

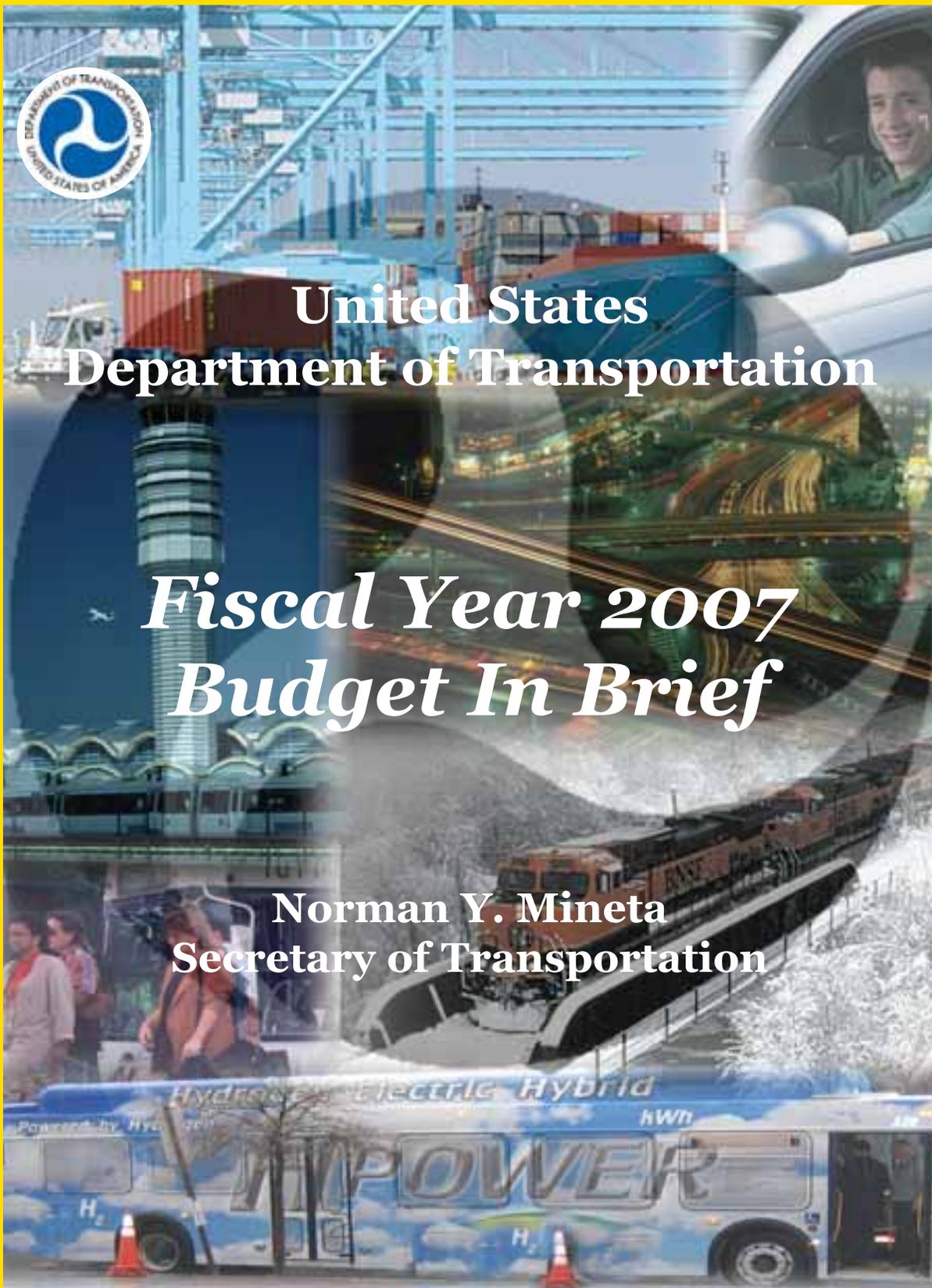
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION PIPELINE & HAZARDOUS MATERIALS SAFETY ADMINISTRATION



United States Department of Transportation

Fiscal Year 2007 Budget In Brief

Norman Y. Mineta
Secretary of Transportation



FEDERAL RAILROAD ADMINISTRATION

FEDERAL AVIATION ADMINISTRATION

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

MARITIME ADMINISTRATION

FEDERAL TRANSIT ADMINISTRATION

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

RESEARCH & INNOVATIVE TECHNOLOGY ADMINISTRATION FEDERAL HIGHWAY ADMINISTRATION



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2007 Budget in Brief
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Message from the Secretary

I am pleased to present the President's fiscal year 2007 budget request for the U.S. Department of Transportation (DOT). President Bush is requesting \$65.6 billion in budgetary resources to support major investments in transportation nationwide that are vital to the health of our economy and the American way of life.



President Bush has proposed a plan that will address the needs of our current system in a responsible way, while at the same time laying the groundwork for America's transportation system for the future. As our transportation needs continue to grow and change, we must explore new and innovative ways to provide reliable transportation services that work better and cost less. Consequently, the 2007 budget introduces alternative financing ideas that may provide answers for our resource needs in the future.

Last summer, the "Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users" (SAFETEA-LU) reauthorized our surface transportation programs for the next four years, providing a record \$286 billion investment and a continued focus on improvements in highway safety. Statistics show our past efforts are paying off. Our early estimates show in 2005, the highway fatality rate reached an historic low of 1.43 fatalities per 100 million vehicle-miles traveled. Still, annual highway deaths continue to hover around 43,000 - a number that is still too high. The President's 2007 budget provides nearly \$140 million to help focus on the highest priority impaired driving needs.

The President's 2007 budget plan for the Federal Highway Administration, the Federal Transit Administration, the Federal Motor Carrier Safety Administration and the National Highway Traffic Safety Administration continues the funding envisioned in SAFETEA-LU. Even though SAFETEA-LU has just recently passed, we are already thinking about new ways to fund these programs in the future. That is why the 2007 budget plan proposes a \$100 million pilot program to demonstrate the viability of alternatives to the gas tax for financing highway construction and managing congestion. The lessons learned from this pilot program will help inform future decisions on financing surface transportation needs.

The President's 2007 budget plan provides \$13.7 billion to fund aviation. \$8.4 billion of this request will address the Federal Aviation Administration's (FAA) operational needs and keep the current plan on track for hiring needed safety inspectors and air traffic controllers. The demand for air transportation continues to rise, placing more burdens on our current systems. To address future needs, the FAA is partnering with other Federal agencies in planning for the Next Generation Air Transportation System (NGATS). This multi-agency effort is exploring new ways to manage air transportation through the use of modern technology. As a first step, the 2007 budget provides funding for this effort, including \$80 million to support FAA's deployment of Automatic Dependent Surveillance-Broadcast (ADS-B). ADS-B will replace current radar systems and provide more accurate surveillance coverage. The President's budget includes nearly \$2.8 billion in grants for future airport construction. This funding level is sufficient to address construction needs for all current planned runways.

The President's 2007 budget requests \$900 million for Amtrak. \$500 million of this funding will provide for capital needs and maintenance of existing infrastructure, including the Northeast Corridor. The remaining \$400 million will fund new "Efficiency Incentive Grants" tied directly to continued progress toward reform. In addition, our plan assumes continuation of an effort begun in 2006 that

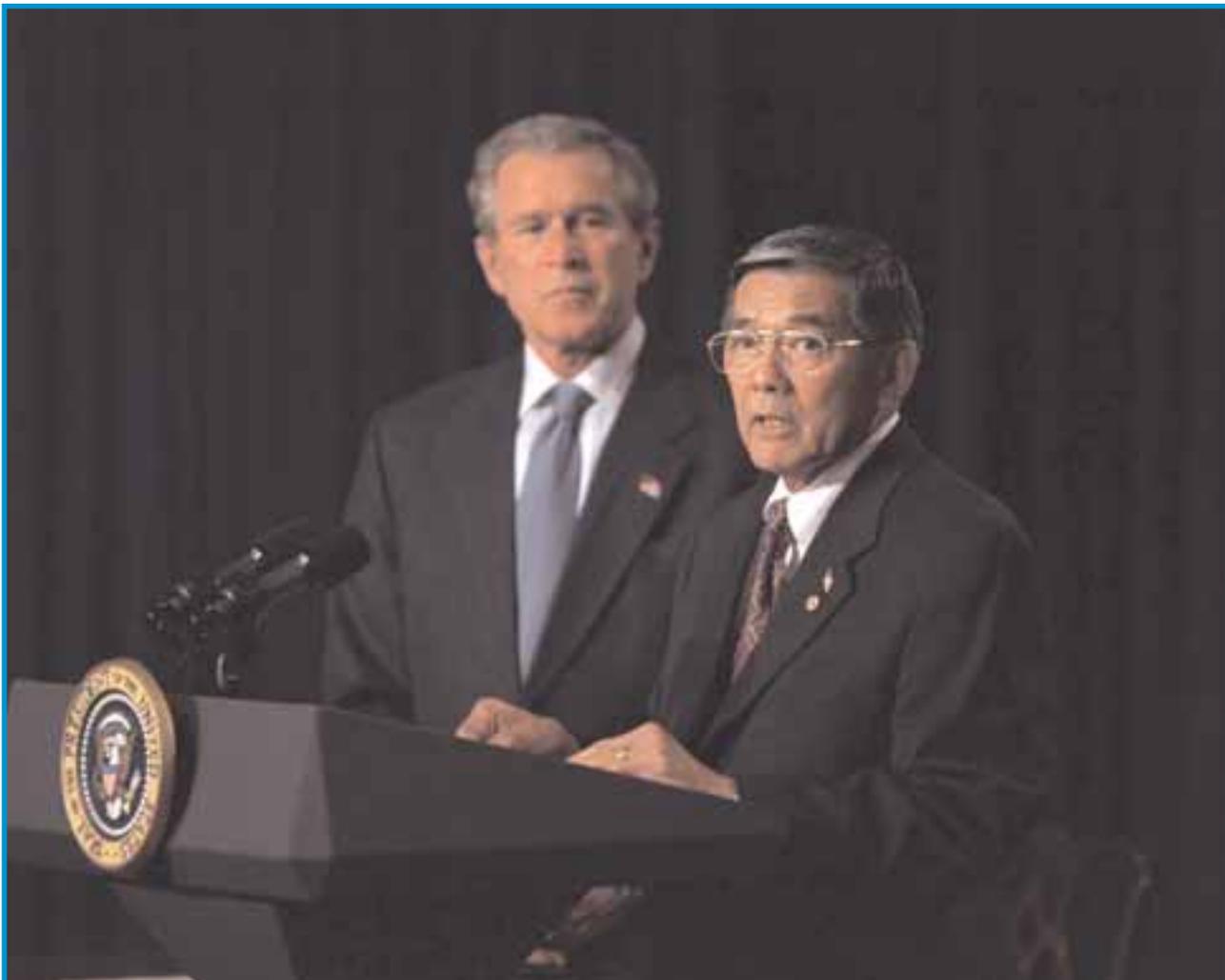
would assess fees for capital investment and maintenance costs by transit agencies for their use of the Northeast Corridor. We recognize that this budget will require Amtrak to accelerate its efforts to address its costs, but we believe the recommendations recently made by the independent Government Accountability Office and the Department of Transportation Inspector General, as well as the company's own strategic plan, provide a roadmap for success.

The President's plan includes full funding for the Maritime Administration's Maritime Security Program. This fleet of vessels manned by U.S. mariners, many who are trained at the U.S. Merchant Marine Academy, is critical to the support of our troops abroad. The President's budget includes \$15 million for capital investment improvements to the Academy.

These are just a few of the highlights included in the President's 2007 budget plan. Further details on the President's 2007 request are included in this "Budget in Brief."

I look forward to working with the Congress on plans for 2007. Together we will put in place a plan for transportation that will keep our Nation moving in the right direction.

Norman Y. Mineta
Secretary



Policy, Performance, and Program Outlook

The U.S. Department of Transportation (DOT) continues to be a leader among Federal agencies in supporting the President's Management Agenda and instituting the use of performance-based budgeting in its internal processes. The fiscal year (FY) 2007 budget request builds on DOT's successful implementation of the Government Performance and Results Act of 1993 by strengthening the linkages between budgetary resources and programmatic and performance outcomes that benefit the Nation. The resources requested in the Department's FY 2007 budget will enable DOT to achieve a transportation system that is safe, efficient, and secure. At the departmental level, performance goals and measures focus on core transportation missions, and reflect the Secretary's transportation priorities of safety, mobility, global connectivity, environmental stewardship, security, and organizational excellence.

The budget documents for DOT's individual operating administrations reflect the successful steps to integrate budget and performance. Beginning with the FY 2004 budget cycle, DOT organized its budget submissions to the Office of Management and Budget (OMB) and the Congress in such a way that the linkages between additional resources and improved performance would be more apparent. The linkages were further strengthened for the FY 2005 budget submissions. The FY 2006 budget submission began DOT's efforts to take performance budgeting to the next level by estimating the marginal cost of performance (i.e. what results can be achieved at different levels of funding) for selected programs. FY 2007 extends this effort across the Department as each operating administration has estimated the marginal cost of performance for at least one of its performance goals.

Program Assessment Rating Tool (PART)

The FY 2007 budget formulation process continues to fully incorporate the use of OMB's Program Assessment Rating Tool (PART) in resource allocation decisions. The PART is intended to gauge whether a program's design and purpose are clear and defensible; weigh whether the agency sets valid annual and long-term goals for programs; rate agency management of programs, including financial oversight and program improvement efforts; and focus on results. The PART process is meant to complement traditional management techniques and to be used to stimulate a constructive dialogue between program managers, and budget and policy officials.

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

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

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

Six additional programs were evaluated as part of the FY 2007 budget cycle: FHWA's Emergency Relief Program, PHMSA's Office of Hazardous Material Safety, Saint Lawrence Seaway Development Corporation's (SLSDC) Operations and Maintenance program, Amtrak, and two MARAD programs - the U.S. Merchant Marine Academy and State Maritime Schools.

The PART process assisted in identifying programs that were "effective," "moderately effective," "adequate," and "ineffective." The information gathered through the FY 2004 - 2007 PART processes was provided to senior officials and was instrumental in making decisions regarding programmatic funding requests.

Managing for Results

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

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

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

PRESIDENT'S MANAGEMENT AGENDA SCORECARD

Initiative	Status as of 12/31/05	Progress as of 12/31/05
Human Capital - DOT continued to strengthen its human capital management by gaining provisional certification for its Senior Executive Service (SES) Performance Plan and a SES pay plan that links pay to organizational performance. Also, all employees have performance plans with a multi-level performance rating system.	 Green	 Green
Competitive Sourcing - DOT has achieved a "green" status for its competitive sourcing initiative. All competitions have been completed within prescribed timeframes, and DOT believes it has developed best practices in streamlined competitions.	 Green	 Green
Improved Financial Management - DOT's progress rating dropped to "yellow" from green. While DOT received an unqualified audit for 2005, it also received three material weaknesses including two repeat weaknesses.	 Red	 Yellow
E-Government - DOT fell to a "yellow" status for this initiative. Although DOT made progress in implementing several E-government initiatives, DOT still needs to implement additional security improvements for information technology (IT) systems and improve management controls to address "at risk" IT programs.	 Yellow	 Green
Budget and Performance Integration - DOT is a leader in the government on Budget and Performance Integration and has achieved its "green" status. DOT's FY 2007 Budget submissions incorporated PART findings and are structured to show full costs by strategic goal.	 Green	 Green
Eliminating Improper Payments - DOT is working to eliminate improper payments. Accounting firm KPMG was hired to review the Department's risk susceptible programs. DOT also conducted a research project with the State of Tennessee to develop a statistical methodology for testing for improper payments at the local level.	 Red	 Green
Real Property Asset Management - DOT took several steps to improve the management of its real property, including enhancing its inventory system to be consistent with Government-wide standards, implementing performance metrics, and establishing an agency-wide plan for managing real estate.	 Yellow	 Green

Green= Satisfactory
 Yellow= Good Progress
 Red= Unsatisfactory

PERFORMANCE PROGRESS REPORT

SAFETY	ACHIEVED IN 2004 ^{1/}	ACHIEVED IN 2005 ^{1/}	2007 TARGET
↪ Highway fatalities per 100 million vehicle-miles traveled (VMT)	1.44	1.43	1.38
↪ Fatalities involving large trucks per 100 million truck VMT	2.29	2.33	1.75
↪ U.S. commercial fatal aviation accidents per 100,000 departures (Last 3 years' average)	0.021	0.017	0.010
↪ Rail-related accidents and incidents per million train-miles	18.83	17.16	16.70
↪ Number of incidents for natural gas and hazardous liquid pipelines	435	460	362
↪ Serious hazardous materials incidents in transportation	509	402	466
MOBILITY			
↪ Percent of travel on the National Highway System (NHS) meeting pavement performance standards for 'good' rated ride ^{2/}	53.2	54.6	57
↪ Average percent change in transit boardings per transit market (150 largest transit agencies), adjusted for changes in employment levels	0.7	1.4	1.0
↪ Percent of total annual urban-area travel time occurring in congested conditions	31.6	32.1	34.4 ^{3/}
↪ Percent of flights arriving on time ^{4/}	79.1	88.1	87.4
↪ Percent of key rail stations compliant with the Americans with Disabilities Act (ADA)	82	91	93
↪ Percent of bus fleets ADA compliant	95	97	97
GLOBAL CONNECTIVITY			
↪ Potential air transportation consumers (billions) in international markets traveling between the U.S. and countries with open skies and open transborder aviation agreements	1.72	2.97	2.92
↪ Percent of days in shipping season that the U.S. sectors of the Saint Lawrence Seaway are available, including the two U.S. locks in Massena, NY	99.1	99.7	99.0
ENVIRONMENTAL STEWARDSHIP			
↪ Number of exemplary ecosystem initiatives undertaken (values are cumulative totals) ^{5/}	15	23	30
↪ Tons of hazardous liquid materials spilled per million ton-miles shipped by pipeline ^{6/}	0.0102	0.0097	0.0057
SECURITY			
↪ Percent of DOD-required shipping capacity, complete with crews, available within mobilization timelines	94	95	94

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

2/ Starting in FY 2005, measure was redefined to measure 'good' rated pavement versus 'acceptable' rated pavement. Results for FY 2004 have been adjusted accordingly.

3/ The FY 2007 goal reflects a 0.2 percent decrease below the projected 0.7 percent yearly growth rate in congestion.

4/ Starting in FY 2005, measure was redefined to exclude delays resulting from extreme weather, air carrier action, and security delays. Adjusted results for FY 2004 are unavailable.

5/ Replaced the wetlands replacement measure which is now being tracked as a FHWA supplemental measure.

6/ Starting in FY 2006, measure has been redefined to exclude highly volatile liquids. FY 2004 results have been adjusted.

Overview

Introduction

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

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

The FY 2007 budget request for the Department of Transportation totals \$65.6 billion in appropriations, obligation limitations, user fees, and exempt obligations. The Department's five key strategic objectives are to: (1) improve safety; (2) increase mobility for all Americans; (3) increase global transportation connectivity in support of the Nation's economy; (4) protect the environment; and (5) support national security. These five objectives, along with furthering the goals outlined in the President's Management Agenda through organizational excellence, form the foundation for the FY 2007 budget request.

NET BUDGETARY RESOURCES BY STRATEGIC AND ORGANIZATIONAL OBJECTIVES

(DOLLARS IN MILLIONS)

FY 2007 Request ^{1/}

	TOTAL	Safety	Mobility	Global Connectivity	Environmental Stewardship	Security	Organizational Excellence
Federal Aviation Administration	13,749	9,617	3,142	36	391	173	390
Federal Highway Administration	39,822	4,717	31,466	130	3,404	17	88
Federal Motor Carrier Safety Administration	521	480	2	0	0	8	30
National Highway Traffic Safety Administration	815	806	0	0	2	0	7
Federal Transit Administration	8,875	14	8,438	1	356	43	24
Federal Railroad Administration	1,085	182	900	0	1	1	2
Research & Innovative Technology Administration	8	0	2	2	0	0	4
Bureau of Transportation Statistics [non-add]	[27]	[0]	[11]	[11]	[0]	[0]	[5]
Pipeline & Hazardous Materials Safety Administration	149	121	0	0	24	0	4
Maritime Administration	299	0	14	13	28	244	2
Saint Lawrence Seaway Development Corporation	17	0	0	17	0	0	0
Office of the Secretary	224	2	55	21	1	11	134
Office of Inspector General	64	0	0	0	0	0	64
Surface Transportation Board	23	0	11	0	0	0	12
TOTAL, Department of Transportation	65,651	15,940	44,020	219	4,206	497	759
Share of Total DOT Budgetary Resources	100%	24.3%	67.1%	0.3%	6.4%	0.7%	1.1%

1/ Totals may not add due to rounding.

Safety

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

The FY 2007 budget request proposes overall transportation safety funding of \$15.9 billion. This request will fund the aviation and surface transportation safety programs and initiatives of the Federal Aviation Administration (FAA), the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA), the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration (FRA), the Federal Transit Administration (FTA), the Research and Innovative Technology Administration (RITA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA).

Surface Transportation Safety

All told, it is estimated that 42,643 people died on the Nation's highways in 2005, down from 42,884 in 2003. The economic cost of motor vehicle crashes is estimated to be more than \$230 billion annually. Within DOT, FMCSA and NHTSA are the two operating administrations primarily focused on regulating highway safety, with FHWA supporting highway safety through its infrastructure programs. Almost exclusively, FRA's focus is on improving the railroad safety record, and PHMSA's focus is on hazardous material (hazmat) and pipeline safety.

Improve Motor Vehicle and Driver Safety. The fatality rate per 100 million vehicle-miles traveled (VMT) was 1.44 in 2004, down from 1.48 in 2003. Early estimates for 2005 show a further improvement in the highway fatality rate, dropping to 1.43. The fatality rate has been steadily improving since 1985 when 43,825 people died and the rate was 2.47. In 2004, VMT increased to 2.963 trillion, up from 2.89 trillion in 2003. A PART review of NHTSA's operations and research program indicated that steady progress has been made in reducing highway fatalities, which is evidenced by the 2004 statistics. While progress has been made, NHTSA will continue to focus on two significant areas to further reduce the overall highway fatality rate to 1.0 per 100 million vehicle-miles traveled by 2008: (1) increasing safety belt usage from 69 percent in 1998 to 83 percent in 2007, depending on how many additional States pass primary safety belt laws; and (2) reducing the rate of fatalities in high blood alcohol concentration (BAC 0.08 or above) crashes per 100 million vehicle-miles traveled from 0.61 in 1996 to 0.49 in 2007. The FY 2007 budget request includes \$231 million for NHTSA safety operations and research programs, and \$584 million for grants to States for targeted highway safety programs to counter drugged and drunk driving and to enforce safety belt use.

- ⇒ Safer and Smarter Highway and Intersection Infrastructure. FHWA's FY 2007 safety request of \$4.7 billion continues the Administration's policy of providing increased flexibility in safety funding to the States to tailor their resources to address unique factors that impact highway safety, such as highway design and operation. These funds also enable FHWA to increase its research focus on safety and concentrate efforts on reducing the number of fatalities in three types of crashes: roadway departures, crashes at or near intersections, and collisions involving pedestrians. Roadway departures, including run off-the-road and head-on crashes, accounted for 24,848 fatalities in 2005, a 3.2 percent decrease from 2004. Safer and smarter highway and intersection design and operation will remove roadside hazards and help keep vehicles on the

roadway. A total of 8,847 fatal crashes occurred in 2005 between vehicles in collisions at intersections, a decrease of 3 percent from 2004. FHWA will continue to promote the use of comprehensive intersection design and operational tools and enforcement strategies, and will assist States in improving intersection safety problems at specific locations. Pedestrian deaths declined 2.8 percent from 4,774 in 2003 to 4,641 in FY 2004. FHWA will continue to target crash causes in major urban areas and select rural locations and facilitated community-based programs that fully and safely accommodate pedestrians.

- ⇒ Improve Motor Carrier Safety. An FY 2005 PART review for FMCSA's safety grant program indicated that steady progress has been made in reducing truck-related fatalities. Further, the FY 2006 PART review for FMCSA's safety and operations programs found that FMCSA has continued to achieve reductions in the rate of fatalities involving large trucks. Preliminary data show that the large truck-related fatality rate in 2004 was 2.29 fatalities per 100 million truck vehicle-miles traveled (TVMT), which is 16 percent lower than the baseline rate of 2.81 fatalities per 100 million TVMT, established in 1996. When reviewed on a state level, some areas have achieved or exceeded the goal for reducing fatalities to a rate of no more than 1.65 fatalities per 100 million TVMT. Further, FMCSA's progress in reducing injuries in crashes involving trucks continues to be very significant. A preliminary estimate of 2004 truck-related injuries - 116,000 - represents a 5 percent decrease from 2003. The large truck injury rate of 51 per 100 million truck-miles is at the lowest level since injury data have been collected. Aggressive enforcement, FMCSA's primary safety strategy, has proven effective in reducing crashes, fatalities, hazardous materials releases, and injuries. Consistent with the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the budget request of \$521 million includes \$223 million for Motor Carrier Safety Operations and Programs to support critical motor carrier program activities to reduce crashes, save lives, and prevent injuries on our Nation's highways. The request also includes \$298 million for Motor Carrier Safety Grants to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of a Federal-State partnership aimed at meeting the Department's strategic goals and performance targets.
- ⇒ Improve Railroad Safety. An FY 2005 PART review of FRA's rail safety program showed that this program is well managed, and making good progress in achieving rail safety goals. The FY 2006 PART review of FRA's Research and Development program, with goals that also support safety, furthered these findings. The FY 2007 budget request for FRA safety includes \$181.6 million to support FRA's efforts to reduce rail-related accidents and incidents to 16.70 per million train-miles in FY 2007. By reducing accidents and incidents, there should also be a relative reduction in fatalities, injuries, and serious rail hazardous materials incidents.
- ⇒ Improve Transit Safety. Public transit is one of the safest modes of transportation, with less than 1 fatality per 100 million passenger-miles traveled. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases. To help meet this challenge, the President's budget requests more than \$13.8 million for FTA safety oversight, research projects, and associated administrative costs. These funds will also contribute to reducing the rate of transit-related injuries and incidents.
- ⇒ Improve Pipeline and Hazardous Materials Safety. An FY 2005 PART review of PHMSA's hazardous materials safety grant assistance program showed that this program is well-managed and making progress in achieving hazardous materials safety goals. Similarly, the FY 2006 PART review for PHMSA's pipeline safety program found that the program is effectively managed. In

FY 2007, \$120.8 million is requested for PHMSA to support efforts to reduce the number of natural gas and hazardous liquid pipeline incidents to 362 in FY 2007, and for PHMSA's share of the overall DOT performance target of achieving no more than 466 serious hazardous materials transportation incidents in FY 2007.

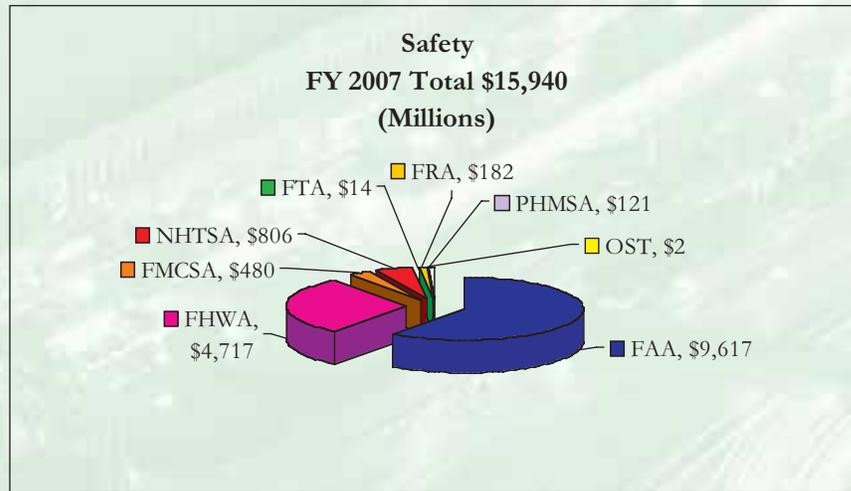
- ⇒ Alternative Fuels. For FY 2007, \$0.4 million is requested for RITA to continue its efforts, in concert with the Department of Energy and other partners, to design safe handling, transport and storage guidelines for hydrogen fuels that will enable the development of a deployable hydrogen fuel infrastructure. Included in this safety effort is the education of emergency responders for safe handling of hydrogen fuel incidents.

Aviation Safety

- ⇒ Improve Aviation Safety. This is one of the safest periods in commercial aviation history. In FY 2005, for the second year in a row, FAA achieved the lowest three-year average commercial air carrier fatal accident rate in history, with a result of 0.017 accidents per 100,000 departures. Since the last fatal jet airliner accident involving passengers in November 2001, more than two billion passengers have safely reached their destination. In FY 2007, FAA will continue working to reduce the precursors of aircraft accidents in response to the recommendations in a PART review of Air Traffic Services conducted in FY 2003, and to the Office of Inspector General's (OIG's) Aviation Safety Management Challenge for FY 2006. In FY 2005, for the fourth year in a row, serious runway incursions decreased. To better map movements on the ground and in the air, the agency plans to deploy Airport Surface Detection Equipment Model X systems at 14 airports between FY 2006 and FY 2009. FAA did not meet its target to reduce operational errors. Initiatives are underway to better understand the causes of these incidents, and to improve training, certification, and procedures for air traffic controllers, pilots and ground personnel. General aviation safety remains a concern as well. Fatal accidents increased to 350 in FY 2005, seven more than FAA's target. Programs are in place to better educate the pilot community and to deploy new technology.

The FY 2007 budget request for FAA includes \$9.6 billion to reduce U.S. commercial air carrier fatal accidents to 0.010 per 100,000 departures in FY 2007, and to reduce all general aviation fatal accidents for an annual target of 331 in FY 2007. The request also supports FAA's efforts to reduce the most serious runway incursions to a rate of 0.53 per million operations, and to reduce the most serious operational errors to a rate of 4.20 per million activities. It provides funding for inspecting aircraft, certifying new equipment, and ensuring the safety of flight procedures and the competence of airmen and women. It also includes funding for additional air traffic controllers to prepare for the projected surge in retirements over the next decade, and to ensure that adequate staffing is available and fully trained to perform this critical safety function.

DOT's Safety Performance Budget is distributed as follows:



Mobility

The President's budget request includes \$44 billion in FY 2007 to continue improvements in transportation mobility. Mobility is essential to America's economic prosperity and quality of life. In today's global economy, it is more important than ever to have seamless transitions among the modes of transportation so that people and cargo can move effectively and efficiently.

On August 10, 2005, the President signed into law SAFETEA-LU which represents the largest surface transportation investment in our Nation's history. The two landmark bills that brought surface transportation into the 21st century - the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21) - shaped the highway and transit programs to meet the Nation's changing transportation needs. SAFETEA-LU builds on this firm foundation, supplying the funds and refining the programmatic framework for investments needed to maintain and grow our vital transportation infrastructure.

SAFETEA-LU addresses the many challenges facing our transportation system today - challenges such as improving safety, reducing traffic congestion, improving efficiency in freight movement, increasing intermodal connectivity, and protecting the environment - as well as laying the groundwork for addressing future challenges. SAFETEA-LU promotes more efficient and effective Federal surface transportation programs by focusing on transportation issues of national significance, while giving state and local transportation decision makers more flexibility for solving transportation problems in their communities.

SAFETEA-LU continues a strong fundamental core formula program emphasis coupled with targeted investment, featuring Safety, Equity, Innovative Finance, Congestion Relief, Mobility & Productivity, Environmental Stewardship, and Environmental Streamlining.

The search for new and innovative solutions to our mobility challenges is strongly supported in the FY 2007 budget request with overall investment in research, development, and technology proposed at \$1.1 billion.

Surface Mobility

- ⇒ Improve Highway Infrastructure Condition and Relieve Congestion. FY 2004 and FY 2005 PART reviews for the Federal-aid Highway infrastructure program and the Federal Lands

Highway program, respectively, affirm that these programs effectively support States in maintaining the good condition of highway infrastructure and ensuring that there is sufficient capacity and access to transportation to move people and goods.

Consistent with SAFETEA-LU, the FY 2007 budget request of \$31.5 billion for FHWA mobility programs continues to improve highway infrastructure conditions and relieve congestion. The requested funds will improve pavement conditions on the National Highway System (NHS) and thus increase to 57 percent in FY 2007 the share of travel on the NHS that meets pavement performance standards for a "good"-rated ride. Additional funding will be used to limit the growth in total annual urban-area road travel that occurs in congested conditions. The goal in FY 2007 is to slow the annual rate of increase below a projected 0.7 percent. Within the mobility budget request are funds for an infrastructure performance and maintenance initiative, which targets "ready-to-go" highway projects that address traffic bottlenecks and improve infrastructure conditions. The NHS is comprised of the most important national routes for trade and commerce, including all Interstates and over 68 percent of other principal arterials. While the NHS accounts for only 4.1 percent of total road mileage in the United States, it handles 44.3 percent of total vehicle-miles traveled. Improving the condition of highways and bridges is critical to transportation mobility and key indicators of system performance. Consequently, the condition of the NHS significantly impacts congestion, wear-and-tear on vehicles and fuel consumption.

- ⇒ Restructure Intercity Passenger Rail Service. The Administration called for real reform of Amtrak and intercity passenger rail in its FY 2006 budget. The Administration's efforts to reform Amtrak and fundamentally change the manner by which intercity passenger rail services are provided are beginning to show progress. This last year the Amtrak Board of Directors committed to ambitious reform improvements; a new management team is being put in place with a mandate to reshape the company; and Congress provided tools that will enable DOT to oversee and promote necessary changes. Nevertheless, much more action is required to remedy Amtrak's entrenched and well-documented problems. The FY 2007 Budget proposes a Federal subsidy of \$900 million for Amtrak, primarily for capital and transitional assistance. This amount would support continued intercity passenger rail service, but would also require that Amtrak undertake meaningful reforms and control spending.
- ⇒ Increase Transit Ridership and Improve Access to Transportation Services. FY 2005 and FY 2006 PART reviews for the capital investment (New Starts) and formula transit grant programs affirm that these programs are well managed and effective in meeting the demand for transit in communities nationwide. FTA requires all New Starts projects to conduct a rigorous "Before and After Study" to document the impact of the project on ridership and other performance indicators. In communities that have completed New Starts projects, significant regional transit ridership growth has been demonstrated after the beginning of revenue operations.

Consistent with SAFETEA-LU, the Department of Transportation is requesting more than \$8.4 billion for FTA to: increase by at least 1 percent the average yearly number of transit boardings per transit market adjusted for changes in employment; increase in FY 2007 the number of employment sites made accessible by Job Access and Reverse Commute (JARC) transportation services; maintain the proportion of bus fleets that are compliant with the Americans with Disabilities Act (ADA) at 97 percent in FY 2007; and increase to 93 percent in FY 2007 the proportion of key rail stations that are ADA-compliant. Transit formula programs are essential to maintaining and upgrading the condition and performance of the Nation's transit infrastructure

so that America's transit systems continue to move millions of people safely and efficiently every day, thereby reducing congestion, facilitating economic development, and connecting people to their jobs and communities. Transit ridership during fiscal year 2005 increased by 1.4 percent compared to last year - more than double the increase in fiscal year 2004. This equates to an increase in the number of transit boardings nationwide by 126 million riders. Consistent with the national commitment to improve coordination and access to specialized transportation, the President signed Executive Order 13330 on Human Service Transportation Coordination in February 2004 to improve human service transportation coordination for individuals with disabilities, older adults, and people with lower incomes. The Executive Order established the Interagency Transportation Coordinating Council on Access and Mobility (CCAM), chaired by Secretary of Transportation Norman Y. Mineta, that includes 11 Federal Departments, representing 62 Federal programs that support transportation for people with disabilities, older adults, and individuals with lower incomes. This past year, the Council released a report to the President, "United We Ride", which includes a comprehensive action plan and five overarching recommendations related to: 1) coordinated planning; 2) vehicle sharing; 3) cost sharing; 4) reporting and evaluation; and 5) demonstration projects. The Council is currently working on transportation related issues for emergency preparedness for the targeted populations as a result of the 2005 Hurricane events.

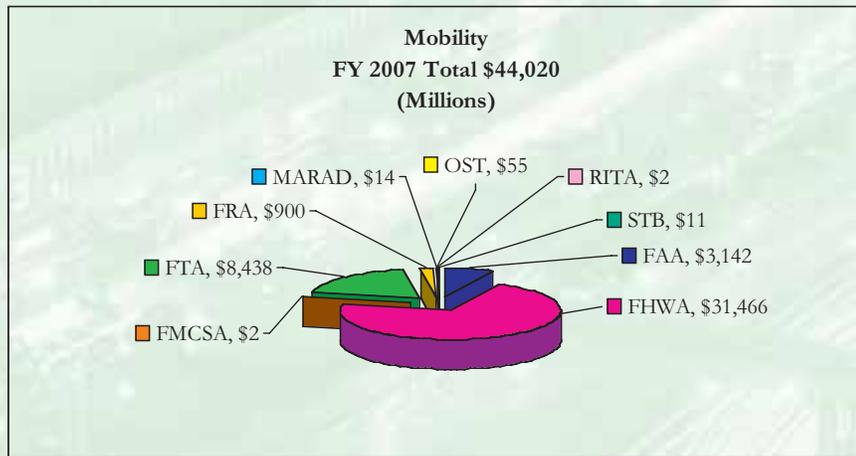
Aviation Mobility

The aviation industry is responsible for moving people and products, and it contributes approximately \$900 billion to our economy. Over two million people a day travel on our Nation's airlines and more than one-third of the value of all goods is moved by air. Air travel returned to pre-9/11 levels in FY 2005, and is on track to reach more than one billion passengers by 2015. By FY 2007, air carrier, commuter, and air taxi operations are anticipated to increase approximately 12 percent from FY 2004. We cannot afford to reduce our commitment to investing in the Nation's air traffic control system and our airports.

- ⇒ Improve Access to Transportation Service. To allow Americans living in rural areas to have reasonable access to air travel, the Department of Transportation's FY 2007 budget request assumes that \$50 million of overflight fees collected by the FAA will fund a program managed by the Office of the Secretary to make payments to air carriers serving rural airports.

- ⇒ Improve NAS On-Time Arrival Performance. To achieve an on-time arrival rate of 87.4 percent of flights in FY 2007, the President's budget requests \$3.1 billion, primarily for FAA Facilities and Equipment (F&E) and Airport Improvement Grants. This includes F&E funds to replace obsolete radars and to continue automating terminal control facilities, and \$31.7 million for oceanic automation to improve flight route flexibility. Programs that will form the core of the Next Generation Air Transportation System (NGATS) are also funded, including \$24 million to develop an internet-like System-Wide Information Management network, and \$80 million to begin implementing Automatic Dependent Surveillance Broadcast technology throughout the National Airspace System. The Joint Planning and Development Office (JPDO), a multi-agency task force assembled to address future capacity needs, is charged with overseeing the NGATS project. \$18 million is included in FY 2007 Research, Engineering and Development (RE&D) funding to support the JPDO. The FY 2007 Airport Improvement Program request includes \$976 million aimed at enhancing capacity, largely through the building and maintaining of runways. OMB's FY 2004 PART review for the Airport Improvement Grants program affirmed that this program is well managed and effective in providing support to airport authorities for moving people and goods.

DOT's Mobility Performance Budget is distributed as follows:



Global Connectivity

The U.S. and global transportation systems are inextricably linked to the Nation's economic growth. Transportation is a key economic and productivity enabler, connecting people with work, school, and community services, and connecting American enterprise with domestic and global markets. The U.S. transportation system handles about 5 trillion passenger-miles of travel and 4.4 trillion ton-miles of freight every year - generated by more than 293 million people and 7.2 million businesses.

An intermodal domestic and international approach is central to DOT's role in promoting global connectivity. For the freight industry, efficient connections between transportation modes, and efficient transport within each mode, are essential to the competitive position of U.S. products in global markets. Increasing foreign trade requires transportation system capacity around our ports and borders. The U.S. freight system currently carries about 19 billion tons of cargo each year that has a value of \$13 trillion, and forecasts suggest a 70 percent increase in tonnage of general cargo and international trade movements, and a tripling of freight by value by 2020.

Our strategies to address transportation in the global economy have two synergistic thrusts: (1) opening international transportation markets; and (2) the improvement of essential, intermodal transportation linkages. Both are needed to achieve the outcomes that will yield better global connectivity and a more competitive, cost-effective transportation marketplace. The FY 2007 budget request includes \$219 million to meet this challenge.

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

- ⇒ Increase International Aviation Service. The 2007 budget requests \$6.3 million for the Office of the Secretary to increase opportunities for air transportation consumers traveling in international markets by expanding open skies and open transborder aviation agreements. The domestic airline industry continues to undergo major changes, and international deregulation, which poses even more complex and controversial issues, is barely underway. Common to all of the aviation issues currently facing DOT is the need for in-depth and intensive analysis of airline practices, mergers, and international alliances. As the United States moves towards a multilateral approach to air service agreements, the Department of Transportation is seeking an understanding of the long-term trends in the airline industry's operating and competitive structures in order to formulate and execute effective negotiating strategies that will ensure pro-competitive liberalization.

- ⇒ Preserve and Enhance U.S. Maritime Connections with the International Community. The budget request includes \$13 million for maritime programs that preserve and enhance our maritime connections with the global marketplace. The budget request will allow MARAD to ensure that Federal agencies and other shippers of government-funded cargoes comply with cargo preference laws designed to assure appropriate use of U.S.-flag ships to transport abroad certain government funded cargoes. MARAD also continues its efforts to reduce and eliminate international trade barriers that impede the competitiveness of U.S. shipping companies in the international market, and to license additional offshore, deepwater entry points for liquid natural gas and petroleum imports.
- ⇒ Increase U.S. mass transportation industry access to international markets. The budget includes \$0.9 million for the FTA to promote human capacity building in developing countries, which not only benefits those countries, but also helps develop future markets for U.S. transit goods and services. In FY 2007, the FTA will continue to carry out activities to inform and educate the American public transportation industry about international best practices and technologies. Also, the FTA will provide participating companies unparalleled access to senior decision-makers in foreign markets through our trade missions and other trade-related events.

Efficient movement of cargo throughout the domestic and international supply chain

- ⇒ Increase Freight Travel Efficiency. Consistent with Secretary Mineta's Freight Action Plan, the budget request includes funding of \$133.8 million in FY 2007 for FHWA, RITA, FMCSA and the Office of the Secretary to improve global connectivity in freight, reduce travel time in major freight corridors, and reduce border-crossing delays. FHWA programs include the border and corridor programs, which work together to reduce bottlenecks in and around seaports and land borders with Canada and Mexico, and parts of the Intelligent Transportation Systems program for improved freight technology, efficiency, and security. This request also includes funds being requested by FHWA and RITA to improve the quality and availability of freight data, freight professional capacity-building efforts, and freight technology development and evaluation.
- ⇒ Maintain a High Level of Seaway System Availability. The FY 2007 budget request includes \$17.3 million for the Saint Lawrence Seaway Development Corporation (SLSDC) to maintain 99 percent system and lock availability in the U.S. portion of the St. Lawrence Seaway during the navigation season. The SLSDC achieved its goal in FY 2005 at 99.7 percent system availability. In FY 2007, the agency will continue to perform operations, maintenance, and capital infrastructure improvements on the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie to ensure the reliability and availability of the commercial waterborne route.

Harmonized and standardized regulatory and facilitation requirements

- ⇒ Increase the Standardization and Harmonization of Transportation Standards and Practices. The Department of Transportation is requesting \$38.5 million in FY 2007 for FAA and the Office of the Secretary to increase the number of bilateral and multilateral agreements that promote aviation safety by enhancing international cooperation and efficiency in civil aviation. FAA will continue to promote increased external funding for training and technical assistance programs that help civil aviation authorities around the world meet international safety standards. FAA will also continue to work with its international partners and the International Civil Aviation Organization to harmonize global technological standards, and to expand the use of global satellite navigation systems.

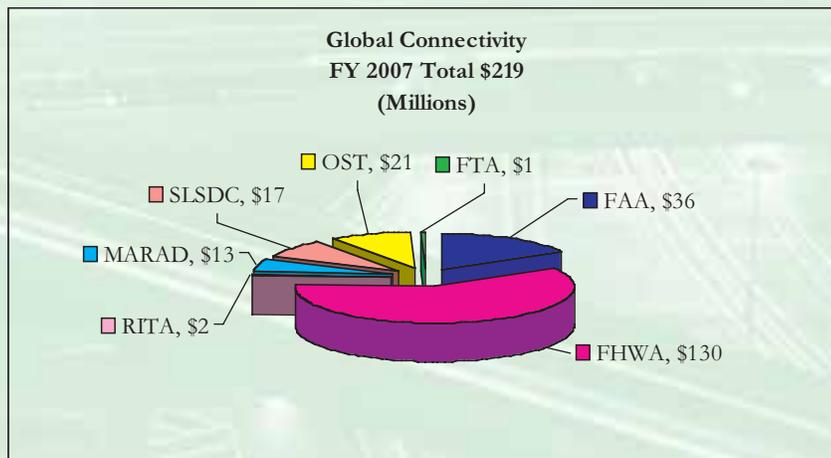
Achieve the most competitive, cost-effective, and efficient environment for passenger travel

- ⇒ Improve the efficiency and cost-effectiveness of passenger travel. The budget includes \$5.2 million for the Office of the Secretary to promote the opening of transportation markets to competition through multilateral or regional agreements in FY 2007.

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

- ⇒ Increase Opportunities for Small Disadvantaged (SDB) and Women-Owned Businesses (WOB). The budget request includes \$5.1 million for outreach and technical assistance to small businesses in general, including disadvantaged and women-owned businesses. These resources will promote the awarding of DOT direct contracts to both SDB and WOBs in FY 2007. WOBs do not have a special set-aside authority allowing them to compete in a restricted market for Federal procurements. Therefore, WOBs must successfully compete with other small businesses for small business set-aside procurements or with all businesses for full and open procurements. To assist WOBs to successfully compete, DOT and the Office of Small and Disadvantaged Business Utilization (OSDBU) conduct outreach, training and offer financial assistance.

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



Environmental Stewardship

Safe and efficient transportation makes our communities more livable, enhancing the quality of our lives and our society. At the same time, transportation generates pollution and noise, and uses valuable land and aquatic habitat on which fisheries depend. In 2002, on-road transportation sources accounted for 55 percent of carbon monoxide emissions, 35 percent of nitrogen oxide emissions, 27 percent of volatile organic compound emissions, and 1 percent of particulate matter emissions. Total on-road mobile source emissions declined from 112 million tons in 1993 to 74 million tons in 2002, marking a 33 percent improvement in a decade. No matter how much is done to improve the capacity and efficiency of our transportation system, we cannot consider our programs to be successful unless we also manage the effects of transportation on our environment and our quality of life.

DOT's objective is to reduce the time it takes to gain benefits from transportation projects while minimizing negative environmental impacts. The FY 2007 budget request includes \$4.2 billion in funding to continue progress in achieving our environmental outcomes. This will require further streamlining of the environmental review process and greater emphasis on program level and major-project oversight activities in conjunction with the Federal, State and local agencies involved.

Reduce pollution and other adverse environmental effects of transportation

- ⇒ Reduce the Impacts of Transportation on Ecosystems. The budget request includes \$136.1 million for FHWA in FY 2007 to increase the number of Exemplary Ecosystem Initiatives (EETs) undertaken to at least 30. An EET is an action or measure that will help sustain or restore natural systems and their functions and values, using an ecosystem or landscape context. Examples include mitigation projects that support wildlife movement and habitat connectivity, the development of watershed-based environmental assessment and mitigation approaches, the use of wetland banking, and the use of special measures to prevent invasive species along highway right-of-ways.

FHWA will support activities in the States to improve highway planning and project development, thereby enhancing the scenic beauty of facilities, promoting native habitat conservation, protecting wildlife populations, and reducing impacts on land and water resources in general. Funds will also be used for research, technical assistance, and public education initiatives to support further implementation of exemplary ecosystem and habitat conservation initiatives.

- ⇒ Reduce Emissions. The President's budget request includes funding of \$1.9 billion in FY 2007 for FHWA, FRA, FTA, OST, and MARAD for environmental programs that help to reduce emissions. One of DOT's performance goals for FHWA and FTA is to ensure that the 12-month moving average of the number of areas with transportation emissions conformity lapses in FY 2007 is no greater than six. DOT aims to reduce mobile source emissions by encouraging the use of less polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and supporting the development of fuel- and emission-efficient vehicles. FHWA and FTA will fund improvement projects in States to ease congestion, reduce emissions, improve highway planning, and expand transportation options. Funds will also be used for research, technical assistance, and public education initiatives to improve air quality. In 2006, MARAD will implement an Environmental Management System and continue to work to mitigate air quality problems and evaluate ballast water treatment technologies.
- ⇒ Reduce Pipeline Spills. The budget request includes \$24.2 million in FY 2007 for PHMSA to ensure that the amount of hazardous liquid materials spilled per million ton-miles shipped by pipelines in FY 2007 is no greater than 0.0057 tons. To reduce pipeline failures, thereby reducing hazardous liquids spills from pipelines, PHMSA reviews the compliance of large hazardous liquid pipeline operators subject to PHMSA's Integrity Management Program (IMP). PHMSA will increase IMP reviews to 75 percent of pipeline miles operated by the Nation's 65 largest hazardous liquid pipeline operators, accelerate integrity testing, comprehensively evaluate all pipeline risks, and strengthen Federal and State pipeline safety oversight. Testing, evaluation, and repair will result in finding and solving problems before they lead to failures, thereby directly supporting the goal of reducing spills. These initiatives support the National Energy Policy for energy infrastructure growth by improving the integrity of, and public confidence in, existing pipeline infrastructure.
- ⇒ Limit Exposure to Aviation Noise. The budget request includes \$298 million for FAA in FY 2007 to ensure that the number of people in the United States who are exposed to significant aircraft noise levels a Day/Night Average Sound Level (DNL) of 65 decibels or more continues to decline. FAA will address the environmental impacts of airport projects, primarily aircraft

noise. FAA will also provide expertise and funding to assist in abating the impacts of aircraft noise in neighborhoods surrounding airports by purchasing land, relocating persons and businesses, soundproofing residential homes or buildings used for educational and medical purposes, purchasing noise barriers and monitors, and researching new noise prediction and abatement models and new technologies.

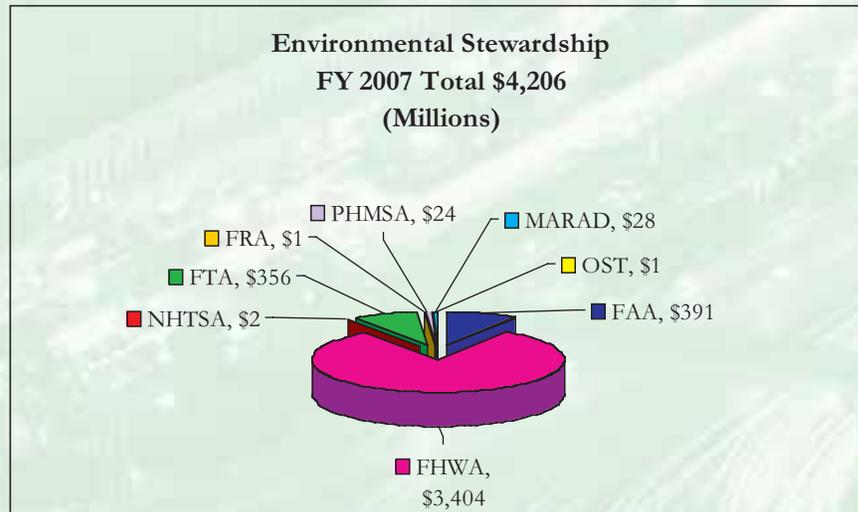
- ⇒ Clean Up DOT Facilities. The budget request includes \$88.6 million for FAA and MARAD in FY 2007 to ensure that the percentage of DOT facilities categorized as No Further Remedial Action Planned (NFRAP) under the Superfund Amendments and Reauthorization Act (SARA) is no less than 93 percent in FY 2007. Facility cleanup will comply with the SARA process and the requirements of the National Oil and Hazardous Substances Pollution Contingency Plan. A "worst first" prioritization system is used to assign higher priority to those facilities representing the greatest potential hazard to the public health and the environment.

Regulatory factors at the local, State, and Federal levels are also considered in the decision-making process. FAA funds pollution prevention; complies with occupational safety, health and environmental regulations; promotes good energy management practices; and conducts environmental impact analyses. In addition, MARAD conducts an obsolete ship disposal program in support of DOT's strategy to improve DOT-owned or controlled facilities. In 2007, MARAD proposes to remove approximately 13 ships from the reserve ship fleet sites for disposal, and to continue pre-decommissioning activities on the Nuclear Ship SAVANNAH radiological remediation project. These pre-decommissioning activities include: development and solicitation of the industrial decommissioning and disposal contract and continued decommissioning license amendment activities with the Nuclear Regulatory Agency and the public.

Improve timeliness of environmental review for federally funded infrastructure projects

- ⇒ Improve Project Review Efficiency. The budget request includes \$1.7 billion of funding in FY 2007 for FAA and FHWA to streamline the completion of an environmental impact statement or environmental assessment on all infrastructure projects. The overall performance target is to reduce the median time for completing an environmental impact or environmental assessment on all DOT-funded infrastructure projects to 30 months in FY 2007, and to reduce the percentage of Environmental Justice cases that remain unresolved after one year to 35 percent in FY 2007. Executive Order 13274 contains a mandate for DOT to reduce the time required for decision-making for transportation infrastructure projects. Environmental reviews consume a significant amount of time in project review and final decisions. A key challenge to DOT's stewardship of the environment vis-à-vis the Nation's transportation system is to strike a better balance between adding capacity and doing so at the smallest reasonable impact to the human and natural environment. Executive Order 12898 directs each Federal agency to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations. To achieve this objective, DOT operates under existing authorities, such as the National Environmental Policy Act (NEPA) and Title VI of the Civil Rights Act of 1964. DOT's Environmental Justice policy incorporates these considerations in all DOT programs, policies, and activities.

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



Security

The Department of Transportation is responsible for ensuring that the national transportation system remains operational in the face of natural and man-made disasters. DOT operational emergency management programs have three key facets: emergency preparedness, response, and recovery. Activities in these three facets include domestic and international coordination and planning. For example, DOT is participating in interagency and international planning to mitigate the impact of a pandemic or terrorist event on the security of the national transportation system and the security of the United States. The international planning is with our partners in the North Atlantic Treaty Organization (NATO) and Mexico.

In addition, DOT also manages the Civil Reserve Air Fleet program and operates the Ready Reserve Force in support of the Department of Defense's strategic airlift and sealift needs. DOT coordinates with the Departments of Defense and Homeland Security, as well as State, local, and tribal governments, and private sector partners, to ensure that DOT's core competencies are used to meet critical transportation needs during any contingency. This involves such tasks as:

- ⇒ providing transportation to Federal, State and local entities to move resources to a disaster site;
- ⇒ coordinating DOT's role in select international contingency planning and response initiatives;
- ⇒ assisting in the design and implementation of alternate transportation services, such as mass transit systems, to replace system capacity temporarily lost to disaster damage; and
- ⇒ coordinating the clearing and restoration of transportation infrastructure.

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

- ⇒ Increase Overall Resilience of the National Transportation System. The FY 2007 budget requests \$253.4 million to improve the overall readiness of the Department to respond to acts of intentional harm and natural disasters and to prepare for a rapid recovery from such events.
- ⇒ FAA insures the operability of the national airspace through the facilities, equipment and personnel of the air traffic control system, which is essential to the rapid recovery of transporta-

tion services in the event of a national crisis. The budget request includes \$173 million to continue upgrading and accrediting facilities, procure and implement additional security systems, and upgrade the Command and Control Communications equipment.

- ⇒ FHWA works with a number of DOT agencies and the Department of Homeland Security (DHS) and its Transportation Security Administration to improve highway-related security by assessing the vulnerability of critical highway infrastructure and developing measures to reduce vulnerability, ensuring State and local highway departments are prepared to respond to attacks on the highway system, improving the readiness of military and civilian authorities to support military deployments, and conducting security-related research. The budget request for FHWA's security activities include funding for research, vulnerability assessments, emergency operations, and preparedness.
- ⇒ FTA, in coordination with the Transportation Security Administration, works with transit agencies to enhance the security of public transportation systems. By FY 2007, FTA will implement a Memorandum of Understanding with DHS and promulgate a joint rulemaking with DHS to award transit security grants as required in SAFETEA-LU. The Department of Transportation is requesting \$42.4 million to ensure that transit agencies address security needs and to provide assistance in the areas of emergency preparedness, employee training, and public awareness.
- ⇒ DOT's Office of Intelligence, Security, and Emergency Response has primary responsibility for DOT preparedness, response, and recovery programs. This office develops and participates in training and exercise programs to ensure staff are prepared to respond appropriately when a disaster occurs. The Office of Intelligence, Security, and Emergency Response operates a continuity of operations/government program to ensure that essential Secretarial functions can continue at an alternate site if Departmental facilities have been impacted or disrupted. Further, staff in the Department's Crisis Management Center monitor the national transportation system for any type of disruption, provide information to senior management, and operate communications resources to assist DOT in effectively responding to problems in day-to-day operations and emergency response. DOT also contracts for transportation for all of the supplies, equipment, and personnel used by the Federal Emergency Management Agency (FEMA) in responding to disasters. The budget request includes \$4.4 million for security-related activities of OST to improve DOT's ability to carry out essential national functions at the alternate site and to make improvements to the Crisis Management Center. The goal is to increase the Transportation Capability Assessment for Readiness rating for emergency preparedness from 65 in FY 2005 to 75 in FY 2007.
- ⇒ FMCSA works in concert with the Transportation Security Administration to establish protocols that will enhance the security of commercial motor vehicle transportation, particularly the security of commercial motor vehicles carrying hazardous materials. The budget request includes approximately \$8 million to continue security compliance reviews of hazardous materials carriers and to continue an outreach initiative that communicates threat characteristics and security advice to commercial motor vehicle drivers, carriers and law enforcement agencies.
- ⇒ The U.S. railroad system carries approximately 40 percent of the ton-miles of freight in the United States, making it imperative that the FRA reduce the vulnerability of the railroad infrastructure and systems to physical and cyber attack. The budget request includes \$0.8 million to coordinate all FRA-related security projects in addition to responding to notifications of bomb threats and criminal acts against railroads as they are reported to the National Response Center.

Personnel monitor FRA's accident/incident database for reported acts of vandalism, sabotage, criminal mischief, and/or other malicious, intentional acts of destruction. FRA personnel also provide information to railroads regarding terrorist activity and threats or acts against rail transportation.

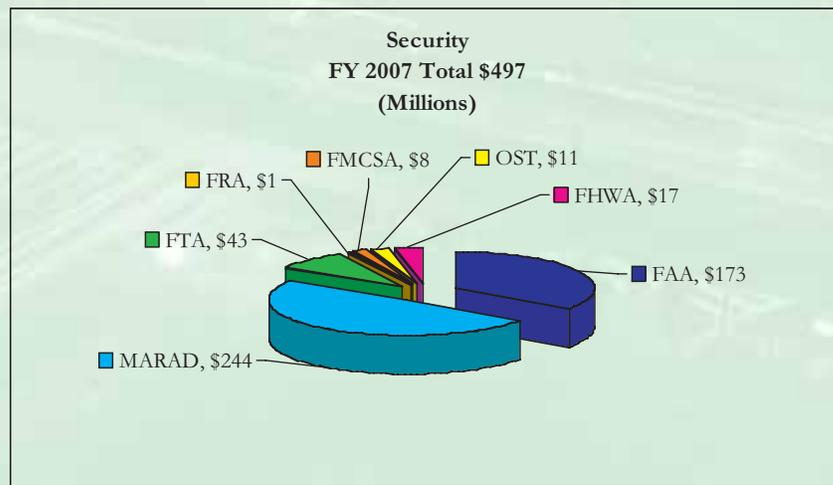
- ⇒ The SLSDC is a critical transportation link to and from the agricultural and industrial heartland of the United States. A shutdown of any one of the Seaway's 15 U.S. and Canadian locks due to a security-related event or lock malfunction or failure would stop operations through the St. Lawrence Seaway System and severely disrupt traffic throughout the entire Great Lakes. The budget request includes \$0.3 million to continue SLSDC's physical security program around the U.S. Seaway lock facilities.

National Security Contingency Sealift

- ⇒ Ensure the Availability of Contingency Strategic Sealift. The FY 2007 budget request includes \$243.5 million to achieve the goal that 94 percent of DOD-required shipping capacity, complete with crews, be available within mobilization timelines in FY 2007; and to maintain the availability of at least 93 percent of the DOD-designated commercial ports for military use within DOD established readiness timelines in FY 2007.

MARAD works closely with the Department of Defense to provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD ensures that strategic port facilities are available and ready to move military cargo smoothly through commercial ports during DOD mobilizations. Through the Maritime Security Program, the Voluntary Intermodal Sealift Agreement program, the Ready Reserve Force, and the War Risk Insurance program, MARAD assures that DOD has access to commercial sealift capacity to support the rapid deployment of U.S. military forces. MARAD's contribution to Operation Enduring Freedom and Operation Iraqi Freedom underscores the critical importance of readiness to meet national security needs. With DOD approval, ships from the Ready Reserve Force are also available to participate as part of a DOT emergency response team for natural disaster recovery efforts in coastal areas. The U.S. Merchant Marine Academy and six State Maritime Schools continue to provide the skilled U.S. merchant marine officers essential to the success of DOT's security activities.

The DOT Security Performance Budget is distributed as follows:



President's Management Agenda - Organizational Excellence

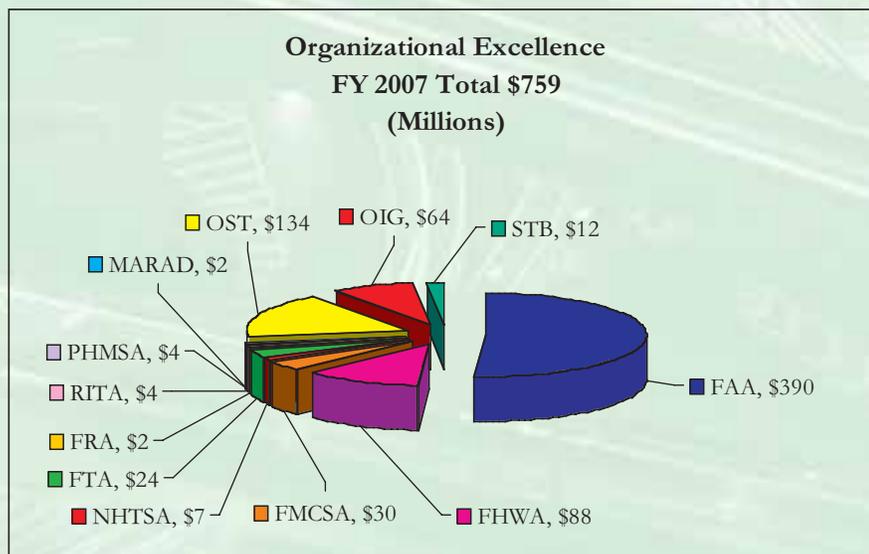
With approximately 56,000 employees and hundreds of programs, DOT faces significant challenges regarding customer satisfaction, employee effectiveness, and organizational performance and productivity. The FY 2007 budget requests an overall \$747 million, including \$12.3 million in the Office of the Secretary, to strengthen the management of the Department's large information technology investment portfolio and to improve the American public's access to information and services through electronic government. Also included is \$59.4 million to finance the FY 2007 costs for the new Department headquarters building that will consolidate headquarters operating functions into efficient leased office space.

Organizational Excellence

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

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

The DOT Organizational Excellence Performance Budget is distributed as follows:



Conclusion

DOT's goal is to provide the resources necessary to support our Nation's transportation system. The funding requested for FY 2007 will help improve transportation safety, enhance homeland and national security, maintain and expand our transportation infrastructure and increase its capacity, reduce environmental degradation, and improve the quality of life for all citizens. The following pages provide highlights of the budget request by DOT operating administration.

FEDERAL AVIATION ADMINISTRATION

Overview: The Federal Aviation Administration's (FAA) mission is to promote aviation safety and mobility by building, maintaining, and operating the Nation's air traffic control system; overseeing commercial and general aviation safety through regulation and inspection; and providing assistance to improve the capacity and safety of our airports. The 2007 budget request of \$13.7 billion for the FAA reflects the Administration's commitment to increase the performance and capacity of our aviation system.

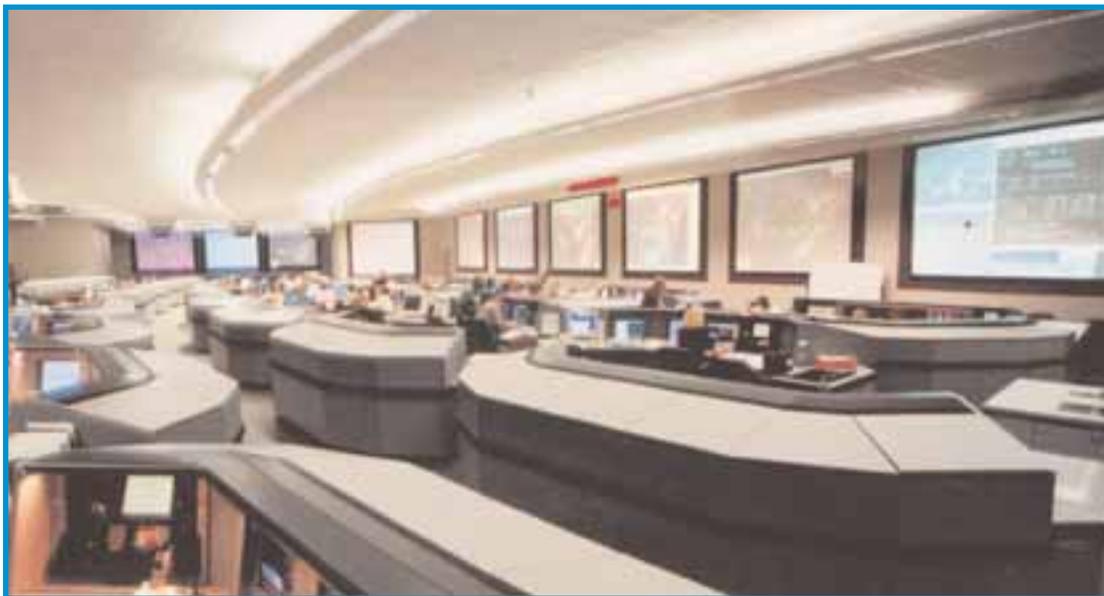
FEDERAL AVIATION ADMINISTRATION BUDGET			
(DOLLARS IN MILLIONS)			
	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
OPERATIONS	7,707	8,104	8,366
FACILITIES & EQUIPMENT	2,525	2,555	2,503
RESEARCH, ENGINEERING, AND DEVELOPMENT	130	137	130
AIRPORT GRANTS (OBLIGATION LIMITATION)	3,467	3,515	2,750
AIRPORT GRANTS (OTHER BUDGET AUTHORITY-HURRICANE RELIEF)	<u>25</u>	<u>0</u>	<u>0</u>
TOTAL	13,853	14,310	13,749

SUMMARY OF FAA FY 2007 INCREASES AND DECREASES					
(DOLLARS IN MILLIONS)					
	<u>Operations</u>	<u>Facilities & Equipment</u>	<u>Research, Engineering & Development</u>	<u>Airport Grants (Ob Lim)</u>	<u>Total</u>
FY 2006 Base	8,104	2,555	137	3,515	14,310
Pay Inflation Adjustments	228	16	1	2	247
Non-Pay Inflation Adjustments	46	4	0	0	50
Annualization of FY 2006 Initiatives	30	3	0	1	34
Non-recurring Costs or Savings	-219	0	0	0	-219
Base Re-engineering, Reductions or Adjustments	137	-75	-8	-770	-716
FY 2007 Current Services Levels	8,325	2,503	130	2,748	13,706
Program Initiatives	<u>41</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>43</u>
FY 2007 Request	8,366	2,503	130	2,750	13,749

FY 2007 Budget

Operations: The FY 2007 budget requests \$8.4 billion for FAA Operations. Most of the funds requested for FAA Operations in FY 2007 support the goal of maintaining and increasing aviation safety, reflecting the President's commitment in this area. Other significant amounts support mobility and security.

- ⇒ **Safety** - \$7.6 billion includes all funding for inspecting aircraft and ensuring the safety of flight procedures. This includes an increase of \$18.2 million to hire and train 1,136 air traffic controllers, resulting in a net gain of 132 controllers; \$8 million to expand the Air Transportation Oversight System, \$4.8 million for new aviation safety requirements; and \$5.7 million for future aviation safety initiatives. The budget supports continued development of the Air Traffic Organization (ATO), which was formed in FY 2004 to improve the delivery of air traffic services by adopting "best business-like" practices. It also includes funding for operating and maintaining the air traffic control system, developing a replacement air traffic data and telecommunications system, commercial space transportation, and a share of agency overhead support costs.
- ⇒ **Mobility** - The request includes \$480.9 million to improve air traffic efficiency by various means, including improving the flow of air traffic through better airspace design.
- ⇒ **Other** - The request includes \$242.6 million to promote other goals, most notably global connectivity, environmental stewardship, security, and, improvements in organizational excellence.



Facilities and Equipment: The FAA requests \$2.5 billion to continue to improve and modernize the equipment central to the NAS. The request includes:

- ⇒ **Safety** - \$479.7 million for projects that support safety performance goals to reduce aviation fatalities, such as improvements to weather sensing and reporting systems, safety information databases and computer systems to assist safety inspections, improvements to flight services for general aviation, and runway incursion research and new technology.
- ⇒ **Mobility** - \$1.7 billion for projects to support mobility goals to reduce aircraft delays, such as replacement of older radars, oceanic automation to improve flight route flexibility, and significant infrastructure improvements to reduce outages caused by older, less capable facilities and equipment.

- ⇒ Global Connectivity - \$3.7 million for projects to support navigation aids.
- ⇒ Environmental Stewardship - \$61.9 million for projects to support environmental performance goals, such as replacing fuel tanks at FAA facilities, removing environmental hazards, and cleaning up hazardous materials at identified sites.
- ⇒ Security - \$57.2 million for projects to support security goals, including \$45 million for security of NAS facilities.
- ⇒ Organizational Excellence - \$237.5 million for projects to support telecommunications infrastructure and competitive sourcing initiatives.



Research, Engineering, and Development: The budget requests \$130 million, including \$88 million for continued research on aviation safety issues. The remaining research funding is for mobility and environmental issues, including \$18 million for the Joint Planning and Development Office.

Grants-in-Aid for Airports: The budget request includes \$2.75 billion for planning and development of the Nation's airports, including grants for security, safety, capacity, and noise-reduction projects. Funding also includes \$75 million for administrative expenses, and \$17.9 million for airport technology research.

FEDERAL AVIATION ADMINISTRATION FACILITIES AND EQUIPMENT

(Dollars in Millions)

Safety

Wide Area Augmentation System	122.4
Airport Surface Detection Equipment - Model X	63.6
Safety Database and Computer Systems	36.4
Safe Flight 21	43.7
Automatic Dependent Surveillance-Broadcast (ADS-B) Implementation	80.0
Advanced Technology	15.6
Other (including mission support)	32.1
Personnel compensation, benefits, and travel	85.8

Mobility

Traffic Management Advisor	37.6
Oceanic Automation	31.4
En Route Automation	407.4
Terminal Automation	93.4
Terminal Digital Radar	44.1
Improve Weather Systems	30.3
Improve Communications	57.5
Infrastructure Improvements	231.2
Other (including mission support)	432.6
Personnel compensation, benefits, and travel	297.6

Global Connectivity

Visual Nav aids-Replace VASI with PAPI	3.0
Personnel compensation, benefits, and travel	0.7

Environmental Stewardship

NAS Facilities OSHA Standards	25.0
Replace Fuel Tanks	5.8
Hazardous Materials Clean-Up	20.0
Personnel compensation, benefits, and travel	11.1

Security

Facility Risk Management	25.0
NAS Recovery Communications	10.0
Information Security	12.0
Personnel compensation, benefits, and travel	10.2

Organizational Excellence

Telecommunications Infrastructure	28.0
Other	167.0
Personnel compensation, benefits, and travel	42.5

Total	2,503.0
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FEDERAL HIGHWAY ADMINISTRATION

Overview: The mission of the Federal Highway Administration (FHWA) is to enhance the quality and performance of our Nation's highway system and its intermodal connectors through innovation, leadership and public service. Highways are the critical link in our Nation's transportation system, as virtually every trip we take and every good consumed passes over a road at some point. Our challenge is to preserve and improve the 160,000 mile National Highway System, which includes the Interstate System and other roads of importance for national defense and mobility, while also improving highway safety, minimizing traffic congestion, and protecting the environment on these and other key facilities. Through surface transportation programs, innovative financing mechanisms, and increased use of innovative pavement and highway operational technology, FHWA will increase the efficiency by which people and goods move throughout the Nation, and improve the efficiency of highway and road connections to other transportation modes. The FY 2007 budget request of \$39.1 billion in obligation limitation will allow the FHWA to address these challenges.

FEDERAL HIGHWAY ADMINISTRATION BUDGET (DOLLARS IN MILLIONS)

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION	33,306 ^{1/}	35,551 ^{2/}	38,244
REVENUE ALIGNED BUDGET AUTHORITY (RABA)	0	0	842
RABA TRANSFER TO FMCSA	0	0	-4
SUBTOTAL: FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION	33,306	35,551	39,083
EXEMPT MANDATORY FEDERAL-AID HIGHWAYS	739	739	739
EMERGENCY RELIEF PROGRAM ^{3/}	1,937	2,750	0
LIMITATION ON ADMIN EXPENSES [NON-ADD]	[341]	[361]	[373]
OTHER ^{4/}	<u>113</u>	<u>20</u>	<u>0</u>
TOTAL	36,095	39,060	39,822

^{1/} Reflects \$959 million flex funding transfer to FTA and \$155 million transfer to NHTSA per P.L. 108-447. FY 2005 actual transfer to NHTSA was \$130 million; the remaining \$25 million was transferred in FY 2006.

^{2/} Reflects \$121 million transfer to NHTSA per P.L. 109-115.

^{3/} FY 2005 was funded through the Highway Trust Fund; FY 2006 is a General Fund appropriation.

^{4/} Includes Misc. Appropriations, Misc. Highway Trust Funds, and Appalachian Development Highway System.

SUMMARY OF FEDERAL-AID HIGHWAYS FY 2007 INCREASES AND DECREASES (DOLLARS IN MILLIONS)

	Federal-aid Highways Obligation <u>Limitation</u>	Exempt Mandatory Federal-aid <u>Highways</u>	<u>Total</u>
FY 2006 Base	35,551	739	36,290
Pay Inflation Adjustments	4	0	4
Non-Pay Inflation Adjustments	1	0	1
Annualization of FY 2006 Initiatives	1	0	1
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	776	0	776
FY 2007 Current Services Levels	36,333	739	37,072
Program Initiatives	1,908	0	1,908
Revenue Aligned Budget Authority (RABA)	<u>842</u>	0	<u>842</u>
FY 2007 Request	39,083	739	39,822

FY 2007 Budget

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted August 10, 2005, provides for increased transportation infrastructure investment, strengthens transportation safety programs and environmental programs, and continues core research activities. SAFETEA-LU, along with Title 23, U.S.C. ("Highways") and other supporting legislation, provides authority for the various programs of the Federal Highway Administration designed to improve highways throughout the Nation. The President's Budget for FY 2007 continues transportation infrastructure investment to increase the mobility and productivity of the Nation, strengthens transportation safety programs, and provides a focus on program efficiencies, oversight, and accountability.

In FY 2007, the Federal Highway Administration continues major programs, including the Surface Transportation Program, the National Highway System, Interstate Maintenance, the Highway Bridge Replacement and Rehabilitation Program, the Congestion Mitigation and Air Quality Improvement Program, and the Transportation Infrastructure Finance and Innovation Act program.

SAFETEA-LU authorizes a new Highway Safety Improvement Program (HSIP), and an Equity Bonus program that replaces the Transportation Equity Act for the 21st Century's (TEA-21) Minimum Guarantee program. Other new programs include the Coordinated Border Infrastructure Program, Highways for Life pilot program, National Corridor Infrastructure Improvement Program, projects of national and regional significance, and Safe Routes to School.



The FY 2007 program level budget request of \$39.8 billion supports the Administration's blueprint for the future,

as described in SAFETEA-LU. This funding level will support the Secretary's goals and continue efforts to improve highway safety dramatically, slow the growth of traffic congestion, and promote good stewardship of the environment. FHWA will also strengthen its stewardship of Federal surface transportation funds by improving oversight and increasing accountability to ensure every dollar spent achieves maximum benefits for Americans.

Federal-aid Highway Program: The Federal-aid Highway Program (FAHP) provides Federal financial assistance to the States to construct and improve the National Highway System, urban and rural roads, and bridges. The FY 2007 budget request includes an obligation limitation of \$39.1 billion for the FAHP. This funding reflects the level authorized in SAFETEA-LU and includes an upward adjustment of \$842 million for the Revenue Aligned Budget Authority (RABA) provision contained in SAFETEA-LU.

By including additional resources from State and local governments that utilize the funds for highway investment, this amount is more than doubled. In total, investments in highway improvements support the achievement of safety, mobility, environmental stewardship, and security goals. FHWA will continue its efforts to increase oversight and accountability, including large-project management and oversight, to

ensure the protection of the large Federal investment, while maintaining the prerogatives of the States in the delivery of highway transportation projects to the public. Estimated obligations for the Federal-aid Highway Program in FY 2007 include the following:

- ⇒ National Highway System (NHS) - \$7.8 billion for the National Highway System, which consists of roads that are of primary Federal interest, including the current Interstate system, other rural principal arterials, urban freeways and connecting urban principal arterials, and facilities on the Defense Department's designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities.
- ⇒ Surface Transportation Program (STP) - \$7.5 billion for the STP program which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- ⇒ Interstate Maintenance (IM) - \$5.1 billion for the IM program which is designed to rehabilitate, restore, resurface and reconstruct the interstate system.



- ⇒ Bridge Replacement and Rehabilitation - \$4.2 billion for the bridge program which enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance.
- ⇒ Congestion Mitigation and Air Quality Improvement Program (CMAQ) - \$2.0 billion for the CMAQ program which supports transportation projects that assist in meeting and maintaining national ambient air quality standards.
- ⇒ Highway Safety Improvement Program (HSIP) - For FY 2007, \$1.5 billion is estimated to be obligated for the new highway infrastructure safety program (previously funded by set-aside from STP), that was established as a core program beginning in FY 2006. The program, which features strategic safety planning and performance, devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.
- ⇒ Research and Intelligent Transportation System (ITS) - The FHWA conducts a comprehensive research, development, and technology program to support the Federal-aid Highways and Federal Lands Highway Programs. The FY 2007 Budget requests a program level of \$467.6 million for

research and development (R&D), including an obligation limitation of \$429.8 million. The Budget proposes dedicating an additional \$37.8 million from the FY 2007 Federal-aid obligation limitation for research. This level of funding will provide FHWA resources to pursue work critical to the Department and its stakeholders.

- ⇒ Federal Lands Highway Program - The Federal Lands Highway Program (FLHP) improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$346 million estimated to be obligated for the FLHP in FY 2007 will support the President's initiatives to enhance the protection of America's national parks and protect these national treasures for present and future generations. This will include enhancement of ecosystems, improvement of outdoor opportunities, improved infrastructure, and greater accountability.
- ⇒ TIFIA Program - The Transportation Infrastructure and Innovation Act (TIFIA) loan program leverages limited Federal resources and stimulates private investment by providing credit assistance for major transportation projects. FHWA offers assistance through secured direct loans, loan guarantees, and lines of credit. For FY 2007, \$131 million is estimated to be obligated for TIFIA projects. TIFIA assistance is available for highway, transit, rail and port projects costing at least \$50 million, and Intelligent Transportation System projects costing at least \$15 million.
- ⇒ Limitation on Administrative Expenses - A Limitation on Administrative Expenses (LAE) of \$372.5 million is requested for FY 2007 for the necessary salaries and on-going administrative expenses in support of the above Federal programs.
- ⇒ Emergency Relief Program - The Emergency Relief (ER) program provides funding for the repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Section 125 of title 23, of the United States Code, authorizes \$100 million annually.

Open Roads Financing Pilot Program: \$100 million is requested for a pilot program that would involve up to five States in evaluating innovative ways to finance and manage major parts of their highway systems. Fuel tax revenues may become insufficient to finance highway improvements needed to reduce congestion, maintain mobility, and assure that our highway systems serve the needs of our growing economy. Furthermore, current financing mechanisms provide very few incentives to improve the operational performance of the existing highway system, particularly during peak periods. This pilot program would provide funding for States to demonstrate the benefits of more efficient methods of charging for the use of major portions of their highway system. Innovative mechanisms will be sought that can augment existing sources of State highway funding as well as improve highway performance and reduce congestion.



FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Overview: The Federal Motor Carrier Safety Administration's (FMCSA) primary mission is to prevent commercial motor vehicle-related fatalities and injuries. Large trucks represent about four percent of registered vehicles; however, they account for 8 percent of the travel volume on our Nation's highways. Twelve percent of all the people killed in motor vehicle crashes die in crashes involving a large truck. In 2004, approximately 116,000 were injured in crashes involving large trucks and 5,190 people died. This compares to 5,036 deaths and 122,000 injuries in 2003. While progress is being made toward the agency's goal of saving lives and reducing injuries by preventing truck and bus crashes, too many people continue to be injured and die as a result of crashes involving large trucks. The 2007 budget request for FMCSA, \$521 million, will help meet this challenge.

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
MOTOR CARRIER SAFETY OPERATIONS & PROGRAMS ^{1/}	N/A	211	223
MOTOR CARRIER SAFETY GRANTS ^{1/}	N/A	279	298 ^{2/}
MOTOR CARRIER SAFETY	255	N/A	N/A
NATIONAL MOTOR CARRIER SAFETY PROGRAM	<u>188</u>	<u>N/A</u>	<u>N/A</u>
TOTAL	443	490	521

1/ New accounts for FY 2006.
2/ Reflects a \$3.5 million Revenue Aligned Budget Authority (RABA) transfer from FHWA.

	Motor Carrier Safety Operations & <u>Programs</u>	Motor Carrier Safety <u>Grants</u>	<u>Total</u>
FY 2006 Base	211	279	490
Pay Inflation Adjustments	2	0	2
Non-Pay Inflation Adjustments	5	6	11
Annualization of FY 2006 Initiatives	0	0	0
Non-recurring Costs or Savings	2	3	5
Base Re-engineering, Reductions or Adjustments	0	4	4
FY 2007 Current Services Levels	220	292	512
Program Initiatives	<u>3</u>	<u>6</u>	<u>9</u>
FY 2007 Request	223	298	521

FY 2007 Budget

Motor Carrier Safety Operations & Programs: \$223 million is requested to support critical motor carrier program activities that will reduce crashes, save lives, and prevent injuries on our Nation's highways. The FY 2007 budget proposes the following funding requests aimed at meeting DOT's strategic goals and performance targets:

- ⇒ Commercial Motor Vehicle Safety - \$172.3 million is dedicated to reducing the incidence and severity of commercial truck and bus crashes by advancing motor carrier standards and rule-making; increasing compliance with Federal Motor Carrier Safety Regulations through enforcement operations; enforcing safety regulations at the borders; extending motor carrier safety education and best practices; overseeing certification of physical qualifications to operate motor carriers; improving commercial motor vehicle safety information and analysis; and advancing technological solutions.
- ⇒ Hazardous Materials Safety - \$10.2 million is requested to reduce the number and severity of commercial motor vehicle hazardous materials (HAZMAT) incidents through enforcement and compliance operations, research, and technology.
- ⇒ Hazardous Materials Security - \$8.1 million is requested to improve the security of motor carrier transport of hazardous materials through outreach and security operations.
- ⇒ Commercial Motor Vehicle Productivity - \$2.1 million is requested to improve the efficiency and integrity of commercial truck and bus transportation by ensuring compliance with Federal Motor Carrier Commercial Regulations through increased household goods carrier enforcement, education, and outreach efforts, and maintaining a nationwide safety violation and consumer complaints telephone hotline.
- ⇒ Organizational Excellence - \$30.1 million is requested to meet the objectives of the President's Management Agenda in the areas of strategic management of human capital, citizen-centered e-government, competitive sourcing, financial and procurement performance, and budget and performance integration. Efforts focus on evaluating and improving business practices and processes that support program delivery.



Motor Carrier Safety Grants: \$298 million is requested to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of the Federal/State partnership aimed at meeting DOT's strategic goals and performance targets. Motor Carrier Safety Grants support both Commercial Motor Vehicle Safety and Hazardous Materials Safety.

Commercial Motor Vehicle Safety - \$289 million is requested to support State enforcement, regulatory compatibility, and safety information capabilities. Included within this request is:

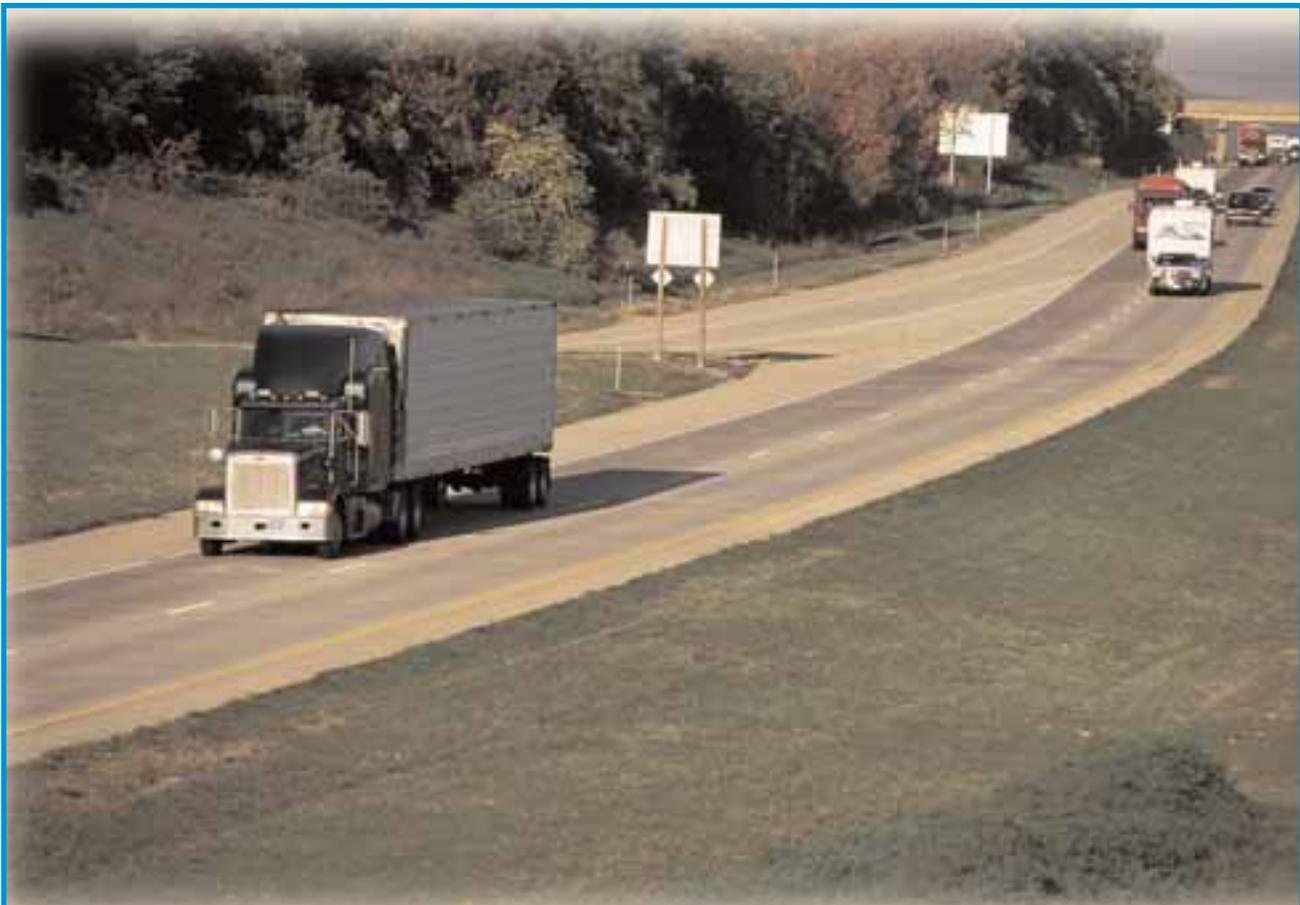
- ⇒ Motor Carrier Safety Assistance Program (MCSAP) State Grants - \$201 million (which includes a Revenue Aligned Budget Authority transfer from FHWA of \$3.5 million) will be used to support State motor carrier compliance reviews; conduct roadside inspections; enforce violations noted in roadside inspections; and ensure that new commercial trucking firms pass a safety audit within the first 18 months of operations in order to receive permanent registration.
- ⇒ State Commercial Drivers' License (CDL) - \$25 million is included to improve State CDL oversight activities to prevent unqualified drivers from being issued licenses.



- ⇒ Commercial Vehicle Information Systems and Networks (CVISN) Grants - State enforcement officials will be provided a framework to exchange safety information so they can focus resources on high-risk and previously un-inspected commercial vehicles and operators through the \$25 million CVISN grant, enabling more effective, targeted compliance and enforcement.

- ⇒ International Border Enforcement - State safety enforcement efforts at the international borders are funded at \$32 million to ensure Mexican and Canadian trucks and buses adhere to the same safety standards as U.S. motor carriers.
- ⇒ Commercial Drivers License Information System (CDLIS) - \$7 million is included to enable FMCSA to work with the American Association of Motor Vehicles Administrators (AAMVA) to complete specifications for the new CDLIS system. Begin providing grants to States to assist them in making changes to their licensing systems to incorporate the new CDLIS specifications.
- ⇒ Performance Registration Information Systems and Management (PRISM) - \$5 million is provided for the PRISM program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial trucks and buses.
- ⇒ Safety Data Improvement Grants - The Safety Data Improvement Grants will provide \$3 million so States can purchase equipment to support data improvement activities, hire staff to manage data quality improvement programs, revise outdated crash report forms, hire staff to code and enter crash data, train law enforcement officers in collecting crash data, develop software to transfer data from the State repository to SAFETYNET, and purchase software for field data collection and data transfer.

Hazardous Materials Safety - \$9 million is requested to continue a grant program in support of State HAZMAT enforcement and regulatory compatibility at the international borders with Mexico and Canada to ensure that all points of entry to the U.S. transportation system are fortified with comprehensive safety measures.



NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Overview: The National Highway Traffic Safety Administration (NHTSA) conducts critical behavioral and vehicle programs, and provides grants to the States for the administration of highway traffic safety programs. Motor vehicle crashes are the leading cause of death for people in the United States ages 3 through 33. In 2004, motor vehicle crashes claimed 42,636 lives and accounted for over 95 percent of transportation-related deaths. The economic cost of motor vehicle crashes is estimated to be more than \$230 billion annually. Emerging demographic trends, such as a continuing increase in the number of drivers and a significant growth in both older and teenage drivers, pose increased traffic safety challenges that must be addressed. The FY 2007 budget request includes \$815 million for NHTSA to carry out its mission.

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
OPERATIONS & RESEARCH (HIGHWAY TRUST FUND)	227 ^{1/}	234	231
HIGHWAY TRAFFIC SAFETY GRANTS	<u>223</u>	<u>572</u>	<u>584</u>
TOTAL	450	806	815

1/ Reflects the FY 2005 enacted level of \$227 million. FY 2005 actual was \$202 million and the remaining \$25 million was transferred from FHWA to NHTSA in FY 2006.

	Operations & <u>Research</u>	Highway Traffic Safety <u>Grants</u>	<u>Total</u>
FY 2006 Base	234	572	806
Pay Inflation Adjustments	2	0	2
Non-Pay Inflation Adjustments	0	0	0
Annualization of FY 2006 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	-5	12	7
FY 2007 Current Services Levels	231	584	815
Program Initiatives	0	0	0
FY 2007 Request	231	584	815

FY 2007 Budget

Operations and Research: The FY 2007 budget request includes \$231 million for Operations and Research activities to reduce highway fatalities, prevent injuries, and significantly reduce their associated economic toll. The request includes:

⇒ Research and Analysis - The \$86 million request includes crashworthiness research for occupant protection and biomechanics; driver distraction testing; crash causation research; promote the use of linked databases (i.e. crash and injury/medical outcome files); and national crash data systems.

⇒ Highway Safety Programs - \$58 million is requested for programs committed to changing driver behavior, a critical factor in reducing the number of highway fatalities and injuries. NHTSA will continue to develop and disseminate programs that address impaired driving deterrence, increased safety belt usage, correct placement of child safety restraints, safety programs for older drivers and graduated driver licensing (GDL) laws. Funds will also be used to strengthen motorcycle and bicycle rider, pedestrian, and pupil transportation safety programs by developing additional countermeasures. In addition, NHTSA will continue to serve as the lead Federal Emergency Medical Services (EMS) agency in coordinating and facilitating EMS system development and effecting system improvements, as well as the development of improved crash investigation procedures and Enhanced-9-1-1 (E-9-1-1).



⇒ Enforcement - The \$36 million request includes vehicle testing to ensure compliance with Federal Motor Vehicle Safety Standards, investigate alleged safety-related defects, enforce federal odometer law, ensure compliance with motor vehicle safety and automotive fuel economy standards, and conduct safety recalls, as warranted.

⇒ Rulemaking - \$28 million is requested for crash avoidance and crashworthiness testing; evaluating child safety seats; reducing occupant ejection in rollover crashes; initiatives to increase motor vehicle compatibility; and studies to improve seating systems and headlight glare reduction. Through the New Car Assessment Program (NCAP) and the www.safercar.gov website, consumers will be provided with information on frontal and side impact protection, and rollover resistance of light vehicles. NHTSA will continue its analytical work and technology assessments to determine future fuel economy standards and possible reforms to the Corporate Average Fuel Economy (CAFE) program. In addition, NHTSA will continue its active participation in the International Policy and Harmonization program.

- ⇒ National Driver Register - \$4 million is requested to provide an efficient and timely database that keeps problem drivers from operating private and commercial vehicles and aids in the decision making for other transportation modes' certification procedures.

Highway Traffic Safety Grants: NHTSA's highway traffic safety grant programs will help reduce motor vehicle crashes, deaths and injuries by supporting implementation of proven and innovative countermeasures aimed at a wide range of factors contributing to crashes and injuries. The FY 2007 budget request of \$584 million includes the following:

- ⇒ State and Community Highway Safety Grants - \$220 million is requested to support the full range of highway safety initiatives in every State, territory, and the Indian Nations.
- ⇒ Alcohol-Impaired Driving Countermeasures Incentive Grants - The \$125 million request will enable qualifying States, territories and Indian Nations to adopt and implement effective programs to reduce driving under the influence of alcohol or other drugs.



- ⇒ Safety Belt Performance Grants - The \$124.5 million request provides broad support for highway safety to States and territories that enact primary safety belt laws applicable to all passenger motor vehicles.
- ⇒ State Traffic Safety Information System Improvements Grants - \$34.5 million is requested to enable qualifying States, territories and Indian Nations improve the timeliness, accuracy, completeness, uniformity and accessibility of their traffic records and related data. This, in turn, will help them better identify their highest priority traffic safety needs and allocate their resources where they will have the greatest life-saving impact.



- ⇒ High Visibility Enforcement - \$25 million is requested for at least two high visibility safety belt and impaired driving enforcement campaigns annually, each to include an evaluation component.
- ⇒ Occupant Protection Incentive Grants - \$25 million will help qualifying States implement and enforce occupant protection programs for the general population.
- ⇒ Grant Administrative Expenses - \$17.8 million is requested to cover salaries and operating expenses related to grant administration, fully fund the National Occupant Protection Use Survey, and partially fund the Highway Safety Research Program.
- ⇒ Child Safety and Child Booster Seat Incentive Grants - \$6 million will help qualifying States implement and enforce occupant protection programs for children.
- ⇒ Motorcyclist Safety Grants - The \$6 million requested for the program in FY 2007 will help qualifying States improve motorcyclist safety training and motorcyclist awareness programs, and curb the sharply climbing rate of motorcyclist fatalities.



FEDERAL TRANSIT ADMINISTRATION

Overview: The Federal Transit Administration (FTA) provides leadership, technical assistance and financial resources for safe, technologically advanced public transportation that enhances mobility and accessibility, improves America's communities, preserves the natural environment, advances economic growth, and ensures that transit systems are prepared to function during and after criminal or terrorist attack or natural disasters. Transit systems safely and efficiently move millions of people every day, reducing congestion, improving air quality, facilitating economic development, and connecting people to their jobs and communities. The FY 2007 budget request includes \$8.9 billion for Federal transit programs, which maintains the Federal commitment to transit, and when combined with State and local funding, will improve mobility and accessibility, address critical safety and security requirements, and advance the President's Management Agenda.

FEDERAL TRANSIT ADMINISTRATION BUDGET (DOLLARS IN MILLIONS)

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
FORMULA AND BUS GRANTS	0	6,910	7,263
FORMULA GRANTS	4,863	0	0
CAPITAL INVESTMENT GRANTS ^{1/}	3,362	1,441	1,466
JOB ACCESS & REVERSE COMMUTE ^{2/}	124	0	0
RESEARCH & PLANNING ^{3/ 4/}	178	74	61
ADMINISTRATIVE EXPENSES	<u>76</u>	<u>79</u>	<u>85</u>
TOTAL	8,604	8,504	8,875

1/ FY 2006 does not include transfer of \$47 million from Formula and Bus Grants pursuant to P.L. 109-115.

2/ Job Access and Reverse Commute is funded under Formula and Bus Grants beginning in FY 2006.

3/ Metropolitan and Statewide Planning is funded under Formula and Bus Grants beginning in FY 2006.

4/ Includes the University Transportation Centers.

SUMMARY OF FTA FY 2007 INCREASES AND DECREASES (DOLLARS IN MILLIONS)

	Formula and Bus Grants	Capital Investment Grants	Research & Planning	Admin. Expenses	Total
FY 2006 Base	6,910	1,441	74	79	8,504
Pay Inflation Adjustments	0	0	0	3	3
Non-Pay Inflation Adjustments	0	0	0	1	1
Annualization of FY 2006 Initiatives	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	353	-75	-13	0	265
FY 2007 Current Services Levels	7,263	1,366	61	83	8,773
Program Initiatives	<u>0</u>	<u>100</u>	<u>0</u>	<u>2</u>	<u>102</u>
FY 2007 Request	7,263	1,466	61	85	8,875

FY 2007 Budget

In FY 2007, the Federal Transit Administration (FTA) requests \$8.9 billion in budget authority, \$370 million (4.4 percent) above the enacted level for FY 2006. The budget request maintains the commitment to public transportation embodied in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). SAFETEA-LU reflects the Administration's determination to keep its commitments, especially to the people who depend on public transportation for basic mobility. SAFETEA-LU will continue to provide stable, predictable formula funds to urbanized areas, significantly increase funding for underserved rural communities, honor multi-year funding commitments under the New Starts program, and perhaps most importantly, improve services to the elderly, low income, and persons with disabilities through coordinated planning and predictable funding.



Formula and Bus Grants: FTA requests \$7.3 billion for transit services, including security, planning, bus and railcar purchases and maintenance, facility repair and construction, and where eligible, operating expenses. The program includes grants specifically targeted to urbanized areas and, through States, to non-urbanized areas and to transportation providers that address the special transportation needs of the elderly, people with low incomes, and persons with disabilities. In addition, funds proposed for the Formula and Bus Grants program will contribute \$7.6 million to improve the accessibility of over-the-road buses, \$25 million for alternatives analysis for projects, and \$3.5 million for the National Transit Database. The following summary describes the major programs within this account:

- ⇒ Urbanized Area Programs - \$5.4 billion is requested for the Urbanized Area Formula program and the Fixed Guideway Modernization program, to help meet the capital replacement, rehabilitation and refurbishment needs of existing transit systems and ensure that customers continue to receive safe and reliable public transportation. The Urbanized Area Formula program also includes funding for the Growing States and the High Density States programs, which distribute funds to both the Urbanized and Non-urbanized Area Formula programs under differing factors.
- ⇒ Bus and Bus facilities - \$846.9 million is requested to make funding available to finance bus and bus-related capital projects, including ferryboat projects, which enhance the Nation's transit systems. Eligible funding purposes include acquisition of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus mall, transportation centers, inter-

modal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventative maintenance, passenger amenities (such as passenger shelters and bus stop signs), accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers, and maintenance shop equipment.

- ⇒ Non-urbanized Area Formula - \$464.9 million is requested in formula funding for states to support public transportation in areas of less than 50,000 in population. The program addresses the transportation needs of people living in rural counties that have no public transportation services and assists States in supporting rural intercity bus service by requiring that they spend 15 percent of their annual apportionment on such service. The Non-urbanized Area Formula program also includes funding for the High Density States program.

The services that Federal funds support in non-urbanized areas are essential. The Nation's 1,300 rural transit providers take people to work, shopping, and other essential services, such as doctor's appointments that encourage individuals to lead healthier and more productive lives. This service is vital for non-drivers living in rural areas, including many of the 30 million elderly, working poor, and individuals with disabilities.

- ⇒ Job Access and Reverse Commute - \$144 million is requested for Job Access and Reverse Commute projects that provide new and expanded transportation services to connect welfare recipients and low-income persons to employment and employment support services, such as training and child-care facilities. SAFETEA-LU provides funds by formula to States for projects relating to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals on a formula basis to the States.

- ⇒ Elderly and Individuals with Disabilities - \$116 million is requested to focus on America's commitment to meeting the transportation needs of the elderly and persons with disabilities. Among the Americans who use transit are the 35 million senior citizens who are most likely to need access to dependable transportation if they are to participate fully in their community. Transit is also important to the 31 million Americans with disabilities who can use public transportation. FTA strongly supports the President's commitment to tearing down the barriers to equality that confront many Americans with disabilities.



- ⇒ Planning - \$99 million is requested to support the activities of regional planning agencies and States to help them to plan for transit investments that best meet the needs of the urban and rural communities they serve. This includes funding for Metropolitan Planning and Statewide Planning.
- ⇒ New Freedom Program - \$81 million is requested to reduce transportation barriers to work for persons with disabilities by providing funding to States to implement innovative transportation solutions. This program will increase access and opportunities for Americans with disabilities, and strengthen the communities in which they live and work.
- ⇒ Clean Fuels Grant Program - \$45 million is requested to provide financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes those buses powered by compressed natural gas, biodiesel fuels, batteries and alcohol-based fuels plus hybrid electric, fuel cell and certain clean diesel (up to 2 percent of grants annually), and other low or zero emissions technology.
- ⇒ Alternative Transportation in Parks and Public Lands - \$23 million is requested to enhance the protection of America's national parks and public lands, and to increase the enjoyment of those visiting the parks through innovative transportation projects.



Research and University Research: FTA requests \$61 million for the National Research Programs. This program includes \$40.4 million for National Research and Technology Programs to support activities to develop solutions that improve public transportation, \$9.3 million for the Transit Cooperative Research Program, \$4.3 million for the National Transit Institute training programs, and \$7 million for the University Transportation Research Program. Within the National Research and Technology Programs, FTA is proposing \$1.2 million for its clean fuels and electric drive bus deployment (hybrid-electric) program to encourage increased deployment of new low or zero emissions technology, particularly hybrid electric buses by a greater number of the nation's transit agencies.



Capital Investment Grants: \$1.5 billion is proposed in FY 2007 for the construction of new fixed guideway and non-fixed guideway corridor systems, and extensions to existing systems. SAFETEA-LU expands the New Starts program to make new non-fixed guideway transportation corridor projects eligible for funding, and to encourage project sponsors to consider more cost-effective transit options that may not require a fixed guideway. In addition, a new "small starts" program will incorporate criteria to evaluate projects that are under \$250 million in total cost. The request includes funding for 23 existing, pending and anticipated Full Funding Grant Agreements (FFGAs), which are multi-year contractual agreements between FTA and grantees. Located in 15 States and the Commonwealth of Puerto Rico and in cities of all sizes, these projects include commuter rail, light rail, heavy rail, and bus rapid transit.

Transit Security: \$42.5 million is requested to support transit security, which will remain a high priority in FY 2007. This funding includes the one percent of Urbanized Formula Grant funding that is statutorily required to be spent on security initiatives. Through its technical assistance and other programs, FTA will emphasize security training for transit system employees, emergency preparedness and response, and public awareness efforts.



Project and Financial Management Oversight: To provide oversight of FTA grants, \$68 million is requested in FY 2007. Project and financial management oversight are core management responsibilities of FTA, and are essential to good stewardship of Federal taxpayers' dollars.

FEDERAL TRANSIT ADMINISTRATION

Proposed FY 2007 Section 5309 New Starts
(Dollars in Millions)

A. Existing Full Funding Grant Agreements (FFGAs)

AZ	Central Phoenix/East Valley Light Rail	Phoenix	90.00
CA	Metro Gold Line Eastside Extension	Los Angeles	100.00
CA	Mission Valley East LRT Extension	San Diego	0.81
CA	Oceanside-Escondido Rail Corridor	San Diego	0.68
CA	BART Extension to San Francisco Airport	San Francisco	2.42
CO	Southeast Corridor LRT	Denver	80.00
IL	Douglas Branch Reconstruction	Chicago	1.57
IL	Ravenswood Line Extension	Chicago	40.00
IL	Union-Pacific West Line Extension	Chicago	1.26
MD	Central LRT Double-Track	Baltimore	0.48
NC	South Corridor LRT	Charlotte	70.74
NJ	Hudson-Bergen MOS-2	Northern NJ	100.00
OH	Euclid Corridor Transportation Project	Cleveland	0.69
OR	Interstate MAX LRT Extension	Portland	0.54
PR	Tren Urbano	San Juan	2.67
WA	Central Link Initial Segment	Seattle	80.00
Subtotal Existing FFGAs			571.86

B. Pending Full Funding Grant Agreements

NY	Long Island Rail Road East Side Access	New York	300.00
PA	North Shore LRT Connector	Pittsburgh	55.00
Subtotal Pending FFGAs			355.00

C. Proposed Full Funding Grant Agreements

CO	West Corridor LRT	Denver	35.00
OR	South Corridor I-205/Portland Mall LRT	Portland	80.00
OR	Wilsonville to Beaverton Commuter Rail	Washington County	27.60
TX	Northwest/Southeast LRT MOS	Dallas	80.00
UT	Weber County to Salt Lake City Commuter Rail	Salt Lake City	80.00
Subtotal Proposed FFGAs			302.60

D. Other Projects (Funding Not Allocated to Specific Projects)

DC	Largo Metrorail Extension	Washington	
NY	Second Avenue Subway MOS	New York	
VA	Dulles Corridor Metrorail Project-Extension to Wiehle Ave.	Northern Virginia	
VA	Norfolk LRT	Norfolk	
WA	University Link LRT Extension	Seattle	
Subtotal Other Projects			101.86

E. Subtotal Small Starts 100.00

F. Other Funding

Oversight Activities (1%)	14.66
Ferry Capital Projects (AK or HI)	15.00
Denali Commission	5.00
Subtotal Other Funding	34.66

GRAND TOTAL 1,466.00

FEDERAL RAILROAD ADMINISTRATION

Overview: The mission of the Federal Railroad Administration is to ensure that our Nation has safe, secure, and efficient rail transportation that enhances the quality of life for all. The FY 2007 budget request of \$185 million supports our commitment to continue and improve the Nation's strong railroad safety record. It also provides funding to ensure the continuation of passenger rail operations in the Northeast Corridor and elsewhere.

FEDERAL RAILROAD ADMINISTRATION BUDGET			
(DOLLARS IN MILLIONS)			
	2005 <u>ACTUAL</u>	2006 <u>ENACTED</u>	2007 <u>REQUEST</u>
AMTRAK/PASSENGER RAIL	1,207	1,294	900
SAFETY & OPERATIONS	138	144	151
RESEARCH & DEVELOPMENT	36	55	35
NEXT GENERATION HIGH-SPEED RAIL	19	0	0
ALASKA RAILROAD REHABILITATION	<u>25</u>	<u>10</u>	<u>0</u>
TOTAL	1,425	1,503	1,085

SUMMARY OF FRA FY 2007 INCREASES AND DECREASES					
(DOLLARS IN MILLIONS)					
	Amtrak/ Passenger Rail	Safety & Operations	Research & Development	Alaska Railroad Rehab.	Total
FY 2006 Base	1,294	144	55	10	1,503
Pay Inflation Adjustments	0	2	0	0	2
Non-Pay Inflation Adjustments	0	3	0	0	3
Annualization of FY 2006 Initiatives	0	1	0	0	1
Non-recurring Costs or Savings	0	-1	0	0	-1
Base Re-engineering, Reductions or Adjustments	-394	0	-20	-10	-424
FY 2007 Current Services Levels	900	149	35	0	1,083
Program Initiatives	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
FY 2007 Request	900	151	35	0	1,085

FY 2007 Budget

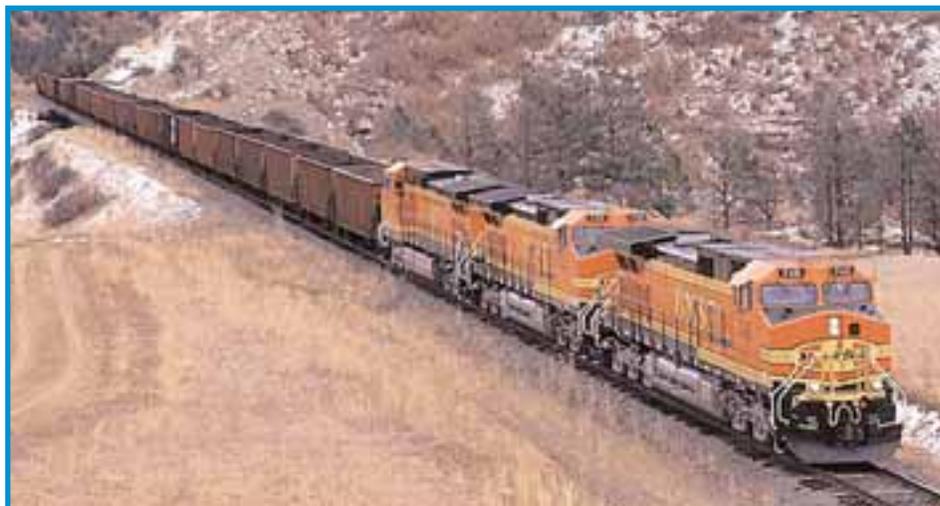
Grants to Amtrak: The Administration called for real reform of Amtrak and intercity passenger rail in its FY 2006 budget. The Administration's efforts to reform Amtrak and fundamentally change the manner by which intercity passenger rail services are provided are beginning to show progress. This last year, the Amtrak Board of Directors committed to ambitious reform improvements; a new management team is being put in place with a mandate to reshape the company; and Congress provided tools that will enable DOT to oversee and promote necessary changes. Nevertheless, much more action is required to remedy Amtrak's entrenched and well-documented problems.

The FY 2007 request of \$900 million would enable Amtrak's new management team to keep the trains running and act on its mandate to reshape the company. This request includes \$500 million for capital costs that, when combined with collections from Amtrak partners, will enable infrastructure repairs that the Administration has supported in its own reform program.

Safety & Operations: Safety remains FRA's most important area of attention. The request for FY 2007 includes \$151 million to support the Department's goal of reducing railroad accidents and incidents, while contributing to the avoidance of serious hazardous materials incidents in rail transportation. The FY 2007 budget reflects an increase of 4.2 percent over the FY 2006 enacted level for this account. New initiatives include increased staffing focusing on rail integrity, coordination of emergency management, and the management of our increasing track geometry program. These additional employees directly affect our safety goals, in accordance with the FRA Rail Safety Action Plan released in 2005.

Research & Development: In FY 2007, \$35 million is requested to support research efforts in the areas of rail systems safety, track and structures, train occupant protection, human factors in train operations, rolling stock and components, track and train interaction, train control, grade crossings, hazardous materials, and transportation and research development facilities and test equipment. These funds will underwrite research supporting the FRA's Rail Safety Action Plan.

Railroad Rehabilitation Infrastructure Financing (RRIF): Consistent with the Administration's intent to eliminate corporate subsidies, no new credit assistance will be provided under the RRIF program in FY 2007.



RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

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

The FY 2007 budget request of \$35.2 million is composed of \$27 million from the Highway Trust Fund and \$8.2 million from the General Fund appropriation. In addition, RITA will undertake over \$300 million in transportation-related research, education, and technology application on a reimbursable basis for other agencies.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION BUDGET			
(DOLLARS IN MILLIONS)			
	2005^{1/}	2006	2007
	Actual	Enacted	Request
RESEARCH AND DEVELOPMENT	4	6	8
BUREAU OF TRANSPORTATION STATISTICS (NON-ADD ALLOCATION ACCOUNT UNDER FEDERAL-AID HIGHWAYS)	[26]	[27]	[27]
TOTAL	4	6	8

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

SUMMARY OF RITA FY 2007 INCREASES AND DECREASES			
(DOLLARS IN MILLIONS)			
	Research & Development	Bureau of Transportation Statistics	Total
FY 2006 Base	6	27	33
Pay Inflation Adjustments	0	0	0
Non-Pay Inflation Adjustments	0	1	1
Annualization of FY 2006 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	0	-1	-1
FY 2007 Current Services Levels	6	27	33
Program Initiatives	2	0	2
FY 2007 Request	8	27	35

FY 2007 Budget

The Administration's FY 2007 budget request reflects a reorganization of several of the Department of Transportation's intermodal and multi-modal research and related activities into a single agency.

Research and Development: The budget request includes \$8.2 million for Research and Development. RITA will coordinate and advance the pursuit of transportation research that cuts across all modes of transportation. In addition, the agency will promote and advance innovative transportation technologies, such as hydrogen fuels and remote sensing, intended to improve the effectiveness and efficiency of the movement of people and goods.

Transportation Statistics and Information: In FY 2007, \$27 million is requested for the Bureau of Transportation Statistics to provide multi-modal and intermodal transportation data and information through public venues. Airline, travel and freight data make up the largest portion of BTS activity but are complemented by work in geospatial data and transportation economics, and the work of the National Transportation Library.

Consulting and Other Professional Services: Over \$300 million in transportation-related research, education, and technology application will be conducted by RITA on a reimbursable basis for other agencies during FY 2007. The Volpe Center will provide technical knowledge and expertise to customers with specific transportation systems and logistics projects or issues. The Transportation Safety Institute will provide training to transportation professionals in state-of-the-art safety methods and technologies. Through the University Transportation Centers, RITA will support the education of transportation professionals in obtaining advanced degrees in transportation-related programs from participating universities.



PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

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

In FY 2007, PHMSA will focus on reducing hazardous materials pipeline transportation incidents. The agency will also provide planning and training grants to States and Indian tribes to improve hazardous materials emergency preparedness.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION BUDGET			
(DOLLARS IN MILLIONS)			
	2005 ^{1/}	2006	2007
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
RESEARCH AND SPECIAL PROGRAMS	42	0	0
ADMINISTRATIVE EXPENSES	0	17	18
HAZARDOUS MATERIALS SAFETY	0	26	27
EMERGENCY PREPAREDNESS GRANTS	14	14	28
PIPELINE SAFETY	<u>69</u>	<u>72</u>	<u>76</u>
TOTAL	125	129	149

1/ The FY 2005 columns reflect funding for the Research and Special Programs Administration prior to the effective date of the reorganization. In FY 2006 and beyond, funding for Research and Special Programs will be reflected in four accounts: Hazardous Materials Safety, Pipeline Safety, Emergency Preparedness Grants, and Administrative Expenses.

SUMMARY OF PHMSA FY 2007 INCREASES AND DECREASES					
(DOLLARS IN MILLIONS)					
	Administrative Expenses	Hazardous Materials Safety	Emergency Preparedness Grants	Pipeline Safety	Total
FY 2006 Base	17	26	14	72	129
Pay Inflation Adjustments	0	1	0	1	2
Non-Pay Inflation Adjustments	1	0	0	2	3
Annualization of FY 2006 Initiatives	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	0	0	0	0	0
FY 2007 Current Services Levels	18	27	14	75	134
Program Initiatives	<u>0</u>	<u>1</u>	<u>14</u>	<u>1</u>	<u>15</u>
FY 2007 Request	18	27	28	76	149

FY 2007 Budget

Hazardous Materials Safety Program: The FY 2007 request provides \$27.2 million, \$1.4 million above the enacted FY 2006, to achieve PHMSA's share of the overall DOT performance target of no more than 466 serious hazardous materials incidents in 2007.

Emergency Preparedness Grants: The FY 2007 request provides \$28.3 million, which is \$14 million above the enacted FY 2006 level and consistent with SAFETEA-LU, for States to train hazardous materials responders and improve hazardous materials response plans.

Pipeline Safety: The budget request includes \$75.7 million to meet the performance goals of holding pipeline incidents to no more than 362 in FY 2007 and reducing hazardous liquids spilled in pipelines to a level that equates to no more than 1 teaspoon for every 100 gallons shipped 3,000 miles coast-to-coast. The increases will continue implementation of our important integrity management safety protocols.

Administrative Expenses: The FY 2007 request includes \$17.7 million for administrative expenses, \$1.0 million above the enacted FY 2006 budget.



Hazardous Materials Warning Placards



MARITIME ADMINISTRATION

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

For FY 2007, MARAD is requesting \$299 million to carryout the organizational mission.

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
OPERATIONS & TRAINING	107	129	116
SHIP DISPOSAL	21	21	26
NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM	74	0	0
MARITIME SECURITY PROGRAM	98	154	154
MARITIME GUARANTEED LOANS	<u>5</u>	<u>4</u>	<u>3</u>
TOTAL	305	308	299

	Operations & <u>Training</u>	Ship Disposal	Maritime Security <u>Program</u>	Maritime Guaranteed <u>Loans</u>	<u>Total</u>
FY 2006 Base	129	21	154	4	308
Pay Inflation Adjustments	1	0	0	0	1
Non-Pay Inflation Adjustments	1	0	0	0	1
Annualization of FY 2006 Initiatives	0	0	0	0	-8
Non-recurring Costs or Savings	-8	0	0	0	0
Base Re-engineering, Reductions or Adjustments	-11	0	0	-1	-12
FY 2007 Current Services Levels	112	21	154	3	290
Program Initiatives	4	5	0	0	9
FY 2007 Request	116	26	154	3	299

FY 2007 Budget

Operations and Training: The FY 2007 budget request includes \$116 million to support the U.S. Merchant Marine Academy, State Maritime Schools, and MARAD operations. All three programs support national security, mobility, global connectivity, and environmental stewardship. The budget request includes \$62 million for the U.S. Merchant Marine Academy, including \$15 million for critical capital improvement projects, \$10 million for the six State Maritime Schools, and \$44 million for MARAD Operations.

Maritime Security Program: The FY 2007 budget request includes \$154 million for payments of up to \$2.6 million per ship, as authorized by the National Defense Authorization Act for Fiscal Year 2004, less the rescission. MARAD will continue to retain a fleet of 60 active, militarily useful, privately owned vessels to meet national defense and other security requirements, and to maintain a U.S. presence in international commercial shipping. The Maritime Security Program, together with the Voluntary Intermodal Sealift Agreement Program, the Ready Reserve Force and the War Risk Insurance program, assures DOD access to ships and crews during DOD mobilizations, and helps ensure the efficient flow of military cargo through commercial ports.

Ship Disposal: The FY 2007 budget request includes \$16 million to remove 13 obsolete ships from the National Defense Reserve Fleet (NDRF) for disposal. MARAD continues to pursue alternative disposal methods, such as export and artificial reefing initiatives, with other Federal agencies to minimize any impact on the human and natural environment. In addition, the budget request includes \$10 million to continue to decommission, remove, and dispose of the nuclear reactor remnants and hazardous materials aboard the Nuclear Ship SAVANNAH.

Maritime Guaranteed Loan Program: Consistent with the Administration's intent to eliminate corporate subsidies, no funds are requested for new maritime loan guarantees. The budget request of \$3 million is for the administration of the existing loan guarantee portfolio.

Ready Reserve Force: The Ready Reserve Force (RRF) is funded in the Department of Defense budget, but managed by MARAD. RRF vessels were used in Operation Enduring Freedom and continue to serve in Operation Iraqi Freedom. The initial activation of the vessels for Iraqi Freedom was the fastest and most efficient sealift in U.S. history. Vessels from the RRF also participated as part of the DOT emergency response team for Hurricane Katrina relief efforts on the Gulf coast. MARAD will continue to support national security by meeting DOD sealift requirements and readiness levels for the RRF with an estimated \$219 million for FY 2007 activities.



SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

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

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION BUDGET			
(DOLLARS IN MILLIONS)			
	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
OPERATIONS & MAINTENANCE (HMTF)	16	16	8
U.S. SEAWAY COMMERCIAL TOLL RECEIPTS	<u>0</u>	<u>0</u>	<u>9</u>
TOTAL	16	16	17

SUMMARY OF SLSDC FY 2007 INCREASES AND DECREASES	
(DOLLARS IN MILLIONS)	
	SLSDC Operations and <u>Maintenance</u>
FY 2006 Base	16.1
Pay Inflation Adjustments	0.5
Non-Pay Inflation Adjustments	0
Annualization of FY 2006 Initiatives	0
Non-recurring Costs or Savings	0
Base Re-engineering, Reductions or Adjustments	0
FY 2007 Current Services Levels	16.6
Program Initiatives	<u>0.7</u>
FY 2007 Request	17.3

FY 2007 Budget

Operations and Maintenance: The Saint Lawrence Seaway Development Corporation's (SLSDC) FY 2007 budget request of \$17.3 million will allow the agency to perform operations, maintenance, and capital infrastructure improvements on the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. The request includes an appropriation request of \$7.9 million from the Harbor Maintenance Trust Fund (HMTF), plus \$9.4 million through the re-establishment of U.S. Seaway commercial tolls.

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

SLSDC programs include managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario; maintaining, operating, and securing the two U.S. Seaway locks located in Massena, N.Y.; and performing trade development activities designed to enhance Great Lakes St. Lawrence Seaway System awareness and use.



OFFICE OF THE SECRETARY

Overview: The Office of the Secretary provides policy development, oversight and coordination for the overall planning and direction of the Department. The total FY 2007 request is \$223.7 million (\$173.7 million discretionary and \$50 million mandatory). Included in the discretionary funding request is \$59.4 million for the new DOT headquarters building project.

OFFICE OF THE SECRETARY BUDGET			
(DOLLARS IN MILLIONS)			
	2005 Actual	2006 Enacted	2007 Request
SALARIES & EXPENSES	83	84	93
PLANNING, RESEARCH, AND DEVELOPMENT	19	15	9
CIVIL RIGHTS & MBRC	12	12	13
NEW HQ BUILDING	67	50	59
EAS/ PAYMENTS TO AIR CARRIERS (DISCRETIONARY)	52	59	0
EAS / PAYMENTS TO AIR CARRIERS (MANDATORY-OVER-FLIGHT FEES/TRANSFERS)	55 ^{1/}	50	50
COMPENSATION FOR GENERAL AVIATION OPERATIONS	<u>0</u>	<u>17</u>	<u>0</u>
TOTAL	289	287	224

^{1/} \$50 million was funded from overflight fees and \$5 million was funded through transfer authority.

SUMMARY OF OST FY 2007 INCREASES AND DECREASES								
(DOLLARS IN MILLIONS)								
	Salaries & Expenses	Planning, R&D	Civil Rights & MBRC	New HQ Building	EAS (Disc.)	EAS (Mand.)	Comp. for General Aviation Ops.	Total
FY 2006 Base	84	15	12	50	59	50	17	287
Pay Inflation Adjustments	1	0	0	0	0	0	0	1
Non-Pay Inflation Adjustments	6	0	0	0	0	0	0	6
Annualization of FY 2006 Initiatives	0	0	0	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	-1	-6	0	0	-59	0	-17	-83
FY 2007 Current Services Levels	90	9	13	50	0	50	0	211
Program Initiatives	<u>3</u>	<u>0</u>	<u>0</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13</u>
FY 2007 Request	93	9	13	59	0	50	0	224

FY 2007 Budget

Salaries and Expenses: \$93 million is requested for FY 2007, including \$12.3 million to strengthen the management of the Department's large information technology investment portfolio, increase security of its information and technical infrastructure against cyber threats, and improve the American public's access to information and services through electronic government.

Planning, Research, and Development: \$8.9 million is requested for FY 2007 to fund analyses of: costs/benefits of transportation infrastructure investments; congestion pricing; safe mobility; hazardous materials safety; environmental and climate issues; GPS monitoring, spectrum protection and radionavigation technologies; aviation and international transportation policy; and, transportation security issues.

Office of Civil Rights: \$8.8 million is requested to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, investigate EEO complaints, support the Disability Resource Center, the Shared Neutrals Alternative Dispute Resolution Program, and oversee and ensure compliance of environmental justice programs throughout the Department.

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

New Headquarters Building: \$59.4 million is requested to finance the FY 2007 costs for the new Department of Transportation headquarters building. The goal is to complete the consolidation of the Department's headquarters operating functions (excluding the Federal Aviation Administration) into a facility at the Southeast Federal Center in FY 2007.

Essential Air Service (EAS): The budget request assumes \$50 million of mandatory funding will come from overflight fees collected by the Federal Aviation Administration. These funds will support a program that provides payments to air carriers serving rural airports and 14 full-time equivalents to administer the program.



OFFICE OF INSPECTOR GENERAL

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

OFFICE OF INSPECTOR GENERAL BUDGET			
(DOLLARS IN MILLIONS)			
	2005 Actual	2006 Enacted	2007 Request
SALARIES & EXPENSES	58	62	64
TOTAL	58	62	64

SUMMARY OF OIG FY 2007 INCREASES AND DECREASES	
(DOLLARS IN MILLIONS)	
	Salaries & Expenses
FY 2006 Base	62
Pay Inflation Adjustments	1
Non-Pay Inflation Adjustments	1
Annualization of FY 2006 Initiatives	1
Non-recurring Costs or Savings	0
Base Re-engineering, Reductions or Adjustments	-1
FY 2007 Current Services Levels	64
Program Initiatives	0
FY 2007 Request	64

FY 2007 Budget

Salaries and Expenses: The FY 2007 budget request for the OIG totals \$71.5 million to support a staff of 420 full-time equivalent employment. This budget request includes a \$64.2 million appropriation and \$7.3 million in reimbursable funding (\$3.5 million from FHWA, \$2 million from FTA, \$1.1 million from FAA, \$500,000 from the National Transportation Safety Board, \$125,000 from OST, and \$125,000 from RITA).



SURFACE TRANSPORTATION BOARD

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

SURFACE TRANSPORTATION BOARD BUDGET			
(DOLLARS IN MILLIONS)			
	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
SALARIES & EXPENSES	20	25	22
FEES	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	21	26	23

SUMMARY OF STB FY 2007 INCREASES AND DECREASES			
(DOLLARS IN MILLIONS)			
	<u>Salaries & Expenses</u>	<u>Fees</u>	<u>Total</u>
FY 2006 Base	25	1	26
Pay Inflation Adjustments	0	0	0
Non-Pay Inflation Adjustments	0	0	0
Annualization of FY 2006 Initiatives	0	0	0
Non-recurring Costs or Savings	-4	0	-4
Base Re-engineering, Reductions or Adjustments	1	0	1
FY 2007 Current Services Levels	22	1	23
Program Initiatives	<u>0</u>	<u>0</u>	<u>0</u>
FY 2007 Request	22	1	23

FY 2007 Budget



The FY 2007 budget request for the STB totals \$22.9 million, to be financed by appropriation and the offsetting collection of user fees. The STB, which was 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.

BUDGETARY RESOURCES
 (Dollars in Millions)

	2005	2006	2007
	<u>Actual</u>	<u>Enacted</u>	<u>Request</u>
<u>ADMINISTRATION</u>			
Federal Aviation Administration	13,853	14,310	13,749
Federal Highway Administration ^{1/}	36,120	39,060	39,822
Federal Motor Carrier Safety Administration	443	490	521
National Highway Traffic Safety Administration	425	806	815
Federal Transit Administration ^{1/}	8,604	8,504	8,875
Federal Railroad Administration	1,425	1,503	1,085
Research and Innovative Technology Administration:	4	6	8
Bureau of Transportations Statistics ^{2/}	[26]	[27]	[27]
Pipeline and Hazardous Materials Safety Administration	125	129	149
Maritime Administration	305	308	299
Saint Lawrence Seaway Development Corporation	16	16	8
Office of the Secretary	289	287	224
Office of Inspector General	58	62	64
Surface Transportation Board	<u>21</u>	<u>26</u>	<u>23</u>
TOTAL DOT Appropriations	61,690	65,507	65,642

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

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

2/ BTS funding from Highway Trust is included in the FHWA totals.

BUDGETARY AUTHORITY
(Dollars in Millions)

<u>ADMINISTRATION</u>	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Request</u>
Federal Aviation Administration	14,058	13,867	13,724
Federal Highway Administration ^{1/}	38,670	38,538	42,091
Federal Motor Carrier Safety Administration	440	490	521
National Highway Traffic Safety Administration	428	808	815
Federal Transit Administration ^{1/}	8,604	8,505	8,846
Federal Railroad Administration	1,421	1,498	1,080
Research and Innovative Technology Administration	4	6	8
Pipeline and Hazardous Materials Safety Administration	125	129	149
Maritime Administration	1,147	837	587
Saint Lawrence Seaway Development Corporation	16	16	8
Office of the Secretary	54	287	174
Office of Inspector General	58	62	64
Surface Transportation Board	<u>20</u>	<u>25</u>	<u>22</u>
SUBTOTAL	65,049	65,063	68,089
Offsetting Collections	<u>-171</u>	<u>-504</u>	<u>-387</u>
TOTAL DOT Budget Authority	64,878	64,559	67,702

NOTE: Columns may not add due to rounding.

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

DEPARTMENT OF TRANSPORTATION

(Dollars In Millions)

	2005	Estimate	
	Actual	2006	2007
Spending			
Discretionary Budgetary Resources:			
Federal Aviation Administration	14,011	14,270	12,774
<i>FAA operations, capital, and research programs [non-add]</i>	10,362	10,605	10,999
<i>Rescission of unused contract authority [non-add]</i>	---	---	-975
Federal Highway Administration	34,152	35,571	39,083
<i>Federal-Aid Highways Obligation Limitation [non-add]</i>	33,306	35,551	39,083
Federal Motor Carrier Safety Administration (Obligation Limitation)	443	489	521
National Highway Traffic Safety Administration (Obligation Limitation) ^{1/}	450	806	815
Federal Transit Administration	8,605	8,503	8,846
<i>Federal Transit Administration Obligation Limitation [non-add]</i>	7,649	6,910	7,263
<i>Rescission of unused contract authority [non-add]</i>	---	---	-29
Federal Railroad Administration	1,426	1,502	1,086
<i>Amtrak [non-add]</i>	1,207	1,294	900
Maritime Administration	304	298	223
<i>Rescission of unused balances</i>	-2	-2	-76
Pipeline and Hazardous Materials Safety Administration	111	115	121
Research and Innovative Technology Administration	4	6	8
Surface Transportation Board	20	25	22
Saint Lawrence Seaway Development Corporation	16	16	8
All other programs (includes offsetting collections)	236	241	130
Total, Discretionary budgetary resources ^{2/}	59,778	61,842	63,637
Memorandum: Budget authority from enacted supplementals	1,227	2,799	0
Total, Discretionary Outlays	56,093	60,254	64,520
Mandatory Outlays:			
Federal Highway Administration	817	1,256	1,340
Office of the Secretary	20	79	50
All others (including offsetting receipts)	2	-336	-259
Total, Mandatory Outlays	839	999	1,131
Total, Outlays	56,932	61,253	65,651
Credit activity			
Direct Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	102	181	1,240
Railroad Rehabilitation and Improvement Program	87	287	0
Total, Direct Loan Disbursements	189	468	1,240
Guaranteed Loan Commitments:			
Transportation Infrastructure Finance and Innovation Program	0	200	200
Maritime Guaranteed Loans (Title XI)	12	205	0
Minority Business Resource Center	6	21	18
Total, Guaranteed Loan Commitments	18	426	218

NOTE:

1/ Reflects the 2005 enacted level of \$227 million. 2005 actual was \$202 million and the remaining \$25 million was transferred from FHWA to NHTSA in 2006.

2/ Includes both discretionary budget authority, obligation limitations, and rescissions.

OUTLAYS
(Dollars in Millions)

<u>ADMINISTRATION</u>	<u>2005</u> <u>Actual</u>	<u>2006</u> <u>Enacted</u>	<u>2007</u> <u>Request</u>
Federal Aviation Administration	13,839	14,421	14,818
Federal Highway Administration ^{1/}	31,880	34,554	38,743
Federal Motor Carrier Safety Administration	353	656	506
National Highway Traffic Safety Administration	350	663	766
Federal Transit Administration ^{1/}	8,358	8,526	9,157
Federal Railroad Administration	1,441	1,612	1,135
Research and Innovative Technology Administration	17	3	8
Pipeline and Hazardous Materials Safety Administration	126	150	137
Maritime Administration	463	673	415
Saint Lawrence Seaway Development Corporation	15	16	8
Office of the Secretary	188	392	259
Office of Inspector General	57	64	64
Surface Transportation Board	<u>20</u>	<u>25</u>	<u>22</u>
SUBTOTAL	57,102	61,757	66,038
Offsetting Collections	<u>-170</u>	<u>-504</u>	<u>-387</u>
TOTAL DOT Outlays	56,931	61,253	65,651

NOTE: Columns may not add due to rounding.

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

FULL TIME EQUIVALENT EMPLOYMENT
(Dollars in Millions)

	2005 <u>Actual</u>	2006 <u>Enacted</u>	2007 <u>Request</u>
<u>ADMINISTRATION</u>			
Federal Aviation Administration	46,521	45,700	46,153
Federal Highway Administration	2,820	3,016	3,016
Federal Motor Carrier Safety Administration	1,031	1,100	1,114
National Highway Traffic Safety Administration	600	674	677
Federal Transit Administration	482	527	541
Federal Railroad Administration	791	837	844
Research and Innovative Technology Administration	673	749	754
Pipeline and Hazardous Materials Safety Administration	358	395	401
Maritime Administration	827	827	820
Saint Lawrence Seaway Development Corporation	146	157	157
Office of the Secretary	538	633	639
Working Capital Fund	205	239	219
Office of Inspector General	418	430	420
Surface Transportation Board	<u>134</u>	<u>150</u>	<u>130</u>
TOTAL Full Time Equivalent	55,544	55,434	55,885

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