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UNITED STATES DEPARTMENT OF TRANSPORTATION FISCAL YEAR 2003



Norman Y. Mineta
Secretary of Transportation

U.S. Department of Transportation
2003 Budget in Brief
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Message from the Secretary

I am pleased to share with you the President's 2003 budget for the United States Department of Transportation. The proposed budget reflects the Administration's commitment to providing the American people with a transportation system that is safe, efficient, and secure. The \$59.3 billion proposed by the President will enable the Department to continue its important work with our partners in State and local governments and the business community to ensure that the public continues to enjoy the transportation service that meets its needs.



The tragic events of September 11th have left all Americans with a renewed sense of appreciation and awareness of the systems that support our way of life. As we look forward to 2003, we must continue our ongoing goal to improve the safety of transportation for our citizens. By encouraging improvements in engineering, and the use of new and emerging technologies, and through public awareness and educational campaigns, the Department of Transportation will continue to press for safety improvements in all areas of transportation.

At the same time, we are compelled to consider in a new way, the importance of securing our national assets from those who wish to do harm through acts of violence. This is why the work of the new Transportation Security Administration (TSA) is so important to all of us. Its mission is prevention. Working closely with the other operating administrations, TSA is charged with identifying and implementing changes in processes, systems, and behavior that will keep our transportation system secure. For 2003, President Bush is proposing \$4.8 billion in funding to support the first full year of operations for TSA. In my view, this level of funding is crucial to ensure that the TSA can meet the many challenges that lie ahead as it works to accomplish its mission. I am confident that with the support of the Congress we will be successful.

Although funding for TSA represents a new element in the Department's budget, President Bush has also continued his commitment to the ongoing missions of the Department. The \$59.3 billion request represents an overall increase of \$4.7 billion or 8 percent when adjusted for the reduction in highway funding required by law due to the drop in highway tax receipts. In 2000, 2001, and 2002, our Nation has been reaping the benefits of record-level funding for surface transportation as authorized in the Transportation Equity Act for the 21st Century. The guaranteed funding level, tied to Highway Trust Fund receipts, has been providing the States with much needed resources to support the Nation's highway infrastructure as the Congress intended. However, for 2003, declining fuel tax revenues and other Highway Trust Fund receipts will, for the first time, trigger a downward adjustment in highway program levels.

For the Coast Guard, the 2003 request represents the largest increase in the service's history. These funds will assist the Coast Guard in securing our homeland and providing safety to American citizens.

As we move forward through the annual budget and planning process, I look forward to working with the Congress, my colleagues in the Administration, and the American people to ensure that our transportation systems continue to be second to none.

Norman Y. Mineta
Secretary

Overview

Introduction

Americans depend on safe, efficient, and secure transportation systems. Whether we travel on roads, boats, rails, or in the air, we rely on our transportation systems to get us where we need to go. These same systems play a supporting role in our national economic well being, making it possible to move goods from place to place -- ensuring our continued success in the global marketplace. The Department of Transportation (DOT) works in tandem with our transportation systems by providing leadership and guidance on behalf of the public.

The Department's 2003 budget totals \$59.3 billion. This represents an overall increase of \$4.7 billion or 8 percent when adjusted for the reduction in highway funding required by law. Funding for highway programs is directly linked to the revenues raised from taxes paid by highway users. For the past three years we have reaped the benefits of record-level funding for highway programs, enabling us to provide \$9 billion in additional support to highway projects. However, the link between highway taxes and highway spending works both ways. For 2003, the budget reflects a downward adjustment of nearly \$4.4 billion from the base established in the Transportation Equity Act for the 21st Century (TEA-21).

The 2003 budget includes \$4.8 billion for the first full year of funding of the Transportation Security Administration (TSA). The new TSA joins the other DOT operating administrations and will focus on improving security for the traveling public.

Safety

The Department of Transportation's number-one priority continues to be safety. The 2003 budget proposes overall transportation safety funding of \$7.7 billion. Investment in aviation safety, surface transportation safety, and maritime safety is critical to the future success of our transportation system.

Aviation Safety

The proposed budget includes \$4.6 billion for the Federal Aviation Administration's (FAA) primary mission of safety in the skies and on the ground at airports. FAA aims to prevent aviation accidents by reducing air traffic controller and pilot errors and by minimizing aircraft incidents (such as engine failures). Of particular concern is pilot or controller error resulting in "runway incursions" on or near active airport runways. The budget provides \$107 million for the development and use of new technology and systems to help prevent incursion-related accidents. An additional \$122 million is provided to improve pilot and controller training and



increase visibility through improved runway surface markings. In addition, the budget request provides increased funds for other critical safety initiatives such as Safer Skies, which is focused on identifying the causes of aviation accidents and intervening to prevent future accidents.

Surface Transportation Safety

Traffic crashes account for over 90 percent of transportation-related deaths. The Federal Motor Carrier Safety Administration (FMCSA) and the National Highway Traffic Safety Administration (NHTSA) are the two primary DOT operating administrations that regulate highway safety.

- Motor Carrier Safety. Motor carriers represent only 4 percent of all registered vehicles, but are involved in 12 percent of all crashes resulting in a fatality. For motor carrier safety, the budget calls for a total of \$371 million, 8 percent above 2002. The budget provides \$190 million to continue aggressive State enforcement of interstate commercial motor vehicle regulations. Of this amount, \$165 million is dedicated to Motor Carrier Safety Assistance Program (MCSAP) State grants, which will be used to increase the number of compliance reviews in States; identify and apprehend traffic violators; increase the volume of roadside inspections; and improve State commercial driver's license oversight activities. To maintain a strong Federal and State safety enforcement presence at the U.S./Mexico border, \$116 million is requested. The program will support comprehensive Federal and State inspections of Mexican trucks at the border to ensure there is no compromise to motor carrier safety as the Administration maintains its commitment to the North American Free Trade Agreement (NAFTA).
- Motor Vehicle Safety. The budget provides \$205 million for NHTSA's safety research and information programs, and \$225 million for grants to States for their highway safety programs. NHTSA's 2003 budget request supports full implementation of the Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, which provides the opportunity to aggressively issue new rulemakings to develop dynamic rollover tests, improve child safety restraints and resume statutory responsibilities under the Corporate Average Fuel Economy (CAFE) program. The budget request is also designed to intensify NHTSA's efforts in behavioral programs developed to influence the human factors in preventing crash-related fatalities and injuries. Initiatives focus on increasing seat belt usage, child passenger safety, and efforts to reach high-risk impaired drivers and increase zero tolerance enforcement.



- Rail Safety. America's freight and passenger rail system are a crucial part of our National transportation infrastructure. The Federal Railroad Administration's challenge is to ensure a safe operating environment for an increasingly mobile population. To meet this challenge, the 2003 budget request proposes \$163 million for rail systems.
- Pipeline Safety. DOT has made significant improvements to pipeline safety efforts, and the budget provides funding of \$65 million, 10 percent above 2002, to support enhanced Federal pipeline safety efforts. Funding will be used to support expanded research programs to develop new technologies to reveal defects in pipelines before they result in deaths, injuries, and environmental damage.

Maritime Safety

In 2003, the Coast Guard seeks \$920 million to strengthen its capabilities to conduct search and rescues at sea by increasing staff and modernizing equipment. The budget requests \$90 million to fund the Coast Guard's National Distress and Response System (NDRS) Modernization Project, which replaces the 1970s-era National Distress System. This initiative will greatly increase the capability of the Coast Guard to receive signals from mariners in distress and will allow the Coast Guard to communicate and coordinate operations with Federal, state, and local agencies.

Homeland Security

The events of September 11th underscore the importance of transportation security as part of America's homeland security. Protecting airports, seaports, bridges, highways, and mass transportation against the threat of terrorism is imperative. In 2003, added emphasis on this mission will be reflected in resources for personnel, technology and equipment to meet transportation security challenges. The 2003 budget requests \$8.8 billion for homeland security.



The President signed into law on November 19, 2001, the Aviation and Transportation Security Act, establishing the Transportation Security Administration (TSA). The Budget provides \$4.8 billion in total funding for the TSA, \$3.5 billion more than 2002 funding, with an estimated \$2.2 billion of the 2003 costs to be raised through aviation passenger and air carrier fees.

The Aviation and Transportation Security Act imposed tight deadlines and stringent aviation security requirements. The 2003 budget provides funding for the purchase and maintenance of explosive

detection technology so that all baggage loaded in aircraft is screened. The TSA will continue efforts to improve security at airport screening locations and speed the flow of passengers at these checkpoints. During the year, the TSA will complete the hiring of well over 30,000 Federal airport security personnel, including screeners, armed guards, and supervisors for every screening checkpoint.

In addition to its aviation responsibilities, TSA will be the focal point for the security of other sectors of the national transportation system. The Coast Guard will continue to develop and execute the maritime component of homeland security in coordination with TSA. This work is crucial because 95 percent of the Nation's overseas trade moves by water. The Coast Guard will maintain the viability and integrity of the sea transportation system's security by providing additional personnel to increase port security and assess the needs of critical seaports throughout the Nation. The 2003 budget provides \$7.1 billion in funding for Coast Guard, the highest level in Coast Guard history. The budget also proposes a commercial navigational user fee to help pay for increased port security needs, with estimated receipts of \$165 million in 2003.

The 2003 budget requests \$500 million for the Coast Guard's Integrated Deepwater System (IDS) program. IDS is a multi-year performance-based acquisition that will replace or retool the major Coast Guard cutters, offshore patrol boats, fixed-wing aircraft, search and rescue helicopters and their communications equipment, and sensors. This investment will increase the Coast Guard's effectiveness in saving lives, assuring homeland security, and enforcing fisheries, immigration and drug laws at sea, seaports and sea borders.

Mobility

Another major DOT strategic priority is the free flow of passengers and goods. Over the last 20 years, travel for all modes of transportation, especially highway and air, increased significantly. The 2003 budget requests \$38.9 billion to improve mobility.

The 2003 budget proposes \$24.1 billion in Federal funding for highways to identify and construct a mix of locally preferred road projects to reduce congestion and make selective additions of new capacity to the highway system. The amount of Federal funding for highways is tied to the amount of highway-related receipts collected. Each year, highway spending is adjusted to reflect the most recent information on highway-related receipts. In 2000, 2001, and 2002, our Nation has been reaping the benefits of record-level funding for surface transportation as authorized in TEA-21. The guaranteed funding level, tied to Highway Trust Fund receipts, has been providing the States with much needed resources to support the Nation's highway infrastructure as the Congress intended. In 2000 through 2002, these adjustments resulted in an additional \$9 billion for the highway program. However, for 2003, declining fuel tax revenues and other Highway Trust Fund receipts will, for the first time, trigger a downward adjustment in highway program levels. Even so, highway spending will be 41 percent higher than in 1998, the first year of TEA-21. In addition to increasing highway capacity, the Federal Highway Administration has implemented a range of strategies to address

congestion. These include development and deployment of Intelligent Transportation Systems (ITS), which provide more information to drivers faster, enabling them to take the most efficient route of travel.

Even with the events of September 11th, air traffic is expected to continue to increase over the long term and the FAA must continue its efforts to increase the efficiency and capacity of our Nation's aviation system. The 2003 budget request provides an additional \$6 million for enhanced air traffic management, improved weather prediction, and better integration of civilian and military airspace. In addition, the budget provides funds for the Operational Evolution Plan (OEP), which is the agency's 10-year blueprint for a 30 percent increase in efficiency and capacity in the skies by 2010. The budget request also continues funding for the tools needed to increase efficiency in the air traffic control system. Funds are provided for Free Flight activities such as the User Request Evaluation Tool that allows air traffic controllers to give flights more direct routes, saving critical fuel and time for aviation users.

Transit also contributes to reducing road congestion and to enhancing mobility. The 2003 budget provides \$7.2 billion for the Federal Transit Administration to help congested regions buy more buses and build new rail systems and to provide essential transit services throughout the country. Within this amount, the Administration is seeking legislative authority to provide \$145 million for the President's New Freedom Initiative to make transportation more accessible for persons with disabilities.

The Administration believes that passenger train service should be founded on a partnership between the Federal Government, the States and the private sector. Such a partnership would encourage the operation of passenger trains offering high-quality, cost-effective service on viable routes or where the States have determined there is a public need that they are willing to fund. Pending development of a new paradigm for passenger rail service, the budget requests includes \$521 million for passenger rail.

The search for new technological and innovative solutions to our mobility challenges is well supported in the 2003 budget, with investment in technology, research, and development proposed at \$1 billion. Development and increased use of technologies, such as Intelligent Transportation Systems (ITS), are proposed in the 2003 budget. A total of \$177 million is requested for ITS research, operational tests, and deployment to further increase the number of integrated ITS locations.

Environment

DOT's objective is to advance the benefits of transportation while minimizing its negative environmental impacts. 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 ultimately on our quality of life. The 2003 budget proposes \$3.1 billion for environmental initiatives.

Implementation of environmentally responsible transportation improvements, delivered on time and within budget, is an important component of DOT's vision for all agency programs. Environmental streamlining brings together the timely delivery of transportation projects with the protection and enhancement of the environment. This budget provides \$6 million to identify new, more efficient business processes and cooperatively establish realistic project development timeframes among the full range of transportation and environmental agencies.

The Maritime Administration (MARAD) continues to work diligently to help protect the environment through the disposal of obsolete vessels in the National Defense Reserve Fleet (NDRF). By dismantling six ships in 2001, MARAD reduced some of the greatest environmental threats to our waterways. However, MARAD is still challenged for viable solutions to dispose of the remaining obsolete ships in the NDRF. The \$11 million requested in 2003 will assist MARAD as it continues to pursue disposal alternatives.

Conclusion

The DOT goal is to provide the resources necessary to support our Nation's transportation system. The funding requested in 2003 will help improve transportation safety, enhance homeland security, maintain and expand our transportation infrastructure and increase its capacity, reduce environmental degradation, and improve quality of life for all citizens. The following pages provide highlights of the Department's budget by operating administration.

Technical Notes:

1) The President's 2003 Budget corrects a long-standing understatement of the true cost of literally thousands of Government programs. It distributes to each Department and Agency accruals related to Federal retirement that had previously been centrally funded. For some time, the accruing charge of the Federal Employee Retirement System (FERS) and Military Retirement System (MRS) costs, and a portion of the old Civil Service Retirement System (CSRS) costs, has been allocated to the affected salary and expense accounts, and the remainder (a portion of CSRS, other small retirement systems, and all civilian and military retiree health benefits) has been charged to central accounts. The full cost of accruing benefits should be allocated to the affected salary and expense accounts, so that budget choices for program managers and budget decision makers are not distorted by inaccurate cost information. The budget presents the amounts associated with shifting this cost from central accounts to affected program accounts, starting in 2003. For purposes of comparability we have retrospectively shown these amounts in 2001 and 2002 as well.

2) Tables in this document may include detail that does not add due to rounding.

Federal Aviation Administration

Overview: The 2003 budget request for the Federal Aviation Administration (FAA) reflects the Administration's strong commitment to increasing the performance and capacity of our aviation system. The total FAA 2003 request of \$14 billion is 1.6 percent lower than FAA's budget resources in 2002 due to security responsibilities being shifted from FAA to the Transportation Security Administration by 2003. The capital levels authorized in the Aviation Investment and Reform Act for the 21st Century (AIR-21) are requested in the 2003 budget. Eliminating the effects of the shift, FAA is funded 1.7 percent higher than 2002.

FEDERAL AVIATION ADMINISTRATION BUDGET

(Dollars In Millions)

	2001 <u>Actual</u>	2002 2/ <u>Enacted</u>	2003 3/ <u>Request</u>
Operations	6,841	7,273	7,482
Emergency Supplemental	123	200	0
Facilities & Equipment	2,666	2,932	3,000
Emergency Supplemental	0	108	0
Research, Engineering, and Development	189	198	127
Emergency Supplemental	0	50	0
Airport Grants	3,199	3,303	3,404
Emergency Supplemental	<u>0</u>	<u>175</u>	<u>0</u>
TOTAL 1/	13,018	14,238	14,012

1/ Includes estimated accrual payments of \$382 million in FY 2001 and \$405 million in FY 2002 for civil service retirement and health benefits.

2/ Includes emergency supplementals, but not FY 2001 balances from Emergency Response Fund (\$351 million for Operations, \$87.5 million for F&E and \$50 million for the Aviation Insurance Revolving Fund).

3/ 2003 total excludes \$458 million that was in 2002, now shifted to the Transportation Security Administration.



FY 2003 Budget

Operations: The 2003 budget includes \$7.5 billion for FAA Operations in FY 2003. This amount excludes funding for civil aviation security, which has been moved to the new Transportation Security Administration. The funding request will continue the Administration's efforts to improve aviation safety and efficiency.

- **Safety:** The President's budget requests \$867 million for Regulation and Certification. This includes \$24 million to annualize the additional staff provided in FY 2002 by the Congress and \$20 million for additional increases in the Nation's aviation safety programs, including augmentation of the Safer Skies Initiative and 86 additional staff in flight inspections, certification, and medical activities. In addition, the budget requests an additional \$5 million to strengthen the agency runway safety program – an effort designed to reduce the number of runway incursions. In FY 2001, there was a 4.7 percent increase in runway incursions, but a 20.9 percent decrease in the more serious categories of incursions.
- **Efficiency:** The President's budget requests \$6 billion for air traffic control and related activities such as maintenance. This includes \$24 million to increase system capacity and efficiency through such agency efforts as the Spring/Summer 2003 Initiative and the Operational Evolution Plan.

To create a business-like aviation environment, by 2003 the DOT and FAA intend to implement an air traffic performance-based organization (PBO) that will focus on improved management and coordination of air traffic services and capital investments. A Chief Operating Officer will head this organization. The new organization will establish performance goals for individual staff, and the organization as a whole, so that progress and advancements can be measured.



Facilities and Equipment: The 2003 budget requests \$3 billion, of which \$2.88 billion is for FAA and \$124 million is for TSA, to continue to improve and modernize the equipment central to the national airspace system. The request includes:

- Safety - \$290 million for projects that support safety performance goals 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 such as replacement of older radars, new automation for terminal control facilities, 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.
- Environment - \$62 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.
- Mission Support - \$823 million for FAA staffing, contractor support for systems engineering and installation of new equipment. Also included are projects that improve FAA support facilities.

Research, Engineering, and Development: \$127 million, which includes \$101 million for continued research on aviation safety issues. The remaining research funding is in the areas of weather information, resolution of environmental issues and support of the FAA laboratories.

Grants-in-Aid for Airports: \$3.4 billion for planning and development of the Nation's airports, including grants for security, safety, capacity and noise-reduction projects. Funding includes \$68 million for administrative expenses, \$16 million for airport-related technology research, and \$83 million to help fund the Essential Air Service program. The budget supports hiring additional staff to expedite the environmental review process for major airport construction projects.

**FEDERAL AVIATION ADMINISTRATION
MAJOR FACILITIES & EQUIPMENT PROJECTS**
(Dollars in Millions)

Safety

New & Improved Weather System	25.0
Terminal Business Unit	141.0
Safety Database and Computer Systems	28.9
Safe Flight 21	29.8
Advanced Technology	42.6
Other	16.0

Mobility

Free Flight Phase 1	39.9
Free Flight Phase 2	106.2
Oceanic Automation	87.4
Navigation and Landing Aids	249.8
En Route Automation	213.8
Terminal Business Unit	551.0
Improve Communications Systems	176.3
Other	286.7

Environment

Replace Fuel Tanks	8.5
Hazardous Materials Clean-Up	20.5
Workplace Environmental Compliance	32.6

Mission

FAA Personnel	441.1
Center for Advanced Aviation System Development	81.4
Systems Engineering Support	25.8
Installation Support	89.6
Other Project Support	<u>185.1</u>
Total	2,876.0

Transportation Security Administration

Overview: The Aviation and Transportation Security Act (P.L. 107-71), signed by the President on November 19, 2001, created the Transportation Security Administration (TSA) in the Department of Transportation. The law makes many fundamental changes in the way transportation security will be performed and managed in the United States. For the first time, aviation security will become a direct Federal responsibility, overseen by a new Under Secretary of Transportation for Security in charge of the TSA who will report directly to the Secretary of Transportation. In addition, all transportation security activities will be managed by one agency.

These changes were made necessary by the worst terrorist attack in U.S. history. Few ever thought--or imagined--there would be multiple, carefully coordinated suicide hijackings like those we suffered on September 11th. The Transportation Security Administration will be dedicated to the prevention of such attacks by criminals or terrorists against any form of commercial transportation or infrastructure.

The TSA will be very visible to air travelers as it operates the passenger screening process in over four hundred communities around the country. The mission of the TSA is broader than aviation and its activities will be more than screening.

The job of the TSA is to look at threats all across the national transportation system and prevent disruption by terrorists. The TSA will work with all of the agencies of the United States Government to take advantage of the best available intelligence information. The TSA will design and operate a system of overlapping systems, some that are visible to the public, others, not. Sophisticated uses of information and advanced technology will be among the tools of a flexible, well-trained, and equipped security force.

TRANSPORTATION SECURITY ADMINISTRATION BUDGET			
(Dollars in Millions)			
	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Transportation Security Administration	<u>0</u>	<u>1,345</u>	<u>4,800</u>
TOTAL	0	1,345	4,800

FY 2003 Budget

The events of September 11th underscore the importance of transportation security as part of America's homeland security. There is a realization that protecting airports, bridges, highways, seaports, mass transportation, and the Nation's transportation infrastructure in general is vital to protecting the Nation against acts of terrorism. During 2002, the Transportation Security Administration will become operational and the first steps towards an increased Federal role in transportation security will be taken.



In 2003, TSA will continue implementing an aggressive, comprehensive aviation security program. The 2003 budget for TSA totals--the first full year of funding for the new agency--\$4.8 billion, an increase of over \$3.5 billion from current 2002 funding levels. The budget reflects estimated fee collections of \$2.2 billion raised through a combination of passenger and air carrier fees authorized by the Aviation and Transportation Security Act.

Passenger Screening: Although TSA will take over the screener contracts in 2002, these contracts will be replaced by Federal screener personnel by November 19, 2002. As a result, the budget includes the costs of well over 30,000 airport security personnel, including screeners, law enforcement personnel, and screener supervisors.

Cargo Screening: Explosive detection systems must be in place to screen all checked baggage by December 31, 2002. The 2003 budget includes funding for equipment purchases, installation, and maintenance, more than three times the level of funds currently available in 2002.

Federal Air Marshals: The 2003 budget is the first year reflecting full funding of a greatly expanded Federal Air Marshal (FAM) program. The number of FAMs is classified information and, therefore, is not included in public documents. Following September 11th, law enforcement officers from other Government agencies were loaned to the Department of Transportation and trained as FAMs, which allowed the program to quickly expand. These loaned law enforcement personnel will be replaced before the end of 2002 with permanent FAM staff, and the number of FAMs significantly increased.

Transportation Network Security: Language is included in the 2003 budget that allows for the transfer of resources from the other modal budgets to the TSA budget, as necessary, to perform the security functions identified in the Aviation and Transportation Security Act. The resources currently residing in the other modal budgets are being identified and will, as appropriate, be transferred to TSA as soon as practical.

United States Coast Guard

Overview: The United States Coast Guard (USCG) is a military, multi-missioned maritime service and one of the Nation's five Armed Services. Its mission is to protect the public, the environment, and U.S. economic interests in the Nation's ports and waterways, along the Nation's coastline, on international waters, and in any maritime region as required to support national security. The 2003 USCG request is for a total appropriation of \$7.1 billion, the largest increase in the service's history. The Coast Guard plays an important role for the safety and security and the well-being of American citizens. A contributing factor to this substantial increase is a \$736 million proposed lump-sum distribution to a newly formed USCG military retirement fund. This amount is the amortized unfunded pension liability for USCG military personnel.

UNITED STATES COAST GUARD BUDGET

(Dollars In Millions)

	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Operating Expenses	3,485	3,694	4,635
Emergency Supplemental	110	209	0
Acquisition, Construction & Improvement 1/	414	644	736
Research	22	21	23
Retired Pay/CG Military Retirement Fund	778	876	889
Payment to Military Retirement Fund	0	0	736
Reserve Training	97	100	113
Environmental Compliance & Restoration	17	17	17
Alteration of Bridges	<u>15</u>	<u>15</u>	<u>0</u>
TOTAL 2/	4,951	5,577	7,149

1/ Excludes an unobligated balance rescission of \$12 million in 2001.

2/ Includes estimated accrual payments of \$325.8 million in FY 2001 and \$339.1 million in FY 2002 for civil service and military retirement and health benefits. Does not include mandatory appropriations for the Boat Safety and Oil Spill Recovery accounts.

FY 2003 Budget

Operations: The 2003 budget includes \$4.6 billion, 19 percent (\$732 million) above 2002 for the continued operation and maintenance of vessels, aircraft, shore units, and aids to navigation. The increase includes \$21 million in offsets from management efficiencies; \$482 million for pay raises, contract adjustments, accrual retirement funding and other base adjustments; \$57 million for annualization of Maritime Homeland Security projects commenced with 2002 supplemental funding and operation of assets acquired in 2002; and \$213 million for further enhancements to the Maritime Homeland Security System and improvements to search and rescue and marine safety. In addition to funding maritime homeland security and search and rescue, this request funds drug interdiction, illegal migrant interdiction and marine safety and environmental protection.

Capital: The 2003 budget includes \$736 million, 14 percent (\$92 million) above FY 2002, which supports the Coast Guard’s recapitalization of its vessel and aircraft fleets, information resource management systems, shore facilities, and aids to navigation. This includes \$500 million to fund ongoing production contracts for the development of an integrated system of assets to carry out Coast Guard’s missions. It also includes \$117 million for enhancements to Maritime Domain Awareness, Coast Guard information systems, National



Distress and Response System, and vessel tracking systems; and \$29 million for renovations and improvements to Coast Guard facilities, and for additional housing as well as repairs to existing units.

Research: For research, development, testing and evaluation, \$23 million is requested to provide for technologies, materials, and human factors research directly related to the improvement of Coast Guard mission performance and delivery of services to the public.

Coast Guard Military Retirement Fund: As part of the Administration’s initiative to reflect full accrual of retirement costs, \$889 million is requested and legislation is proposed to establish a new retirement fund. The request for this account includes funding for the unfunded liabilities associated with current retirees.

Payment to Coast Guard Military Retirement Fund: The Administration proposed legislation in October 2001, to accrue fully the retirement costs of Coast Guard military personnel. The \$736 million requested for this account would make mandatory payments to fund the unfunded liability accruing prior to this change (amortized over 40 years).

Reserve Training: The 2003 budget includes \$113 million to train, support, and sustain a ready military Selected Reserve Force. The Reserves are required to meet current commitments for direct support to the Department of Defense, and provide surge capacity for responses to emergencies, such as humanitarian missions in the event of natural disasters and clean-up operations following oil spills.

Environmental Compliance: Funding of \$17 million for major clean-up projects for Kodiak, Alaska and Elizabeth City, North Carolina is requested.

Boat Safety: For boating safety, the budget provides \$64 million, consisting of \$59 million for grants and \$5 million to coordinate and carry out a mandatory National Boating Safety program to ensure compliance with national safety standards for boating equipment.

Federal Highway Administration

Overview: The highway system serves as the backbone of the Nation's surface transportation infrastructure. Our challenge is to maintain our high-quality network while achieving our goals to improve safety and protect the natural environment. The budget request for the Federal Highway Administration (FHWA), although below the 2002 enacted level, will still allow us to meet this challenge by providing the guaranteed funding envisioned when the Transportation Equity Act for the 21st Century (TEA-21) was enacted. Because highway funding is automatically adjusted based on receipts from Federal highway user taxes, the 2003 request of \$24.1 billion is \$9.2 billion, or 28 percent, below the 2002 enacted budget.

FEDERAL HIGHWAY ADMINISTRATION BUDGET

(Dollars In Millions)

	2001 2/ <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Federal-aid Highways Ob Lim	28,306	31,799	23,205
Revenue Aligned Budget Authority (RABA) [non-add]	[3,058]	[4,519]	[-4,369]
Other	2,092	371	24
Emergency Supplemental	718	175	0
Mandatory Federal-aid Highways	993	965	893
Limitation on Admin Expenses [non-add]	[294]	[310]	[318]
TOTAL 1/	<u>32,109</u>	<u>33,312</u>	<u>24,122</u>
TOTAL, excluding RABA	<u>29,051</u>	<u>28,792</u>	<u>28,491</u>

1/ Includes Revenue Aligned Budget Authority (RABA). Also includes estimated accrual payments of \$23 million in FY 2001 and \$24 million in FY 2002 for civil service retirement and health benefits.

2/ Amount in FY 2001 is net of \$1.2 billion transferred from highways to transit.



FY 2003 Budget

Federal-Aid Highway Program: Our Nation's highways and intermodal connectors are the critical link in our national intermodal transportation system – virtually every trip we take passes over a road at some point. To safeguard our tremendous highway infrastructure investment, improve safety, protect the environment, reduce congestion, and improve the efficiency and operation of our highways in a fiscally responsible manner that reflects changing economic conditions, the 2003 budget request includes a \$23.2 billion obligation limitation for the Federal-aid Highway program. This level is consistent with TEA-21 guaranteed funding, adjusted downward due to lower than anticipated highway trust fund receipts. The 2003 budget continues to distribute the majority of the funding for the Federal-aid Highway program to the States in the five major program categories – Interstate Maintenance, National Highway System, Surface Transportation program, Bridge Replacement and Rehabilitation program, and Congestion Mitigation and Air Quality Improvement program. The request includes \$318 million for the limitation on administrative support, including oversight of large highway construction projects:

- Focus on Security in the ITS Deployment Program - Intelligent Transportation System (ITS) technologies offer many opportunities to significantly improve transportation security, a high priority given recent events. This budget proposes to focus the FY 2003 ITS Deployment Program resources of \$93 million for the deployment and/or integration of ITS technologies that enhance the security of our surface transportation systems.
- Environmental Streamlining - Implementation of environmentally responsible transportation improvements, delivered on time and within budget, is an important component of DOT's vision for our programs. Environmental streamlining brings together the timely delivery of transportation projects with the protection and enhancement of the environment. Efforts to cooperatively establish realistic project development time frames among the full range of transportation and environmental agencies will be advanced by this budget. The FHWA budget includes \$6 million to support Federal and State initiatives to identify new, more efficient business processes that will result in more timely project delivery.
- Transportation Infrastructure Finance and Innovation Act Program – The 2003 budget includes an estimated \$99 million to leverage our Federal investment in transportation infrastructure. This will translate into over \$6 billion in nationally significant surface transportation projects.

National Highway Traffic Safety Administration

Overview: Recent statistics indicate that traffic crashes claim more than 40,000 lives annually, accounting for over 90 percent of transportation-related deaths and the leading cause of death for persons age 4 through 33. The economic cost of motor vehicle crashes is more than \$150 billion annually. Emerging demographic trends, such as a continuing increase in the number of drivers and a significant growth in both elderly and teenage drivers, pose increased traffic safety challenges that must be addressed. The National Highway Traffic Safety Administration (NHTSA) conducts critical behavioral and vehicular programs and provides grants to States for the administration of highway traffic safety programs.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION BUDGET (Dollars In Millions)

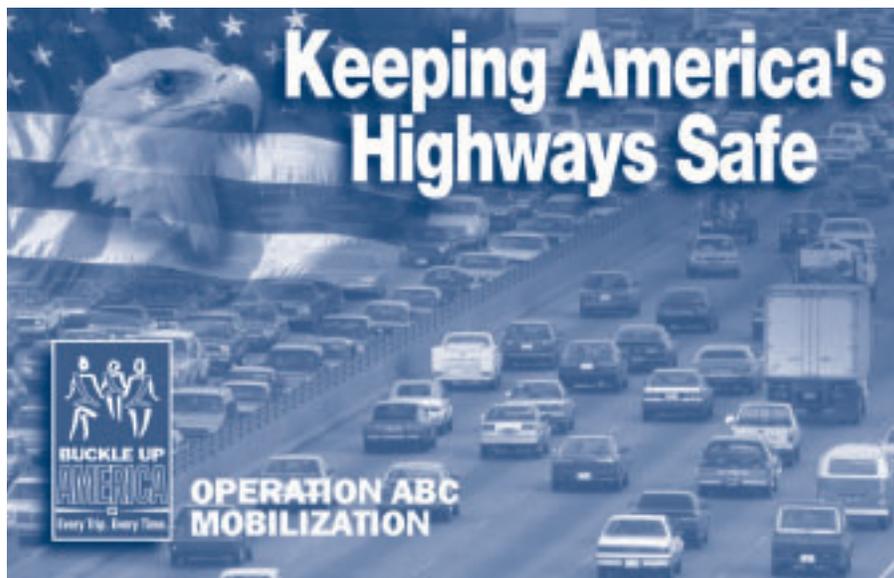
	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Operations & Research	194	205	205
Highway Traffic Safety Grants	<u>213</u>	<u>223</u>	<u>225</u>
TOTAL 1/	407	428	430

1/ Includes estimated accrual payments of \$4 million in FY 2001 and \$4 million in FY 2002 for civil service retirement and health benefits.

FY 2003 Budget

Operations and Research: The 2003 budget includes \$205 million, the same level as 2002. Operations and Research activities include:

- \$82 million to maintain the existing workforce and to hire, train, and develop safety professionals; maintain critical information systems; design, print and distribute safety-related literature; and other operational costs and services.



- \$56 million for research and analysis to support activities including: (1) crashworthiness research for occupant protection and studies on the causes of human injury in highway crashes, leading to safer vehicle design; (2) crash avoidance research to support programs such as antilock braking system effectiveness, light vehicle rollover, and heavy vehicle stability; (3) the National Center for Statistics and Analysis including the Fatality and Accident Reporting System, which tracks all fatal crashes in the United States; (4) testing of driver distraction and the effects of impairments on driver performance through the National Advanced Driving Simulator; and (5) initiatives required by Transportation Recall Enhancement, Accountability, and Documentation (TREAD) Act, including tire safety, dynamic rollover and child safety seat testing.



- \$41 million for highway safety programs that address impaired driving deterrence, increased seat belt usage and correct placement of child safety restraints. Countermeasures will be developed and tested for traffic enforcement, deterrence of aggressive driving, speeding and distracted driving. Initiatives will be undertaken in emergency medical system education, safe operation around school buses, and for occupant protection usage surveys.
- \$16 million for Safety Assurance, including vehicle testing and acquiring a new data information management system to assist in the prompt identification of potential safety defects.
- \$10 million for Safety Performance Standards including the New Car Assessment Program, which provides consumers with information on frontal and side protection, and rollover resistance of light vehicles. TREAD Act initiatives include child restraint safety improvements, a new child restraint safety ratings program, heavy truck safety, and a new light vehicle dynamic rollover rating program. Support will be provided for potential safety upgrades for offset frontal crash protection, rear impacts, school bus safety, side impact protection, and adapted vehicle data collection.

Highway Traffic Safety Grants: The 2003 budget request includes a \$225 million obligation limitation, an increase of \$2 million (1 percent) over 2002. This is the level guaranteed in TEA-21. Included are: \$165 million for State and Community Highway Safety Grants to support a full range of highway safety programs in every State, territory, and the Indian nations; \$40 million for Alcohol-Impaired Driving Countermeasures Incentive Grants designed to encourage States to pass strong anti-drunk-driving legislation; and \$20 million for Occupant Protection Incentive Grants to encourage States to promote and strengthen occupant protection laws.

Federal Motor Carrier Safety Administration

Overview: The number of large trucks traveling the Nation’s highways increased an average rate of 4 percent per year from 1995 to 2000. Every week in 2000, an estimated 100 Americans were killed and 2,700 were injured in traffic crashes involving large trucks – 12 percent of all people killed in motor vehicle crashes. Yet trucks represent only 4 percent of all registered vehicles and about 7 percent of vehicle-miles of travel. The Federal Motor Carrier Safety Administration’s (FMCSA) main function is to improve the safety among commercial motor vehicles (CMVs). The 2003 budget request for FMCSA—totaling \$371 million, 8 percent above 2002—will help meet this challenge.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION BUDGET

(Dollars In Millions)

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>
Motor Carrier Safety	95	113	120
National Motor Carrier Safety Program	177	206	190
Revenue Aligned Budget Authority (RABA) [non-add]	[0]	[24]	[0]
Border Enforcement Program	<u>0</u>	<u>26</u>	<u>61</u>
TOTAL 1/	272	345	371
TOTAL, excluding RABA	272	321	371

1/ Includes estimated accrual payments of \$3 million in FY 2001 and \$3 million in FY 2002 for civil service retirement and health benefits.

FY 2003 Budget

Motor Carrier Safety (Operations and Research): \$120 million, 6 percent above 2002, is requested to support critical motor carrier safety activities that will save lives and prevent injuries on our Nation’s highways. The FY 2003 budget proposes funding for the following safety program activities:

- \$95 million for motor carrier safety operations to further increase motor carrier inspections and compliance reviews under FMCSA’s national safety enforcement program.
- \$15 million to advance the motor carrier crash data improvement program, the commercial driver’s license improvement program, and staff FMCSA’s 24-hour safety telephone hotline.
- \$7 million for motor carrier safety research and technology--\$3 million above 2002--for research and technology activities aimed at reducing crashes involving large trucks and buses.
- \$3 million to expedite Federal oversight activities and carry out follow-up compliance reviews of motor carriers with unsatisfactory safety ratings.

National Motor Carrier Safety Program: The budget includes \$190 million to continue aggressive State enforcement of interstate commercial motor vehicle regulations.

- \$165 million is dedicated to Motor Carrier Safety Assistance Program (MCSAP) State grants. These grants will be used to increase the number of compliance reviews in States; identify and apprehend traffic violators; increase the volume of roadside inspections; improve State commercial driver's license oversight activities; and support State enforcement efforts at the southern border.
- \$5 million to continue a comprehensive study on commercial vehicle crash causation initiated in 2001. The study will identify data requirements and collection procedures, reports and other measures that will improve both FMCSA's and the States' ability to evaluate future crashes involving commercial motor vehicles; monitor crash trends, and identify causes and contributing factors; and develop effective safety improvement policies and programs.
- \$20 million is included for the Information Systems and Strategic Safety Initiatives program. The program's implementation is shared by FMCSA and the States, and supports motor carrier information system and data analysis activities including: SAFESTAT technology, used to target high-risk motor carriers for compliance reviews; and the Performance Registration Management Information System program, which links State motor vehicle registration systems with carrier safety data in an effort to identify unsafe commercial motor carriers.

Border Enforcement: The budget would provide \$116 million to improve safety enforcement operations and construct inspection facilities along the Southern border, including:

- \$61 million for the Border Enforcement Program. Funds will be used to maintain a strong Federal and State safety enforcement presence at the U.S./Mexico border to ensure Mexican trucks entering the United States are in compliance with both Federal Motor Carrier Safety and Hazardous Materials regulations. The program will support comprehensive Federal and State inspections of Mexican trucks at the border, to ensure no compromise to motor carrier safety as the Administration maintains its commitment to the North American Free Trade Agreement (NAFTA).
- \$47 million for Border Infrastructure Improvements. This funding will be provided within the Federal Highway Administration's Borders and Corridors Program for inspection facility construction at the U.S./Mexico border.
- \$8 million to improve State safety enforcement operations. MCSAP grants will be provided to assist States in funding inspection personnel.



Federal Transit Administration

Overview: Transit safely and efficiently moves millions of people every day, reducing congestion, facilitating economic development, connecting people to their jobs and communities, and helping to protect the environment. Promoting the security of America’s public transportation assets, and the safety and security of the people who depend upon them, is the responsibility of every transit agency. The events of September 11, 2001, have proven that this responsibility must receive even more attention in order to keep our communities safe and moving. The budget addresses this critical issue, and, when combined with State and local funding, preserves and increases investment in our Nation’s public transit infrastructure. The proposed budget is \$7.2 billion, 5 percent above 2002, promotes mobility and access, addresses critical security vulnerabilities, and furthers the President’s Management Agenda.

FEDERAL TRANSIT ADMINISTRATION BUDGET (Dollars In Millions)

	2001 2/ <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Formula Grants Program	4,517	3,542	3,839
Emergency Supplemental	0	24	0
Capital Investment Grants	2,695	2,891	3,036
Emergency Supplemental	0	100	0
Job Access & Reverse Commute	100	125	150
Research & Planning	170	116	122
Other	<u>73</u>	<u>76</u>	<u>83</u>
TOTAL 1/	7,555	6,874	7,230

1/ Includes estimated accrual payments of \$3.5 million in FY 2001 and \$3.7 million in FY 2002 for civil service retirement and health benefits.

2/ Includes \$1,231 million in FHWA Flex Funding for Formula Grants and \$60 million in FHWA Flex Funding for Research & Planning.

FY 2003 Budget

Transit Security: Transit system security will remain a high priority in FY2003. Emphasis will be given to improving the state of security knowledge among transit professionals through training and through the Federal Transit Administration’s (FTA) technical assistance efforts. FTA will also focus on testing and validating technology that could be used in a transit environment and rapidly deployed.

New Freedom Initiative: DOT will seek authorizing legislation to provide \$145 million for the New Freedom Initiative. The initiative reflects the President’s goal of reducing barriers for persons with disabilities to enter the workforce by providing funding to States, and searching for innovative solutions to transportation barriers faced by persons with disabilities. This program will create opportunities for Americans with disabilities and will also strengthen the communities in which they live and work.

Formula Grants Program: \$3.8 billion, 8 percent above 2002, is available for all transit capital purposes, including security, planning, bus and railcar purchases, facility repair and construction, maintenance and, where eligible, operating expenses. This program includes grants specifically targeted to urbanized areas, non-urbanized areas, and the special needs of the elderly and persons with disabilities. In 2003, funds proposed for the Formula Grants program will contribute almost \$7 million to improve the accessibility of over-the-road buses. It will mitigate the costs of compliance with the Americans with Disabilities Act for rural and disadvantaged communities, and will help keep fare prices affordable.

Capital Investment Grants: \$3 billion, 2 percent above 2002, is proposed in 2003 for the following initiatives to enhance and maintain transit infrastructure: \$607 million for the replacement, rehabilitation, and purchase of buses and the construction of bus-related facilities; \$1.2 billion for the modernization of existing fixed guideway systems, including heavy and light rail, commuter rail, and ferryboat operations; and \$1.2 billion for the construction of new fixed guideway systems and extensions to existing fixed guideway systems.

The 2003 budget recommendation includes funding for 27 existing and pending Full Funding Agreements (FFGAs), which are multi-year contractual agreements between FTA and the grantees. Located in every geographic area of the country and in cities of all sizes, these projects include commuter rail, light rail, heavy rail, and bus rapid transit. When complete, they will carry over 190 million riders annually, save over 61 million hours in travel time, and significantly improve mobility in America. The table on page 27 lists the New Starts projects recommended for funding in 2003.

Project and Financial Management Oversight: To provide oversight of DOT grants to States and localities, \$48 million is requested in 2003. Grants management and oversight, including assuring that Federal funds are spent efficiently and effectively, are core management responsibilities of FTA.



Research and Technology Program: For the National Research and Technology Program, a total of \$49 million is requested. This program includes \$31.5 million for the National Research Program, \$8.3 million for the Transit Cooperative Research Program, \$4 million for the National Transit Institute training programs, and \$5.3 million for the Rural Transit Assistance Program.

Metropolitan and Statewide Planning Programs: The 2003 budget requests \$73 million, 9 percent above 2002, in formula grants to support the activities of regional planning agencies and States, helping them to plan for the capital transit investments that best meet the needs of the urban and rural communities they serve. This includes \$60.4 million for Metropolitan Planning and \$12.6 million for State Planning and Research.

University Transportation Centers: To provide continued support for research, education, and technology transfer activities aimed at addressing regional and national transportation issues, a total of \$6 million is requested.

Job Access and Reverse Commute Program: The 2003 request provides \$150 million, 20 percent above 2002, to address transportation needs of individuals moving from welfare to work. This program also supports transportation services to help people of all income levels access jobs in suburban locations.



FEDERAL TRANSIT ADMINISTRATION
 FY 2003 Proposed Section 5309 New Starts
 (Dollars In Millions)

Existing Full Funding Grant Agreements

Projects

California	Los Angeles North Hollywood	40.5
California	SF Area-BART Airport Extension	100.0
California	San Diego-Mission Valley East LRT Extension	65.0
Colorado	Denver-Southeast Corridor	70.0
Florida	Ft. Lauderdale-Tri-Rail Commuter Rail Upgrade	39.7
Georgia	Atlanta-North Springs Extension Amendment	16.1
Illinois	Chicago-Douglas Branch	55.0
Illinois	Chicago-Metro Southwest Corridor Commuter Rail	20.0
Illinois	Chicago-North Central	20.0
Illinois	Chicago-UP West Line Extension	12.0
Massachusetts	Boston-South Boston Piers Transitway	0.7
Maryland	Baltimore-Central LRT Double Tracking	24.3
Maryland	Washington, DC/MD Extension	60.0
Minnesota	Minneapolis-Hiawatha Corridor LRT	60.0
Missouri	St. Louis-Metrolink St. Clair Extension	3.4
New Jersey	Newark Rail Link (MOS-1)	60.0
New Jersey	Northern NJ-Hudson-Bergen LRT-MOS-2	50.0
New Jersey	NJ Urban Core-Hudson-Bergen LRT	19.2
Oregon	Portland-Interstate MAX LRT Extension	70.0
Tennessee	Memphis-Medical Center Extension	15.6
Texas	Dallas-North Central LRT Extension	70.0
Pennsylvania	Pittsburgh-Stage II LRT Reconstruction	26.3
Puerto Rico	San Juan-Tren Urbano	59.7
Utah	Salt Lake City-South LRT	0.7
Utah	Salt Lake City-CBD to University	68.8

Pending FFGAs

California	San Diego-Oceanside Escondido	42.0
Louisiana	New Orleans-Canal Street	37.1

Proposed FY 2003 FFGAs

Utah	Salt Lake City-Medical Center	20.0
California	Los Angeles-East Side	35.0

Proposed Project Funding

Other Project Funding	31.0
New Fixed Guideways-Ferries [Alaska/Hawaii]	10.3
Section 5327 Set Aside [1%]	<u>12.1</u>
TOTAL	1,214.4

Federal Railroad Administration

Overview: The Federal Railroad Administration’s (FRA) 2003 budget request represents a commitment to continue and improve the strong railroad safety record, support and enhance a national intercity rail passenger service, and advance both traditional and high-speed rail research. The total request of \$716 million in 2003 is \$128 million, or 15 percent, less than 2002. This decrease is due in most part to the inclusion of \$6 million for Safety and Operations and \$100 million for Amtrak in 2002 emergency supplemental funding.

FEDERAL RAILROAD ADMINISTRATION BUDGET (Dollars In Millions)

	2001 ^{2/} <u>Actual</u>	2002 <u>Enacted</u>	2003 ^{3/} <u>Request</u>
Amtrak Capital	520	521	521
Emergency Supplemental	0	100	0
Safety & Operations	105	115	123
Emergency Supplemental	0	6	0
Research & Development	25	29	28
Next Generation High-Speed Rail	25	32	23
Pennsylvania Station	20	20	20
Other	<u>63</u>	<u>21</u>	<u>0</u>
TOTAL ^{1/}	759	844	716

1/ Includes estimated accrual payments of \$3.9 million in FY 2001 and \$4.1 million in FY 2002 for civil service retirement and health benefits.

2/ Does not include \$1.5 million transferred from other accounts to Safety and Operations.

3/ \$59 million in user fees is proposed in 2003 to cover part of the costs of the Safety and Operations and Research and Development accounts.



FY 2003 Budget

Amtrak Capital: Amtrak faces very significant financial challenges and its most recent authorization expires at the end of CY 2002. The Administration believes that intercity passenger train service should be founded on a partnership between the Federal Government, the States and the private sector. The request of \$521 million serves as a placeholder pending the development of a new paradigm for intercity passenger rail service.

Pennsylvania Station Redevelopment Project: The \$20 million provided in FY 2003 will be used to renovate the James A. Farley Post Office building and upgrade Pennsylvania Station in New York City. This request reflects the remaining \$20 million for the project from the FY 2000 Consolidated Appropriations Act that provided a total advance appropriation of \$60 million for 2001 through 2003.

Safety & Operations: The 2003 request provides \$123 million, up \$2 million from 2002. Funding will allow FRA to enhance its current safety inspector staff, giving it the ability to meet the increasingly complex needs of the railroad industry. Funds also support the ongoing human resource management that will assist FRA in reducing the safety problems that have plagued the railroad industry in the past. The 2003 budget assumes a total of \$45 million in railroad user fees to be assessed to cover a portion of the cost of safety and operations activities.



Research & Development: In 2003, \$28 million is requested to support research efforts in the areas of rail systems safety, track structures, train occupant protection, human factors in train operations, rolling stock and components, track and train interaction, track control, grade crossings, and hazardous materials. The 2003 budget assumes a total of \$14 million in railroad user fees to be assessed to cover a portion of the cost of research and development activities.

Next-Generation High-Speed Rail: To support high-speed train control systems, track and structures technology, corridor planning, and grade crossing hazard mitigation and high-speed non-electric locomotives, \$23 million is requested.

Research and Special Programs Administration

Overview: The Research and Special Programs Administration (RSPA) focuses on improving hazardous materials and pipeline safety; coordinates and advances transportation research, technology and education activities to promote innovative transportation solutions; and manages the Department’s transportation-related emergency response and recovery responsibilities. RSPA also provides planning and training grants to States and Indian tribes to increase hazardous materials emergency preparedness. The total RSPA request of \$125 million in 2003 represents an increase of \$11 million, or 10 percent, from 2002.

RESEARCH & SPECIAL PROGRAMS ADMINISTRATION BUDGET
(Dollars In Millions)

	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 ^{2/} <u>Request</u>
Research and Special Programs	38	39	46
Emergency Supplemental	0	2	0
Emergency Preparedness Grants	14	14	14
Pipeline Safety	<u>47</u>	<u>59</u>	<u>65</u>
TOTAL ^{1/}	<u>99</u>	<u>114</u>	<u>125</u>

1/ Includes estimated accrual payments of \$1.8 million in FY 2001 and \$1.9 million in FY 2002 for civil service retirement and health benefits.

2/ Includes \$6 million in proposed new user fees for Research and Special Programs.

FY 2003 Budget

Hazardous Materials Safety Program: To improve the safety of hazardous materials transportation, both domestic and international, \$24 million, 9 percent (\$1.9 million) above 2002, is requested. This funding will support regulatory outreach, training, enforcement, and research programs to promote safe and efficient transportation of hazardous materials.

Emergency Preparedness Grants: The 2003 request provides \$14 million, the same level of funding as 2002, for the States to train hazardous materials responders and improve response plans. The grants help to ensure that training is provided to a larger segment of the emergency response community.

Research and Technology: For RSPA’s research programs the budget requests a total of \$3 million, the same level of funding in 2002. This funding will enable the Department to respond to recent events to enhance the protection of critical national transportation infrastructure, primarily in strategic planning and management, human factors, and transportation infrastructure assurance.

Emergency Transportation Program: To provide operational oversight of civil emergency preparedness, and response and recovery for transportation services across a large spectrum of crises, \$2 million is requested. The request supports the coordination of transportation assistance to the victims of disasters and enhances public safety and homeland security. This program includes the centralized Crisis Management Center, which provides information to help make timely and informed decisions on restoring the transportation infrastructure, and supports Federal, State, and local emergency responders during disasters.

Pipeline Safety: The budget provides \$64.5 million, 10 percent (\$5.8 million) above 2002, to support enhanced Federal pipeline safety efforts. RSPA will: (1) expand research and development of new technologies to reveal defects in pipelines; (2) implement an integrity management program for natural gas transmission pipelines; and (3) increase regionally based inspectors to improve security preparedness, environmental oversight of hazardous liquid storage tanks, and operator qualification programs.



Maritime Administration

Overview: The Maritime Administration (MARAD) provides education and training of merchant mariner officers at the U.S. Merchant Marine Academy and six State Maritime Schools, manages the Ready Reserve Force within the National Defense Reserve Fleet (NDRF), supports the shipbuilding and repair industry, and disposes of obsolete vessels in the NDRF -- significant programs that contribute to economic, national and environmental security. The total 2003 request of \$212 million is \$15 million, or 7 percent, lower than 2002. The differences in the 2002 and 2003 totals are attributed to an appropriated level of \$33 million for the guaranteed loan program in 2002, compared to the 2003 request of \$4 million for administrative costs only, and a request of \$11 million in 2003 for the ship disposal program, compared to no appropriated funds in 2002.

MARITIME ADMINISTRATION BUDGET

(Dollars In Millions)

	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Operations & Training	89	91	97
Maritime Security	98	99	99
Maritime Guaranteed Loans	34	37	4
Ship Disposal 1/	<u>0</u>	<u>0</u>	<u>11</u>
TOTAL 2/	222	227	212

1/ Excludes \$10 million in appropriations transferred in FY 2001 from the Navy for Ship Disposal.
 2/ Includes estimated accrual payments of \$2.5 million in FY 2001 and \$2.5 million in FY 2002 for civil service retirement and health benefits.



FY 2003 Budget

Operations and Training: The 2003 budget requests \$97 million to support MARAD operations, the U.S. Merchant Marine Academy, and State Maritime Schools. Of this amount, \$49.7 million is requested for the Merchant Marine Academy, including a continuation of \$13 million for critical capital improvement projects, and \$7.6 million is requested for support of the State Maritime Schools.

Maritime Security: The budget includes \$98.7 million for the Maritime Security Program. This fleet consists of 47 active, militarily useful, privately-owned vessels to meet national defense and other security requirements, and to maintain a United States presence in international commercial shipping.



Ship Disposal: The 2003 budget includes \$11 million to remove four obsolete ships from the National Defense Reserve Fleet (NDRF). MARAD is required to dispose of the obsolete ships in the NDRF by 2006. The agency anticipates an inventory of 132 vessels at the beginning of 2003, and with the budget request of \$11 million, plans to remove four vessels. Since many of the vessels contain hazardous substances, such as asbestos and polychlorinated biphenyls, they pose a threat to the environment.

Maritime Guaranteed Loan Program: Consistent with the Administration's intent to eliminate corporate subsidies, no funds are requested for loan guarantees. The budget includes \$4 million for the administration of the existing loan guarantee portfolio. Due to the economic downturn in the cruise ship industry, MARAD estimates \$367 million in Title XI principal defaults in 2002. Historically, there has been a 50 percent recovery for the taxpayer on these defaults.

Ready Reserve Force: The Ready Reserve Force (RRF) is managed by MARAD, but funded in the Department of Defense (DOD) budget. The 2002 level for the RRF is \$227.5 million. MARAD will meet priority DOD sealift requirements and readiness levels for the RRF with the current request of \$251.8 million for 2003 activities.

Office of the Secretary

Overview: The Office of the Secretary provides policy development and central supervisory and coordinated functions necessary for the overall planning and direction of the Department. The total request in 2003 of \$175 million is \$3 million, or 2 percent, less than in 2002.

OFFICE OF THE SECRETARY BUDGET (Dollars In Millions)

	2001 ^{2/} <u>Actual</u>	2002 ^{3/} <u>Enacted</u>	2003 ^{4/} <u>Request</u>
Salaries and Expenses	66	70	96
Planning, R & D	11	12	11
Civil Rights and MBRC	13	13	13
New HQs Building	0	0	25
Compensation for Air Carriers	5,000	0	0
Essential Air Service	<u>50</u>	<u>83</u>	<u>30</u>
TOTAL 1/	5,140	178	175

1/ Includes estimated accrual payments of \$3.2 million in FY 2001 and \$3.7 million in FY 2002 for civil service retirement and health benefits.

2/ \$50 million for the Essential Air Service program is financed from FAA Operations.

3/ An additional \$30 million for the Essential Air Service program is to be financed from prior-year fees.

4/ An additional \$83 million for the Essential Air Service program is to be financed from Airport Grants.

FY 2003 Budget

Salaries and Expenses: \$96.1 million is requested for 2003, including \$9 million to strengthen the management of the Department's large information technology investment portfolio, increase security of its information and technical infrastructure against cyberthreats, and improve the American public's access to information and services through electronic government; and \$5 million to begin the process of replacing the Department's aging personnel management and payroll system with a modern Human Resources Information System. The current personnel information system was developed in the early 1970's. A failure of this current system would force the return to largely manual operations. A permanent replacement is essential.

Planning, Research, and Development: \$10.8 million is requested for 2003, including \$5 million to develop and begin implementing a government-wide online rulemaking system that will provide one Internet access portal to all Federal regulatory material. The President's Management Council selected the Department of Transportation to lead the



implementation of FedDocket which builds on the success of the Department's current Docket Management System. FedDocket will put the ability to participate in the rulemaking process of the estimated 57 rulemaking agencies literally at anyone's fingertips, at anytime, and from anywhere.

Office of Civil Rights: The 2003 budget request includes \$9.2 million, to support internal and external civil rights and equal opportunity matters; support the Minority Serving Institutions student internship program; enforce Federal civil rights statutes; carry out special emphasis commemoration, hiring, reporting and diversity programs; implement executive orders; investigate EEO complaints, support the Disability Resource Center, support the Shared Neutrals Alternative Dispute Resolution Program; and oversee and coordinate equity 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 MBRC Outreach program, which includes a clearinghouse for national dissemination of information on transportation-related projects and grants to minority educational institutions.

Essential Air Service: \$113 million is requested for 2003, of which \$30 million is financed through aviation overflight fees and \$83 million from FAA's Airport Grant program. The budget proposes language to allow the Secretary flexibility to keep the program within that funding level. This change will enable more effective use of resources targeted to communities with the greatest need.

New Headquarters Building: \$25 million is being requested to finance the 2003 costs for the new Department of Transportation headquarters building. The goal is to consolidate the Department's headquarters operating functions into an efficient leased building in the District of Columbia.

Transportation Administrative Service Center: The Transportation Administrative Service Center (TASC) provides administrative services on a negotiated fee-for-service basis to the Department's operating administrations and other Government agencies.

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 the U.S. Department of Transportation, 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 maintaining and operating the two U.S. Seaway locks located in Massena, N.Y., and vessel traffic control in areas of the St. Lawrence River and Lake Ontario. In addition, the SLSDC performs trade development functions designed to enhance Great Lakes St. Lawrence Seaway System utilization.

The SLSDC coordinates its activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC), particularly with respect to rules and regulations, overall day-to-day operations, traffic management, navigation aids, safety, environmental programs, operating dates, and trade development programs. The unique binational nature of the Seaway System requires 24-hour, year-round coordination between the two Seaway entities.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION BUDGET (Dollars in Millions)

	<u>2001 Actual</u>	<u>2002 Enacted</u>	<u>2003 Request</u>
Operations and Maintenance (HTMF)	<u>14</u>	<u>14</u>	<u>15</u>
TOTAL 1/	14	14	15

1/ Includes estimated accrual payments of \$0.7 million in FY 2001 and \$0.7 million in FY 2002 for civil service retirement and health benefits.

FY 2003 Budget

Operations and Maintenance: The 2003 budget proposal totals \$14.8 million from the Harbor Maintenance Trust Fund, which together with miscellaneous other non-federal revenues, will finance SLSDC's 2003 activities.



Bureau of Transportation Statistics

Overview: The Bureau of Transportation Statistics' mission is to develop high-quality transportation data and information, and to advance their use in both public and private decision-making. The 2003 budget request for the Bureau of Transportation Statistics (BTS) totals \$35.8 million. This includes a \$4 million direct appropriation for the Office of Airline Information (OAI), which collects critical data on airline schedules, fares, financial performance, and customer service.

BUREAU OF TRANSPORTATION STATISTICS BUDGET
(Dollars in Millions)

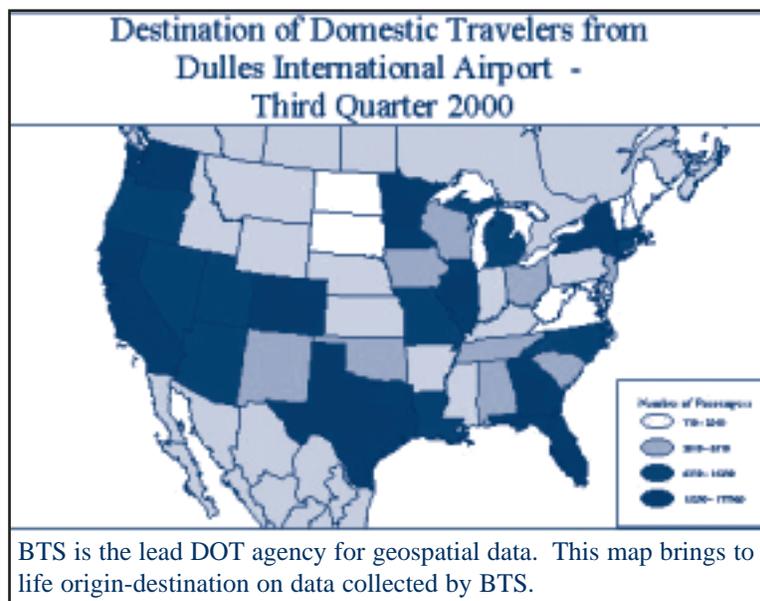
	2001 <u>Actual</u> [31]	2002 <u>Enacted</u> [32]	2003 <u>Request</u> [32]
Bureau of Transportation Statistics (TF)	[31]	[32]	[32]
Office of Airline Information (TF)	<u>0</u>	<u>0</u>	<u>4</u>
TOTAL 1/	[31]	[32]	[36]

1/ Includes estimated accrual payments of \$0.4 million in FY 2001 and \$0.6 million in FY 2002 for civil service retirement and health benefits.

FY 2003 Budget

Planned actions in 2003 include:

- Improve freight data - collect freight data annually, instead of every five years, vastly improving the completeness and timeliness of freight flow information.
- Streamline aviation data - develop new regulations to both reduce airlines' reporting burden and at the same time improve the quality and usefulness of the data collected.
- Integrate *TranStats* (the Intermodal Transportation Data Base) and the National Transportation Library (NTL) – create one-stop shopping for transportation information on the web.
- Review DOT data programs - help improve the accuracy, reliability, and timeliness of data used to make transportation management and policy decisions.



Office of the Inspector General

Overview: The Inspector General Act of 1978, as amended, established the Office of the 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 safe, efficient, and effective transportation system that meets vital national interests and enhances the quality of life of the American people today and into the future.

OFFICE OF THE INSPECTOR GENERAL BUDGET

(Dollars in Millions)

	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Salaries and Expenses	52	53	60
Emergency Supplemental	<u>0</u>	<u>1</u>	<u>0</u>
TOTAL 1/	52	54	60

1/ Includes estimated accrual payments of \$2.3 million in FY 2001 and \$2.4 million in FY 2002 for civil service retirement and health benefits.

FY 2003 Budget

Salaries and Expenses: The 2003 budget request for the OIG totals \$67.6 million to support a staff of 470 full-time equivalent employment. This budget request includes a \$60 million appropriation and \$7.6 million in reimbursable funding as follows: \$2 million from FAA, \$2 million from FTA, \$3.5 million from FHWA, and \$100,000 from the National Transportation Safety Board.



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 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.

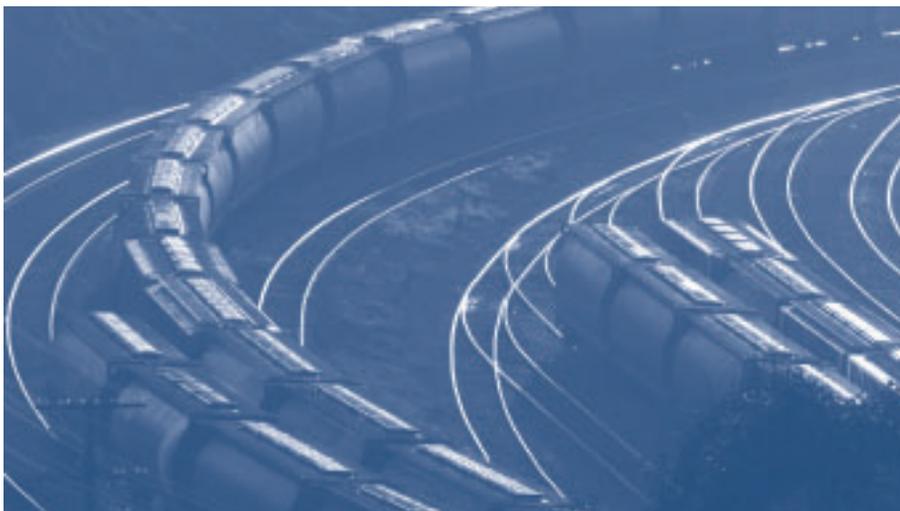
SURFACE TRANSPORTATION BOARD BUDGET (Dollars in Millions)

	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Request</u>
Salaries and Expenses	<u>19</u>	<u>20</u>	<u>21</u>
TOTAL 1/	19	20	21

1/ Includes estimated accrual payments of \$1.1 million in FY 2001 and \$1.1 million in FY 2002 for civil service retirement and health benefits. Includes offsetting collections of \$900,000, \$950,000, and \$1 million in FY 2001, 2002, and 2003, respectively.

FY 2003 Budget

The fiscal year 2003 budget proposal for the STB totals \$20.7 million, to be financed by appropriation and the offsetting collection of user fees. 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.



FY 2003 Performance Outlook

Over time, agencies will be expected to identify high quality outcome measures, accurately monitor the performance of programs, and begin integrating this presentation with associated cost. Using this information, high performing programs will be reinforced and non-performing activities reformed or terminated.

President George W. Bush
The President's Management Agenda
August 2001

The U.S. Department of Transportation (DOT) strongly supports the President's management agenda that encourages agencies to closely integrate budget and performance information. As the President has stated, doing so will improve both program management and investment decision-making processes, and ultimately create a results-oriented Government, which the American people deserve and demand.

In 2003, DOT will build on its successful implementation of the Government Performance and Results Act (GPRA) in two significant ways:

- By aligning the Federal Aviation Administration's (FAA) Facilities and Equipment (F&E) budget account to the Department's and the FAA's performance goals; and
- By creating the Transportation Security Administration's (TSA) budget in support of the Administration's expected security performance outcomes.

The FAA's F&E account seeks to enhance aviation safety, increase the efficient use of the current air traffic control system's capacity, increase over time the total capacity of the Nation's aviation transportation system, and maintain the reliability of existing air traffic control equipment. DOT will seek to treat other budget accounts in the same fashion over the coming year.

Creating the new Transportation Security Administration's program, budget account, personnel, and organizational structure presents a unique opportunity to devise a performance-based organization and resource structure from the ground up. Budget account restructuring beyond that point will build upon the TSA and FAA successes.

DOT plans to significantly realign and improve the FY 2003 Performance Plan to focus more closely on the ties between program outputs, performance outcomes, and individual and organizational accountability for performance. The total number of performance goals and measures will become more focused on the core missions of the Department, and in attending to the Secretary's priorities – increasing the safety, security, efficiency, and capacity of the Nation's transportation system. DOT's financial performance will be a key element of overall program performance. DOT will focus on its stewardship of taxpayer dollars along with increasing the beneficial effects created by the combined efforts of DOT's safety, security, mobility, environmental, and economic growth programs.

The following tables depict selected aspects of DOT's program performance since 1999, and the Department's present status in implementing the President's Management Agenda.

Performance Progress Report

	...IN 1999	...IN 2000	...2003 TARGET
SAFETY			
• Percent front occupants using seat belts	67	71	78
• Highway fatalities per 100 million vehicle miles	1.6	1.5	1.4
• Percent of alcohol-related highway fatalities	38	40	33
• Fatal accident rate for U.S. commercial air carriers per 100,000 flight hours	0.059	0.032	0.033
• Rail-related fatalities per million train-miles	1.31	1.30	1.15
• Natural gas transmission pipeline failures due to excavation damage	100	119	102
• Recreational boating fatalities	778	742	740
HOMELAND SECURITY			
• Drug interdiction effectiveness (pounds of drugs seized or destroyed per 1,000 patrol hours)	1,339	1,612	1,480
• Percent of DOD-designated primary or alternate ports that are available when requested by DOD	93	93	92
MOBILITY			
• Percent of National Highway System (NHS) travel on roads meeting acceptable ride standards	90.5	90.9	92.5
• Airport Efficiency (rate of arrivals and departures divided by existing maximum capacity at large hub airports)	N/A	94.7	95.4
• Percent key rail stations Americans with Disabilities Act (ADA) compliant	49	52	79
ECONOMIC GROWTH			
• Passengers (in millions) in international markets with open aviation agreements	49.4	56.8	62.1
HUMAN AND NATURAL ENVIRONMENT			
• Tons of hazardous liquids spilled from pipelines per millions of tons shipped	0.0229	0.0131	0.0131
• Number of people in U.S. exposed to significant aircraft noise levels	585,000	440,000	400,000
• Gallons of oil spilled per million gallons shipped by water	2.7	3.2	2.5

N/A= Not Available

Governmentwide Management Priorities

Initiative	2001 Status
<p>Human Capital—DOT is working on comprehensive workforce planning and restructuring to reduce management layers, make DOT more citizen-centered, and better match staff to the Department’s missions and goals. This work is particularly critical since 45 percent of current senior executives in DOT and over 50 percent of staff in many critical occupations are anticipated to retire by 2006.</p>	Red
<p>Competitive Sourcing— DOT is moving forward across the board with an overall competitive sourcing program. DOT will complete cost comparisons or direct conversions of 15 percent of its government positions working in commercial functions. DOT will also subject more of its intra-governmental cross-servicing agreements to competition with private sector service providers.</p>	Red
<p>Improved Financial Management—DOT’s financial system modernization project is making progress in installing a financial management system that meets financial management requirements and standards. In 1999, DOT gained a clean audit opinion on its consolidated financial statement, but in 2000, auditors could only issue a “qualified” opinion on DOT’s financial statement. DOT senior management is intent on improving financial management and in integrating its financial and performance management systems.</p>	Red
<p>E-Government— DOT is implementing e-business process initiatives that will improve agency operations. The Department has an e-government leadership role for on-line rulemaking management. DOT is strengthening its management of major information technology projects to ensure that they are conducted within cost, schedule, and performance targets.</p>	Red
<p>Budget/Performance Integration—DOT’s annual performance plan is clear and sets forth annual goals. DOT is working to improve its decision-making process to base program management and resource decisions on costs and results, and to better align budget accounts, staff, and activities with program targets. After the new, integrated financial management system is up and running throughout the Department, DOT will begin to use it to systematically align program output costs with performance objectives. This will help systematize and improve DOT performance management processes and will sharpen the focus on improving program effectiveness.</p>	Yellow
<p>Red=Unsatisfactory Yellow=Good progress Green=Satisfactory</p>	

Budgetary Resources

(Includes Appropriations, Obligation Limitations & Exempt Obligations, & Fees)
(Dollars in Millions)

ADMINISTRATION	2001 <u>Actual Adj 1/</u>	2002 <u>Enacted Adj 1/</u>	2003 <u>Requested</u>
Federal Aviation Administration	13,018	14,238	14,012
Transportation Security Administration 2/	[0] 0	[1,345] 1,345	[4,800] 4,676
United States Coast Guard	4,951	5,577	7,149
Federal Highway Administration	32,109	33,312	24,122
Less: Revenue Aligned Budget Authority	<u>3,058</u>	<u>4,519</u>	<u>-4,369</u>
Federal Highway Administration, adjusted	29,051	28,792	28,491
National Highway Traffic Safety Administration	407	428	430
Federal Motor Carrier Safety Administration	272	345	371
Less: Revenue Aligned Budget Authority	<u>0</u>	<u>24</u>	<u>0</u>
Federal Motor Carrier Safety Administration, adjusted	272	321	371
Federal Transit Administration	7,555	6,874	7,230
Federal Railroad Administration	759	844	716
Research & Special Programs Administration	99	114	125
St. Lawrence Seaway Development Corporation	14	14	15
Surface Transportation Board	19	20	21
Maritime Administration	222	227	212
Bureau of Transportation Statistics 3/	[31] 0	[32] 0	[32] 4
Office of the Inspector General	52	54	60
Office of the Secretary	<u>5,140</u>	<u>178</u>	<u>175</u>
Total DOT Appropriations	64,615	63,569	59,316
Total DOT Appropriations Excluding the Effects of Revenue Aligned Budget Authority	61,564	59,026	63,685

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

1/ For comparability purposes, \$751 million in FY 2001 and \$795 million in FY 2002 are included to fund the full Government share of the accruing employee pension and annuitant health benefits.

2/ In FY 2003, \$124 million is proposed to be reimbursed from FAA.

3/ Additional BTS funding from the Highway Trust Fund of \$31 million in FY 2001 and \$32 million in FY 2002 and FY 2003 is included in the FHWA totals.

Budget Authority

(Dollars in Millions)

ADMINISTRATION	2001 <u>Actual Adj 1/</u>	2002 <u>Enacted Adj 1/</u>	2003 <u>Requested</u>
Federal Aviation Administration	12,445	13,922	14,012
Transportation Security Administration	0	95	2,454
United States Coast Guard	5,079	5,702	7,275
Federal Highway Administration	35,069	35,587	31,111
National Highway Traffic Safety Administration	407	426	430
Federal Motor Carrier Safety Administration	271	338	379
Federal Transit Administration	7,566	6,874	7,230
Federal Railroad Administration	758	838	711
Research & Special Programs Administration	103	114	125
St. Lawrence Seaway Development Corporation	14	14	15
Surface Transportation Board	18	19	20
Maritime Administration	491	485	259
Bureau of Transportation Statistics 2/	0	0	4
Office of the Inspector General	52	54	60
Office of the Secretary	<u>5,140</u>	<u>178</u>	<u>175</u>
SUBTOTAL	67,411	64,646	64,258
Offsetting Collections	<u>-237</u>	<u>-275</u>	<u>-1,174</u>
Total Budget Authority	67,175	64,371	63,084

NOTE: Columns may not add to rounding.

1/For comparability purposes, \$751 million in FY 2001 and \$795 million in FY 2002 is included to fund the full Government share of the accruing employee pension and annuitant health benefits.

2/ Additional funding from the Highway Trust Fund of \$31 million in FY 2001 and \$32 million in FY 2002 and FY 2003 is included in the FHWA totals.

Outlays

(Dollars in Millions)

	2001 <u>Actual Adj 1/</u>	2002 <u>Enacted Adj 1/</u>	2003 <u>Requested</u>
ADMINISTRATION			
Federal Aviation Administration	11,113	14,349	13,724
Transportation Security Administration	0	-107	1,936
United States Coast Guard	5,120	5,401	6,888
Federal Highway Administration	27,526	29,238	28,671
National Highway Traffic Safety Administration	373	468	454
Federal Motor Carrier Safety Administration	202	356	379
Federal Transit Administration	7,050	6,549	6,660
Federal Railroad Administration	727	1,089	826
Research & Special Programs Administration	102	122	118
St. Lawrence Seaway Development Corporation	14	14	15
Surface Transportation Board	16	22	19
Maritime Administration	279	649	249
Bureau of Transportation Statistics 2/	0	0	4
Office of the Inspector General	49	55	59
Office of the Secretary	<u>2,502</u>	<u>2,858</u>	<u>175</u>
SUBTOTAL	55,073	61,063	60,176
Offsetting Collections	<u>-237</u>	<u>-275</u>	<u>-1,174</u>
Total Outlays	54,836	60,789	59,002

NOTE: Columns may not add due to rounding.

1/For comparability purposes, \$751 million in FY 2001 and \$795 million in FY 2002 is included to fund the full Government share of the accruing employee pension and annuitant health benefits.

2/ In all years, BTS outlays from the Highway Trust Fund is included in the FHWA totals.

Full Time Equivalent Employment (FTE)

ADMINISTRATION	2001 <u>Actual</u>	2002 <u>Enacted</u>	2003 <u>Requested</u>
Federal Aviation Administration	48,763	51,435	50,044
Transportation Security Administration	0	14,800	41,300
United States Coast Guard			
<i>Civilian</i>	5,912	6,182	6,390
<i>Military</i>	35,963	36,580	37,249
Federal Highway Administration	2,783	2,930	2,920
National Highway Traffic Safety Administration	633	659	666
Federal Motor Carrier Safety Administration	715	936	1,058
Federal Transit Administration	498	518	530
Federal Railroad Administration	742	769	794
Research & Special Programs Administration	876	930	967
St. Lawrence Seaway Development Corporation	148	157	157
Surface Transportation Board	135	143	145
Maritime Administration	859	945	954
Bureau of Transportation Statistics	85	136	160
Transportation Administrative Services Center	291	281	281
Office of the Inspector General	450	455	470
Office of the Secretary	<u>534</u>	<u>591</u>	<u>612</u>
Total Full Time Equivalent	99,387	118,447	144,697
<i>Civilian</i>	63,424	81,867	107,448
<i>Military</i>	35,963	36,580	37,249