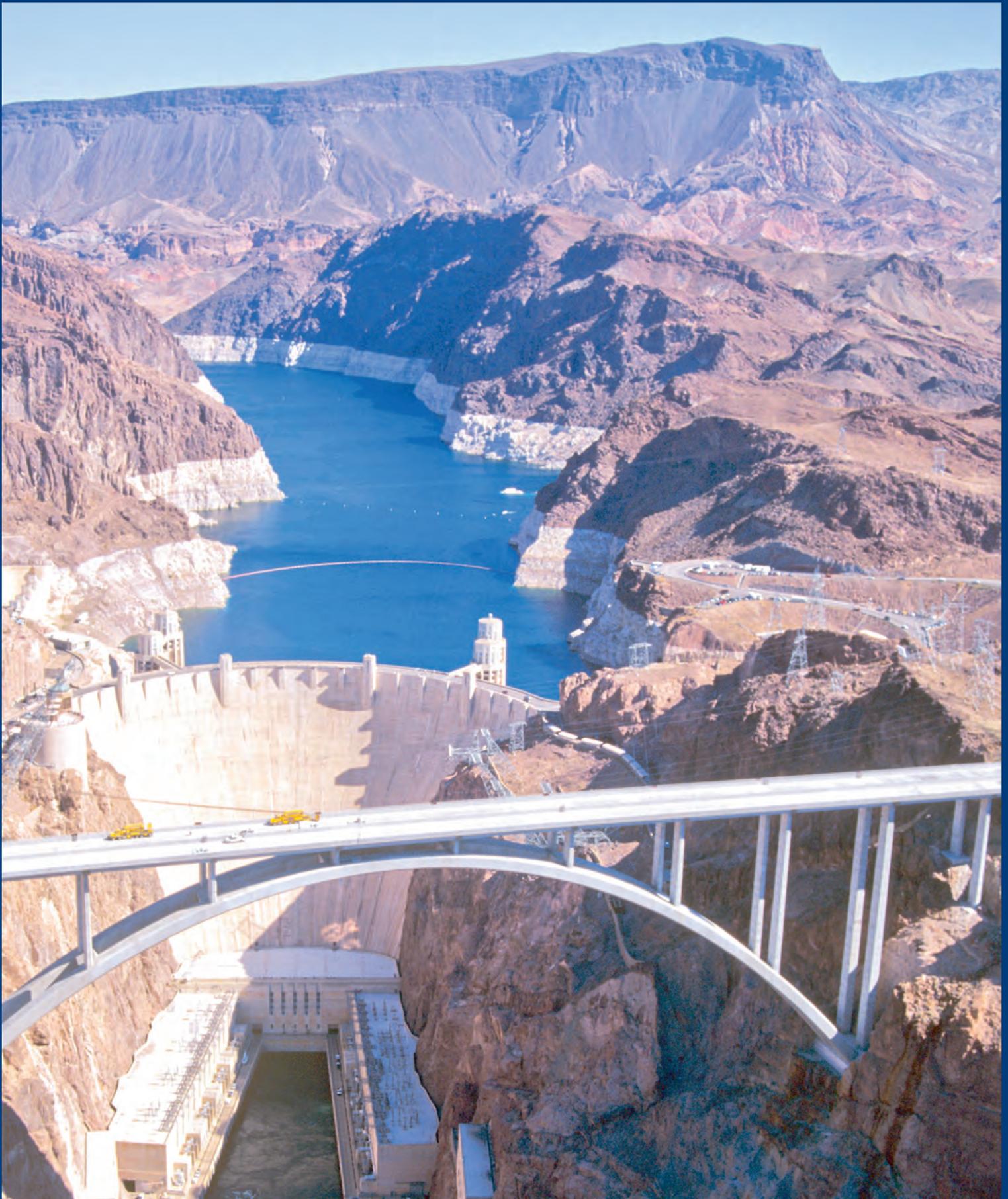




DEPARTMENT OF TRANSPORTATION FISCAL YEAR 2012 BUDGET HIGHLIGHTS



Photography Credit:

Cover and header photographs of the
Colorado Bridge courtesy of
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Federal Highway Administration.

STATE OF THE UNION ADDRESS JANUARY 25, 2011

Sustaining the American Dream has never been about standing pat. It has required each generation to sacrifice, and struggle, and meet the demands of a new age. And now it's our turn...Over the last two years, we have begun rebuilding for the 21st century, a project that has meant thousands of good jobs for the hard-hit construction industry. Tonight, I'm proposing that we redouble these efforts. We will put more Americans to work repairing crumbling roads and bridges. We will make sure this is fully paid for, attract private investment, and pick projects based on what's best for the economy, not politicians. Within 25 years, our goal is to give 80 percent of Americans access to high-speed rail, which could allow you go places in half the time it takes to travel by car.

PRESIDENT BARACK OBAMA

FY 2012 PRESIDENT'S BUDGET

DEPARTMENT OF TRANSPORTATION

OVERALL SUMMARY

- **The President's FY 2012 budget request includes a total of \$129 billion for the Department of Transportation. A key element of this request is the inclusion of a \$556 billion six-year surface transportation reauthorization proposal to improve the Country's highways, transit, and rail infrastructure and to ensure that these systems are safe.**
- **In an effort to jump-start this reauthorization, the President's request includes a \$50 billion "Up-Front" economic boost that would foster job creation.**
- **\$5 billion is also requested to establish an Infrastructure Bank that will provide grants and loans using new innovative financing approaches that will leverage transportation dollars more efficiently.**
- **The overall funding request is a 66% increase above FY 2010 – the last enacted appropriated level. The request assumes no pay raises.**

Other Major FY 2012 President's Budget Highlights include:

- **Federal Highway Administration: \$70.5 billion** is requested to rebuild our roads and bridges.
- **Federal Transit Administration: \$22.4 billion** is requested to support public transit.
- **Federal Railroad Administration: \$8.3 billion** is requested to support passenger rail including development of high-speed passenger rail.
- **Infrastructure Bank: \$5 billion** is requested to provide credit assistance in the form of grants and loans to leverage transportation dollars.
- **Federal Aviation Administration (FAA): \$18.7 billion** is requested **to maintain our Air Traffic Control System. \$1.2 billion** of this request supports the ongoing NextGen initiative that will **modernize the Air Traffic Control system.**

Technical Notes

- Tables included in the FY 2012 Budget Highlights document include an "FY 2011 Revised" label. This column represents FY 2011 continuing resolution levels that have been annualized.
- Full Time Equivalent (FTE) data in the FY 2012 Budget Highlights reflect direct as well as reimbursable FTE.

HIGHLIGHTS OF THE DEPARTMENT OF TRANSPORTATION'S SURFACE REAUTHORIZATION PROPOSAL INVESTING IN TOMORROW AND CREATING JOBS TODAY

Restoring America's Economic Competitiveness: To compete for the jobs and industries of the future, America must out-innovate and out-build the rest of the world. That is why President Obama called on the nation to repair our existing roads, bridges, and transit systems and to build new infrastructure – including a national high-speed intercity rail network – which will safely and efficiently move people and goods. The DOT Surface Transportation Reauthorization proposal is designed to accomplish precisely this, as the centerpiece of the President's FY 2012 U.S. Department of Transportation budget request.

The Obama Administration's plan is a bold, \$556 billion, six-year reauthorization of America's transportation programs. It proposes four broad goals: (I) **strengthening our infrastructure** (II) **spurring innovation**, (III) **ensuring safety**, and (IV) **reforming government and exercising responsibility**.

The proposal includes a \$50 billion "Up-Front" economic boost that jump-starts job creation while laying the foundation for future prosperity. This initial funding would finance improvements to the nation's highway, rail, transit, and aviation systems.

I. Building for the Future

We invest for the future not just in spite of challenges, but as the means of overcoming them. After all, we constructed the Hoover Dam and Golden Gate Bridge during the worst depression of our history. And we planned and paved America's state-of-the-art interstate highway system in the wake of World War II.

Secretary Ray LaHood, *The Star-Ledger*, 10/29/10

Creating a National High-Speed Rail Network: The Budget proposes \$53 billion over six years to continue construction of a national high-speed rail network. It will place passenger rail on equal footing with other surface transportation programs; include funding for both Amtrak and new "core express," "regional," and "emerging" corridors; and keep the country on track toward a system that gives 80 percent of Americans access to a passenger rail system featuring high-speed service within 25 years.

Rebuilding America’s Roads and Bridges: The Budget will provide a 48 percent increase over the previous authorization– to \$336 billion over six years – in funding for road and bridge improvements and construction. It will also simplify the highway program structure, accelerate project delivery, and realize the benefits of highway and bridge investments to the public sooner. These investments and reforms will modernize our highway system while creating much-needed jobs.

Investing in Accessible, Affordable Transit Options: The Budget includes a 127 percent increase – to \$119 billion over six years – in funding for transit. It will prioritize projects that rebuild and rehabilitate existing transit systems, include an important new transit safety program, and allow transit authorities (in urbanized areas of 200,000 or more in population) to temporarily use formula funds to cover operating costs in limited circumstances.

II. Spurring Innovation

Since joining the administration, I have visited (more than) 100 cities and 40 states. Everywhere I go, I hear Americans calling for more affordable, more efficient, more sustainable choices about how to get from one place to another – not instead of, but in addition to, our state-of-the-art highways. They are asking for more sidewalks and bike paths – for better bus service, streetcars, commuter, and high-speed rail. I am convinced: This is our opportunity to answer.

Secretary Ray LaHood, Remarks to Netroots Nation, 7/22/10

Establishing an Infrastructure Bank: The proposal establishes a National Infrastructure Bank, which finances projects of national or regional significance. By working with credit markets and private-sector investors, the infrastructure bank will leverage limited resources to achieve maximum return on federal transportation dollars. The bank will initially receive \$30 billion over six years, reside within the U.S. Department of Transportation, and be managed by an executive director with a board of officials drawn from the Department and other federal agencies.

Rewarding Innovation through the Transportation Leadership Awards: Recognizing that competition often drives innovation, the budget provides \$32 billion for a “race-to-the-top” style incentive program, called the Transportation Leadership Awards, to encourage fundamental reforms in the planning, building and management of transportation system. This program would reward States and regions that implement proven strategies that further the Department’s strategic goals, strengthen collaboration among different levels of government, focus on performance and outcomes; and encourage the development of a multimodal transportation system that connects people to opportunities and goods to markets. Examples of best practices that applicants might implement to compete in this program include passage of a

primary seatbelt law, use of lifecycle cost analysis, aggressive deployment of operating practices that reduce need for more costly congestion solutions and implementation of a performance-based funding distribution system.

Reinvesting in Rural Transportation: The Budget makes the investments that we need to strengthen America's small towns and rural communities. Increased highway funding will expand access to jobs, education, and health care. Innovative policy solutions will ensure that people can more easily connect with regional and local transit options – and from one mode of transportation to another.

Promoting Regional Planning: The Administration's proposal will bolster state and metropolitan planning; award funds to high performing communities; and empower the most capable communities and planning organizations to determine which projects deserve funding.

III. Ensuring Safety

As the grandfather of nine, I take safety personally. Every time my grandkids get in a car, bus, train, or plane, I need to know that they are safe. At the U.S. Department of Transportation, our fundamental mission is to help Americans move safely from one place to another. Accidents can happen in the blink of an eye. So our solemn obligation -- the responsibility with which the American people have entrusted us -- is to help prevent those accidents. As long as President Barack Obama and I are on the job, we will not take that trust lightly. When it comes to safety, we will not take a back seat to anyone.

Secretary Ray LaHood, aolnews.com, 10/4/10

Preventing Roadway Crashes: The DOT Surface Transportation Reauthorization proposal will provide \$330 million for the Department of Transportation's ongoing campaign against America's distracted driving epidemic. It will also commit \$7 billion to promote seatbelt use, get drunk drivers off the road, and ensure that traffic fatality numbers continue falling from current historic lows. In addition, it will almost double the investment in highway safety infrastructure funding, providing \$17.5 billion to Federal Highway Administration (FHWA) safety programs.

Protecting Transit Riders: The Department's Surface Transportation Reauthorization proposal will, for the first time, entrust the Federal Transit Administration with the authority to oversee rail transit safety across America.

Improving Truck and Bus Safety: The Budget will dedicate \$4.9 billion to the Federal Motor Carrier Safety Administration (FMCSA) to provide stronger oversight, higher standards, and tougher enforcement for trucks and buses.

IV. Reforming Government and Exercising Responsibility

At the Department of Transportation, we're beginning the work of reimagining and rebuilding America's transportation system. This isn't about politics – or about pitting people on the left against people on the right. It's about whether our economy goes up or goes down. It's about whether we have a transportation system that moves us forward or one that holds us back.

Secretary Ray LaHood, Remarks to Building America's Future,
8/9/10

Cutting Red Tape: The DOT Surface Transportation Reauthorization proposal will cut waste, inefficiency, and bureaucracy so that projects can move forward more quickly, while still protecting public safety and the environment.

Consolidating and Streamlining Highway and Transit Programs: The DOT Surface Transportation Reauthorization proposal will consolidate over 55 separate highway programs into five core programs, which will make it easier for states and communities to build projects that they identify as priorities. It will also merge five transit programs into one state of good repair program and one specialized transportation program.

Focusing on Performance: The Department's Surface Transportation Reauthorization proposal establishes a performance-based highway program in critical areas of safety and state of good repair.

Accelerating Project Delivery: A major Administration priority for reauthorization is to spur innovations that will shorten project delivery and accelerate the deployment of new technologies.

Paying the Bill: The Administration is committed to working with the Congress on a bipartisan basis to ensure that the President's proposal will be paid for fully without increasing the deficit. For the first time, the Budget proposes to subject surface transportation spending to "PAYGO" provisions to ensure that spending and revenue are brought in line. The proposal will also expand the current Highway Trust Fund into a new Transportation Trust Fund with four accounts – one for highways, one for transit, one for high-speed passenger rail, and one for the National Infrastructure Bank.

THE DEPARTMENT OF TRANSPORTATION'S SURFACE TRANSPORTATION REAUTHORIZATION PROPOSAL INVESTING IN TOMORROW AND CREATING JOBS TODAY TECHNICAL HIGHLIGHTS

CHANGES TO BUDGETARY TREATMENT

Consistent with changes recommended by the National Commission on Fiscal Responsibility and Reform, the DOT Surface Transportation Reauthorization proposal calls for a change in the budgetary treatment of the surface transportation programs. Under this new proposal, all surface transportation spending (outlays) will be treated as mandatory and funding will be subject to "PAYGO" provisions.

The proposal also recommends expanding the current Highway Trust Fund into a new Transportation Trust Fund, and to fold a number of previously General Fund programs into the trust fund. The Transportation Trust Fund will include the current Highway and Transit accounts and will add two new accounts for Passenger Rail and the Infrastructure Bank.

PAYING FOR THE PLAN WITH FUTURE REVENUES

Today's highway and transit programs are paid for with gas tax and other revenues deposited in the Highway Trust Fund. In recent years, the demands for highway and transit spending have outpaced collections. The current framework for funding transportation investments is not financially sustainable and does not adequately or effectively allocate resources to meet National needs. The President is committed to working with the Congress to ensure that funding for surface transportation does not increase the deficit. The proposed change in budgetary treatment and plans to make the programs in the next surface reauthorization subject to PAYGO will help ensure fiscal discipline in the management of the fund.

HOW DOES THE PLAN AFFECT CURRENT PROGRAMS?

- **High Speed Rail:**

- Intercity passenger rail would receive \$53 billion over 6 years.
- Establishes the concept of a network of rail corridors dividing them into "Core Express", "Regional", or "Emerging".
- Funding for Amtrak is integrated into the new program.
- This is the first step in a decades-long investment plan to establish this new transportation alternative.

- **Highways and Bridges:**
 - Highways is funded at \$336 billion over six-years (a 48% increase over SAFETEA-LU).
 - Programs are consolidated from more than 55 to five new categories that invest in roads most critical to the National interest: the National Highway Program; Highway Safety Improvement; Livable Communities; Federal Allocation; and, Research, Technology, and Education.
 - Establishes a performance-based highway program in the critical areas of safety and state of good repair.
 - Provides resources and authorities to spur innovations that will shorten project delivery and accelerate the deployment of new technologies.
 - Local metropolitan areas with greater technical capacity will have a role in project selection.

- **Transit:**
 - Transit is funded at \$119 billion over 6 years (a 128% increase over SAFETEA-LU).
 - Priority emphasis is placed on funding projects that rebuild and rehabilitate existing transit systems.
 - Includes an important new program to address transit safety.
 - Would provide transit authorities in urban areas over 200,000 in population with temporary and limited flexibility to use some of their formula funds for operating costs.

- **Safety Programs:**
 - Requests new authority for the Federal Transit Administration to regulate transit safety.
 - Almost doubles funding for highway safety investments.
 - \$7.4 billion is provided for the National Highway Traffic Safety Administration (NHTSA) for auto safety;
 - \$4.9 billion is provided for the Federal Motor Carrier Safety Administration (FMCSA) for truck and bus safety; and,
 - \$17.5 billion is provided for FHWA safety programs.
 - Gives U.S. DOT new authority to set performance goals for state implementation to reduce fatalities even further from the current historic lows.
 - Authorizes funding for the Pipeline and Hazardous Materials Safety Administration (PHMSA) for pipeline and hazardous materials safety activities.

- **Infrastructure Bank (I-Bank):**
 - The Infrastructure Bank (I-Bank) would receive \$30 billion over 6 years.
 - The I-Bank would reside within U.S. DOT and would be run by an Executive Director with a board of officials from the Department and other Federal Agencies.

- The I-Bank would publish an Investment Prospectus that would govern investment decisions and describes analytical criteria.
- As currently envisioned, initially the I-Bank would focus on transportation-related investments. In the future the model could be expanded to other infrastructure sectors.

WHY DO WE NEED THE “UP-FRONT” \$50 BILLION ECONOMIC BOOST?

The FY 2012 President’s Budget includes an “Up-Front” \$50 billion economic boost in transportation to rebuild and modernize America’s roads, rails, transit, and runways for the long term. Investments in transportation lead to a well-functioning, mobile economy. Unfortunately, our investment in transportation has been lagging with what we need to keep our economy moving, and compete with other countries. Congested roads and airports result in \$90 billion in productivity and losses and wasted fuel. Perhaps the greatest cost of our crumbling infrastructure is the American lives lost every year on our highways.

As described in President Obama’s Labor Day speech last year, this \$50 billion “Up-Front” economic boost will help to re-build America. These resources will be targeted towards projects that will quickly create American jobs here at home, while improving our transportation infrastructure for the next generation. The President envisions this up-front investment as the leading edge of the longer-term reauthorization plan. Typically surface transportation reauthorizations gradually increase funding over the life of the bill. This front-loaded plan is designed to give States and localities the confidence they need to be decisive about their investment plans and concentrate the impact of increased investment in the early years of the reauthorization.

WHAT IS INCLUDED IN THE “UP-FRONT” ECONOMIC BOOST

The “Up-Front” \$50 billion economic boost will be for airport, highway, transit, and rail programs and distributed as shown below:

- **\$25 billion for Critical Highway Infrastructure:** This funding will help fund critical highway and bridge improvements.
- **\$450 million for Transportation Infrastructure Finance and Innovation (TIFIA):** This funding will help meet the growing demand for highway credit assistance to States.
- **\$7.5 billion for Transit State of Good Repair:** This funding will help pay for capital asset renewal and replacement at local bus and rail transit systems nationwide with a focus on the oldest and largest systems with the greatest need.
- **\$3 billion for Urban and Rural Formula:** This funding will support over 1,300 local transit agencies nationwide with capital assistance, including routine maintenance, and limited operating assistance for certain small urban and rural systems.

- **\$1 billion for New Starts:** This funding is for investment in new transit options to reduce congestion, decrease travel times, improve mobility, reduce energy consumption, and create more livable communities.
- **\$3 billion for Rail Network Development:** This funding will help develop our high speed rail network, with the ultimate goal to connect 80% of Americans to an efficient and viable passenger rail system over 25 years.
- **\$2.5 billion for Rail System Preservation and Renewal:** This funding will allow Amtrak to make critical investments in its aging rail car fleet and bring all Amtrak stations into compliance with the Americans with Disabilities Act.
- **\$3.1 billion for Grants-In-Aid for Airports:** This funding would be available for runway construction and other airport improvements such as Runway Safety Area improvement projects and noise mitigation projects.
- **\$250 million for FAA Facilities and Equipment:** \$200 million of this funding will be available for NextGen for applied research, advance development, and implementation of engineering solutions for NextGen technologies, applications and procedures; and \$50 million will be available to make near term improvements in FAA's infrastructure, including upgrading power systems and air traffic control centers and towers.
- **\$2.2 billion for Cross-Border Transportation:** This funding will significantly improve the condition of Land Port of Entry (LPOEs) facilities that link directly to the transportation infrastructure at border crossing locations.
- **\$2 billion for a National Infrastructure Investments (NII):** This grant program, similar to the TIGER program, will provide grants to State and local governments and transit agencies for capital investments in the Nation's surface transportation infrastructure, including roads and highways, public transportation facilities, freight and passenger rail, and port infrastructure.

**DOT's SURFACE TRANSPORTATION AUTHORIZATION PROPOSAL
FY 2012 - 2017 BUDGETARY RESOURCES**

(Dollars in Millions)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2012- FY 2017
Federal Highway Administration							
Federal-Aid Highways: (CA/Oblim)							
Administrative Expenses	441	468	489	511	533	558	3,000
National Highway Program:	59,393	34,663	36,979	38,989	40,740	42,580	253,344
<i>Up Front Funding:</i>							
Critical Highway Infrastructure Program (CHIP)	25,000	-	-	-	-	-	25,000
TIFIA Credit Loan Subsidy	450	-	-	-	-	-	450
Cross-Border Transportation Infrastructure	2,200	-	-	-	-	-	2,200
Safety Program	2,539	2,732	2,851	2,980	3,112	3,250	17,464
Livable Communities Program	4,100	4,290	4,477	4,680	4,888	5,104	27,539
Research, Technology and Education Program	661	698	827	818	767	774	4,545
Federal Allocation Program	1,257	1,374	1,450	1,531	1,613	1,676	8,901
Transportation Leadership Awards	1,284	2,397	2,400	2,871	3,726	4,474	17,152
Total	69,675	46,622	49,473	52,380	55,379	58,416	331,945
National Highway Program (Exempt from Obligation)	739	739	739	739	739	739	4,434
Total, Budget Authority	70,414	47,361	50,212	53,119	56,118	59,155	336,379
Federal Transit Administration							
Transit Formula Program (CA/Oblim)	7,692	6,303	6,925	7,609	8,362	9,188	46,079
Bus and Rail State of Good Repair (CA/Oblim)	10,707	3,771	4,341	4,900	5,532	6,247	35,498
Transit Expansion & Livable Communities Prog (CA/Oblim)	3,469	2,856	3,125	3,493	3,772	3,929	20,644
Research and Technology Deployment Prog (CA/Oblim)	167	192	197	204	210	219	1,189
Transportation Leadership Awards (CA/Oblim)	-	1,665	1,799	3,011	3,746	4,494	14,715
Operations and Safety (CA/Oblim)	166	179	185	192	198	204	1,124
Total, FTA	22,201	14,966	16,572	19,409	21,820	24,281	119,249
Federal Motor Carrier Safety Administration							
Motor Carrier Safety Operations & Programs (CA/Oblim)	276	342	388	429	478	511	2,424
Motor Carrier Safety Grants (CA/Oblim)	330	357	380	414	449	507	2,437
Total, FMCSA	606	699	768	843	927	1,018	4,861
National Highway Traffic Safety Administration							
Operations & Research (CA/Oblim)	304	366	402	440	483	535	2,530
Highway Traffic Safety Grants (CA/Oblim)	556	711	782	861	947	1,038	4,895
Total, NHTSA	860	1,077	1,184	1,301	1,430	1,573	7,425
Federal Railroad Administration							
Network Development (CA/Oblim)	4,000	4,967	6,002	7,242	7,532	7,867	37,610
System Preservation (CA/Oblim)	4,046	2,479	2,504	1,864	2,024	2,063	14,980
Total, FRA	8,046	7,446	8,506	9,106	9,556	9,930	52,590
I-Bank (CA/Oblim)	5,000	5,000	5,000	5,000	5,000	5,000	30,000
Subtotal, Trust Fund Budgetary Resources	107,127	76,549	82,242	88,778	94,851	100,957	550,504
ALSO INCLUDED IN THE "UP-FRONT" \$50B ECONOMIC BOOST...							
OST/NII (Mandatory BA)	2,000	-	-	-	-	-	2,000
Federal Aviation Administration (Mandatory BA)							
Grant-In-Aid for Airports	3,100	-	-	-	-	-	3,100
Facilities and Equipment	250	-	-	-	-	-	250
Total, FAA	3,350	-	-	-	-	-	3,350
Grand Total, Surface Transportation Reauthorization	112,477	76,549	82,242	88,778	94,851	100,957	555,854

FEDERAL HIGHWAY ADMINISTRATION

Overview: The Federal Highway Administration (FHWA) promotes the development, operation, and management of an intermodal transportation system that is economically efficient, environmentally sound, provides a foundation for the Nation to compete in the global economy, and moves people and goods safely. In FY 2012, the President’s request provides the resources necessary for State, local and other Federal transportation agencies to improve the condition and performance of their highway and roadway system, in ways that protect the environment, provide user access and choices, and take advantage of advances in technology and innovation. As proposed in the Department’s Surface Transportation Reauthorization proposal, the request includes a new funding structure that will support FHWA’s efforts to preserve and improve the Nation’s infrastructure.

Federal Highway Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Federal-Aid Highways Obligation Limitation	\$ 39,696 ^{1/}	\$ 41,107	\$ 69,675
	Exempt Mandatory Federal-Aid Highways	\$ 739	\$ 739	\$ 739
	Limitation on Admin Expenses ^{2/}	[\$ 417]	[\$ 417]	[\$ 441]
	Highway Infrastructure Program (GF)	\$ 650	\$ 650	\$ -
	Miscellaneous Appropriations (GF)	\$ 291 ^{3/}	\$ 293	\$ -
	Sub-Total	\$ 41,376	\$ 42,789	\$ 70,414
	Miscellaneous Appropriations (M)	\$ -	\$ -	\$ 100
	Total	\$ 41,376	\$ 42,789	\$ 70,514
	Proposed Rescission	\$ 0	\$ 0	\$ -630
	FTE	2,907	2,979	3,015

Brackets [] indicate non-add entries.

^{1/} Reflects a net \$1.411 billion flex funding transfer to FTA. In FY 2010, the total enacted Federal-Aid Highways obligation limitation was \$41.1 billion.

^{2/} Includes funding for FHWA general operating expenses (GOE) and the Appalachian Regional Commission.

^{3/} Reflects a net transfer of \$1.4 million to FTA.

SUMMARY OF REQUEST

- The President is requesting **\$70.5 billion in FY 2012 to invest in our Nation’s highways and bridges.** This is a \$29 billion increase over the FY 2010 enacted funding level. **For highways, this represents the first-year of a six-year \$336 billion proposal to put more Americans to work rebuilding the country’s infrastructure for the 21st century.** The President’s request proposes to **replace over 55 SAFETEA-LU highway programs with five core programs** that invest in the roads most critical to

the national interest. This proposal will enhance the safety, livability, condition, and efficiency of our Nation's highway system while also strengthening local economies across America.

- **Highway Safety Improvement Program**: **\$2.5 billion** funds the revamped highway safety program, which includes a performance-based framework where States will demonstrate how their funds will increase safety. A new Highway Safety Data Improvement Program is also included. **The President's request almost doubles the funding for Federal investment in highway safety programs to reduce fatalities and injuries on public roads versus the prior six-year reauthorization.**
- **National Highway Program (NHP)**: **\$32.4 billion** funds the new performance-based highway program, which targets investment to maintain roads critical to the National interest while also providing flexibility to the States for making transportation investment decisions on the larger system of Federal-aid eligible highways. NHP streamlines and consolidates portions of several existing programs including Interstate Maintenance, National Highway System, Bridge, and the Surface Transportation Program into two new subprograms.
 - **Highway Infrastructure Performance Program**: **\$16.8 billion** funds a formula-based program designed to improve the infrastructure condition and performance on an expanded National Highway System. This 220,000-mile network includes the Interstate System, all principal arterials, intermodal connectors, and other roads important to mobility, commerce, national defense, and intermodal connectivity. The enhanced system is an objectively defined network of national interest that will operate as a cohesive highway system to support interstate commerce and economic competitiveness, which will carry 55% of all traffic and 97% of all truck-borne freight.
 - **Flexible Investment Program**: **\$15.6 billion** funds a formula-based program that provides flexibility to the States to invest in infrastructure preservation, congestion mitigation, or performance improvement projects on any Federal-aid eligible highway.
- **Livable Communities Program**: **\$4.1 billion** funds formula and competitive grant programs to establish place-based planning, policies, and investments to help communities increase transportation choices and access to transportation services.
- **Federal Allocation Program**: **\$1.4 billion** funds transportation projects on Federal and Tribal lands. This new structure consolidates several existing programs with inherently Federal responsibilities into one program with five components: Federal Lands Transportation, Federal Lands Access, Tribal Transportation, Emergency Relief, and Workforce Development.
- **Research, Technology, and Education Program**: **\$661 million** funds research, technology, and education to provide a comprehensive, nationally coordinated program that will advance DOT organizational goals, while accelerating innovation delivery and technology implementation.
- In addition to the five core programs, the budget request includes funding for the following key priorities:
 - **Transportation Leadership Awards**: **\$1.3 billion** funds a competitive grant program that will support State departments of transportation, metropolitan planning organizations, tribal governments and other transportation agencies with making necessary reforms leading to innovations in transportation policy.

“Up-Front” \$50 Billion Economic Boost: \$27.65 billion funds an “Up-Front” economic boost to the highway program that jump-starts job creation and progress on highway and bridge projects.

- **\$25 billion** funds investment in critical highway infrastructure.
- **\$2.2 billion** funds support of significant improvements at **land ports of entry (LPOEs) facilities**, which link directly to the transportation infrastructure at border crossing locations.
- **\$450 million** funds the growing demand for highway **credit assistance through the Transportation Infrastructure Finance and Innovation Act (TIFIA)**.
- **Six-year Department’s Surface Transportation Reauthorization Proposal:** Over six years, the Budget requests \$336 billion in funding for road and bridge improvements and construction, a **48 percent increase** relative to the \$227 billion enacted in SAFETEA-LU. The proposal will **simplify the highway program structure** and **establish a performance-based highway program** in the critical areas of safety and state of good repair. In addition, the proposal will fund transportation projects that improve quality of life in both rural and urban areas, provide users with enhanced transportation choices, and improve air quality in large metropolitan areas.
- The proposal treats highway and all surface transportation spending as **mandatory** and funding will be **subject to “PAYGO” provisions, ensuring spending does not exceed its dedicated revenue**. Since the current framework for funding transportation investments is not financially sustainable, the President is committed to working with Congress on a funding solution that **does not add to the deficit**. Additionally, the proposal will convert the current Highway Trust Fund into a **new Transportation Trust Fund (TTF)** with four accounts – one for highways, one for transit, one for high-speed passenger rail, and one for the National Infrastructure Bank. However, existing revenues will continue to be dedicated to highway, highway safety, and transit programs.

FEDERAL TRANSIT ADMINISTRATION

Overview: The Federal Transit Administration (FTA) provides grant funding to State, local, and Tribal governments, public and private transit operators, and other recipients to support public transit infrastructure and operations. Grants are used to construct new public transit systems; purchase and maintain transit vehicles and equipment; support regional transportation planning efforts; and improve the technology and service methods used in the delivery of public transportation services.

Federal Transit Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Administrative Expenses (GF)	\$ 99	\$ 99	-
	Energy Efficiency and Greenhouse Gas Reduction (GF)	\$ 75	\$ 75	-
	Research and University Research Centers (GF)	\$ 66	\$ 66	-
	Washington Metropolitan Area Transit Authority (GF)	\$ 150	\$ 150	\$ 150
	Capital Investment Grants (GF)	\$ 1,998	\$ 1,998	-
	Formula Grants- FHWA Transfer (TF)	\$ 1	-	-
	Transit Formula Program (Formerly Formula and Bus Grants) (TF) ^{1/2/}	\$ 9,754	\$ 8,343	\$ 7,692
	Bus and Rail State of Good Repair Program (TF) ^{3/}	-	-	\$ 10,707
	Transit Expansion and Livable Communities Program (includes Capital Investment Grants) (TF) ^{4/}	-	-	\$ 3,469
	Operations and Safety Program (TF)	-	-	\$ 166
	Research and Technology Deployment Program (TF)	-	-	\$ 166
	Total ^{5/}	\$ 12,143	\$ 10,731	\$ 22,351
	FTE	560	575	685

^{1/} FY 2012 includes \$3 billion in Up-Front \$50 Billion Economic Boost.

^{2/} FY 2010 includes a net \$1.4 billion flex transfer from the Federal Highway Administration.

^{3/} FY 2012 includes \$7.5 billion in Up-Front \$50 Billion Economic Boost.

^{4/} FY 2012 includes \$1 billion in Up-Front \$50 Billion Economic Boost.

^{5/} Numbers may not add due to rounding.

SUMMARY OF REQUEST

- The President is requesting a total of **\$22 billion in FY 2012 improve the condition of transit assets, expand access, and increase transit safety.** The total request is an increase of **\$10 billion and 110 FTE over FY 2010.**
- The request proposes to **consolidate** its program structure into **five budget accounts** each funded from the **Mass Transit Account of the new Transportation Trust Fund.**
- A separate **\$150 million General Fund** appropriation is requested for the **Washington Metropolitan Area Transit Authority.**
- **Bus and Rail State of Good Repair Program:** **\$10.7 billion is requested** to help transit agencies **reduce their backlog of aging equipment and vehicles** – a major priority for the Department. Of this amount, **\$7.5 billion** is part of a short-term, **Up-Front \$50 Billion economic boost**, which will ensure that State and local partners realize the benefits of these investments in the early years of the authorization. This program will help make transit systems with old capital bases **more reliable, efficient, desirable, and safer** for the **millions of travelers** who use them every day.
- **Transit Formula Grants Program:** **\$7.7 billion** is requested to help support both **rural and urban areas** with **transit capital investments and, for certain small urban and rural systems, operating assistance.** FTA also proposes making **operating costs** an eligible expense -- **on a temporary and targeted basis** -- to help prevent cuts to services **during hard economic times.** Of this amount, **\$3 billion** is part of the **Up-Front \$50 Billion economic boost.**
- **Transit Expansion and Livable Communities Program:** **\$3.5 billion** is requested to **expand transit accessibility by investing in new transit projects.** This includes the **Capital Investment Grants** program (**\$3.2 billion**), **Planning Programs** (**\$140 million**), the new **Livable Communities** demonstration grants (**\$50 million**), **Transit in the Parks** (**\$28 million**), and **Tribal Transit** (**\$15 million**). Of the amount for **Capital Investment Grants**, **\$1 billion** is part of a short-term, **Up-Front \$50 Billion economic boost**, reflecting the Administration's interest in growing transit services nationwide.
- **Safety and Operations Program:** **\$166 million** is requested to fund **FTA's administrative operations and new rail transit safety oversight activities.** Of this amount, **\$36.5 million** funds **rail transit safety oversight field activities in partnership with States.** This new authority responds to **NTSB, GAO and IG findings** and is a proposal included in the **Department's Surface Transportation Reauthorization proposal.**
- **Research and Technology Deployment Program:** **\$166 million** is requested for a new account that will **align applied research and demonstration projects and combine technical assistance with workforce development.** Combining research and demonstration projects with training will help FTA better focus on **preparing transit agencies for future challenges.** The fund brings together the **Greenhouse Gas Reduction and Clean Fuels** programs (**\$97 million**), **Research and Technology** (**\$30 million**), and **Technical Assistance and Workforce Development** (**\$39 million**).
- **Up-Front \$50 Billion Economic Boost:** Overall, **\$11.5 billion** is requested for transit related activities in the **Up-Front economic boost.**

- The Nation's **largest and oldest transit systems** have a **repair backlog** estimated at **\$77.7 billion**. The President is requesting a **\$7.5 billion boost** to a new **State of Good Repair Program** that **targets funding more directly** to those agencies that need it the most. The new program will also **require agencies to improve their capital asset management**.
- The President is requesting an additional **\$3 billion boost** for FTA's **Transit Formula Grants**. This will assist states and localities with **capital assistance** to **expand capacity** and engage in better capital asset management through **structured asset renewal and replacement**.
- An additional **\$1 billion boost** for **Capital Investment Grants** will help **complete the Federal funding commitment** for a number of new transit projects and help projects in construction on schedule.
- **Six-year Reauthorization Priorities:** For transit, this represents the first-year of a six-year **\$119 billion proposal** for transit. The President's proposed transit reauthorization promotes **increased transportation options, safety, and maintenance**. It also encourages improvements to **strategic and capital planning** and proposes a sensible, **streamlined program structure**.
 - The new **Rail Transit Safety Program** is a **cooperative effort** with **state transit safety oversight agencies** to **set national transit safety standards** and provide **inspections and consultation** in order to ensure compliance. This proposal **responds to NTSB and GAO recommendations** following rail transit accidents in several cities across the nation, including **Boston, Washington, DC, Chicago, Salt Lake City, San Francisco, and Miami**.
 - The **Transportation Expansion Program** includes **New Starts** along with a new **Livable Communities and Planning** program funding to provide **greater access to transit** for cities and rural areas and coordinate transit with housing and economic development planning.
 - The reauthorization also encourages states and localities to **coordinate their plans** and **improve their planning models** in order to have **better data** to make **sound decisions** with federal funding. It also promotes the use of **capital asset management** in order to use formula funding wisely.
 - The proposal also **restructures FTA's grants into four programs**. **The State of Good Repair Program** will have a more **streamlined formula** that will target funding to those transit agencies with the oldest equipment in most need of repair. **The New Starts Program** will have **simpler, streamlined requirements** for funding.

Federal Transit Administration

Proposed FY 2012 Section 5309 Capital Investment Projects (New Starts)

(Dollars in Millions)

Existing Full Funding Grant Agreements			FY 2012
NY	Long Island Rail Road East Side Access	New York	\$215
NY	Second Avenue Subway Phase I	New York	\$197
TX	Northwest/Southeast LRT MOS	Dallas	\$86
UT	Mid Jordan LRT	Salt Lake City	\$79
UT	Weber County to Salt Lake City Commuter Rail	Salt Lake City	\$52
VA	Dulles Corridor Metrorail Project Ext. to Wiehle Ave.	Washington	\$96
WA	University Link LRT Extension	Seattle	<u>\$110</u>
<i>Subtotal, Existing Full Funding Grant Agreements</i>			\$835
Pending Full Funding Grant Agreements			
CA	South Sacramento Corridor Phase 2	Sacramento	\$50
CA	Third Street Light Rail Phase 2 Central Subway	San Francisco	\$200
CO	Denver Eagle Commuter Rail	Denver	\$300
CT	Hartford-New Britain—Hartford Busway	Hartford	\$45
FL	Central Florida Commuter Rail Transit-Initial Operating Segment	Orlando	\$50
HI	High Capacity Transit Corridor Project	Honolulu	\$250
MN	St. Paul-Minneapolis, Central Corridor LRT	Minneapolis	\$200
TX	North Corridor LRT	Houston	\$100
TX	Southeast Corridor LRT	Houston	<u>\$100</u>
<i>Subtotal, Pending Full Funding Grant Agreements</i>			\$1,295
New Full Funding Grant Agreement Recommendations			
CA	Silicon Valley Berryessa Extension Project	San Jose	\$130
OR	Portland-Milwaukee Light Rail Project	Portland	\$200
UT	Draper Transit Corridor	Salt Lake City	<u>\$114</u>
<i>Subtotal, New Full Funding Grant Agreement Recommendations</i>			\$444
Project Construction Grant Agreement Funding Agreement Recommendations			
AZ	Central Mesa Extension	Mesa	\$38
CA	Fresno Area Express Blackstone/Keys Canyon BRT	Fresno	\$18
CA	East Bay BRT	Oakland	\$25
CA	Van Ness Avenue BRT	San Francisco	\$30
FL	North Corridor BRT	Jacksonville	\$6
MI	Silver Line BRT	Grand Rapids	\$13
TX	Mesa Corridor BRT	El Paso	\$14
WA	King County, RapidRide E Line BRT	Seattle	\$22
WA	King County, RapidRide F Line BRT	Seattle	<u>\$16</u>
<i>Subtotal, Small Starts Funding Agreement Recommendations</i>			\$181
Other Capital Investment Projects			
CA	Regional Connector Transit Corridor	Los Angeles	--
CA	Westside Subway Extension	Los Angeles	--
NC	LYNX Blue Line Extension-Northeast Corridor	Charlotte	--
WA	Columbia River Crossing Project	Vancouver	--
<i>Subtotal, Other New Starts/Small Starts Funding Agreement Recommendations</i>			\$400
Oversight			\$81
Grand Total			\$ 3,236

FEDERAL RAILROAD ADMINISTRATION

Overview: The Federal Railroad Administration (FRA) is the principal Federal agency responsible for planning, developing, and administering programs and regulations for passenger and freight railroads. This includes implementing a multi-year, high-speed and intercity passenger rail program that began with the Passenger Rail Investment and Improvement Act in 2008 and jump-started with the President’s call for the creation of a High-Speed Rail program in the Recovery Act of 2009. Since then, FRA has obligated over \$7 billion of \$13 billion appropriated for capital investments in current rail systems and to begin the transformation to high-speed rail. In FY 2012, the Administration proposes additional investment under new program account structure within a new Rail Account of the expanded Transportation Trust Fund to secure a long-term commitment. This will promote effective Federal-State partnerships; ensure cost-effective network investments and accelerated project delivery; encourage green, economic development and private investment; and fully fund and integrate Amtrak’s valuable assets and infrastructure. This proposal encapsulates the President’s goal of providing 80% of Americans convenient access to a passenger rail system featuring high-speed service within 25 years. It is the centerpiece initiative targeting the renewal and expansion of America’s railroads – freight and passenger – along with domestic manufacturing and jobs that can’t be outsourced.

Federal Railroad Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Safety and Operations	\$ 172	\$ 172	\$ 223
	Offsetting Collections (User Fees)	-	-	[\$ 80]
	Railroad Safety Technology Program	\$ 50	\$ 50	-
	Railroad Research and Development	\$ 38	\$ 38	\$ 40
	Rail Line Relocation and Improvement Program	\$ 35	\$ 35	-
	Capital Assistance for High Speed Rail Corridors and Intercity Passenger Rail Service ^{1/}	\$ 2,500	\$ 2,500	-
	Operating Grants to Amtrak ^{1/}	\$ 563	\$ 563	-
	Capital and Debt Service Grants to Amtrak ^{1/}	\$ 1,002	\$ 1,002	-
	Network Development (TF) ^{1/}	-	-	\$ 4,000
	System Preservation (TF) ^{1/}	-	-	\$ 4,046
	Amtrak OIG	[\$ 19]	[\$ 19]	-
	Total	\$ 4,359	\$ 4,359	\$ 8,309
	FTE	840	917	1,000

Brackets indicate “non-adds”

^{1/} The FY 2012 budget request and the Department Surface Transportation Reauthorization proposal includes a new structure for FRA accounts to reflect high-speed rail and associated programs. Prior year accounts (Capital Assistance for High-Speed Rail and Operating/Capital/Debt grants to Amtrak) will be consolidated into two new accounts: Network Development and System Preservation & Renewal. These accounts will be funded from the Rail Account of the Transportation Trust fund.

SUMMARY OF REQUEST

- The FY 2012 President's budget **requests \$8.3 billion to invest in our Nation's railways**; the first year in a **six-year, \$53 billion proposal** to develop and expand America's high-speed and intercity passenger rail system while preserving and enhancing the country's world-class freight rail network. The President's request proposes consolidating passenger rail programs into two accounts (funded through the Transportation Trust Fund): Network Development and System Preservation. Included in this request is \$5.5 billion from the President's "Up-Front" \$50 billion call for transportation investment, which will renew aging Amtrak assets and update inaccessible rail stations to Americans with Disabilities Act (ADA) requirements.
- **The total request is an increase of nearly \$4 billion over the FY 2010 enacted level and 166 positions (83 FTE)** for high-speed rail, safety, and support program personnel needed to deliver programmatic and regulatory duties. This includes an additional 59 positions (29.5 FTE) for regional safety inspectors.
- **Network Development: \$4 billion funds competitive grants for development of core express, regional and feeder corridors, to advance the President's goal to provide Americans with convenient access to a passenger rail system featuring high-speed service to 80% of Americans within 25 years.** This account provides grants to develop regional networks of electrified, high-speed corridors and connecting higher-speed intercity passenger rail services, where they make sense. It builds on recent efforts to establish a **U. S. rail equipment** program to spur interoperability and optimize economies of scale for the domestic rail community. The account funds **capacity building and transition assistance** programs to enhance the nation's rail workforce and expertise, and advance positive train control technology. Finally, it provides temporary support for States to meet recent requirements to cover operating costs for legacy corridor routes while providing start-up support for new rail services.
- **System Preservation: \$4 billion fully funds Amtrak's national network operating, capital, and debt service requirements** and establishes a new competitive grant program to ensure passenger rail assets are maintained safely and reliably in the future. This account begins an accelerated program to eliminate the long-standing backlog of capital needs on the **Northeast Corridor** along with new **equipment** orders to replace the nation's aging intercity passenger rail fleet and boost domestic manufacturing. It also includes funding to bring all intercity passenger rail stations into **compliance with the ADA**.
- **Safety and Operations: \$223 million funds FRA's safety, program and policy personnel and operations.** The President's Request proposes a railroad safety user fee of \$80 million to offset the costs associated with railroad safety inspectors and their activities. Funding for additional inspectors are requested for increased conductor certification and high-speed rail requirements, and to fill the shortfall of safety inspectors needed in the regions.
- **Railroad Research and Development: \$40 million funds research and development** projects needed to reduce risk in railroad operations and address high-speed rail technical challenges. Included in this request is funding to cooperatively exchange technology with industry and industry unions for system integration and interoperability standards and prototypes for positive train control communications.

NATIONAL INFRASTRUCTURE BANK

Overview: The National Infrastructure Bank (I-Bank) will leverage Federal dollars and focus on investments of National and regional significance that often fall through the cracks between the traditional transportation programs. The I-Bank would encourage private, State, and local entities to invest capital in projects that are most critical to our economic progress. The I-Bank will base its investment decisions on clear analytical measures of performance, competing projects against each other to determine which will produce the greatest return for American taxpayers.

National Infrastructure Bank				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Account	National Infrastructure Bank	\$ 0	\$ 0	\$ 5,000
	Total	\$ 0	\$ 0	\$ 5,000
	FTE	0	0	100

SUMMARY OF REQUEST

- **The National Infrastructure Bank:** The President is requesting **\$5 billion in FY 2012 to establish an I-Bank** that will provide grants, loans, and a blend of both. Projects eligible for funding include multi-modal projects for highway, transit, rail, aviation, including equipage, ports, and maritime initiatives.
 - Of the \$5 billion in funds requested, **\$200 million is for planning and cost/benefit analysis and \$70 million is for establishing and administering the program.**
 - The I-Bank will be **a new entity within the Department of Transportation** reporting to the Secretary and headed by an Executive Director who is appointed by the President and confirmed by the Senate.
 - The FY 2012 Budget requests **100 FTEs** to staff the bank.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Overview: The National Highway Traffic Safety Administration (NHTSA) is charged with reducing traffic crashes, and deaths and injuries resulting from traffic crashes. NHTSA also establishes safety standards for motor vehicles and motor vehicle equipment; carries out safety research and development; sets and enforces fuel economy standards for the nation’s motor vehicle fleet; and, operates the National Driver Register. In FY 2012, NHTSA will focus on emerging risks – such as distracted driving and those associated with quieter cars and blind pedestrians, and will continue to focus on other potential problems posed by vehicles that use alternative fuels and power sources.

National Highway Traffic Safety Administration				
(Dollars in Millions)				
		FY 2010 Actual^{1/}	FY 2011 Revised	FY 2012 Request
Accounts	Operations and Research	\$ 250	\$ 250	\$ 304
	National Driver Register ^{1/}	\$ 3	\$ 3	\$ 0
	Highway Traffic Safety Grants	\$ 620	\$ 620	\$ 556
	Total	\$ 873	\$ 873	\$ 860
	FTE	610	617	684

^{1/} \$4 million is requested for the National Driver Register. In FY 2012, these funds are included within the Operations and Research account.

SUMMARY OF REQUEST

- The President is requesting **\$860 million** in FY 2012 for NHTSA. This represents the **first year of a six-year \$7 billion proposal** that will support **vehicle and behavioral safety programs** and activities designed to **reduce serious injuries and fatalities on the nation’s roadways**. **The proposal:**
 - **increases attention to State enforcement of highway traffic safety laws,**
 - **streamlines grant applications for States; and,**
 - **embraces a comprehensive, data driven approach to safety.**
- **DOT’s Surface Transportation Authorization Proposal:** **DOT’s Surface Transportation Authorization Proposal** will provide **\$7.4 billion in funding** for highway safety and vehicle safety over the period FY 2012-2017, compared to \$4.4 enacted under SAFETEA-LU authorities for the period FY 2004-FY 2009, a **70 percent increase** in funding. The proposal will streamline the State grant application processes, establish a robust data-driven traffic safety enforcement program, establish a new Distracted Driving grant to promote enactment and enforcement of State distracted-driving laws, increase civil penalty limits, and clarify a number of vehicle-related provisions to strengthen the oversight and enforcement of safety regulations. It also provides funding and programs to address emerging issues such as pedestrian safety and vehicle electronics and new propulsion systems.

- **Operations and Research: \$304 million is requested – a \$54 million or 22% increase over FY 2010. Included is \$171 million for vehicle safety research activities, and \$133 million for Highway Safety programs focused on driver behavior. Also included are:**
 - *New Car Assessment Program:* **\$14 million to conduct tests on 80% of the new fleet and improve consumer access** to the enhanced crash test program information.
 - *Enforcement programs:* **\$19.6 million** will increase the agency’s capacity to **handle defect investigations**, improve the public’s access to recall data, and implement the tire efficiency testing program.
 - *National Center for Statistics and Analysis:* **\$44 million** to enhance the **traffic record assessment process and improve highway safety data**. To ensure the highest quality of data is available for agency decision-making, NHTSA will launch a multi-year redesign of the National Automotive Sampling Systems (NASS).
 - NHTSA requests **684 FTE in the Operations and Research account**, an increase of **67 FTE** over the FY 2010 enacted level. This request is for mission support functions in Vehicle Safety Rulemaking, Enforcement and Research, and in Highway Traffic Safety Grant Administration. These additional personnel will **help to identify unsafe vehicles that should be recalled**; develop vital safety and fuel economy standards; and, **address the emerging safety issues related to distraction and other driving hazards**.
- **Highway Traffic Safety Grants: \$556 million** is proposed for Highway Traffic Safety Grants including:
 - *Distracted Driving Prevention Grants:* **\$50 million** funds a new incentive grant program **that will encourage States to enact laws that prevent distracted driving**, such as laws restricting cellular phone use and texting while driving.
 - *State and Community Highway Safety formula grant program:* **\$235 million is requested in total formula funds**. Within this amount, \$2.5 million is requested for the new **Cooperative Research and Evaluation program**, a cooperative effort between NHTSA and the States to identify and develop highway safety research and evaluation projects; and, **\$2.5 million** is requested for the new **Traffic Core Competencies and Training Program**, to improve training for Highway safety professionals at the federal, State, and community level.
 - *Combined Occupant Protection Grants program:* **\$35 million is requested for the new Combined Occupant Protection Grants program**, which consolidates the Occupant Protection Incentive Grants and the Child Safety and Child Booster Seat Safety Incentive program. The program will encourage development of comprehensive statewide occupant protection strategic plans and countermeasures focusing on rural and nighttime belt use, and focus on enacting and enforcing primary seat belt laws.
- Although the FY 2012 request is \$12.8 million less than NHTSA’s FY 2010 enacted level, the request will allow the agency **to increase funding for all ongoing primary enforcement, safety, or rulemaking activities**. These increases were offset by the completion of the \$124.5 million Safety Belt Performance Grants program.

FY 2012 HIGHWAY SAFETY TRAFFIC GRANTS

(Dollars in Thousands)

Program Activity	FY 2010 Enacted	FY 2012 Request	Changes FY 2010 - 2012
Section 402 State and Community Formula Grants	\$ 235,000	\$ 235,000	\$ 0
Section 405 Occupant Protection Incentive Grants ^{1/}	\$ 25,000	\$ 35,000	\$ 10,000
Section 406 Seat Belt Performance Grants	\$ 124,500	\$ 0	\$ -124,500
Section 408 Safety Information Systems Grants	\$ 34,500	\$ 34,500	\$ 0
Section 410 Impaired Driving Grants	\$ 139,000	\$ 139,000	\$ 0
Section 411 Distracted Driving Prevention Grant	\$ 0	\$ 50,000	\$ 50,000
Section 3011 Motorcyclist Safety Grants	\$ 7,000	\$ 7,000	\$ 0
Section 2011 Child Safety and Child Booster Safety Incentive Grants ^{1/}	\$ 7,000	\$ 0	\$ -7,000
Section 3010 High Visibility Enforcement	\$ 29,000	\$ 37,000	\$ 8,000
Administrative Expenses	\$ 18,500	\$ 18,600	\$ 100
Total	\$ 619,500	\$ 556,100	\$ -63,400

^{1/}Combines former Section 405 and Section 2011 grants in 2012.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Overview: The Federal Motor Carrier Safety Administration (FMCSA) is the primary enforcement and regulatory agency responsible for the safe operation of large trucks and buses, the companies that own them, and the drivers who operate them. Activities of the Administration contribute to ensuring safety in motor carrier operations through strong enforcement of safety regulations. This includes targeting high-risk carriers and commercial motor vehicle drivers; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness. To accomplish these activities, the Administration works with Federal, State, and local enforcement agencies, the motor carrier industry, labor safety interest groups, and others.

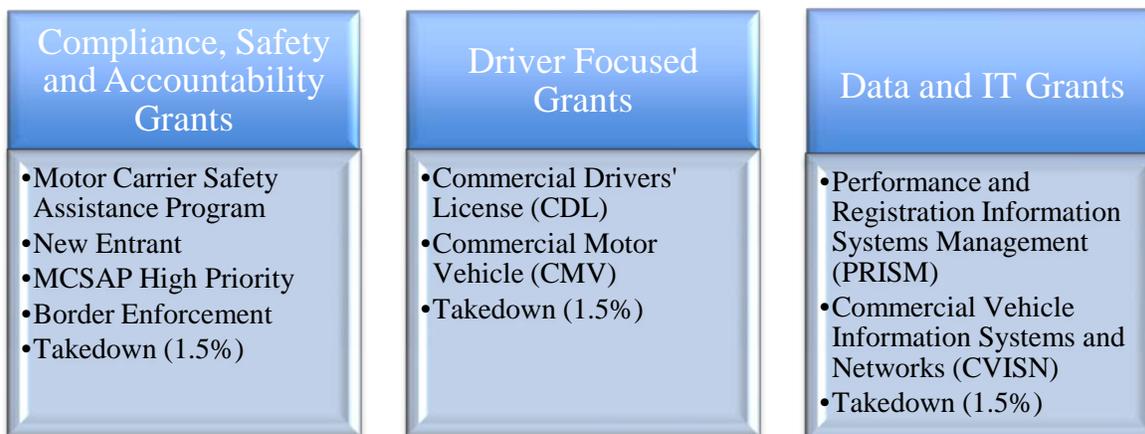
Federal Motor Carrier Safety Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Motor Carrier Safety Operations and Programs	\$ 240	\$ 240	\$ 276
	Motor Carrier Safety Grants	\$ 310	\$ 310	\$ 330
	Total	\$ 550	\$ 550	\$ 606
	FTE	1,064	1,123	1,230

SUMMARY OF REQUEST

- The President’s budget requests **\$606 million and 1,169 total FTE for FY 2012 to improve motor carrier safety. For FMCSA, this represents the first-year of a six-year and a \$4.9 billion proposal. This increase will improve the safety and security of commercial motor vehicles and buses.** This funding will enable FMCSA to improve safety and reduce severe and fatal commercial motor vehicles crashes by:
 - **Raising the bar of entry** and preventing repeat offenders from reentering the Commercial Motor Vehicle industry;
 - **Requiring operators to maintain high compliance standards** to remain in the industry; and,
 - **Removing high-risk carriers, vehicles, drivers, and service providers** from operating trucks and buses.
- **Motor Carrier Safety Operations & Programs - \$276 million is requested to fund research, technology and programs to reduce serious injuries and deaths resulting from commercial motor vehicle crashes.** Safety Operations and Programs provides resources essential for developing, implementing and enforcing safety programs that support FMCSA’s strategic framework.

- Information Technology (IT) Development – **The President requests \$41.5 million**, broader authority, and IT system capability to address the problem of reincarnated or “chameleon” carriers who attempt to evade regulation and civil penalties by reincorporating.
 - Border Programs Management and Oversight - **The President requests \$50.4 million** to support cross-border inspections and the Mexican long-haul program. \$5 million of the requested funds are dedicated to initiate a multi-year strategy for improving facilities along the U.S. – Mexico border.
 - Enforcement & Intervention – **The President requests \$78 million and 99 new FTE** for the **integration of** the Compliance Safety and Accountability known as **CSA** to support increased interventions and resulting enforcement actions.
- **Motor Carrier Safety Grants - \$330 million** is requested for the Motor Carrier Safety Grants program, **an increase of \$20 million** over FY 2010.
 - **FMCSA is consolidating individual grant programs into three comprehensive grant programs** as shown in the table below. These umbrella grants will provide flexibility to distribute funds across the sub-grants through the appropriations process, and align financial assistance to address mission requirements, emerging safety concerns, and State needs. The grant consolidation will result in more-targeted programs and thereby improved motor carrier safety.
 1. Compliance, Safety and Accountability Grant Program – **requests \$261.8 million** to support **grant programs that improve motor carrier compliance, safety, and accountability** through State and local law enforcement programs including roadside inspections, interventions, compliance reviews, and targeted enforcement.
 2. Driver Safety Grant Program – **requests \$37.7 million** to provide funding for **grant programs that focus on the operator’s role** in commercial vehicle safety.
 3. Data and Information Technology Grant Program – **requests \$30.4 million** to focus on **systems, data, and technology grants to States.**

The table below describes how FMCSA intends to roll existing grants into the umbrella grant concept:



- **DOT’s Surface Transportation Authorization Proposal:** DOT’s Surface Transportation Authorization Proposal reauthorizes surface transportation programs and will provide a **70% increase from \$2.9 billion over the last six-year authorization period to \$4.9 billion from FY 2012 through FY 2017** for

commercial motor vehicle security and safety initiatives. The proposal will simplify the motor carrier grant structure and establish a stronger enforcement program to reduce crashes involving motor carriers and buses.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Overview: Pipeline and Hazardous Materials Safety Administration’s (PHMSA) mission is to oversee the safe transportation of hazardous liquids and natural gas through the network of 2.5 million miles of pipelines, serving over 69 million residential and commercial customers. These pipelines transport and supply more than two-thirds of the fuel used to heat, cool, and operate American homes, cars, and businesses. Fuel provided through these pipelines powers other forms of transportation such as airplanes, trucks, trains, and ships. In addition to its pipeline safety role, PHMSA oversees the safe and secure shipment of up to one million daily movements of hazardous materials carried by other forms of transportation. These include materials that are explosive, poisonous, corrosive, flammable, and radioactive. Many of these materials are essential to the American public and local economies due to their use in farming, medical applications, manufacturing, mining, and other industrial processes.

Pipeline and Hazardous Materials Safety Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Pipeline Safety	\$ 106	\$ 106	\$ 121
	Hazardous Materials Safety	\$ 38	\$ 38	\$ 50
	Emergency Preparedness Grants	\$ 23	\$ 28	\$ 28
	Operational Expenses	\$ 20	\$ 20	\$ 21
	Total	\$ 187	\$ 193	\$ 221
	FTE	385	464	514

SUMMARY OF REQUEST

- The President is requesting **\$220.9 million** and **502.5 FTE in FY 2012** to support PHMSA’s mission of protecting the public and the environment. **The proposed reauthorization of the Pipeline Safety and Hazardous Materials Safety programs is also part of this request.**
- **Pipeline Safety:** The Budget requests **\$121 million** and **225 FTE, which includes 18 new positions (9 FTE) for inspectors.** The request includes two **new Pipeline Safety user fees** for new pipeline construction and special permits. These user fees are included in the Administration’s Surface Transportation Reauthorization proposal.
 - *Cost Recovery for Design Reviews* – This fee will recover PHMSA’s oversight costs from project applicants for **design review, consulting, and field support** for new pipeline construction projects over 10 miles in length in the United States, including the Alaska Natural Gas Pipeline project.
 - *Special Permits* – A filing fee will be charged for special permit applications to cover the **costs incurred for technical studies or environmental analysis** from special permit applicants.
- **Hazardous Materials Safety:** The Budget requests **\$50 million** and **209 FTE, which includes 20 new positions (10 FTE) for inspectors.** Included in the request are \$4.2 million and 19 FTE to continue

PHMSA's efforts in addressing the shortcomings identified by the DOT Inspector General in the Special Permits and Approvals program.

- Hazardous Materials Safety is proposing a **Special Permits and Approvals user fee** for FY 2012. This user fee is also included in the DOT Surface Transportation Reauthorization Proposal.
- The user fees will be collected from **companies and individuals involved in the transport of hazardous materials** seeking special permits and approvals from the Hazardous Materials Regulations.
- **Operational Expenses: \$21 million and 68.5 FTE are requested for FY 2012**, of which \$2.6 million supports the next step of the Information Technology (IT) Modernization.
 - The purpose of the IT Modernization is to eliminate fragmented information, provide a one-stop shop for data and information, and ensure IT systems provide transparent and immediate access to trusted data that supports vital safety decisions and for directing limited resources toward events posing the greatest risk.

FEDERAL AVIATION ADMINISTRATION

Overview: The Federal Aviation Administration (FAA) maintains and operates the Nation’s airspace system and regulates its safety. The FY 2012 budget request of \$18.7 billion supports FAA’s current programs in the areas of air traffic controller and safety staffing, research and development, and capital investment. The budget also advances the modernization of our air traffic system through “NextGen” – the next generation of air traffic control technology. NextGen will enable the FAA to build upon current capabilities and lay the groundwork for future technologies that will improve the safety, capacity, and efficiency of air travel by replacing ground-based radar surveillance with a modern satellite-based system. NextGen also capitalizes on the latest in aircraft technology.

Federal Aviation Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Operations	\$ 9,351	\$ 9,350	\$ 9,823
	General Fund	[\$ 5,350]	[\$ 5,350]	[\$ 4,865]
	Trust Fund	[\$ 4,000]	[\$ 4,000]	[\$ 4,958]
	Facilities & Equipment (F&E)	\$ 2,936	\$ 2,936	\$ 2,870
	Research, Engineering & Dev.	\$ 191	\$ 191	\$ 190
	Grants-in-Aid for Airports	\$ 3,515	\$ 3,515	\$ 2,424
	Sub-Total (Discretionary)	\$ 15,992	\$15,992	\$15,307
	F&E Infrastructure – General Fund Mandatory	\$ 0	\$ 0	\$ 250
	AIP Infrastructure – General Fund Mandatory	\$ 0	\$ 0	\$ 3,100
	Total	\$ 15,993	\$ 15,992	\$ 18,657
FTE		47,973	48,256	48,539

[Brackets indicate non-adds]

SUMMARY OF REQUEST

- The President is requesting **\$18.7 billion** for FY 2012, an increase of \$3.0 billion over the FY 2010 enacted level. **\$3.4 billion of this funding is included in the \$50 billion “Up-Front” boost.** Major program highlights of the FAA’s budget request include:
 - **Operations:** **\$9.8 billion is requested for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems, including 106 new safety inspectors and data analysts.** These inspectors will ensure compliance of air carriers with operations and maintenance standards, and aircraft airworthiness certifications, and noise level certifications.
 - Included in the Operations account is \$24 million for NextGen staffing, studies, and analysis of environmental impacts.

- Includes \$11.4 million to establish the Commercial Spaceflight Technical Center and FAA's continue the development of commercial spaceflight safety processes and standards.
- **Facilities and Equipment (F&E): \$3.1 billion for Facilities and Equipment**, which will enable FAA to meet the challenge of both maintaining the capacity and safety of the current National Airspace while keeping a comprehensive modernization and transformation effort on track.
- **Within this amount is \$250 million from the President's \$50 billion "Up-Front" boost**, of which \$200 million will be used to advance the NextGen initiative and provide for a modern satellite- based air traffic control system and \$50 million for near-term improvements in FAA's air traffic control infrastructure.
- Within the overall FAA level, the **FY 2012 Budget requests \$1.1 billion for NextGen**, an increase of \$347 million over FY 2010 enacted. This funding will enable FAA to continue its ongoing modernization efforts. Examples of specific projects include:
 - Area Navigation/Required Navigation Performance: \$26 million is requested to improve arrival and departure procedures. We are proposing to realign this initiative to F&E from Operations to more closely coordinate with other NextGen initiatives.
 - Automatic Dependent Surveillance Broadcast: \$285 million is requested for the implementation of satellite-based surveillance capabilities. This will provide a more complete picture of airspace conditions and more accurate position data.
 - Air-to-Ground Data Communications: \$150 million is requested for data communications, to accelerate the transition from the current voice-based communication system to a text-based data communication system.
 - NextGen Systems Development: \$109 million is requested to conduct system level engineering reviews of human factors, safety, environment, wake turbulence, future ATC communications and surveillance requirements.
 - Flexible Terminals and Airports: \$58 million is requested to develop technologies and decision support tools to improve operations in the terminal environment and ensure efficient separation management.
 - Equipage: Equipage costs are eligible under the Infrastructure Bank.
- The balance of the F&E request, \$2 billion, will be used to maintain current systems, including maintaining aging infrastructure, power systems, information technology, navigational aids, and weather systems.
- **Grants-in-Aid for Airports (AIP): The President's request proposes \$5.5 billion for AIP.**
 - **The budget proposes \$2.4 billion for the on-going airport grants program, which focuses Federal grants to support smaller commercial and general aviation airports that do not have access to additional revenue or other outside sources of capital.** At the same time, the budget would allow larger airports to increase non-Federal passenger facility charges. The new program structure will give the larger airports greater flexibility to generate revenue. This

proposal is consistent with the recommendation of the President's National Commission on Fiscal Responsibility and Reform to eliminate grants to large and medium hub airports.

- **The budget proposes to allocate \$3.1 billion from the “Up-Front” \$50 billion economic boost to assist the larger airports with the transition from current program to the re-structured AIP program.** Using these funds, the FAA will honor the existing long-term funding commitments, the planned Runway Safety Area improvement projects, and the noise mitigation funding for communities impacted by the activity at Large and Medium hub airports.
- **Research, Engineering and Development:** \$190 million is requested for Research, Engineering, & Development in FY 2012 to support the continuation of work in both NextGen and other research areas such as fire research, and safety, propulsion and fuel systems, advanced materials research, and aging aircraft.
- **“Up-Front” \$50 Billion Economic Boost:** To spur job growth and allow states to initiate sound multi-year investments, the budget includes a \$50 billion “Up-Front” economic boost above current law spending for roads, railways and runways. **Of this amount, \$3.35 billion is requested for FAA** (\$3.1 billion for the Grants-in-Aid to Airports and \$250 million for Facilities and Equipment).
 - Grants-in-Aid to Airports will use most of the funding **for runway construction and other airport improvements** aimed at increasing overall system efficiency in the future. The funds will also be used to honor existing long-term funding commitments, Runway Safety Area improvement projects, and for noise mitigation projects.
 - Facilities and Equipment will use the funding to **advance NextGen**. In addition, this funding will also be used to **make the near-term improvements in FAA's current air traffic control infrastructure**. \$200 million will be used to accelerate applied research, advance development, and implement engineering solutions for NextGen technologies, applications, and procedures; and \$50 million will be used to upgrade FAA capital infrastructure such as power systems and air traffic control centers and towers.

CAPITAL PROGRAMS

(Dollars in Millions)

	<u>FY 2010 Enacted</u>	<u>FY 2012 Total Request</u>
Activity 1 - Engineering, Development, Test and Evaluation	521	635
Data Communications for NextGen	47	150
NextGen Demonstrations and Concepts	346	284
NextGen System Development	66	109
Advanced Technology	11	33
Other	51	59
Activity 2 - Air Traffic Control Facilities and Equipment	1,581	1,568
En Route Automation	172	191
System-wide Information Management (SWIM)	57	66
Automatic Dependent Surveillance–Broadcast (ADS-B) implementation	201	285
Oceanic Automation	8	8
Infrastructure Improvements	307	201
Airport Surface Detection Equipment – Model X	25	2
Terminal Automation	56	126
Terminal Digital Radar	10	4
Runway Status Lights	117	30
Air Traffic Management	31	8
Wide Area Augmentation System	91	126
Improve Weather Systems	48	21
Improve Voice Communications	75	76
Replace Fuel Tanks	6	6
Power Systems	88	96
Other	289	323
Activity 3 - Non-Air Traffic Control Facilities and Equipment	132	182
Hazardous Materials Clean-Up	20	20
NAS Recovery Communications	10	12
Safety Database and Computer Systems	38	71
Facility Risk Management	18	18
Information Security	12	19
Aeronautical Center Infrastructure Modernization	14	18
Other	20	24
Activity 4 - Facilities and Equipment Mission Support	232	255
Center for Advanced Aviation System Development (CAASD)	82	81
Facility Leases	53	59
Technical Support Contracts	68	59
Logistics	11	12
Other	18	44
Activity 5 - Personnel and Related Expenses	470	480
Total	2,936	3,120

NEXTGEN PROGRAMS

(Dollars in Thousands)

	<u>FY 2010 Enacted</u>	<u>FY 2012 Total Request</u>
Facilities and Equipment (F&E)		
NextGen Network Enabled Weather (NNEW)	20	27
Data Communications for Trajectory Based Operations	47	150
Demonstrations and Infrastructure Development	35	25
NextGen – System Development	66	105
NextGen – Trajectory Based Operations	64	23
NextGen – Reduced Weather Impact	36	33
NextGen – High Density Arrivals/Departures	52	28
NextGen – Collaborative ATM	45	53
NextGen – Flexible Terminals and Airports	64	65
NextGen – Safety, Security and Environment	8	8
NextGen – Networked Facilities	24	10
NextGen – Future Facilities ¹	-	20
Joint Planning & Development Office (JPDO)	-	3
System-Wide Information Management	57	66
ADS-B NAS Wide Implementation – Segment 1b	201	285
NAS Voice Switch	27	20
Collaborative ATM Technologies	18	42
Time-Based Flow Management (TBFM) ^{1/}	-	39
Aeronautical Information Management - Segment 2&3 (AIM) ^{2/}	-	11
En Route Automation Modernization (ERAM) - D-Position Upgrade & System Enhancements	-	65
Colorado ADS-B/Wide Area Multilateration (WAM) ^{2/}	-	6
Activity 5 F&E PCBT - NextGen RNAV/RNP	26	26
Activity 5 F&E PCBT - NextGen RNAV/RNP (AVS 40 EOY /20 FTE)	-	3
Performance Based Navigation - RNAV/RNP	-	26
SubTotal F&E	788	1,138
Research, Engineering and Development (RE&D)		
NextGen – Wake Turbulence	8	11
NextGen – Air Ground Integration	6	11
NextGen – Self Separation	8	10
NextGen – Weather in the Cockpit	10	9
NextGen Environmental Research – Aircraft Technologies, Fuels and Metrics	27	21
NextGen – JPDO	14	14
NextGen Alternative Fuels - General Aviation	-	2
NextGen – Advanced Systems and Software Validation	-	0
SubTotal RE&D	72	77
Operations		
NextGen Environmental/Noise/Congestion Studies	2	2
NextGen Staffing	5	10
NextGen – Environmental Performance	1	1
Technologies, Models & Metrics (APL 3 FTE)	-	3
NextGen Technology Advancement (AVS 30 EOY/15 FTE) ^{3/}	-	9
SubTotal Operations	7	24
Total NextGen Programs	868	1,240

^{1/} The funding for this newly-created FY 2012 NextGen implementation BLI was originally in the solution set NextGen High Density Arrivals / Departures.

^{2/} These newly-added legacy BLIs begin NextGen initiatives in FY 2012.

^{3/} These items are newly-requested FY 2012 NextGen OPS initiatives.

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 War Risk Insurance program, MARAD helps support national security and strategic mobility by assuring access to ships, crews, and port intermodal assets 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 continues to reduce the significant environmental risks posed by the presence of obsolete ships in the National Defense Reserve Fleet.

Maritime Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Operations and Training	\$ 150	\$150	\$162
	Assistance to Small Shipyards	\$ 15	\$ 15	\$ 0
	Ship Disposal	\$ 15	\$ 15	\$ 19
	Port of Guam Improvement Enterprise Fund ^{1/}	\$ 50	\$ 0	\$ 0
	Maritime Security Program	\$ 174	\$ 174	\$ 174
	Maritime Guaranteed Loans (Title XI)	\$ 9	\$ 9	\$ 4
	Total	\$413	\$363	\$358
	Proposed Rescission	\$ 0	\$ 0	\$ 54
	FTE	772	822	835

^{1/} Transfer from DOD in FY 2010.

SUMMARY OF REQUEST

- **The President is requesting \$358 million for FY 2012** to support the agency’s coordinated program of activities and initiatives advancing Departmental and national objectives for Economic Competitiveness, Environmental Sustainability, and Organizational Excellence.
- **Operations and Training:** The President requests \$162 million, an increase of \$12 million above FY 2010. The request includes \$93 million for the U.S. Merchant Marine Academy (USMMA), an increase of \$19 million over FY 2010.
 - \$29 million (\$12 million above FY 2010) is requested for the consolidated USMMA Capital Asset Management program, including: \$23 million for capital improvements (\$11.5 million to start renovation of the Cleveland Hall midshipman barracks; \$9 million to complete the renovation of the Delano Mess Hall planned to begin in FY 2011; and \$2.5 million to begin architectural and engineering studies for renovation of the remaining barracks and academic buildings); \$2 million for major capital repairs and equipment replacement; and \$4 million for facilities maintenance.

- \$7 million in new funding is requested to meet other Academy operational priorities, including midshipman program requirements, instructional priorities and critical information technology infrastructure improvements.
- \$17 million is requested for the six State maritime academies, an increase of \$1 million from the FY 2010.
- \$51 million is requested for MARAD Operations and Programs, \$8 million below FY 2010.
- **Assistance to Small Shipyards grant program:** No new funds are requested for this program.
- **Ship Disposal program:** The President requests \$19 million for this program. This funding level includes \$3 million to support nuclear license management for the Nuclear Ship SAVANNAH and \$3 million for obsolete fleet environmental remediation.
- **Maritime Security Program:** The President requests \$174 million for this program. This amount, plus \$12 million in unobligated balances, will fully fund the \$186 million authorized level of \$3.1 million for each the 60 ships enrolled in the program.
- **Maritime Guaranteed Loan Program (Title XI):** The President requests \$4 million for administrative expenses, consistent with the FY 2010. No new loan subsidies are requested for FY 2012; and, \$54.1 million of unobligated balances (resources funded in the FY 2009 and 2010 Department of Defense appropriations) are proposed for cancellation.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

Overview: The Research and Innovative Technology Administration (RITA) coordinates the Department’s research and education programs, while working to bring advanced technologies into the transportation system, and offering vital transportation system statistics and analysis. RITA manages the Intelligent Transportation Systems (ITS) Joint Program Office, which is funded through the Federal Highway Administration (FHWA). The ITS program conducts research on behalf of the Department and all major modal administrations to advance transportation safety, mobility, and environmental sustainability through electronic and information technology applications. Additionally, RITA manages the Department’s responsibilities for coordinating and developing Positioning, Navigation and Timing (PNT) technology, PNT policy coordination, and spectrum management; and, oversees the Nationwide Differential Global Positioning System (NDGPS).

Research and Innovative Technology Administration				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Research and Development	\$ 13	\$ 13	\$ 17
	Bureau of Transportation Statistics ^{1/}	[\$ 27]	[\$ 27]	[\$ 35]
	Total	\$ 13	\$ 13	\$ 17
	FTE	671	688	688

^{1/} Non-add allocation account funded under FHWA’s Federal-Aid Highways

SUMMARY OF REQUEST

- **Research and Development:** The President is requesting **\$17.6 million in FY 2012** for the Research and Development account. This request is \$4.6 million over the FY 2010 level and includes a \$3 million increase to support the NDGPS program.
- In addition, **\$35 million is requested to be allocated to the Bureau of Transportation Statistics account, an increase of \$8 million over the FY 2010 level.** Funding will support the development and improvement of transportation system performance measures and modernizing the BTS core statistical programs.
 - The proposed \$8 million increase would fund the new Safety Data and Analysis Program (\$2 million) and provide an increase (\$6 million) for the BTS Freight Statistics Program.
- **Intelligent Transportation System:**
 - The President requests **\$110 million for the ITS core program in FY 2012** to advance transportation safety, mobility, and environmental sustainability through electronic and information technology applications.
 - The President requests **\$100 million increase in conjunction with the President's National Wireless Initiative, Wireless Innovation Fund (WIF).** This additional \$100 million from the

WIF fund will be used over a five- year period, and will provide the Intelligent Transportation Systems (ITS) program the ability to seek new and innovative opportunities to pursue ground breaking research and competitive deployments of wireless technology applications for transportation. Deployment of the resulting proven ITS applications will greatly advance the safety, efficiency, convenience, and environmental sustainability of transportation.

OFFICE OF THE INSPECTOR GENERAL

Overview: The Inspector General Act of 1978, as amended, established the Office of the Inspector General (OIG) as an independent organization within the Department of Transportation. The OIG is committed to fulfilling its statutory responsibilities and supporting members of Congress, the Secretary, senior Department officials, and the public in achieving a safe, efficient, and effective transportation system.

Office of the Inspector General				
(Dollars in Millions)				
		FY 2010 Actual ^{1/}	FY 2011 Revised ^{1/}	FY 2012 Request
Accounts	Salaries and Expenses	\$ 77	\$ 77	\$ 89
	Total	\$ 77	\$ 77	\$ 89
	FTE ^{2/&3/}	438	428	471

^{1/} Includes a \$2 million transfer from Federal Transit Administration.

^{2/} FTE totals include those funded by appropriation for ARRA in the amounts of 22 for FY 2010, and 35 for FY 2011 and FY 2012.

^{3/} FTE totals for FY2010 and FY2011 include 35 FTEs funded by reimbursable funds.

SUMMARY OF REQUEST

- **Office of the Inspector General:** The President is requesting \$89.2 million in FY 2012 for the Office of the Inspector General. This request is \$12.1 million above FY 2010.
- The increase includes **\$4.4 million that was previously funded through reimbursement** from other DOT Operating Administrations including FHWA, FAA and MARAD.
- The request includes additional funds for information technology modernization, contract support, and the **cost of an additional 43 FTE**. This will restore staffing to FY 2010 levels as well as enable the OIG to meet **increasing oversight responsibilities** in the areas of aviation and surface transportation safety, surface transportation program stewardship and accountability, and audit and investigative coverage of DOT acquisition programs.

OFFICE OF THE SECRETARY

Overview: The Office of the Secretary (OST) provides policy development, oversight and coordination for the overall planning and direction of the Department. The total FY 2012 request is \$2.3 billion, which includes \$2 billion in mandatory spending to continue the National Infrastructure Investments (NII) grant program, discretionary funding to improve cyber security and upgrade the Department’s financial systems and processes.

Office of the Secretary				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Salaries & Expenses	\$ 103	\$ 103	\$ 119
	Office of Civil Rights	\$ 10	\$ 10	\$ 10
	Transportation Planning, Research & Development	\$ 18	\$ 18	\$ 10
	Minority Business Resource Center Program	\$ 1	\$ 1	\$ 1
	Minority Business Outreach	\$ 3	\$ 3	\$ 3
	Payments to Air Carriers ^{1/}	\$ 150	\$ 150	\$ 123
	Compensation for General Aviation Operations	\$ 0	\$ 0	\$ -3
	Financial Management Capital	\$ 5	\$ 5	\$ 17
	Livable Communities	\$ 0	\$ 0	\$ 10
	Sub-Total (Discretionary)	290	290	290
	Essential Air Service (EAS) – Mandatory	\$ 50	\$ 50	\$ 50
	National Infrastructure Investments (NII) – Mandatory	600	600	2,000
	TOTAL	\$ 940	\$ 940	\$ 2,340
	FTE^{2/}	712	905	901

^{1/} An estimated \$22 million of unobligated balances will be available in FY 2012 for a total program level (including EAS) of \$195 million

^{2/} Includes Direct and Reimbursable

SUMMARY OF REQUEST

- The President is requesting \$2.3 billion and 638 FTE in FY 2012, which is \$1.4 billion higher than the FY 2010 enacted levels.
- Within the request, **\$2.3 billion of mandatory funding will continue the National Infrastructure Investments (NII) program** as part of the up-front \$50 billion in the surface transportation reauthorization proposal.
- Aside from the increase in mandatory spending for NII, the President’s request is the **same as the FY 2010 enacted level**.
- **Salaries and Expenses (S&E):** \$119 million is requested for S&E including the following:

- The budget requests an additional **\$2.2 million** to prepare an overarching strategy to **combat cyber attacks** and to plan, implement, and monitor cyber security activities across the Department.
- The budget requests **\$1.7 million** to fund key staff for Transportation Offices at the **U.S. Embassies in Afghanistan and Iraq** to support reconstruction in both countries.
- The budget requests **\$0.7 million** to support the Department's **Environmental Sustainability Program**.
- **Essential Air Service (EAS):** **\$195 million** is requested, including an estimated \$22 million of unobligated balances and \$50 million in mandatory funding; and proposes **eliminating the 15-passenger aircraft requirement** and **limiting the program** to those communities receiving subsidized service as of October 1, 2011.
- **Financial Management Capital:** **\$17 million** is requested for Financial Management Capital for a multi-year project to **upgrade the Department's financial systems** and processes.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Overview: The Saint Lawrence Seaway Development Corporation (SLSDC) is a wholly government-owned corporation and an Operating Administration of the Department of Transportation. It is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario as well as maintaining and operating the two U.S. Seaway locks located in Massena, NY.

The SLSDC coordinates its activities with its Canadian counterpart, the St. Lawrence Seaway Management Corporation (SLSMC), to ensure that the U.S. portion of the St. Lawrence Seaway are available for commercial transit 99 percent of the time during the navigation season (typically late March to late December of each year).

Saint Lawrence Seaway Development Corporation				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Operations and Maintenance <i>(Harbor Maintenance Trust Fund)</i>	\$ 32	\$ 32	\$ 34
	Total	\$ 32	\$ 32	\$ 34
	FTE	135	144	144

SUMMARY OF REQUEST

- **SLSDC is requesting \$33.9 million for FY 2012.** This is \$1.7 million above the FY 2010 enacted level and funds the daily operations and maintenance of the U.S. portion of the St. Lawrence Seaway as well as the fourth year of the SLSDC’s on-going Asset Renewal Program (ARP).
- **\$17.1 million will be used to invest in capital improvements to the aging Seaway infrastructure investing in new technologies, and refurbishing existing facilities.**
- Major ARP projects scheduled for funding in FY 2012 include **rehabilitation of the downstream miter gate at Snell Lock** (\$4.4 million), **replacement of concrete diffusers at Eisenhower Lock** (\$3 million), and demolition work to prepare **Snell Lock for the installation of an ice flushing system** (\$2 million).

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, providing an efficient and effective forum for the resolution of disputes, and the facilitation of appropriate business transactions. The STB, established in 1996 pursuant to the Interstate Commerce Commission 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.

Surface Transportation Board				
(Dollars in Millions)				
		FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Accounts	Salaries & Expenses	\$ 28	\$ 28	\$ 30
	Fees	\$ 1	\$ 1	\$ 1
	Total	\$ 29	\$ 29	\$ 31
	FTE	149	148	154

SUMMARY OF REQUEST

- **Surface Transportation Board:** The President is requesting \$31 million in FY 2012, to be financed by appropriations and the offsetting collection of user fees.

BUDGETARY RESOURCES

Appropriations, Obligation Limitations, User Fees, Asset Sales, and FHWA Exempt Obligations

(Dollars in Millions)

Administration	FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Federal Aviation Administration	\$ 15,993	\$ 15,992	\$ 15,307
Federal Highway Administration	\$ 41,376	\$ 42,789	\$ 70,414
National Highway Traffic Safety Administration	\$ 873	\$ 873	\$ 860
Federal Motor Carrier Safety Administration	\$ 550	\$ 550	\$ 606
Federal Transit Administration	\$ 12,143	\$ 10,731	\$ 22,351
Federal Railroad Administration	\$ 4,359	\$ 4,359	\$ 8,309
Pipelines and Hazardous Materials Safety Administration	\$ 187	\$ 193	\$ 221
Research and Innovation Technology Administration	\$ 13	\$ 13	\$ 18
Maritime Administration	\$ 413	\$ 363	\$ 358
Saint Lawrence Seaway Development Corporation	\$ 32	\$ 32	\$ 34
Surface Transportation Board	\$ 29	\$ 29	\$ 31
Office of the Secretary	\$ 340	\$ 340	\$ 343
Inspector General	\$ 77	\$ 77	\$ 89
National Infrastructure Innovation and Finance Fund	\$ 0	\$ 0	\$ 5,000
Total DOT Budgetary Resources	\$ 76,385	\$ 76,339	\$ 123,940

Totals may not add due to rounding.

BUDGET AUTHORITY

(Dollars in Millions)

Administration	FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Federal Aviation Administration	\$ 15,591	\$ 16,177	\$ 18,657
Federal Highway Administration	\$ 68,750	\$ 42,857	\$ 69,916
National Highway Traffic Safety Administration	\$ 796	\$ 866	\$ 860
Federal Motor Carrier Safety Administration	\$ 536	\$ 539	\$ 606
Federal Transit Administration	\$ 12,161	\$ 10,730	\$ 22,351
Federal Railroad Administration	\$ 4,374	\$ 4,379	\$ 8,229
Pipelines and Hazardous Materials Safety Administration	\$ 187	\$ 193	\$ 221
Research and Innovation Technology Administration	\$ 13	\$ 13	\$ 18
Maritime Administration	\$ 639	\$ 621	\$ 479
Saint Lawrence Seaway Development Corporation	\$ 32	\$ 32	\$ 34
Surface Transportation Board	\$ 28	\$ 28	\$ 30
Office of the Secretary	\$ 940	\$ 940	\$ 2,339
Inspector General	\$ 77	\$ 77	\$ 89
National Infrastructure Innovation and Finance Fund	\$ 0	\$ 0	\$ 5,000
Delta between Continuing Resolution and FY 2011 Request	\$ 0	\$ -721	\$ 0
Subtotal	\$ 104,125	\$ 76,726	\$ 128,829
Offsetting Collections	\$ -19,783	\$ -208	\$ -183
Total DOT Budgetary Authority	\$ 84,342	\$ 76,518	\$ 128,646

Totals may not add due to rounding.

OUTLAYS

(Dollars in Millions)

Administration	FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Federal Aviation Administration	\$ 16,022	\$ 16,296	\$ 17,203
Federal Highway Administration	\$ 63,098	\$ 42,501	\$ 48,848
National Highway Traffic Safety Administration	\$ 919	\$ 983	\$ 948
Federal Motor Carrier Safety Administration	\$ 513	\$ 743	\$ 587
Federal Transit Administration	\$ 13,088	\$ 14,419	\$ 15,624
Federal Railroad Administration	\$ 2,671	\$ 3,357	\$ 4,403
Pipelines and Hazardous Materials Safety Administration	\$ 170	\$ 217	\$ 203
Research and Innovation Technology Administration	\$ 62	\$ 98	\$ 17
Maritime Administration	\$ 561	\$ 850	\$ 543
Saint Lawrence Seaway Development Corporation	\$ 25	\$ 32	\$ 34
Surface Transportation Board	\$ 29	\$ 28	\$ 30
Office of the Secretary	\$ 298	\$ 1,267	\$ 1,118
Inspector General	\$ 79	\$ 85	\$ 94
National Infrastructure Innovation and Finance Fund	\$ 0	\$ 0	\$ 470
Delta between Continuing Resolution and FY 2011 Request	<u>\$ 0</u>	<u>\$ -177</u>	<u>\$ -318</u>
<i>Subtotal</i>	\$ 97,533	\$ 79,703	\$ 89,805
Offsetting Collections	<u>\$ -19,783</u>	<u>\$ -208</u>	<u>\$ -183</u>
Total DOT Outlays	\$ 77,750	\$ 79,495	\$ 89,622

Totals may not add due to rounding.

FULL TIME EQUIVALENT EMPLOYMENT

Administration	FY 2010 Actual	FY 2011 Revised	FY 2012 Request
Federal Aviation Administration	47,973	48,256	48,539
Federal Highway Administration	2,907	2,979	3,015
National Highway Traffic Safety Administration	610	617	684
Federal Motor Carrier Safety Administration	1,064	1,123	1,230
Federal Transit Administration	560	575	685
Federal Railroad Administration	840	917	1,000
Pipelines and Hazardous Materials Safety Administration	385	464	514
Research and Innovation Technology Administration	671	688	688
Maritime Administration	772	822	835
Saint Lawrence Seaway Development Corporation	135	144	144
Surface Transportation Board	149	148	154
Office of the Secretary	516	634	639
Inspector General	438	428	471
Working Capital Fund	196	271	262
National Infrastructure Innovation and Finance Fund	0	0	100
Total DOT Full Time Equivalent Employment	57,216	58,066	58,960



U.S. Department of Transportation
Office of the Secretary of Transportation

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