's intent to eliminate corporate subsidies, no funds are requested for maritime loan guarantees. The budget request of \$4 million is for the administration of the existing loan guarantee portfolio.

**Ready Reserve Force:** The Ready Reserve Force (RRF) is funded in the Department of Defense budget, but managed by MARAD. RRF vessels were used in Operation Enduring Freedom and continue to serve in Operation Iraqi Freedom. The initial activation of the vessels for Iraqi Freedom was the fastest and most efficient sealift in U.S. history. MARAD will continue to support national security by meeting DOD sealift requirements and readiness levels for the RRF with an estimated \$221 million for FY 2006 activities.



**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION**

**Overview:** The U.S. Saint Lawrence Seaway Development Corporation (SLSDC), a wholly owned government corporation and an operating administration of DOT, is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario, as well as maintaining and operating the two U.S. Seaway locks located in Massena, NY. In support of DOT's global connectivity strategic goals, the SLSDC coordinates its activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation, to ensure that the U.S. portion of the St. Lawrence Seaway, including the two U.S. locks, are available for commercial transit 99 percent of the time during the navigation season (usually late March through December of each year). Additionally, the SLSDC performs trade development activities designed to enhance the utilization of the Great Lakes St. Lawrence Seaway System.

**SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION BUDGET**

(Dollars In Millions)

	2004 <u>Actual</u>	2005 <u>Enacted</u>	2006 <u>Request</u>
Operations & Maintenance (HMTF)	14	16	8
U.S. Seaway commercial toll receipts	--	--	8
<b>TOTAL</b>	<b>14</b>	<b>16</b>	<b>16</b>



## FY 2006 Budget

**Operations and Maintenance:** The FY 2006 budget request of \$16.3 million will provide the SLSDC with funding to perform operations, maintenance, and capital infrastructure improvements of the U.S. portion of the St. Lawrence Seaway. The request includes an appropriation request of \$8.0 million from the Harbor Maintenance Trust Fund (HMTF), plus \$8.3 million through the proposed re-establishment of U.S. Seaway commercial tolls. A legislative proposal to re-establish U.S. Seaway commercial tolls as a self-funding mechanism for the SLSDC will be transmitted during this Congress.

The SLSDC was a self-funded government corporation through commercial tolls from the Seaway's inaugural season in 1959 to 1987. Since April 1, 1987, the SLSDC has been funded primarily through an appropriation from the HMTF, coupled with its other non-Federal revenues (interest income, pleasure craft tolls, concession operations, rental payments, etc.).



## OFFICE OF THE SECRETARY

**Overview:** The Office of the Secretary provides policy development, oversight and coordination for the overall planning and direction of the Department. The total FY 2006 request of \$259 million (\$209 million discretionary and \$50 million mandatory) is \$25 million less than the FY 2005 enacted funding level. Included in the discretionary funding request is \$100 million for the new DOT headquarters building project. The mandatory funding request assumes \$50 million and 10 FTEs for the Essential Air Service (EAS) program, which will be funded through overflight fees collected by the Federal Aviation Administration.

### OFFICE OF THE SECRETARY BUDGET

(Dollars In Millions)

	2004 <u>Actual</u>	2005 <u>Enacted</u>	2006 <sup>1/</sup> <u>Request</u>
Salaries & Expenses	78	83 <sup>2/</sup>	87
Planning, Research, & Development	20	19	9
Civil Rights and MBRC	12	12	13
New HQs Building	0 <sup>3/</sup>	67	100
EAS/Payments to Air Carriers (discretionary)	52	52	0
EAS (mandatory-Overflight Fees)	[50] <sup>4/</sup>	50	50
<b>TOTAL</b>	<b>163</b>	<b>284</b>	<b>259</b>

1/ Reflects transfer of the Office of Intermodalism to the Research and Innovative Technology Administration.

2/ Reflects moving the operational responsibility for the Office of Emergency Transportation from RSPA to the Office of the Secretary.

3/ In FY 2004, \$42 million was provided for the new DOT Headquarters Building through the General Services Administration Federal Buildings Fund.

4/ \$50 million was provided from unobligated balances of overflight fees.

## FY 2006 Budget

**Salaries and Expenses:** \$87 million is requested for FY 2006, including \$11.9 million to strengthen the management of the Department's large information technology investment portfolio, increase security of its information and technical infrastructure against cyber threats, and improve the American public's access to information and services through electronic government.

**Planning, Research, and Development:** \$9 million is requested for FY 2006, including a comprehensive analysis of aviation practices, mergers, and international alliances to support the formulation of national transportation policies.

**Office of Civil Rights:** The FY 2006 budget request includes \$8.6 million to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, investigate EEO complaints, support the Disability Resource Center, the Shared Neutrals Alternative Dispute Resolution Program, and oversee and ensure compliance of environmental justice programs throughout the Department.

**Minority Business Resource Center (MBRC):** \$3.9 million is requested for MBRC activities. \$0.9 million in Federal subsidy and administrative expenses will support an \$18 million short-term loan guarantee program to assist small, disadvantaged and women-owned transportation-related businesses; and \$3 million will fund the Minority Business Outreach program, which includes a clearinghouse for national dissemination of information on transportation-related projects and grants to minority educational institutions.

**New Headquarters Building:** \$100 million is requested to finance the FY 2006 costs for the new Department of Transportation headquarters building. The goal is to consolidate the Department's headquarters operating functions into efficient leased office space in the District of Columbia.



**OFFICE OF INSPECTOR GENERAL**

**Overview:** The Inspector General Act of 1978, as amended, established the Office of Inspector General (OIG) as an independent and objective organization within DOT. The Inspector General is committed to fulfilling its statutory mission and assisting the Secretary, Members of Congress and senior Department officials in achieving a safer, simpler, and smarter transportation system that furthers our vital national interests and enhances the quality of life of the American people.

<b>OFFICE OF INSPECTOR GENERAL BUDGET</b>			
(Dollars In Millions)			
	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Request</u>
Salaries & Expenses	55	58	62
<b>TOTAL</b>	<b>55</b>	<b>58</b>	<b>62</b>

**FY 2006 Budget**

**Salaries and Expenses:** The FY 2006 budget request for the OIG totals \$69.7 million to support a staff of 435 full-time equivalent employment. This budget request includes a \$62.5 million appropriation and \$7.2 million in reimbursable funding (\$3.5 million from FHWA, \$2 million from FTA, \$1.2 million from FAA, and \$500,000 from the National Transportation Safety Board).

U.S. DEPARTMENT OF TRANSPORTATION

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	<b>E-MAIL</b>	hotline@oig.dot.gov

**www.oig.dot.gov**

## SURFACE TRANSPORTATION BOARD

**Overview:** The Surface Transportation Board (STB) is charged with promoting substantive and procedural regulatory reform in the economic regulation of surface transportation, and with providing an efficient and effective forum for the resolution of disputes and the facilitation of appropriate business transactions. In the performance of its functions, the STB seeks to resolve matters brought before it fairly and expeditiously through the use of its regulatory exemption authority, the streamlining of the decisional process, and the consistent application of legal and equitable principles. The STB continues to strive to develop, through rulemakings and case disposition, new and better ways to analyze unique and complex problems, to reach fully justified decisions more quickly, and to reduce the costs associated with regulatory oversight.

<b>SURFACE TRANSPORTATION BOARD BUDGET</b>			
(Dollars In Millions)			
	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Request</u>
Salaries & Expenses	18	20	23
Fees	1	1	1
<b>TOTAL</b>	<b>19</b>	<b>21</b>	<b>24</b>

### FY 2006 Budget

**Salaries, Expenses and Fees:** The FY 2006 budget request of \$24.4 million will be financed by appropriation and the offsetting collection of user fees. Included in the budget request is \$4.5 million for one-time expenses to relocate the agency from its current physical site due to the expiration of its building lease. The STB, established in 1996 pursuant to the ICC Termination Act of 1995, is responsible for the economic regulation of the rail industry and the transportation of commodities by pipeline other than oil and gas. The STB is also responsible for certain non-licensing regulation of motor and water carriers.

**Intercity Passenger Rail:** Funding of \$360 million is to be made available to support existing commuter service along the Northeast Corridor and elsewhere should Amtrak cease commuter rail operations.

## BUDGETARY RESOURCES

(Dollars In Millions)

	<b>2004</b>	<b>2005<sup>1/</sup></b>	<b>2006</b>
<b>ADMINISTRATION</b>	<b><u>Actual</u></b>	<b><u>Proposal</u></b>	<b><u>Request</u></b>
Federal Aviation Administration	13,851	13,858	13,779
Federal Highway Administration <sup>2/ 3/ 4/</sup>	33,903	36,055	34,439
Federal Motor Carrier Safety Administration	363	443	465
National Highway Traffic Safety Administration <sup>3/</sup>	297	452	696
Federal Transit Administration <sup>4/</sup>	8,287	8,647	8,781
Federal Railroad Administration	1,449	1,425	552
Research & Innovative Technology Administration: Bureau of Transportation Statistics <sup>5/</sup>	0 [31]	4 [30]	6 [33]
Pipeline & Hazardous Materials Safety Administration	124	126	131
Maritime Administration	224	305	294
St. Lawrence Seaway Development Corporation	14	16	16
Office of the Secretary	163	284	259
Office of the Inspector General	55	58	62
Surface Transportation Board	19	21	24
<b>TOTAL DOT Appropriations</b>	<b>58,750</b>	<b>61,695</b>	<b>59,506</b>

NOTE: Columns may not add due to rounding. Includes Appropriations, Obligation Limitations, User Fees, Asset Sales and Mandatory Highway Obligations in annual Appropriations Acts.

1/ FY 2005 reflects the President's SAFETEA proposal for surface programs. All other modes reflect enacted levels.

2/ Includes \$150 million for the National Highway Traffic Safety Administration and \$64 million for the Federal Motor Carrier Safety Administration in FY 2004.

3/ NHTSA funding includes a \$156 million transfer from Federal Highway Administration in FY 2005.

4/ Reflects net flex funding from the Federal Highway Administration to the Federal Transit Administration.

5/ BTS funding from the Highway Trust Fund of \$31 million in FY 2004, \$30 million in FY 2005 and \$33 million in FY 2006 is included in the FHWA totals.

## BUDGET AUTHORITY

(Dollars In Millions)

ADMINISTRATION	2004 <u>Actual</u>	2005 <sup>1/</sup> <u>Proposal</u>	2006 <u>Request</u>
Federal Aviation Administration	14,110	14,063	13,310
Federal Highway Administration <sup>2/ 3/ 4/</sup>	34,946	34,982	34,445
Federal Motor Carrier Safety Administration	364	444	465
National Highway Traffic Safety Administration <sup>3/</sup>	297	454	696
Federal Transit Administration <sup>4/</sup>	8,287	8,647	8,781
Federal Railroad Administration	1,445	1,424	548
Research & Innovative Technology Administration	0	4	6
Pipeline & Hazardous Materials Safety Administration	124	126	131
Maritime Administration	929	956	434
St. Lawrence Seaway Development Corporation	14	16	16
Office of the Secretary	163	48	259
Office of the Inspector General	55	58	62
Surface Transportation Board	18	20	23
Offsetting Collections	-230	-402	-370
<b>TOTAL Budget Authority</b>	<b>60,523</b>	<b>60,833</b>	<b>58,807</b>

NOTE: Columns may not add due to rounding

1/ FY 2005 reflects the President's SAFETEA proposal for surface programs. All other modes reflect enacted levels.

2/ Includes \$150 million for the National Highway Traffic Safety Administration and \$64 million for the Federal Motor Carrier Safety Administration in FY 2004.

3/ NHTSA funding includes \$156 million transfer from Federal Highway Administration in FY 2005.

4/ Reflects net flex funding from the Federal Highway Administration to the Federal Transit Administration.

# DISCRETIONARY BUDGETARY RESOURCES, MANDATORY OUTLAYS AND CREDIT ACTIVITY<sup>1/</sup>

(Dollars In Millions)

	2004 Actual	2005 Estimate	2006 Estimate
<b>Spending</b>			
Discretionary Budgetary Resources:			
St. Lawrence Seaway Development Corporation Existing Law	13	15	7
Legislative proposal to collect user fees	0	0	8
subtotal	13	15	16
Federal Aviation Administration	13,841	13,834	13,779
<i>FAA Obligation Limitation [non-add]</i>	3,379	3,472	3,000
<i>Rescission of FY 05 and FY 06 unused contract authority</i>			-1,069
Federal Highway Administration <sup>2/</sup>	33,919	33,734	34,700
<i>Federal-aid Highway Obligation Limitation [non-add]</i>	33,949	34,263	34,700
Federal Motor Carrier Safety Administration (obligation limitation)	364	443	465
National Highway Traffic Safety Administration (obligation limitation)	298	452	696
Federal Transit Administration <sup>2/</sup>	7,265	7,647	7,781
<i>FTA Obligation Limitation [non-add]</i>	5,813	6,691	6,825
Federal Railroad Administration	1,450	1,425	552
<i>Amtrak [non-add]</i>	1,218	1,207	360 <sup>3/</sup>
Maritime Administration	220	304	295
<i>Rescission of unused balances</i>			-74
Pipeline and Hazardous Materials Safety Administration <sup>4/</sup>	112	112	116
Research and Innovative Technology Administration <sup>4/</sup>	0	4	6
Surface Transportation Board	18	20	23
All other programs (includes offsetting collections)	163	1	216
Total, Discretionary budgetary resources <sup>5/</sup>	57,663	57,991	57,501
<i>Total Surface Obligation Limitation [non-add]</i>	40,420	41,849	42,686
<i>Memorandum: Budget authority from enacted supplementals</i>	0	1,227	0
Total, Discretionary outlays	53,387	57,235	59,388
<b>Mandatory Outlays:</b>			
St. Lawrence Seaway Development Corporation:			
Existing law	0	0	0
Legislative proposal to collect user fees			-8
Federal Highway Administration	946	1,296	1,330
Office of the Secretary	8	117	51
All other (including offsetting receipts)	206	-433	-176
Total, Mandatory outlays	1,160	980	1,197
Total, Outlays	54,547	58,215	60,585
<b>Credit activity</b>			
Direct Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	65	396	818
Railroad Rehabilitation and Improvement Program	227	250	0
Total, Direct Loan disbursements	292	646	818
Guaranteed Loan Commitments:			
Transportation Infrastructure Finance and Innovation Program	0	0	200
Maritime Guaranteed Loans (XI)	212	140	0
Minority Business Resource Center	8	18	18
Total, Guaranteed loan commitments	220	158	218

1/ This presentation is identical to the Department of Transportation chapter of the *Fiscal Year 2006 Budget of the United States Government*.

2/ Budgetary resources for the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

3/ To be transferred to the Surface Transportation Board.

4/ Reflects reorganization of programs under the Research and Special Programs Improvement Act.

5/ Includes both discretionary budget authority, obligation limitations and rescission.

## OUTLAYS

(Dollars In Millions)

ADMINISTRATION	2004 <u>Actual</u>	2005 <sup>1/</sup> <u>Proposal</u>	2006 <u>Request</u>
Federal Aviation Administration	12,835	13,558	14,131
Federal Highway Administration <sup>2/ 3/ 4/</sup>	30,664	32,951	35,749
Federal Motor Carrier Safety Administration	335	601	436
National Highway Traffic Safety Administration <sup>3/</sup>	330	462	595
Federal Transit Administration <sup>4/</sup>	8,011	8,421	8,505
Federal Railroad Administration	1,512	1,535	600
Research & Innovative Technology Administration: Bureau of Transportation Statistics	3	6	6
Pipeline & Hazardous Materials Safety Administration	112	140	132
Maritime Administration	727	410	415
St. Lawrence Seaway Development Corporation	14	15	15
Office of the Secretary	151	435	278
Office of the Inspector General	57	60	62
Surface Transportation Board	19	22	23
<b>SUBTOTAL</b>	<b>54,777</b>	<b>58,617</b>	<b>60,955</b>
Offsetting Collections	-230	-402	-370
<b>TOTAL Outlays</b>	<b>54,547</b>	<b>58,215</b>	<b>60,585</b>

NOTE: Columns may not add due to rounding

1/ FY 2005 reflects the President's SAFETEA proposal for surface programs. All other modes reflect enacted levels.

2/ Includes \$150 million for the National Highway Traffic Safety Administration and \$64 million for the Federal Motor Carrier Safety Administration in FY 2004.

3/ NHTSA funding includes a \$156 million transfer from Federal Highway Administration in FY 2005.

4/ Reflects net flex funding from the Federal Highway Administration to the Federal Transit Administration.

## FULL TIME EQUIVALENT EMPLOYMENT

ADMINISTRATION	<u>2004</u> <u>Actual</u>	<u>2005</u> <u>Enacted</u>	<u>2006</u> <u>Request</u>
Federal Aviation Administration	48,129	47,659	47,859
Federal Highway Administration	2,875	3,002	3,049
Federal Motor Carrier Safety Administration	1,006	1,098	1,121
National Highway Traffic Safety Administration	623	673	673
Federal Transit Administration	501	527	537
Federal Railroad Administration	783	827	837
Research & Innovative Technology Administration	676	742	749
Pipeline & Hazardous Materials Safety Administration	378	406	397
Maritime Administration	824	827	827
St. Lawrence Seaway Development Corporation	149	157	157
Office of the Secretary	550	629	635
Office of the Inspector General	416	430	435
Surface Transportation Board	135	150	128
Working Capital Fund	226	239	239
<b>TOTAL Full Time Equivalent</b>	<b>57,271</b>	<b>57,366</b>	<b>57,643</b>

## **Acknowledgement**

**Thank you to everyone who contributed pictures and their time  
and talents to this “Budget In Brief.”**

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