



**U.S. Department of
Transportation**

**Fiscal Year 2008
Budget In Brief**

**Mary E. Peters
Secretary of Transportation**

U.S. Department of Transportation
FY 2008 Budget in Brief
Contents

Message from the Secretary .....	.2
Policy, Performance and Program Outlook .....	.4
Overview:	
Safety	10
Reduced Congestion	13
Global Connectivity	17
Environmental Stewardship	20
Security, Preparedness and Response	22
President's Management Agenda - Organizational Excellence	25
Operating Administrations:	
Federal Aviation Administration	28
Federal Highway Administration	32
Federal Motor Carrier Safety Administration	36
National Highway Traffic Safety Administration	40
Federal Transit Administration	44
Federal Railroad Administration	50
Research and Innovative Technology Administration	52
Pipeline and Hazardous Materials Safety Administration	54
Maritime Administration	56
Saint Lawrence Seaway Development Corporation	60
Office of the Secretary	62
Office of Inspector General	64
Surface Transportation Board	65
Tables:	
Program Assessment Rating Tool Summary .....	.5
President's Management Agenda Scorecard .....	.7
Performance Progress Report .....	.8
Net Budgetary Resources by Strategic and Organizational Goals .....	.9
Budgetary Resources .....	.66
Budgetary Authority .....	.67
Discretionary Budget Resources, Mandatory Outlays and Credit Activity .....	.68
Outlays .....	.69
Full Time Equivalent (FTE) Employment .....	.70

Message from the Secretary



I appreciate this opportunity to share the highlights of President Bush's fiscal year 2008 budget plan for our Nation's transportation programs.

Building on the Administration's success in cutting the deficit in half three years ahead of schedule, the President's 2008 proposal puts America on a track for a balanced budget by 2012. Reaching this goal requires both setting priorities and restraining spending.

Our priorities at the Department of Transportation are clear. We are working on real transportation solutions that will keep America moving forward in the 21st Century:

- Solutions that will make travel safer;
- Solutions that will fight congestion by improving system performance; and,
- Solutions that employ advanced technologies and contemporary problem solving to meet today's challenges.

The President's \$67 billion request for the Department reflects these priorities. Nearly one-third of the Department's resources will be devoted to transportation safety. Over the past six years, we have made impressive progress. Record numbers of Americans are wearing safety belts, and commercial aviation has just come through its safest three-year period ever. Trucking, pipelines, and rail transportation are delivering steadily improving safety records, and public transit continues to be one of the safest forms of transportation available.

But there is no acceptable fatality rate when it is your loved one -- or your community -- at risk. So the President's FY 2008 budget proposes resources for equipping our Nation's airports and roadways with new safety technologies, for targeting growing problem areas like motorcycle crashes, and for supporting aggressive inspections of trucks, tracks and pipelines to assure the highest safety standards are met. In addition to supporting our efforts to raise the bar on safety, the President's FY 2008 budget will help improve the performance of America's transportation network.

When our network performs as it should, our economy grows stronger, consumers pay less for goods, and families spend more time together, not stuck on congested highways or circling overcrowded airports.

The President's FY 2008 budget gives the country new resources to confront congestion by supporting the comprehensive, department-wide Congestion Relief Initiative announced last year. It includes \$175 million for two key components -- forming Urban Partnerships to test combinations of leading-edge approaches such as congestion pricing, flexible work schedules, transit, and real-time traffic information, and accelerating development of our most critical trade and travel Corridors for the Future.

Today's challenges call for fundamental changes in the way we operate and fund transportation programs to keep America moving. Nowhere is this more true than with respect to aviation. The President's FY 2008 budget sets the stage for meeting the air travel demands of the future with a proposal for revamping Federal Aviation Administration financing.

The Bush Administration's plan replaces the current excise tax structure built largely around the ticket tax with one that more closely ties what various users pay to what it costs FAA to provide services.

This package puts incentives in place that will make the system more efficient, as well as more responsive, to the needs of the aviation community. This more rational, equitable, and stable approach will facilitate transformation of the aviation system to keep up with demand that is changing radically and growing exponentially.

The President's FY 2008 budget requests almost \$175 million to support key FAA investments in satellite navigation systems and other components of the Next Generation Air Transportation System. The flying public will see dramatic improvements in safety, security, and convenience as we replace our 1950s architecture and bring the air traffic system into the 21st Century.

The programs in the President's FY 2008 budget reflect the Department of Transportation's priorities. They provide a foundation for building a modern transportation system that is very safe, very efficient, very effective, and gives America every possible competitive advantage in the global economy.

Thank you. I look forward to working with you as we move forward.

Mary E. Peters
Secretary

Policy, Performance and Program Outlook

"We are results-oriented people, and we work on behalf of the taxpayers. And when we find wasteful spending, we work to eliminate it. When we find a program that is making a significant difference, we work to enhance it."

*President George W. Bush
October 13, 2006*

The U.S. Department of Transportation (DOT) continues to be a leader among Federal agencies in supporting the President's Management Agenda and instituting the use of performance-based budgeting in its internal processes. The fiscal year (FY) 2008 budget request builds on DOT's successful implementation of the Government Performance and Results Act of 1993 by strengthening the linkages between budgetary resources and programmatic and performance outcomes that benefit the Nation. The resources requested in the Department's FY 2008 budget will enable DOT to achieve a transportation system that is safe, efficient, and secure. At the departmental level, performance goals and measures focus on core transportation missions and reflect the Secretary's transportation priorities of safety; reduced congestion; global connectivity; environmental stewardship; security, preparedness and response; and, organizational excellence.

The budget documents for DOT's individual operating administrations reflect the successful steps to integrate budget and performance. Beginning with the FY 2004 budget cycle, DOT organized its Office of Management and Budget (OMB) and congressional budget submissions in such a way that the linkages between additional resources and improved performance would be more apparent. The linkages were further strengthened for the FY 2005 budget submissions. The FY 2006 budget submission began DOT's efforts to take performance budgeting to the next level by estimating the marginal cost of changes in program performance goals at different levels of funding for selected programs. FY 2007 extended this effort across the Department as each operating administration estimated the marginal cost of performance for at least one of their performance goals. The Department is increasing its use of marginal cost information in FY 2008 by identifying marginal cost for certain programs with discretionary budget changes.

Program Assessment Rating Tool

The Department uses a standard questionnaire developed by OMB called the Program Assessment Rating Tool (PART) to evaluate many of its programs. The PART asks approximately 25 important, yet common sense questions about a program's performance and management. For each question, there is a short answer and a detailed explanation with supporting evidence. The answers determine a program's overall rating. Once each assessment is complete, we develop a program improvement plan so we can follow up and improve the program's performance.

PART assessments help us learn how we can achieve better results for the American people - we are always striving to make improvements, regardless of whether a program performs well or not.

The rating indicates how well a program is performing, so the public can see how effectively tax dollars are being spent. Programs can receive one of the following five ratings:

- Effective -- This is the highest rating a program can achieve. Programs rated Effective set ambitious goals, achieve results, are well-managed, and improve efficiency.
- Moderately Effective -- In general, a program rated Moderately Effective has set ambitious goals and is well-managed. Moderately Effective programs likely need to improve their efficiency or address other problems in the program's design or management in order to achieve better results.
- Adequate -- This rating describes a program that needs to set more ambitious goals, achieve better results, improve accountability, or strengthen its management practices.
- Ineffective -- Programs receiving this rating are not using your tax dollars effectively. Ineffective programs have been unable to achieve results due to a lack of clarity regarding the program's purpose or goals, poor management, or some other significant weakness.
- Results Not Demonstrated -- A rating of Results Not Demonstrated indicates that a program has not been able to develop acceptable performance goals or collect data to determine whether it is performing effectively.

The table below lists the PART assessments that have been conducted for DOT programs along with the responsible Operating Administration (OA), the associated budget cycle the assessment was completed, and the overall rating:

Program	OA	Budget Cycle, FY	PART Rating
Grants-in-Aid for Airports	FAA	2004	Moderately Effective
Federal Motor Carrier Safety Grants	FMCSA	2004	Moderately Effective 1/
Highway Infrastructure	FHWA	2004	Moderately Effective
National Highway Traffic Safety Administration Grants	NHTSA	2004	Moderately Effective
Air Traffic Services	FAA	2005	Adequate
Federal Lands Highway Program	FHWA	2005	Moderately Effective
Hazardous Materials Transportation Safety Emergency Preparedness Grants	PHMSA	2005	Moderately Effective
New Starts	FTA	2005	Moderately Effective
Research, Engineering and Development	FAA	2005	Effective
Railroad Safety Program	FRA	2005	Moderately Effective
FAA Facilities and Equipment	FAA	2006	Adequate
Aviation Safety	FAA	2006	Moderately Effective
Highway Research and Development/ Intelligent Transportation Systems	FHWA	2006	Moderately Effective
Operations and Programs	FMCSA	2006	Moderately Effective
Railroad Research and Development	FRA	2006	Moderately Effective
Formula Grant Programs	FTA	2006	Effective
Maritime Security Program	MARAD	2006	Effective
Operations and Research	NHTSA	2006	Moderately Effective
Pipeline Safety	PHMSA	2006	Moderately Effective
Amtrak	FRA	2007	Ineffective
Highway Emergency Relief Program	FHWA	2007	Moderately Effective
Merchant Marine Academy	MARAD	2007	Moderately Effective
State Maritime Schools	MARAD	2007	Effective

Program	OA	Budget Cycle, FY	PART Rating												
Hazardous Materials Transportation Safety	PHMSA	2007	Moderately Effective												
Operations and Maintenance	SLSDC	2007	Effective												
Transportation Infrastructure Finance and Innovation	FHWA	2008	Adequate												
Transit Research	FTA	2008	Effective												
Ocean Freight Differential	MARAD	2008	Moderately Effective												
Ship Disposal Program	MARAD	2008	Effective												
Guaranteed Loan Program (Title XI)	MARAD	2008	Moderately Effective												
Bureau of Transportation Statistics	RITA	2008	Moderately Effective												
Essential Air Service	OST	2008	Results Not Demonstrated												
1/ The Federal Motor Carrier Safety Grants PART Rating was upgraded to Moderately Effective in FY 2005.															
<p>Note:</p> <table> <tr> <td>Federal Aviation Administration (FAA)</td> <td>Research and Innovative Technology Administration (RITA)</td> </tr> <tr> <td>Federal Motor Carrier Safety Administration (FMCSA)</td> <td>Federal Transit Administration (FTA)</td> </tr> <tr> <td>Federal Highway Administration (FHWA)</td> <td>Federal Railroad Administration (FRA)</td> </tr> <tr> <td>National Highway Traffic Safety Administration (NHTSA)</td> <td>Maritime Administration (MARAD)</td> </tr> <tr> <td>Pipeline and Hazardous Materials Safety Administration (PHMSA)</td> <td>Office of the Secretary (OST)</td> </tr> <tr> <td>Saint Lawrence Seaway Development Corporation (SLSDC)</td> <td></td> </tr> </table>				Federal Aviation Administration (FAA)	Research and Innovative Technology Administration (RITA)	Federal Motor Carrier Safety Administration (FMCSA)	Federal Transit Administration (FTA)	Federal Highway Administration (FHWA)	Federal Railroad Administration (FRA)	National Highway Traffic Safety Administration (NHTSA)	Maritime Administration (MARAD)	Pipeline and Hazardous Materials Safety Administration (PHMSA)	Office of the Secretary (OST)	Saint Lawrence Seaway Development Corporation (SLSDC)	
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Pipeline and Hazardous Materials Safety Administration (PHMSA)	Office of the Secretary (OST)														
Saint Lawrence Seaway Development Corporation (SLSDC)															

The FY 2008 budget formulation process continues to fully incorporate the use of OMB's PART findings in resource allocation decisions. The PART is intended to gauge whether a program's design and purpose are clear and defensible; weigh whether the agency sets valid annual and long-term goals for programs; rate agency management of programs, including financial oversight and program improvement efforts; and, focus on results. The PART process is meant to complement traditional management techniques and to stimulate a constructive dialogue between program managers, and budget and policy officials. The information gathered through the PART was provided to senior officials and was instrumental in making decisions regarding programmatic funding requests.

Managing for Results















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

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

To highlight the successes of Federal agencies in implementing the PMA, the Presidential Award for Management Excellence - the President's Quality Award (PQA) - is bestowed upon agencies that best achieve the objectives of the PMA. The PQA is the highest award given to Executive Branch agencies for management excellence. At the 2006 awards ceremony, the Department of Transportation was recognized for its achievement in both Budget and Performance Integration and Competitive Sourcing.

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

PRESIDENT'S MANAGEMENT AGENDA SCORECARD

Initiative	Status as of 12/31/06	Progress as of 12/31/06
Human Capital - DOT continued to strengthen its human capital management by gaining provisional certification for its Senior Executive Service (SES) Performance Plan and a SES pay plan that links pay to organizational performance. Also, all employees have performance plans with a multi-level performance rating system.	 Green	 Green
Competitive Sourcing - DOT maintained a "green" rating in status, but dropped to "yellow" in progress due primarily to the limited number of future competitions scheduled.	 Green	 Yellow
Improved Financial Management - DOT remains "red" for status and "yellow" for progress. For its FY 2006 financial statements, DOT received a qualified audit opinion due to a new FAA auditor-reported material weakness in timely processing of Construction-In-Progress account balances. The Department has developed action plans to address the shortfalls identified by the audit.	 Red	 Yellow
E-Government - DOT's progress was downgraded to "yellow" because DOT did not provide a required Earned Value Management System implementation plan for remaining development/modernization/enhancement (DME) systems. However, DOT has made significant strides on this initiative, including certifying and accrediting over 99 percent of operational information technology systems and completing all E-Government implementation plans and milestones.	 Yellow	 Yellow
Budget and Performance Integration - DOT is a leader in the Government on Budget and Performance Integration and has achieved and maintained its "green" status. DOT's FY 2008 Budget submissions incorporated PART findings and are structured to show full costs by strategic goal.	 Green	 Green
Eliminating Improper Payments - DOT is working to eliminate improper payments and has made significant progress as evidenced by the status rating improving to "yellow." Notable achievements in this initiative included a research project with the State of Tennessee to develop a statistical methodology for testing for improper payments at the local level. Based on this research effort, DOT successfully established a nationwide improper payment rate in FHWA's highway planning & construction program. In addition, DOT completed design and implementation of model measurement plans for component improper payment rates for both FTA and FAA grant programs.	 Yellow	 Green
Real Property Asset Management - DOT took several steps to improve the management of its real property, including enhancing its inventory system to be consistent with Government-wide standards, implementing performance metrics, and establishing an agency-wide plan for managing real estate.	 Yellow	 Green

Green= Satisfactory
 Yellow= Good Progress
 Red= Unsatisfactory

Performance Progress Report

SAFETY	ACHIEVED ^{1/} IN	ACHIEVED ^{1/} IN	2008 TARGET
○ Highway fatalities per 100 million vehicle-miles traveled (VMT)	1.45	<i>1.44</i>	1.37
○ Reduce the rate of large truck and bus fatalities per 100 million total vehicle-miles traveled	0.184	<i>0.183</i>	0.171
○ U.S. commercial fatal aviation accidents per 100,000 departures (Last 3 years' average)	<i>0.017</i>	<i>0.020</i>	0.010
○ Rail-related accidents and incidents per million train-miles ^{2/}	17.62	<i>16.14</i>	18.45
○ Number of serious incidents for natural gas and hazardous liquid pipelines ^{3/}	44	43	40
○ Serious hazardous materials incidents in transportation	482	450	462
REDUCED CONGESTION			
○ Percent of travel on the National Highway System (NHS) meeting pavement performance standards for 'good' - rated ride	51.8	<i>54.2</i>	57
○ Average percent change in transit boardings per transit market (150 largest transit agencies), adjusted for changes in employment levels ^{4/}	1.9	<i>2.1</i>	1.5
○ Percent of total annual urban-area travel time occurring in congested conditions ^{5/}	31.8	<i>32.1</i>	32.3
○ Percent of flights arriving on time	88.44	88.36	88.00
○ Percent of bus fleets compliant with the Americans with Disabilities Act (ADA)	97	97	98
GLOBAL CONNECTIVITY			
○ Potential air transportation consumers (billions) in international markets traveling between the U.S. and countries with open skies and open transborder aviation agreements	2.97	<i>3.01</i>	3.1
○ Percent of days in shipping season that the U.S. sectors of the Saint Lawrence Seaway are available, including the two U.S. locks in N.Y.	99.7	99.0	99.0
ENVIRONMENTAL STEWARDSHIP			
○ Number of exemplary ecosystem initiatives undertaken (values are cumulative totals)	23	48	55
○ Number of hazardous liquid pipeline spills in high consequence areas ^{6/}	52	52	50
SECURITY, PREPAREDNESS, AND RESPONSE			
○ Percent of DOD-required shipping capacity, complete with crews, available within mobilization timelines	95	93	94

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

2/ Starting in FY 2008, the measure was redefined to include accidents/incidents resulting from trespassers onto railroad property. Previous years' data have not been adjusted, which results in a higher FY 2008 target.

3/ Starting in FY 2008, the measure was redefined to include only serious incidents. Previous years' data adjusted accordingly.

4/ Beginning in FY 2007, the average percent change in transit boardings per transit market will no longer be adjusted for changes in employment levels.

5/ The goal in FY 2008 is to reduce congested travel by 0.2 percent below 2007 target levels.

6/ Starting in FY 2008, this measure replaces the "Tons of hazardous liquid materials spilled per million ton-miles shipped by pipeline" measure. Previous years' data were adjusted accordingly.

Overview

Introduction

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

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

The FY 2008 budget request for the Department of Transportation totals \$67.0 billion in appropriations, obligation limitation, user fees, and exempt obligations. The Department's five key strategic goals are to: (1) improve safety; (2) reduce congestion for all Americans; (3) increase global transportation connectivity in support of the Nation's economy; (4) protect the environment; and (5) support national security, preparedness and response. These five objectives, along with furthering the goals outlined in the President's Management Agenda through organizational excellence, form the foundation for the FY 2008 budget request.

NET BUDGETARY RESOURCES BY STRATEGIC AND ORGANIZATIONAL GOALS

(DOLLARS IN MILLIONS)

FY 2008 Request ^{1/ 2/}

	TOTAL	Safety	Reduced Congestion	Global Connectivity	Environmental Stewardship	Security, Preparedness & Response	Organizational Excellence
Federal Aviation Administration	14,077	9,393	3,623	78	354	246	384
Federal Highway Administration	40,324	9,364	23,025	1,263	5,746	375	551
Federal Motor Carrier Safety Administration	528	489	4	0	0	7	28
National Highway Traffic Safety Administration	833	830	0	0	3	0	0
Federal Transit Administration	9,422	13	8,948	1	387	47	26
Federal Railroad Administration	1,081	174	902	0	1	1	3
Research & Innovative Technology Administration	12	0	5	0	0	0	7
Bureau of Transportation Statistics [non-add]	[27]	0	[2]	[20]	0	0	[5]
Pipeline & Hazardous Materials Safety Administration	148	113	2	0	22	7	4
Maritime Administration	295	6	11	13	22	243	1
Saint Lawrence Seaway Development Corporation	17	0	0	17	0	0	0
Office of the Secretary	168	3	59	16	2	12	76
Office of Inspector General	66	0	0	0	0	0	66
Surface Transportation Board	23	0	11	0	0	0	12
TOTAL, Department of Transportation	66,996	20,385	36,589	1,388	6,537	938	1,158
Share of Total DOT Budgetary Resources	100%	30.4%	54.6%	2.1%	9.8%	1.4%	1.7%

1/ Totals may not add due to rounding.

2/ Excludes proposed cancellations in unobligated balances from prior year appropriations.

Safety

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

The FY 2008 budget request proposes overall transportation safety funding of \$20.4 billion. This request will fund the aviation and surface transportation safety programs and initiatives of the Federal Aviation Administration (FAA), the Federal Highway Administration (FHWA), the Federal Motor Carrier Safety Administration (FMCSA), the National Highway Traffic Safety Administration (NHTSA), the Federal Railroad Administration (FRA), the Federal Transit Administration (FTA), the Research and Innovative Technology Administration (RITA), and the Pipeline and Hazardous Materials Safety Administration (PHMSA).

Surface Transportation Safety

All told, 43,443 people died on the Nation's highways in 2005. The economic cost of motor vehicle crashes is estimated to be more than \$231 billion annually. Within DOT, FMCSA and NHTSA are the two operating administrations primarily focused on regulating highway safety, with FHWA supporting highway safety through its infrastructure programs. Almost exclusively, FRA's focus is on improving the railroad safety record, and PHMSA's focus is on hazardous material (hazmat) and pipeline safety.

Improve Motor Vehicle and Driver Safety. The fatality rate per 100 million vehicle-miles traveled (VMT) was 1.45 in 2005, up from 1.44 in 2004. Actual fatalities for this period increased 1.4 percent to 43,443, which is the highest level since 1990. While firmly committed to meeting the 1.0 fatality rate goal, the Department has realized that we will not achieve this goal by FY 2008, as originally planned. To continue making our roads safer, a cross-modal working group, consisting of representatives from NHTSA, FMCSA, and FHWA, has been established to identify new strategies and technologies that will reduce highway fatalities. New performance targets have been established in key areas to focus the Department's efforts on the critical factors responsible for the overall highway fatality rate increase. These key focus areas include passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses. They were chosen in part to cover the breadth of all road users. Each respective mode's programs contribute to the Department's new key focus areas and performance targets. In addition to the establishment of new performance measures for these focus areas; each mode will continue to maintain its agency-specific intermediate outcome measures, many of which serve as a subset to the Department's accountability measures.

The motor vehicle crash injury rate improved 3.2 percent, decreasing from 94 injuries per 100 million VMT in 2004 to 91 in 2005. Prior to last year's increase, the fatality rate had been steadily decreasing since 1986 when 46,087 people died and the rate was 2.51. In 2005, VMT increased to 2.990 trillion, up 0.8 percent from 2004. NHTSA will continue to focus on two significant areas to further reduce the overall highway fatality rate: (1) increasing seat belt usage from 69 percent in 1998 to 84 percent in 2008, depending on how many additional states pass primary seat belt laws; and (2) reducing the rate of fatalities in high blood alcohol concentration (BAC 0.08 or above) crashes per 100 million vehicle-miles traveled from 0.61 in 1996 to 0.48 in 2008. The FY 2008 budget request includes \$230 million for NHTSA safety operations and research programs, and \$599 million for grants to States for targeted highway safety programs to counter drugged and drunk driving and to enforce seat belt use.

- Safer and Smarter Highway and Intersection Infrastructure. FHWA's FY 2008 safety request of \$9.4 billion continues the Administration's policy of providing increased flexibility in safety funding to the States to tailor their resources to address unique factors that impact highway safety, such as highway design and operation. These funds also enable FHWA to increase its research focus on safety and concentrate efforts on reducing the number of fatalities in three types of crashes: roadway departures, crashes at or near intersections, and collisions involving pedestrians. Fatality figures for 2006 will not be available until the Fall of 2007. Roadway departures, including run-off-the-road and head-on crashes, accounted for 25,388 fatalities in 2005, a 1.6 percent decrease from 2004. Safer highway and intersection designs and smarter operations will remove roadside hazards and help keep vehicles on the roadway. Also, 9,188 fatal crashes occurred in 2005 between vehicles in collisions at intersections, an increase of less than one percent from 2004. FHWA will continue to promote the use of comprehensive intersection design and operational tools and enforcement strategies, and will assist States in improving intersection safety problems at specific locations. Pedestrian deaths increased 4 percent from 4,675 in 2004 to 4,881 in FY 2005. FHWA will continue to target crash causes in major urban areas and select rural locations, and facilitate community-based programs that fully and safely accommodate pedestrians.
- Improve Motor Carrier Safety. The FY 2005 PART review for FMCSA's safety grants program indicated that steady progress has been made in reducing truck-related fatalities. Further, the FY 2006 PART review for FMCSA's Safety and Operations programs found that FMCSA has continued to achieve reductions in the rate of fatalities involving large trucks. The large truck-related fatality rate in 2005 was 2.31 fatalities per 100 million truck vehicle-miles traveled (TVMT), which is almost 18 percent lower than the baseline rate of 2.81 fatalities per 100 million TVMT, established in 1996. FMCSA's safety programs have led to an overall 23 percent decline in total commercial motor vehicle (CMV) fatalities from the all time high in 1979. During that same period, the overall CMV fatality rate decreased by 64 percent, despite a 31 percent increase in the number of registered large trucks and a 108 percent increase in TVMT. Aggressive enforcement, FMCSA's primary safety strategy, has proven effective in reducing crashes, fatalities, hazardous materials releases, and injuries. Consistent with the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the budget request of \$528 million includes \$228 million for Motor Carrier Safety Operations and Programs to support critical motor carrier program activities to reduce crashes, save lives, and prevent injuries on our Nation's highways. The request also includes \$300 million for Motor Carrier Safety Grants to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of a Federal-State partnership aimed at meeting the Department's strategic goals and performance targets.
- Improve Railroad Safety. The FY 2005 PART review of FRA's rail safety program showed that this program is well-managed and making good progress in achieving rail safety goals. The FY 2006 PART review of FRA's Research and Development program, with goals that also support safety, furthered these findings. The FY 2008 budget request for FRA safety includes \$174 million to support FRA's efforts to reduce rail-related accidents and incidents to 18.45 per million train-miles in FY 2008. By reducing accidents and incidents, there should also be a resultant reduction in fatalities, injuries, and serious rail hazardous materials incidents.

- Improve Transit Safety. Public transportation is one of the safest modes of transportation, with less than 1 fatality per 100 million passenger-miles traveled. The challenge is to further reduce the rate of fatalities and injuries, even as the total number of people using transit increases. To help meet this challenge, the Department's budget requests \$12.8 million for FTA safety oversight, research projects, and associated administrative costs. These funds will also contribute to reducing the rate of transit-related injuries and incidents.

FTA recently prepared its first Rail Transit Safety Action Plan to focus attention on those safety incidents of greatest concern in the rail transit industry. The Rail Transit Safety Action Plan targets the most frequent, highest risk causes of rail transit accidents; directs FTA's oversight and technical assistance resources to address these high-risk causes; and increases industry awareness by spotlighting risky activities and practices.

- Improve Pipeline and Hazardous Materials Safety. The FY 2005 PART review of PHMSA's hazardous materials safety grant assistance program showed that this program is well-managed and making progress in achieving hazardous materials safety goals. Similarly, the FY 2006 PART review for PHMSA's pipeline safety program found that the program is well-managed. In FY 2008, \$113 million is requested for PHMSA to support efforts to reduce the number of serious incidents for natural gas and hazardous liquid pipelines to 40 in FY 2008, and for PHMSA's share of the overall DOT performance target of achieving no more than 462 serious hazardous materials transportation incidents in FY 2008.

The national pipeline infrastructure has a steadily improving safety record. The BP pipelines that failed in Prudhoe Bay, Alaska were not regulated by DOT and are not indicative of the safety of similar low-stress pipelines. On September 6, 2006, PHMSA published a Notice of Proposed Rulemaking to bring these lines under Federal oversight. The rulemaking proposal provides for robust integrity protections, including corrosion control with cleaning and continuous monitoring, integrity assessment, leak detection, and other measures. The proposal would mandate a level of care well in excess of what BP had in place in the lines that failed. In December 2006, Congress passed the Pipeline Inspection, Protection, Enforcement and Safety Act, which extends PHMSA's oversight authority to all low-stress pipelines.

- Alternative Fuels. For FY 2008, \$0.5 million is requested for RITA to continue its efforts, in concert with the Department of Energy and other partners, to design safe handling, transport and storage guidelines for hydrogen fuels that will enable the development of a deployable hydrogen fuel infrastructure. Included in this safety effort is the education of emergency responders for safe handling of hydrogen fuel incidents.

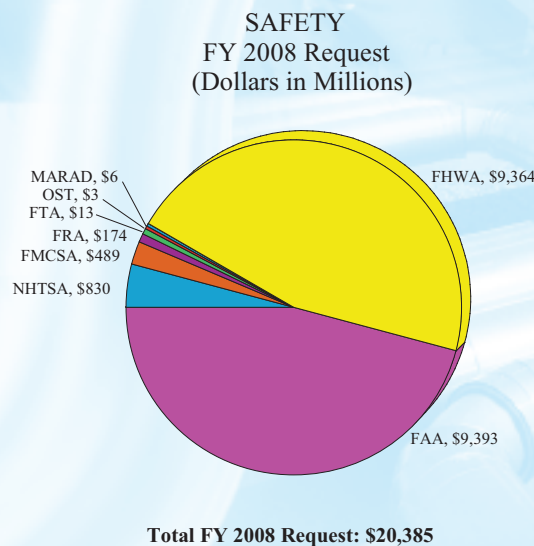
Aviation Safety

- Improve Aviation Safety. In FY 2008, FAA will continue working to reduce the precursors of aircraft accidents in response to the recommendations in the FY 2005 PART review of Air Traffic Services, and to the Office of Inspector General's (OIG's) FY 2006 Aviation Safety Management Challenge. In FY 2006, for the fifth year in a row, the FAA met its targets for decreasing serious runway incursions. To better map movements on the ground and in the air, the agency deployed 8 Airport Surface Detection Equipment Model X systems and plans to deploy 19 more at airports between FY 2007 and FY 2009. While the FAA met its target for operational errors, reducing them further as traffic continues to increase remains one of the agency's top priorities.

To address this challenge, FAA will continue to concentrate on outreach, awareness, technology, and improved procedures and infrastructure. General aviation (GA) fatal accidents trended significantly lower in FY 2006 compared to the previous year. The FAA worked with various members of the GA community during the year, including aeromedical evacuation and charter services, to focus education and training efforts on night landings, weather, and other areas of concern. Personal, agricultural, and amateur-built operations showed especially sharp improvements.

The FY 2008 budget request for FAA includes \$9.4 billion to reduce U.S. commercial air carrier fatal accidents to below 0.010 per 100,000 departures in FY 2008, and to reduce all general aviation fatal accidents to 325 in FY 2008. The request also supports FAA's efforts to reduce the most serious runway incursions to a rate of 0.509 per million operations. It provides funding for inspecting aircraft, certifying new equipment, and ensuring the safety of flight procedures and the competence of airmen and airwomen. It also includes funding for additional air traffic controllers to prepare for the projected surge in retirements over the next decade, and to ensure that adequate staffing is available and fully trained to perform this critical safety function.

DOT's Safety Performance Budget is distributed as follows:



Reduced Congestion

The Department's budget request includes \$36.6 billion in FY 2008 to reduce the growing transportation congestion that Americans contend with every day. Mobility is essential to America's economic prosperity and quality of life. In today's global economy, it is more important than ever to have seamless transitions among the modes of transportation so that people and cargo can move effectively and efficiently.

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

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

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

The search for new and innovative solutions to our congestion challenges is strongly supported in the FY 2008 budget request with overall investments in research, development, and technology proposed at \$1.1 billion.

Surface Congestion

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

Consistent with SAFETEA-LU, the FY 2008 budget request of \$23.0 billion for FHWA mobility programs continues to improve highway infrastructure conditions and relieve congestion. DOT's goal is to limit the growth in total annual urban-area road travel that occurs in congested conditions, while the goal in FY 2008 is to reduce congested travel by 0.2 percent below 2007 target levels. In support of this initiative, funds will be used to encourage States and Metropolitan areas to provide system users with access to 511 telephone traveler information services, and thus increase to 75 percent the portion of the U.S. population with access.

The requested funds will improve pavement conditions on the National Highway System (NHS) and thus increase to 57.0 percent in FY 2008 the share of travel on the NHS that meets pavement performance standards for a "good"-rated ride. The NHS is comprised of the most important national routes for trade and commerce, including all Interstates and over 68 percent of other principal arterials. While the NHS accounts for only 4.1 percent of total road mileage in the United States, it handles 44.3 percent of total vehicle-miles traveled. Improving the condition of highways and bridges is critical to reducing congestion and increasing transportation mobility - key indicators of system performance. Consequently, the condition of the NHS significantly impacts congestion, wear-and-tear on vehicles and fuel consumption.

As part of the President's Energy Initiative, the FY 2008 President's Budget redirects old unobligated balances of Federal-aid Highway program funds to a new \$175 million Highway Congestion Initiative for State and local governments to demonstrate innovative ideas for curbing congestion. These ideas include congestion pricing, commuter transit services, commitments from employers to expand work schedule flexibility, and faster deployment of real-time traffic information. In 2003, drivers in America's 85 most congested urban areas experienced

3.7 billion hours of travel delay and wasted 2.3 billion gallons of fuel, costing \$63 billion. In addition, the President's energy security plan calls for reforming and increasing Corporate Average Fuel Economy standards for passenger cars, and for further increasing light truck and sport utility vehicle fuel efficiency standards. Given the changing nature of the marketplace for both cars and light trucks, the President's plan calls for DOT to be given the authority to set the fuel standard through a flexible rulemaking process.

- Restructure Intercity Passenger Rail Service. The Administration is beginning to realize results from its efforts to reform Amtrak and fundamentally change the manner by which intercity passenger rail services are provided in the United States. Results include a Board of Directors committed to ambitious reform improvements; a new management team with a mandate to reshape the company; and legislatively directed tools that enable DOT to oversee and promote necessary changes. Accordingly, though additional reform remains a necessity, the Administration proposes a budget of \$900 million for intercity passenger rail for FY 2008, including \$800 million for Amtrak directly. The 2008 request reflects the long-standing Administration principle to create an intercity passenger system driven by sound economics. As part of this investment in intercity passenger rail, the budget also proposes \$100 million for a new grant program with States, encouraging them to invest in their rail infrastructure. This program would enable States and localities to direct capital investment in the system.
- Increase Transit Ridership and Improve Access to Transportation Services. The FY 2005 and FY 2006 PART reviews for the capital investment (New Starts) and formula transit grant programs affirm that these programs are well-managed and effective in addressing the need for investment in public transit in communities nationwide. FTA utilizes a comprehensive evaluation and rating framework as a decision tool to rank transit investment proposals and to help insure that funding is directed to the most meritorious projects. FTA also requires all New Starts projects to conduct a rigorous "Before and After Study" to document the impact of the project on ridership and other performance indicators. In communities that have completed New Starts projects, significant regional transit ridership growth has been demonstrated after the beginning of revenue operations.

The Department of Transportation is requesting more than \$8.9 billion in FY 2008 for FTA to: increase by at least 1.5 percent the average yearly number of transit boardings per transit market; increase the number of jobs made accessible by Job Access and Reverse Commute (JARC) transportation services; maintain the proportion of bus fleets that are compliant with the Americans with Disabilities Act (ADA) at 98 percent; and increase to 94 percent the proportion of key rail stations that are ADA-compliant. Transit formula programs are essential to maintaining and upgrading the condition and performance of the Nation's transit infrastructure to continue to move millions of people safely, reliably, and efficiently, thereby reducing congestion, facilitating economic development, and connecting people to their jobs and communities.

Consistent with the national commitment to improve coordination and access to specialized transportation, the President signed Executive Order 13330 on Human Service Transportation Coordination in February 2004 to improve human service transportation coordination for individuals with disabilities, older adults, and people with lower incomes. The Executive Order established the Interagency Transportation Coordinating Council on Access and Mobility (CCAM), chaired by Secretary of Transportation Mary Peters, and includes 11 Federal Departments, representing 64 Federal programs that support transportation for people with disabilities, older adults, and individuals with lower incomes. This past year, the Council has con-

tinued to support “United We Ride,” focusing on five key recommendations submitted in a 2005 Report to the President. As a result, the Council has adopted two new policy statements on coordinated planning and vehicle sharing, both intended to enhance efficiencies for human service transportation. In addition, the Council is in the process of finalizing performance measures and establishing cost sharing principles. The Council also just selected eight communities to participate in the “United We Ride-Mobility Services for All Americans” Pilot Demonstration Project, which is targeted to simplify access for consumers at the local level through the use of Intelligent Transportation Systems (ITS). Other activities of the Council include technical assistance, training, and outreach for consumers, human-service providers, transportation agencies, and policy makers.

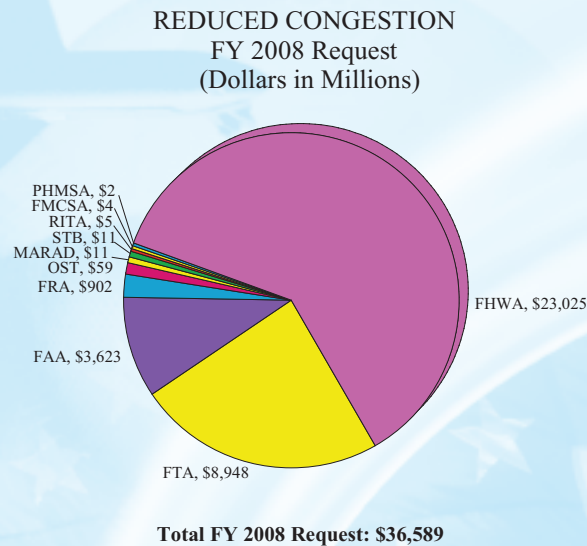
- Increase the reliability of oil and natural gas pipelines. PHMSA has a basic responsibility to balance its primary safety and environmental efforts with the potential adverse impacts on the capacity of the pipeline system. This system delivers most of the oil and natural gas needed to sustain the U.S. economy and provide for the basic energy needs of American households. In FY 2008, \$1.7 million is requested for PHMSA to support efforts in reducing the percent of pipeline capacity lost due to accidents, incidents, or mandatory reductions in operating pressure.

Aviation Congestion

The aviation industry is responsible for moving people and products, and it contributes approximately \$640 billion to our economy. Over two million people a day travel on our Nation's airlines and more than one-third of the value of all goods is moved by air. Air travel exceeded pre-9/11 levels in FY 2006, and is on track to reach more than one billion passengers by 2015. By FY 2008, air carrier, commuter, and air taxi operations are anticipated to increase approximately 8.3 percent from FY 2004. We cannot afford to reduce our commitment to investing in the Nation's air traffic control system and our airports.

- Improve Access to Transportation Service. To allow Americans living in rural areas to have reasonable access to air travel, the Department of Transportation's FY 2008 budget request assumes \$50 million of overflight fees collected by the FAA will fund the Essential Air Service program, which provides payments to air carriers serving rural airports.
- Meet New and Growing Demands for Air Transportation Services. To achieve an on-time arrival rate of 88 percent of flights in FY 2008 and to increase average daily capacity at major airports, the Department requests \$3.6 billion, primarily for FAA's Air Traffic Organization (ATO) and Safety/Operations Capital Accounts and Airport Improvement Grants. This includes funding to replace obsolete radars and to continue automating terminal control facilities, and \$53.1 million for oceanic automation to improve flight route flexibility. Programs that will form the core of the Next Generation Air Transportation System (NextGen) are also funded, including \$21.3 million to develop an internet-like System-Wide Information Management network and \$85.7 million to continue implementing Automatic Dependent Surveillance Broadcast technology throughout the National Airspace System. The Joint Planning and Development Office (JPDO), a multi-agency task force assembled to address future capacity needs, is charged with overseeing the NextGen project; \$14.3 million is included in FY 2008 Research, Engineering and Development (RE&D) funding to support the JPDO. The FY 2008 Airport Improvement Program request includes \$2.8 billion aimed at enhancing capacity, largely through the building and maintaining of runways. The FY 2004 PART review for the Airport Improvement Grants program affirmed that this program is well-managed and effective in providing support to airport authorities for moving people and goods.

DOT's Reduced Congestion Performance Budget is distributed as follows:



Global Connectivity

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

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

Our strategies to address transportation in the global economy have two synergistic thrusts: (1) opening international transportation markets; and (2) improving essential, intermodal transportation linkages. Both are needed to achieve the outcomes that will yield better global connectivity and a more competitive, cost-effective transportation marketplace. The FY 2008 budget request includes \$1.4 billion to meet this challenge.

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

- Increase International Aviation Service. The 2008 budget requests \$2.7 million for the Office of the Secretary to increase opportunities for air transportation consumers traveling in international markets by expanding open skies and open transborder aviation agreements. The domestic airline industry continues to undergo major changes, and international deregulation, which poses even more complex and controversial issues, is barely underway. Common to all of the aviation issues currently facing DOT is the need for in-depth and intensive analysis of airline practices, mergers, and international alliances. As the United States moves towards a multilateral approach

to air service agreements, the Department of Transportation is seeking an understanding of the long-term trends in the airline industry's operating and competitive structures in order to formulate and execute effective negotiating strategies that will ensure pro-competitive liberalization.

- Preserve and Enhance U.S. Maritime Connections with the International Community. The budget request includes \$13 million for maritime programs that preserve and enhance our maritime connections with the global marketplace. MARAD continues its efforts to reduce and eliminate international trade barriers that impede the competitiveness of U.S. shipping companies in the international market, and to license additional offshore deepwater entry points for liquid natural gas and petroleum imports. The budget request will also allow MARAD to ensure that Federal agencies and other shippers of government-funded cargoes comply with cargo preference laws designed to assure appropriate use of U.S.-flag ships to transport abroad certain government-funded cargoes.
- Increase U.S. Mass Transportation Industry Access to International Markets. The budget includes \$1.0 million for FTA to promote human capacity building in developing countries, which not only benefits those countries, but also helps develop future markets for U.S. transit goods and services. In FY 2008, FTA will continue to carry out activities to inform and educate the American public transportation industry about international best practices and technologies. Also, FTA will provide participating companies access to senior decision-makers in foreign markets through trade missions and other trade-related events.

Efficient movement of cargo throughout the domestic and international supply chain

- Increase Freight Travel Efficiency. Consistent with the Department's Freight Action Plan, the budget request includes funding of \$1.3 billion in FY 2008 for FHWA, RITA, FMCSA, and the Office of the Secretary to improve global connectivity in freight, reduce travel time in major freight corridors, and reduce border-crossing delays. FHWA programs include the border and corridor programs, which work together to reduce bottlenecks in and around seaports and land borders with Canada and Mexico, and parts of the Intelligent Transportation Systems program for improved freight technology, efficiency, and security. This request also includes funds being requested by FHWA and RITA to improve the quality and availability of freight data, freight professional capacity-building efforts, and freight technology development and evaluation.
- Maintain a High Level of Seaway System Availability. The FY 2008 budget request includes \$17 million for the Saint Lawrence Seaway Development Corporation (SLSDC) to maintain 99 percent system and lock availability in the U.S. portion of the St. Lawrence Seaway during the navigation season. The SLSDC achieved its goal in FY 2006 at 99.0 percent system availability. In FY 2008, the agency will continue to perform operations, maintenance, and capital infrastructure improvements on the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie to ensure the reliability and availability of the commercial waterborne route.

Harmonized and standardized regulatory and facilitation requirements

- Increase the Standardization and Harmonization of Transportation Standards and Practices. The Department of Transportation is requesting \$73.1 million in FY 2008 for FAA to increase the number of bilateral and multilateral agreements that promote aviation safety by enhancing international cooperation and efficiency in civil aviation. FAA will continue to promote increased

external funding for training and technical assistance programs that help civil aviation authorities around the world meet international safety standards. FAA will also continue to work with its international partners and the International Civil Aviation Organization to harmonize global technological standards, and to expand the use of global satellite navigation systems.

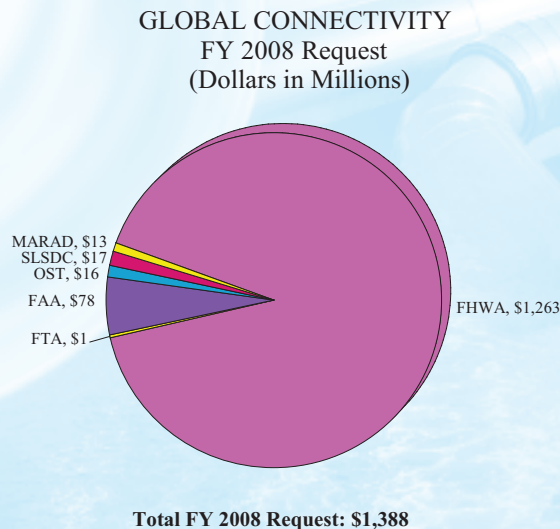
Achieve the most competitive, cost-effective, and efficient environment for passenger travel

- Improve the efficiency and cost-effectiveness of passenger travel. The budget includes \$7 million for the Office of the Secretary to promote the opening of transportation markets to competition through multilateral or regional agreements in FY 2008.

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

- Increase Opportunities for Small Disadvantaged Businesses (SDB), Veteran-Owned Businesses (VOB), and Women-Owned Businesses (WOB). The budget request includes \$5.2 million for outreach and technical assistance to small businesses in general, including disadvantaged, veteran-owned, and women-owned businesses. These resources will promote the awarding of DOT direct contracts to SDBs, VOBs, and WOBs in FY 2008. VOBs and WOBs do not have a special set-aside authority allowing them to compete in a restricted market for Federal procurements. Therefore, VOBs and WOBs must successfully compete with other small businesses for small business set-aside procurements or with all businesses for full and open procurements. To assist VOBs and WOBs to successfully compete, DOT and the Office of Small and Disadvantaged Business Utilization (OSDBU) conduct outreach and training, and offer financial assistance.

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



Environmental Stewardship

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

DOT's objective is to reduce the time it takes to gain benefits from transportation projects while minimizing negative environmental impacts. The FY 2008 budget request includes \$6.5 billion in funding to continue progress in achieving our environmental outcomes. This will require further streamlining of the environmental-review process and greater emphasis on program level and major-project oversight activities in conjunction with the Federal, State and local agencies involved.

Reduce pollution and other adverse environmental effects of transportation

- Reduce the Impacts of Transportation on Ecosystems. The budget request includes \$2.8 billion for FHWA in FY 2008 to increase the number of Exemplary Ecosystem Initiatives (EEIs) undertaken nationwide to at least 55. An EEI is an action or measure that will help sustain or restore natural systems and their functions and values, using an ecosystem or landscape context. Examples include mitigation projects that support wildlife movement and habitat connectivity, the development of watershed-based environmental assessment and mitigation approaches, the use of wetland banking, and the use of special measures to prevent invasive species along highway right-of-ways.

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

- Reduce Emissions. The Department's budget request includes funding of \$2.8 billion for environmental programs that help to reduce emissions. A DOT performance goal for FHWA and FTA is to ensure that the average number of Clean Air Act non-attainment and maintenance areas with transportation emissions conformity lapses in FY 2008 is no greater than six. DOT aims to reduce mobile source emissions by encouraging the use of less-polluting transportation; designing and implementing infrastructure that reduces congestion and emissions; researching and modeling the emissions impacts of investment choices; and, supporting the development of fuel- and emission-efficient vehicles. FHWA and FTA will fund improvement projects in States to ease congestion, reduce emissions, improve highway planning, and expand transportation options. Funds will also be used for research, technical assistance, and public education initiatives to improve air quality.

- Reduce the risk of hazardous liquid pipeline spills in high consequence areas. The budget request includes \$21.8 million in FY 2008 for PHMSA and its State partners to help reduce the number of hazardous liquid pipeline spills in high consequence areas in FY 2008 to 50 or less. To reduce pipeline failures, thereby reducing hazardous liquids spills from pipelines, PHMSA reviews the compliance of all hazardous liquid pipeline operators subject to PHMSA's integrity management program (IMP) and makes investments in research and technology to improve pipeline inspection and analysis tools thus strengthening industry's ability to effectively manage pipeline integrity. PHMSA will review hazardous liquid pipeline operators, accelerate integrity testing, comprehensively evaluate all pipeline risks, and strengthen Federal and State pipeline safety oversight testing, evaluation, and repair. This will result in finding and solving problems before they lead to failures, thereby directly supporting the goal of reducing spills. These initiatives support the National Energy Policy for energy infrastructure growth by improving the integrity of, and public confidence in, existing pipeline infrastructure.
- Limit Exposure to Aviation Noise. The FY 2008 budget request includes \$243.2 million for FAA to ensure that the number of people in the United States who are exposed to significant aircraft noise levels - a Day/Night Average Sound Level of 65 decibels or more - continues to decline. FAA will address the environmental impacts of airport projects, primarily aircraft noise. FAA will also provide expertise and funding to assist in abating the impacts of aircraft noise in neighborhoods surrounding airports by purchasing land, relocating persons and businesses, soundproofing residential homes or buildings used for educational and medical purposes, purchasing noise barriers and monitors, and researching new noise prediction and abatement models and new technologies.
- Clean Up DOT Facilities. The FY 2008 budget request includes \$91.7 million to ensure that the percentage of DOT facilities categorized as No Further Remedial Action Planned under the Superfund Amendments and Reauthorization Act (SARA) is no less than 93 percent in FY 2008. Facility cleanup will comply with the SARA process and the requirements of the National Oil and Hazardous Substances Pollution Contingency Plan. A "worst first" prioritization system is used to assign higher priority to those facilities representing the greatest potential hazard to the public health and the environment.

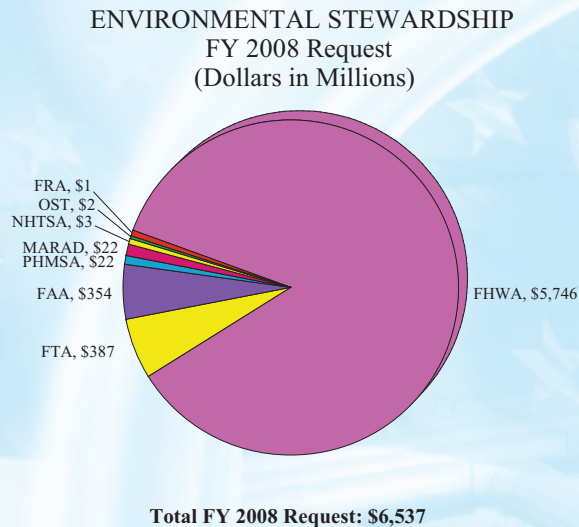
Regulatory factors at the local, State, and Federal levels are also considered in the decision-making process. FAA funds pollution prevention; complies with occupational safety, health and environmental regulations; promotes good energy management practices; and, conducts environmental impact analyses. In addition, MARAD conducts an obsolete ship disposal program in support of DOT's strategy to improve DOT-owned or controlled facilities. In 2008, MARAD proposes to remove approximately 16 ships from the reserve ship fleet sites for disposal, and to continue nuclear license management for the inactive Nuclear Ship SAVANNAH.

Improve timeliness of environmental review for federally funded infrastructure projects

- Improve Project Review Efficiency. The FY 2008 budget request includes \$97.3 million to streamline the completion of an environmental impact statement or environmental assessment on all infrastructure projects. Executive Order 13274 contains a mandate for DOT to reduce the time required for decision-making for transportation infrastructure projects. Environmental reviews consume a significant amount of time in project review and final decisions. A key challenge to DOT's stewardship of the environment vis-à-vis the Nation's transportation system is to

strike a better balance between adding capacity and doing so with the smallest reasonable impact on the human and natural environment. Executive Order 12898 directs each Federal agency to identify and address disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority and low-income populations consistent with existing authorities, such as the National Environmental Policy Act and Title VI of the Civil Rights Act of 1964. DOT's Environmental Justice policy incorporates these considerations in all DOT programs, policies, and activities.

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



Security, Preparedness and Response

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

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

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

- coordinating the clearing and restoration of transportation infrastructure.

The FY 2008 budget requests \$938 million for security, preparedness, response and recovery related activities.

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

- FAA insures the operability of the national airspace through the facilities, equipment, and personnel of the air traffic control system, which is essential to the rapid recovery of transportation services in the event of a national crisis. The budget request includes \$246.5 million to continue upgrading and accrediting facilities, procure and implement additional security systems, and upgrade the Command and Control Communications equipment.
- FHWA works with a number of DOT agencies and the Department of Homeland Security and its Transportation Security Administration to improve highway-related security by assessing the vulnerability of critical highway infrastructure and developing measures to reduce vulnerability; ensuring State and local highway departments are prepared to respond to attacks on the highway system; improving the readiness of military and civilian authorities to support military deployments; and, conducting security-related research. FHWA also administers the Emergency Relief program to provide funds to repair and reconstruct highways and bridges damaged as a result of catastrophic failures. The budget request for FHWA's security activities include funding for vulnerability assessments, emergency operations, preparedness, and response.
- FTA, in coordination with the Transportation Security Administration, works with transit agencies to enhance the security of public transportation systems. The Department of Transportation is requesting \$47 million in FY 2008 to ensure that transit agencies address critical security needs and to provide assistance in the areas of emergency preparedness, employee training, and public awareness. Section 3026 of SAFETEA-LU, requires "safety and security management" as an element of the Project Management Plan (PMP) that is submitted by grantees for major capital projects. To address this requirement, FTA will provide guidance to grantees on the development and implementation of safety and security management plans.
- DOT's Office of Intelligence, Security, and Emergency Response has primary responsibility for DOT preparedness, response, and recovery programs. This office develops and participates in training and exercise programs to ensure staff are prepared to respond appropriately when a disaster occurs. The Office of Intelligence, Security, and Emergency Response operates a continuity of operations/government program to ensure that essential Secretarial functions can continue at an alternate site if Departmental facilities have been impacted or disrupted. Further, staff in the Department's Crisis Management Center monitor the national transportation system for any type of disruption, provide information to senior management, and operate communications resources to assist DOT in effectively responding to problems in day-to-day operations and emergency response. DOT also contracts for transportation equipment, and personnel used by the Federal Emergency Management Agency (FEMA) in responding to disasters. The budget request includes \$8.3 million for security-related activities of OST to improve DOT's ability to carry out essential national functions at the alternate site and to make improvements to the Crisis Management Center.

- FMCSA works in concert with the Transportation Security Administration to establish protocols that will enhance the security of commercial motor vehicle transportation, particularly the security of commercial motor vehicles carrying hazardous materials. The budget request includes approximately \$5.1 million to continue security contract reviews of hazardous materials carriers and to continue an outreach initiative that communicates threat characteristics and security advice to commercial motor vehicle drivers, carriers, and law enforcement agencies.
- The U.S. railroad system carries approximately 40 percent of the ton-miles of freight in the United States, making it imperative that the FRA reduce the vulnerability of the railroad infrastructure and systems to physical and cyber attack. The budget request includes \$1 million to coordinate all FRA-related security projects in addition to responding to notifications of bomb threats and criminal acts against railroads as they are reported to the National Response Center. Personnel monitor FRA's accident/incident database for reported acts of vandalism, sabotage, criminal mischief, and/or other malicious, intentional acts of destruction. FRA personnel also provide information to railroads regarding terrorist activity and threats or acts against rail transportation.
- The SLSDC is a critical transportation link to and from the agricultural and industrial heartland of the United States. A shutdown of any one of the Seaway's 15 locks due to a security-related event or lock malfunction or failure would stop operations through the St. Lawrence Seaway System and severely disrupt traffic throughout the entire Great Lakes. The budget request includes \$0.2 million to continue SLSDC's physical security program at the U.S. Seaway lock facilities.

Preparedness for Emergencies Affecting the Transportation Sector

- Prepare First Responders to Handle Hazardous Materials Incidents. To assist local police, fire fighter and other first responder agencies, PHMSA publishes and distributes the Emergency Response Guidebook, an internationally-recognized, authoritative resource to help in handling a hazardous materials incident. In addition, PHMSA distributes grants to States, Territories and Native American Tribes to fund local planning and training activities, and to provide funding to employee organizations to instruct trainers or hazmat employees. PHMSA's FY 2008 budget includes \$7.1 million to distribute 2.4 million copies of the Emergency Response Guidebook, provide State grants to train 180,000 first responders and 100,000 hazmat employees, and complete 5,000 emergency response plans.

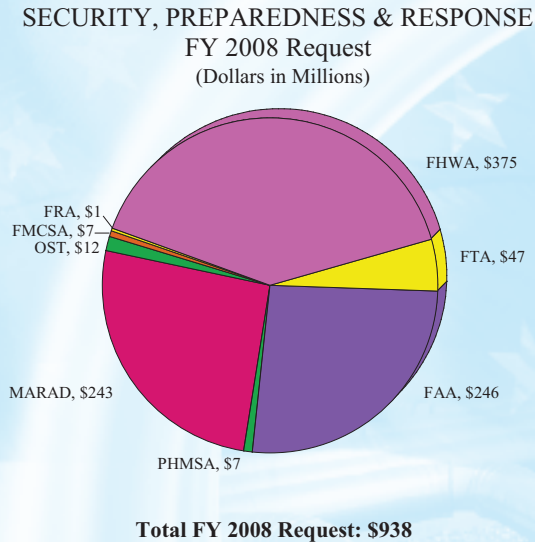
National Security Contingency Sealift

- Ensure the Availability of Contingency Strategic Sealift. The FY 2008 budget request includes \$237 million to achieve the goal that 94 percent of DOD-required shipping capacity, complete with crews, be available within mobilization timelines in FY 2008, and to maintain the availability of at least 93 percent of the DOD-designated commercial ports for military use within DOD established readiness timelines in FY 2008.

MARAD works closely with the Department of Defense to provide a seamless, time-phased transition from peacetime to wartime operations, while balancing the defense and commercial elements of the maritime transportation system. MARAD ensures that strategic port facilities are available and ready to move military cargo smoothly through commercial ports during DOD mobilizations. Through the Maritime Security Program, the Voluntary Intermodal Sealift Agreement program, the Ready Reserve Force, and the War Risk Insurance program, MARAD

assures that DOD has access to commercial sealift capacity to support the rapid deployment of U.S. military forces. MARAD's contribution to Operation Enduring Freedom and Operation Iraqi Freedom underscores the critical importance of readiness to meet national security needs. With DOD approval, ships from the Ready Reserve Force are also available to participate as part of a DOT emergency response team for natural disaster recovery efforts in coastal areas. The U.S. Merchant Marine Academy and six State Maritime Schools continue to provide the skilled U.S. merchant marine officers essential to the success of DOT's security activities.

DOT's Security, Preparedness, and Response Performance Budget is distributed as follows:



President's Management Agenda - Organizational Excellence

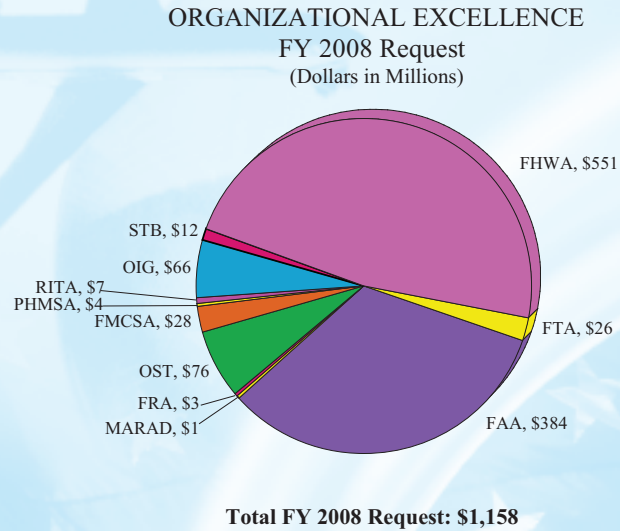
With approximately 56,000 employees and hundreds of programs, DOT faces significant challenges regarding customer satisfaction, employee effectiveness, and organizational performance and productivity. The FY 2008 budget requests an overall \$1.2 billion, including \$12.6 million in the Office of the Secretary, to strengthen the management of the Department's large information technology investment portfolio and to improve the American public's access to information and services through electronic government.

Organizational Excellence

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

- All elements of the Human Capital, Competitive Sourcing, Improved Financial Management, Electronic Government, Budget and Performance Integration, Eliminating Improper Payments, and Real Property Asset Management segments of the President's Management Agenda are accomplished.
- At least 90 percent of finance plan cost estimates for major federally funded transportation infrastructure projects with less than 2 percent annual growth, in FY 2008 through FY 2011.
- At least 90 percent of major federally funded transportation infrastructure projects meet schedule milestones established and reported on in operating administration finance plans, with less than 2 percent annual growth, in FY 2008 through FY 2011.

DOT's Organizational Excellence Performance Budget is distributed as follows:



Conclusion

DOT's goal is to provide the resources necessary to support our Nation's transportation system. The funding requested for FY 2008 will help improve transportation safety, enhance homeland and national security, maintain and expand our transportation infrastructure and increase its capacity, reduce environmental degradation, and improve the quality of life for all citizens. The following pages provide highlights of the budget request by DOT operating administration.



FEDERAL AVIATION ADMINISTRATION

Overview: The Federal Aviation Administration's (FAA) mission is to promote aviation safety and reduce congestion by building, maintaining, and operating the Nation's air traffic control system; overseeing commercial and general aviation safety through regulation and inspection; and, providing assistance to improve the capacity and safety of our airports. The FY 2008 budget request of \$14.1 billion for the FAA reflects the Administration's commitment to increase the safety, performance, and capacity of our aviation system.

FEDERAL AVIATION ADMINISTRATION BUDGET

(DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
OPERATIONS ^{1/}	8,104	8,104	8,366	N/A
FACILITIES & EQUIPMENT	2,555	2,481	2,503	N/A
RESEARCH, ENGINEERING, AND DEVELOPMENT	137	131	130	140
AIRPORT GRANTS (OBLIGATION LIMITATION)	3,515	3,515	2,750	2,750
AIR TRAFFIC ORGANIZATION ^{2/}	N/A	N/A	N/A	9,308
SAFETY AND OPERATIONS ^{2/}	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>1,879</u>
TOTAL	14,310	14,231	13,749	14,077

1/ The FY 2006 Operations actual level totals \$8,104 million, including a base level of \$7,955 million plus \$149 million in transition funding to support the Flight Service Stations contract.

2/ The Air Traffic Organization (ATO) and Safety & Operations appropriations are new accounts proposed for FY 2008. The new account structure aligns with FAA's lines of business and the proposed FAA reauthorization legislation that would reform the financing structure of our Nation's air traffic control system.

SUMMARY OF FAA FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	<u>Air Traffic Organization</u>	<u>Safety & Operations</u>	<u>Research, Engineering & Development</u>	<u>Airport Grants (Ob Lim)</u>	<u>Total</u>
FY 2007 Base	9,080	1,789	130	2,750	13,749
Pay Inflation Adjustments	249	51	1	2	303
Non-Pay Inflation Adjustments	40	8	0	0	48
Annualization of FY 2007 Initiatives	10	38	0	1	49
Non-recurring Costs or Savings (Preliminary)	-289	-5	0	0	-294
Base Re-engineering, Reductions or Adjustments	200	-40	0	-6	154
FY 2008 Current Services Levels	9,290	1,841	131	2,747	14,009
Program Initiatives	<u>18</u>	<u>38</u>	<u>9</u>	<u>3</u>	<u>68</u>
FY 2008 Request	9,308	1,879	140	2,750	14,077

FY 2008 Budget

FAA's current financing structure expires at the end of FY 2007 and, therefore, in 2007 the Administration will transmit a reauthorization proposal that will transform FAA's current financing system. The aim is to create a more direct relationship between revenue collected and services received, thereby providing FAA with a stable revenue stream and creating incentives to make the National Airspace System more efficient and responsive to user needs.

The reauthorization proposal transforms FAA's excise tax financing system into a cost-based system that recovers the costs of providing air traffic control services to commercial aviation operators through user fees and the costs of providing air traffic services to general aviation operators through a fuel tax. FAA would have the authority to collect the user fees from commercial aviation users that directly offset the cost of FAA's operations; expenditure of the available fees would be affirmed in the appropriations process. General aviation users would continue to pay a fuel tax that would be deposited into the Airport and Airway Trust Fund for appropriation. A general fund component of FAA's budget would be maintained to cover activities that benefit the public good like safety oversight functions and public use of the airspace.



The FY 2008 budget assumes that FAA will implement its new financing mechanism starting in FY 2009 and that other elements of the reauthorization will be effective in FY 2008. To that end, the budget proposes a change in FAA's appropriations account structure. Beginning in FY 2008, FAA will replace its Operations and Facilities and Equipment accounts with the Air Traffic Organization and Safety and Operations accounts. These new accounts align with FAA's lines of business. The remaining appropriations accounts - Grants-in-Aid for Airports and Research, Engineering, and Development - would remain unchanged.



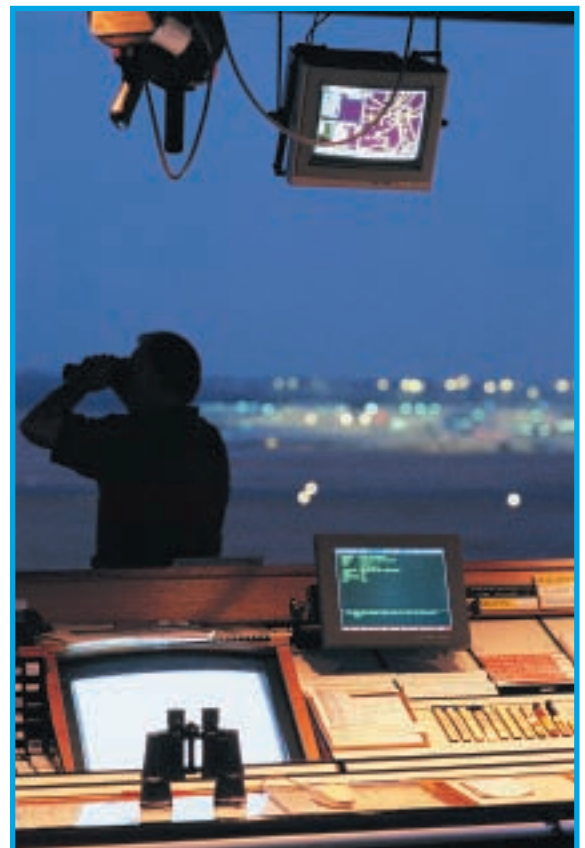


Air Traffic Organization: The FY 2008 budget requests \$9.3 billion for the Air Traffic Organization (ATO) account. This account provides funds for the operation, maintenance, communications, and logistical support of the air traffic control and air navigation systems.

Safety & Operations: The FY 2008 budget requests \$1.9 billion for the Safety & Operations account. This account provides funds for the administrative and managerial costs for the FAA's regulatory, international, medical, engineering, and development programs as well as policy oversight and overall management functions.

Research, Engineering, and Development: The budget requests \$140 million, including \$91.3 million for continued research on aviation safety issues. The remaining research funding is for reduced congestion and environmental issues, including \$14.3 million for the Joint Planning and Development Office.

Grants-in-Aid for Airports: The budget request includes \$2.8 billion for planning and development of the Nation's airports, including grants for security, safety, capacity, and noise-reduction projects. The request also includes \$80.7 million for administrative expenses, \$10 million for Airport Cooperative Research, and \$18.7 million for airport technology research.



FEDERAL AVIATION ADMINISTRATION
CAPITAL PROGRAMS
(Dollars in Millions)

<i>Safety</i>	
Wide Area Augmentation System	116
Airport Surface Detection Equipment - Model X	38
Safety Database and Computer Systems	32
Safe Flight 21	17
Advanced Technology	10
Other (including mission support)	47
Personnel compensation, benefits, and travel	79
<i>Reduced Congestion</i>	
Automatic Dependent Surveillance-Broadcast (ADS-B) Implementation	86
Traffic Management Advisor	15
Oceanic Automation	53
En Route Automation	382
Terminal Automation	40
Terminal Digital Radar	20
Improve Weather Systems	29
Improve Communications	98
Infrastructure Improvements	319
Other (including mission support)	454
Personnel compensation, benefits, and travel	324
<i>Global Connectivity</i>	
Visual Nav aids-Replace Visual Approach Slope Indicator (VASI) with Precision Approach Path Indicator (PAPI)	3
Personnel compensation, benefits, and travel	1
<i>Environmental Stewardship</i>	
NAS Facilities OSHA Standards	26
Replace Fuel Tanks	6
Hazardous Materials Clean-Up	18
Personnel compensation, benefits, and travel	12
<i>Security, Preparedness and Response</i>	
Facility Risk Management	22
NAS Recovery Communications	10
Information Security	11
Logical Access Control	7
Personnel compensation, benefits, and travel	11
<i>Organizational Excellence</i>	
Telecommunications Infrastructure	9
Other	134
Personnel compensation, benefits, and travel	33
Total	2,462

FEDERAL HIGHWAY ADMINISTRATION

Overview: The mission of the Federal Highway Administration (FHWA) is to enhance the quality and performance of our Nation's highway system and its intermodal connectors through innovation, leadership, and public service. Highways are the critical link in our Nation's transportation system, as virtually every trip we take and every good consumed passes over a road at some point. The challenge is to preserve and improve the 160,000-mile National Highway System, which includes the Interstate System and other roads of importance for national defense and mobility, while also improving highway safety, minimizing traffic congestion, and protecting the environment on these and other key facilities. Through surface transportation programs, innovative financing mechanisms, and increased use of innovative pavement and highway operational technology, FHWA will increase the efficiency by which people and goods move throughout the Nation, and improve the efficiency of highway and road connections to other transportation modes. The FY 2008 budget request of \$40.3 billion in budgetary resources will allow the FHWA to address these challenges and support Departmental efforts towards the achievement of its strategic goals and performance targets, specifically in new key focus areas: passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses.

FEDERAL HIGHWAY ADMINISTRATION BUDGET

(DOLLARS IN MILLIONS)

	2006 <u>Actual</u>	2007 <u>Cont. Res.</u>	2007 <u>Pres. Bud.</u>	2008 <u>Pres. Bud.</u>
FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION	34,183 ^{1/}	35,551	38,244	39,585
REVENUE ALIGNED BUDGET AUTHORITY (RABA)	0	0	842	0
RABA TRANSFER TO FMCSA	0	0	-4	0
SUBTOTAL: FEDERAL-AID HIGHWAYS OBLIGATION LIMITATION	34,183	35,551	39,083	39,585
EXEMPT MANDATORY FEDERAL-AID HIGHWAYS	739	739	739	739
LIMITATION ON ADMIN EXPENSES [NON-ADD]	[361]	[361]	[373]	[385]
EMERGENCY RELIEF SUPPLEMENTAL GENERAL FUND (GF)	3,452	0	0	0
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM (GF)	<u>20</u>	<u>82</u>	<u>0</u>	<u>0</u>
TOTAL	38,394	36,372	39,822	40,324 ^{2/}

^{1/} Reflects \$121 million transfer to NHTSA per P.L. 109-115 and \$1.4 billion flex funding transfer to FTA.

^{2/} The FY 2008 budget also proposes cancellations of unobligated balances in the Miscellaneous Highway Trust Funds account (-\$260 million) and Miscellaneous Appropriations account (-\$149 million), as well as cancellations of Federal-aid contract authority (-\$2 billion).

SUMMARY OF FEDERAL-AID HIGHWAYS FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	Federal-aid Highways Obligation <u>Limitation</u>	Exempt Mandatory Federal-aid Highways	<u>Total</u>
FY 2007 Base	39,083	739	39,822
Pay Inflation Adjustments	6	0	6
Non-Pay Inflation Adjustments	4	0	4
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	492	0	492
FY 2008 Current Services Levels	39,585	739	40,324
Program Initiatives	0	0	0
FY 2008 Request	39,585	739	40,324

FY 2008 Budget

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted August 10, 2005, provides for increased transportation infrastructure investment, strengthens transportation safety programs and environmental programs, and continues core research activities. SAFETEA-LU, along with Title 23, U.S.C. ("Highways") and other supporting legislation, provides authority for the various programs of the Federal Highway Administration designed to improve highways throughout the Nation. The budget request for FY 2008 continues transportation infrastructure investment to reduce congestion, increase the mobility and productivity of the Nation, strengthen transportation safety programs, and provide a focus on program efficiencies, oversight, and accountability.

In FY 2008, the Federal Highway Administration continues major programs, including the Surface Transportation Program, the National Highway System, Interstate Maintenance, Highway Bridge Replacement and Rehabilitation Program, Congestion Mitigation, and Air Quality Improvement Program, and Transportation Infrastructure Finance and Innovation programs.

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

The FY 2008 budget request of \$40.3 billion supports the Administration's blueprint for the future, as described in SAFETEA-LU. This funding level will support the Secretary's goals and continue efforts to improve highway safety dramatically, slow the growth of traffic congestion, and promote good stewardship of the environment. FHWA will also strengthen its stewardship of Federal surface transportation funds by improving oversight and increasing accountability to ensure every dollar spent achieves maximum benefits for Americans.



Federal-aid Highways Program: The Federal-aid Highways Program (FAHP) provides Federal financial assistance to the States to construct and improve the National Highway System, urban and rural roads, and bridges. The FY 2008 budget request includes an obligation limitation of \$39.6 billion for the FAHP. When additional resources from State and local governments that utilize the funds for highway investment are included, this amount is more than doubled. In total, investments in highway improvements support the achievement of safety, reduced congestion, environmental stewardship, and security, preparedness, and response strategic goals. FHWA will continue its efforts to increase oversight and accountability, including large-project management and oversight, to ensure the protection of the large Federal investment, while maintaining the prerogatives of the States in the delivery of highway transportation projects to the public. The Federal-aid Highways Program includes the following:

- National Highway System (NHS): \$5.7 billion for the NHS program, consisting of roads of primary Federal interest. These include the current Interstate system, other rural principal arterials, urban freeways and connecting urban principal arterials, facilities on the Defense Department's designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities.
- Surface Transportation Program (STP): \$6.0 billion for the STP program, which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- Interstate Maintenance (IM): \$4.7 billion for the IM program, which is designed to rehabilitate, restore, resurface, and reconstruct the interstate system.
- Bridge Replacement and Rehabilitation: \$4.0 billion for the bridge program, which enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance.
- Congestion Mitigation and Air Quality Improvement Program (CMAQ): \$1.6 billion for the CMAQ program, which supports transportation projects that assist in meeting and maintaining national ambient air quality standards.
- Highway Safety Improvement Program (HSIP): For FY 2008, \$1.0 billion is estimated for the new highway infrastructure safety program (previously funded by a set-aside from STP) that was established as a core program beginning in FY 2006. The program, which features strategic safety planning and performance, devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.
- Research and Intelligent Transportation System (ITS): To support the FAHP and the Federal Lands Highway Program (FLHP), FHWA conducts and manages a comprehensive research, development, and technology program. For FY 2008, \$410 million is estimated for Research and ITS. FHWA will continue to work on identifying ways to reduce the number of injuries and fatalities on our Nation's roadways by demonstrating the application of innovative technologies in highway safety, deploying and evaluating safety technologies and innovations at the State and local levels, and assuring the deployment of best practices in training, management, design, and planning.

- Federal Lands Highway Program (FLHP): FLHP improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$908 million estimated for the FLHP in FY 2008 will support the President's initiatives to enhance the protection of America's national parks and protect these national treasures for present and future generations. This will include enhancement of ecosystems, improvement of outdoor opportunities, improved infrastructure, and greater accountability.
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program: Under the TIFIA program, FHWA, on behalf of the Department of Transportation, will use FY 2008 estimated obligations of \$93 million to help stimulate private capital investment in transportation infrastructure. Approved applicants receive credit assistance in the form of direct loans, loan guarantees, and lines of credit for up to one-third of the cost of large infrastructure construction projects of national or regional significance.
- Limitation on Administrative Expenses (LAE): A FY 2008 LAE of \$385 million is requested for the necessary salaries and on-going administrative expenses in support of the above Federal programs and to provide for congestion relief efforts.
- Emergency Relief Program: The Emergency Relief (ER) program provides funding for the repair or reconstruction of Federal-aid highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Section 125 of title 23, United States Code, authorizes \$100 million annually.

Congestion Reduction Initiative: In support of the President's Energy Initiative and a Department-wide effort to address congestion in all modes of transportation, the FY 2008 budget directs \$175 million of funds to a new highway congestion reduction initiative. This funding is included in the budget to advance variable pricing programs that increase throughput; build new facilities; add lanes to existing facilities, or remove bottlenecks in specific locations or corridors; implement the Corridors of the Future program; enable the use of public-private partnerships to successfully build roads and highways faster and more economically; and, continue developing the next generation of system operations capabilities that improve real-time information collection and dissemination to enable State and local transportation agencies to better quantify performance, better utilize congestion management techniques, and place better information in the hands of transportation decision-makers.



FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Overview: The Federal Motor Carrier Safety Administration's (FMCSA) primary mission is to prevent commercial motor vehicle-related fatalities and injuries. Large trucks represent about 4 percent of registered vehicles; however, they account for 8 percent of the travel volume on our Nation's highways. Approximately 12 percent of all the people killed in motor vehicle crashes die in crashes involving a large truck. In 2005, approximately 107,000 people were injured in crashes involving large trucks and 5,226 people died. This compares to 5,190 deaths and 116,000 injuries in 2004. While progress is being made toward the Department's goal of saving lives and reducing injuries by preventing truck and bus crashes, too many people continue to be injured and die as a result of crashes involving large trucks. The 2008 budget request for FMCSA, \$528 million, will help meet this challenge and support Departmental efforts towards the achievement of its strategic goals and performance targets, specifically in new key focus areas: passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION BUDGET (DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
MOTOR CARRIER SAFETY OPERATIONS & PROGRAMS	211	211	223	228
MOTOR CARRIER SAFETY GRANTS	<u>279</u>	<u>279</u>	<u>298</u>	<u>300</u>
TOTAL	490	490	521	528

SUMMARY OF FMCSA FY 2008 INCREASES AND DECREASES (DOLLARS IN MILLIONS)

	<u>Motor Carrier Safety Operations & Programs</u>	<u>Motor Carrier Safety Grants</u>	<u>Total</u>
FY 2007 Base	223	298	521
Pay Inflation Adjustments	3	0	3
Non-Pay Inflation Adjustments	3	3	6
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	-1	0	-1
FY 2008 Current Services Levels	228	300	528
Program Initiatives	0	0	0
FY 2008 Request	228	300	528

FY 2008 Budget

Motor Carrier Safety Operations & Programs: \$228 million is requested to support critical motor carrier program activities that will reduce crashes, save lives, and prevent injuries on our Nation's highways. The FY 2008 budget proposes the following funding requests aimed at meeting DOT's strategic goals and performance targets:

- Commercial Motor Vehicle Safety - \$188.5 million is dedicated to reducing the incidence and severity of commercial truck and bus crashes by advancing motor carrier standards and rulemaking; increasing compliance with Federal Motor Carrier Safety Regulations through enforcement operations; enforcing safety regulations at the borders; extending motor carrier safety education and best practices; overseeing certification of physical qualifications to operate motor carriers; improving commercial motor vehicle safety information and analysis; and, advancing technological solutions. This funding will also seek to reduce the number and severity of commercial motor vehicle hazardous materials (HAZMAT) incidents through enforcement and compliance operations, research, and technology.
- Commercial Motor Vehicle Security - \$7.2 million is requested to improve the security of motor carrier transport of hazardous materials through outreach and security operations.
- Commercial Motor Vehicle Productivity - \$3.6 million is requested to improve the efficiency and integrity of commercial truck and bus transportation by ensuring compliance with Federal Motor Carrier Commercial Regulations through increased household goods carrier enforcement, education, and outreach efforts, and maintaining a nationwide safety violation and consumer complaints telephone hotline.
- Commercial Motor Vehicle Global Connectivity - \$0.4 million is requested to facilitate a more efficient cross border motor carrier transportation system that enables economic growth and development.
- Organizational Excellence - \$28 million is requested to meet the objectives of the President's Management Agenda in the areas of strategic management of human capital, citizen-centered e-government, competitive sourcing, financial and procurement performance, and budget and performance integration. Efforts will focus on evaluating and improving business practices and processes that support program delivery.





Motor Carrier Safety Grants: \$300 million is requested to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of the Federal/State partnership aimed at meeting DOT's strategic goals and performance targets. Motor Carrier Safety Grants support both Commercial Motor Vehicle Safety and Hazardous Materials Safety.

Commercial Motor Vehicle Safety - \$300 million is requested to support State enforcement, regulatory compatibility, and safety information capabilities. Included within this request is:

- Motor Carrier Safety Assistance Program (MCSAP) State Grants - \$202 million will be used to support State motor carrier compliance reviews; conduct roadside inspections; enforce violations noted in roadside inspections; and ensure that new commercial trucking firms pass a safety audit within the first 18 months of operations in order to receive permanent registration.
- International Border Enforcement - State safety enforcement efforts at the international borders are funded at \$32 million to ensure Mexican and Canadian trucks and buses adhere to the same safety standards as U.S. motor carriers.



- Commercial Vehicle Information Systems and Networks (CVISN) Grants - State enforcement officials will be provided a framework to exchange safety information so they can focus resources on high-risk and previously un-inspected commercial vehicles and operators through the \$25 million CVISN grant, enabling more effective, targeted compliance and enforcement.
- State Commercial Driver's License (CDL) - \$25 million is included to improve State CDL oversight activities to prevent unqualified drivers from being issued licenses.
- Commercial Driver's License Information System (CDLIS) - \$8 million is included to enable FMCSA to work with the American Association of Motor Vehicle Administrators (AAMVA) to complete specifications for the new CDLIS system. FMCSA will begin providing grants to States to assist them in making changes to their licensing systems to incorporate the new CDLIS specifications.
- Performance Registration Information Systems and Management (PRISM) - \$5 million is provided for the PRISM program, which links State motor vehicle registration systems with carrier safety data in order to identify unsafe commercial trucks and buses.
- Safety Data Improvement Grants - Safety Data Improvement Grants will provide \$3 million so States can purchase equipment to support data improvement activities, hire staff to manage data quality improvement programs, revise outdated crash report forms, hire staff to code and enter crash data, train law enforcement officers in collecting crash data, develop software to transfer data from the State repository to the SAFETYNET database management system, and purchase software for field data collection and data transfer.



NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Overview: The National Highway Traffic Safety Administration (NHTSA) conducts critical behavioral and vehicle programs, and provides grants to the States for the administration of highway traffic safety programs. Motor vehicle crashes are the leading cause of death for people in the United States ages 4 through 34. In 2005, motor vehicle crashes claimed 43,443 lives and accounted for over 95 percent of transportation-related deaths. The economic cost of motor vehicle crashes is estimated to be more than \$231 billion annually. Emerging demographic trends include a continuing increase in the number of drivers, a significant growth in both older and teenage drivers, and a marked increase in motorcycle ridership and fatalities, particularly by older returning riders of large engine-size motorcycles. These trends pose increased traffic safety challenges that must be addressed. The FY 2008 budget request includes \$833 million for NHTSA to carry out its mission and support Departmental efforts towards the achievement of its strategic goals and performance targets, specifically in new key focus areas: passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION BUDGET (DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
OPERATIONS & RESEARCH (HIGHWAY TRUST FUND)	230	230	227	230
NATIONAL DRIVER REGISTER	4	4	4	4
HIGHWAY TRAFFIC SAFETY GRANTS	<u>572</u>	<u>572</u>	<u>584</u>	<u>599</u>
TOTAL	806	806	815	833

SUMMARY OF NHTSA FY 2008 INCREASES AND DECREASES (DOLLARS IN MILLIONS)

	<u>Operations & Research</u>	<u>National Driver Register</u>	<u>Highway Traffic Safety Grants</u>	<u>Total</u>
FY 2007 Base	227	4	584	815
Pay Inflation Adjustments	2	0	0	2
Non-Pay Inflation Adjustments	0	0	0	0
Annualization of FY 2007 Initiatives	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0
Base Re-engineering, Reductions or Adjustments	1	0	0	1
FY 2008 Current Services Levels	230	4	584	818
Program Initiatives	<u>-1</u>	<u>0</u>	<u>15</u>	<u>14</u>
FY 2008 Request	230	4	599	833

FY 2008 Budget

For FY 2008, NHTSA requests \$833 million from the Highway Trust Fund to support its programs. \$711 million of this total request has been authorized by SAFETEA-LU. Legislation will be proposed for an additional \$122 million from the Highway Trust Fund for vehicle safety programs.

Operations and Research: The FY 2008 budget request includes \$230 million for Operations and Research activities to reduce highway fatalities, prevent injuries, and significantly reduce their associated economic toll. The request includes administrative services as a separate figure from the program figures listed below:

- Research and Analysis - The \$65.7 million request supports DOT Safety goals by conducting motor vehicle safety research and development. These programs support all NHTSA programs, including the collection and analysis of crash data to identify safety problems, develop alternative solutions, and assess costs, benefits, and effectiveness. Research activities will continue to concentrate on improving vehicle crashworthiness and crash avoidance, with emphasis on increasing seat belt use, decreasing alcohol involvement in crashes, decreasing the number of rollover crashes, improving vehicle-to-vehicle crash compatibility, and improving data systems.
- Highway Safety Programs - \$42.6 million is requested for programs that support the Department's safety goals through behavioral research, demonstrations, technical assistance, and national leadership activities emphasizing alcohol and drug countermeasures, vehicle occupant protection, traffic law enforcement, emergency medical and trauma care systems, traffic records and licensing, State and community evaluations, motorcycle riders, pedestrian and bicycle safety, pupil transportation, young and older driver safety programs, and development of improved crash investigation procedures. NHTSA coordinates with numerous Federal partners, State and local governments, the private sector, universities, research units, and safety associations and organizations to leverage resources and achieve optimal delivery of safety messages. Additionally, NHTSA's highway safety programs support DOT's Global Connectivity goals through international cooperation on behavioral traffic safety issues. The budget request also includes \$1.25 million to support the E-911 implementation office in support of the ENHANCE 9-1-1 Act of 2004.
- Safety Assurance (Enforcement) - The \$18.3 million request supports DOT Safety goals by ensuring industry compliance with motor vehicle safety standards, investigating safety-related defects in motor vehicles and motor vehicle equipment, enforcing the Federal odometer law, encouraging enforcement of State odometer laws, and ensuring that manufacturers conduct recalls to remove unsafe motor vehicles from the highways.
- Safety Performance (Rulemaking) - \$12.8 million is requested during FY 2008 to support the Department's Safety goal and new performance targets through the promulgation of Federal motor vehicle safety standards for the motor vehicle fleet and related safety equipment. Rulemaking also supports the Safety goal through testing programs for the vehicle fleet and the development of consumer information on motor vehicle safety, including the New Car Assessment Program. The Department's Global Connectivity goals are supported



through Rulemaking's efforts in international harmonization of vehicle standards. Additionally, Rulemaking programs support the automotive fuel economy standards required by the Energy Policy and Conservation Act, which support the Departmental goal of Environmental Stewardship.

- Administrative Services - \$90.4 million is requested to support DOT's Organizational Excellence goals by providing program evaluation, strategic planning, and economic analysis for agency programs. Through the program evaluation activities, objective quantitative information about NHTSA's regulatory and highway safety programs is gathered to measure their effectiveness in achieving objectives. Economic analysis funds development of methods to estimate economic consequences of motor vehicle injuries in forms suitable for agency use in problem identification, regulatory analysis, priority setting, and policy analysis. NHTSA's Vehicle Research and Technical Center is also supported through these funds.

National Driver Register: \$4.0 million is requested to provide an efficient and timely database that helps to keep problem drivers from operating private and commercial vehicles and aids in the decision-making for other transportation modes' certification procedures.

Highway Traffic Safety Grants and High Visibility Enforcement: NHTSA's seven highway traffic safety grants programs will help reduce motor vehicle crashes, deaths and injuries by supporting implementation of proven and innovative countermeasures aimed at a wide range of factors contributing to crashes and injuries. The FY 2008 budget request of \$599.2 million implements current SAFETEA-LU initiatives and includes the following:

- State and Community Highway Safety Grants (Section 402) - \$225 million is requested to support the full range of highway safety initiatives in every State, territory, and the Indian Nations. A State may use these grant funds only for highway safety programs designed to reduce traffic crashes and resulting deaths, injuries, and property damage, with at least 40 percent of these funds to be expended by political subdivisions (i.e., communities) within the State.
- Occupant Protection Incentive Grants (Section 405) - \$25 million will help qualifying States implement and enforce effective occupant protection programs to reduce deaths and injuries in the general population from riding unrestrained or improperly restrained in motor vehicles. A State may use these grant funds only to implement and enforce occupant protection programs.
- Safety Belt Performance Grants (Section 406) - \$124.5 million is requested to provide broad support, via incentive grants, for highway safety to States and territories that enact primary seat belt laws applicable to all passenger motor vehicles. A State may use these grant funds for any safety purpose under Title 23, United States Code, or for any project that corrects or improves a hazardous roadway location or feature or proactively addresses highway safety problems. However, at least \$1 million of amounts received by States must be obligated for behavioral highway safety activities.
- State Traffic Safety Information System Improvements Grants (Section 408) - \$34.5 million is requested to enable qualifying States, territories and Indian Nations to improve the timeliness, accuracy, completeness, uniformity, integration, and accessi-



bility of their traffic records and related data. Section 408 grants also seek to evaluate the effectiveness of efforts to make necessary improvements, to link existing State data systems, including traffic records, with other data systems within the State, as well as to improve the compatibility of the State data system with national data systems and data systems of other States in an effort to enhance the ability to monitor and analyze national trends in crash occurrences, rates, outcomes, and circumstances. This, in turn, will help the States better identify their highest priority traffic safety needs and allocate their resources where they will have the greatest life saving impact. A State may only use these grant funds to implement such data improvement programs.

- Alcohol-Impaired Driving Countermeasures Incentive Grants (Section 410) - This \$131 million request will enable qualifying States, territories and Indian Nations to adopt and implement effective programs to reduce traffic safety problems resulting from individuals driving while under the influence of alcohol. A recipient may use these grant funds to implement the impaired driving activities described in the Programmatic Criteria, as well as to cover costs for: high visibility enforcement; training and equipment for law enforcement; advertising and educational campaigns that publicize checkpoints, increase law enforcement efforts, and target impaired drivers under 34 years of age; State impaired operator information system; and the costs of vehicle or license plate impoundment.



- High Visibility Enforcement (Section 2009) - \$29 million is requested for three high visibility seat belt and impaired driving enforcement campaigns annually, including an evaluation component for each campaign, through the continued provision of national paid media during mobilization and crackdown efforts.
- Motorcyclist Safety Grants (Section 2010) - The \$6 million requested for the program in FY 2008 will help qualifying States to adopt and implement effective programs to reduce the number of single and multi-vehicle crashes involving motorcyclists, with the intent to curb the sharply climbing rate of motorcyclist fatalities. A State may only use these grants funds for motorcyclist safety training and motorcyclist awareness programs, including improvement of training curricula, delivery of training, recruitment or retention of motorcyclist safety instructors, and public awareness and outreach programs.

- Child Safety and Child Booster Seat Incentive Grants (Section 2011) - \$6 million will help qualifying States implement and enforce a law requiring any child riding in a passenger vehicle who is too large to be secured in a child safety seat to be secured in a child restraint that meets the requirements prescribed under section 3 of Anton's Law (49 USC 30127 note; 116 Stat. 2772). These grant funds may be used only for child safety seat and child restraint programs.



- Grant Administrative Expenses - \$18.2 million is requested to cover salaries and operating expenses related to administration of the Grant Programs, and to support the National Occupant Protection User Survey (NOPUS) and Highway Safety Research programs.



FEDERAL TRANSIT ADMINISTRATION

Overview: The Federal Transit Administration (FTA) provides leadership, technical assistance and financial resources for safe, technologically-advanced public transportation that enhances mobility and accessibility, reduces congestion, improves America's communities, preserves the natural environment, advances economic growth, and ensures that transit systems are prepared to function during and after criminal or terrorist attack. Transit systems safely and efficiently move millions of people every day, reducing congestion, improving air quality, facilitating economic development, and connecting people to their jobs and communities. The FY 2008 budget request includes \$9.4 billion for Federal transit programs, which maintains the Federal commitment to transit, and when combined with State and local funding, will reduce congestion, improve mobility and accessibility, address critical safety and security requirements, and advance the President's Management Agenda.

FEDERAL TRANSIT ADMINISTRATION BUDGET				
(DOLLARS IN MILLIONS)				
	2006	2007	2007	2008
	<u>Actual</u>	<u>Cont. Res.</u>	<u>Pres. Bud.</u>	<u>Pres. Bud.</u>
FORMULA AND BUS GRANTS	8,278 ^{1/}	6,910	7,263	7,872 ^{2/}
CAPITAL INVESTMENT GRANTS	1,441	1,566	1,466	1,400
RESEARCH & UNIVERSITY RESEARCH CENTERS	74	65	61	61
ADMINISTRATIVE EXPENSES	<u>79</u>	<u>79</u>	<u>85</u>	<u>89</u>
TOTAL	9,872	8,620	8,875	9,422

1/ Includes \$1.4 billion in flex funding transfers from FHWA.
 2/ The FY 2008 contract authority level is \$7,873 million, which is \$998 million higher than the obligation limitation in section 3040 of SAFETEA-LU. The FY 2008 budget request reflects an obligation limitation of \$7,872 million.

SUMMARY OF FTA FY 2008 INCREASES AND DECREASES					
(DOLLARS IN MILLIONS)					
	Formula and	Capital	Research &	Admin.	Total
	<u>Bus Grants</u>	<u>Grants</u>	<u>URCs</u>	<u>Expenses</u>	
FY 2007 Base	7,263	1,466	61	85	8,875
Pay Inflation Adjustments	0	0	0	3	3
Non-Pay Inflation Adjustments	0	0	0	1	1
Annualization of FY 2007 Initiatives	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	609	-66	0	0	543
FY 2008 Current Services Levels	7,872	1,400	61	89	9,422
Program Initiatives	0	0	0	0	0
FY 2008 Request	7,872	1,400	61	89	9,422

FY 2008 Budget

In FY 2008, the Federal Transit Administration (FTA) requests \$9.4 billion in budget authority, \$547 million above the FY 2007 President's budget request. The President's budget will continue to provide stable, predictable formula funds to urbanized areas, significantly increase funding for underserved rural communities, honor multi-year funding commitments under the New Starts program, and improve services to the elderly, low income, and persons with disabilities through coordinated planning and predictable funding.

Formula and Bus Grants: FTA requests \$7.9 billion for transit services, including security, planning, bus and railcar purchases and maintenance, facility repair and construction, and where eligible, operating expenses. The program includes grants specifically targeted to urbanized areas and, through States, to non-urbanized areas and to transportation providers that address the special transportation needs of the elderly, people with low incomes, and persons with disabilities. In addition, funds proposed for the Formula and Bus Grants program will contribute \$8.3 million to improve the accessibility of over-the-road buses, \$25 million for alternatives analysis for projects, and \$3.5 million for the National Transit Database. The following summary describes the major programs within this account:

- Urbanized Area Programs - \$5.8 billion is requested for the Urbanized Area Formula program and the Fixed Guideway Modernization program to help meet the capital replacement, rehabilitation, and refurbishment needs of existing transit systems, and ensure that passengers continue to receive safe and reliable public transportation. The Urbanized Area Formula program also includes funding for the Growing States and the High Density States programs, which distribute funds to the Urbanized and Non-urbanized Area Formula programs under differing factors.
- Bus and Bus Facilities - \$928 million is requested to finance bus and bus-related capital projects, including ferryboat projects, which enhance the Nation's transit systems. Eligible funding purposes include acquisition of buses for fleet and service expansion, bus maintenance and administrative facilities, transfer facilities, bus malls, transportation centers, intermodal terminals, park-and-ride stations, acquisition of replacement vehicles, bus rebuilds, bus preventative maintenance, passenger amenities (such as passenger shelters and bus stop signs), accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fare boxes, computers, and shop and garage equipment.



- Non-urbanized Area Formula - \$506 million is requested in formula funding for States to support public transportation in areas of less than 50,000 in population. The program addresses the transportation needs of people living in rural counties that have no public transportation services and assists States in supporting rural intercity bus service by requiring that they spend 15 percent of their annual apportionment on such service. The Non-urbanized Area Formula program also includes funding for the High Density States program.

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

- Job Access and Reverse Commute - \$156 million is requested for Job Access and Reverse Commute projects that provide new and expanded transportation services to connect welfare recipients and low-income persons to employment and employment support services, such as training and child-care facilities. Funds are apportioned by formula to States for projects related to the development and maintenance of transportation services designed to transport welfare recipients and eligible low-income individuals.



- Elderly and Individuals with Disabilities - \$127 million is requested to focus on America's commitment to meet the transportation needs of the elderly and persons with disabilities. Among the Americans who use transit are the 35 million senior citizens who are most likely to need access to dependable transportation if they are to participate fully in their community. Transit is also important to the 31 million Americans with disabilities who can use public transportation. FTA strongly supports the President's commitment to tear down the barriers to equality that face many Americans with disabilities.

- Planning - \$107 million is requested to support the activities of regional planning agencies and States, helping them to plan for transit investments that best meet the needs of the urban and rural communities they serve. This includes funding for Metropolitan Planning and Statewide Planning.
- New Freedom Program - \$87 million is requested to reduce transportation barriers to work for persons with disabilities by providing funding to States to implement innovative transportation solutions. This program will increase access and opportunities for Americans with disabilities, and strengthen the communities in which they live and work.
- Clean Fuels Grant Program - \$49 million is requested to provide financing for the purchase or lease of clean fuel buses and facilities and the improvement of existing facilities to accommodate these buses. This includes buses powered by compressed natural gas, biodiesel fuels, batteries, alcohol-based fuels, hybrid electric, fuel cell and certain clean diesel (up to 2 percent of grants annually), and other low or zero emissions technology.
- Alternative Transportation in Parks and Public Lands - \$25 million is requested to enhance the protection of America's national parks and public lands, and to increase the enjoyment of those visiting the parks through innovative transportation projects.

Research and University Research: FTA requests \$61 million for transit research programs. This includes \$40.4 million for National Research and Technology Programs to develop solutions that improve public transportation, \$9.3 million for the Transit Cooperative Research Program, \$4.3 million for the National Transit Institute training programs, and \$7 million for the University Transportation Research Program. In FY 2008, FTA requests \$2 million for the clean fuels and electric drive bus deployment (hybrid-electric) program proposed in FY 2007, to encourage increased deployment of new low-emission technology, particularly hybrid electric buses by a greater number of the Nation's transit agencies.

Capital Investment Grants: \$1.4 billion is proposed in FY 2008 for the construction of new fixed guideway and non-fixed guideway corridor systems, and extensions to existing systems. SAFETEA-LU expands the New Starts program to make new non-fixed guideway transportation corridor projects eligible for funding, and to encourage project sponsors to consider more cost-effective transit options that may not require a fixed guideway. The request fully funds the annual cost of 11 existing, two pending, and two proposed Full Funding Grant Agreements (FFGAs), which are multi-year contractual agreements between FTA and grantees. These projects include commuter rail, light rail, heavy rail, and bus rapid transit. In addition, the "Small Starts" program, requested at \$100 million, will incorporate criteria to evaluate projects that are under \$250 million in total cost.



Transit Security: \$46.6 million is requested to support transit security, which will remain a high priority in FY 2008. This funding, the bulk of which comes from the Formula and Bus Grants account, includes the one percent of Urbanized Formula Grant funding that is statutorily required to be spent on security initiatives. Through its technical assistance and other programs, FTA will emphasize security training for transit system employees, emergency preparedness and response, and public awareness efforts.

Project and Financial Management Oversight: To provide oversight of FTA grants, \$74.6 million (\$60.2 million from Formula and Bus Grants, \$14 million from Capital Investment Grants and \$0.4 million from the National Research program) is requested in FY 2008. Project and financial management oversight are core management responsibilities of FTA, and are essential to good stewardship of Federal taxpayers' dollars.



FEDERAL TRANSIT ADMINISTRATION

Proposed FY 2008 Section 5309 New Starts ^{1/}
(Dollars in Millions)

A. Existing Full Funding Grant Agreements (FFGAs)			FY 2008 Pres. Bud.
AZ	Central Phoenix/East Valley Light Rail	Phoenix	90.0
CA	Metro Gold Line Eastside Extension	Los Angeles	80.0
CO	Southeast Corridor LRT	Denver	78.8
DC	Largo Metrorail Extension	Washington	35.0
IL	Ravenswood Line Extension	Chicago	40.0
NJ	Hudson-Bergen MOS-2	Northern NJ	55.2
NY	Long Island Rail Road East Side Access	New York	215.0
PA	North Shore LRT Connector	Pittsburgh	33.5
TX	Northwest/Southeast LRT MOS	Dallas	86.3
UT	Weber County to Salt Lake City Commuter Rail	Salt Lake City	80.0
WA	Central Link Initial Segment	Seattle	70.0
Subtotal Existing FFGAs			863.7
B. Pending Full Funding Grant Agreements			
CO	West Corridor LRT	Denver	40.0
OR	South Corridor I-205/Portland Mall LRT	Portland	80.0
Subtotal Pending FFGAs			120.0
C. Proposed Full Funding Grant Agreements			
NY	Second Avenue Subway	New York	200.0
WA	University Link LRT Extension	Seattle	10.0
Subtotal Proposed FFGAs			210.0
D. Other Projects (Funding Not Allocated to Specific Projects)			
CT	New Britain-Hartford Busway	Hartford	
MN	Northstar Corridor Rail	Minneapolis-Big Lake	
TX	North Corridor BRT	Houston	
TX	Southeast Corridor BRT	Houston	
VA	Dulles Corridor Metrorail Project-Extension to Wiehle Ave.	Northern Virginia	
VA	Norfolk LRT	Norfolk	
Subtotal Other Projects			72.1
E. Small Starts			
CA	Metro Rapid Bus System Gap Closure	Los Angeles	16.7
MO	Troost Corridor BRT	Kansas City	6.3
OR	Pioneer Parkway EmX BRT	Springfield	14.8
WA	Pacific Highway South BRT	King County	14.1
	Other Small Starts Projects		48.2
Subtotal Small Starts			100.0
F. Other Funding			
	Oversight Activities (1%)		14.0
	Ferry Capital Projects (AK or HI)		15.0
	Denali Commission		5.0
Subtotal Other Funding			34.0
GRAND TOTAL			1,399.8

^{1/} Totals may not add due to rounding.

FEDERAL RAILROAD ADMINISTRATION

Overview: The mission of the Federal Railroad Administration is to ensure that our Nation has safe, secure, and efficient rail transportation that enhances the quality of life for all. The FY 2008 budget request of \$1.1 billion supports FRA's commitment to continue and improve the Nation's strong railroad safety record. It also provides funding to ensure the continuation of passenger rail operations.

FEDERAL RAILROAD ADMINISTRATION BUDGET				
(DOLLARS IN MILLIONS)				
	2006 Actual	2007 Cont. Res.	2007 Pres. Bud.	2008 Pres Bud.
AMTRAK/PASSENGER RAIL	1,294	1,114	900	900
SAFETY & OPERATIONS	144	142	151	148
RESEARCH & DEVELOPMENT	55	57	35	32
ALL OTHER MISCELLANEOUS ACCOUNTS	<u>10</u>	<u>10</u>	<u>0</u>	<u>0</u>
TOTAL	1,503	1,323	1,085	1,081

SUMMARY OF FRA FY 2008 INCREASES AND DECREASES					
(DOLLARS IN MILLIONS)					
	Amtrak/ Passenger Rail	Safety & Operations	Research & Development	Other Misc. Accounts	Total
FY 2007 Base	900	151	35	0	1,085
Pay Inflation Adjustments	0	2	0	0	2
Non-Pay Inflation Adjustments	0	1	0	0	1
Annualization of FY 2007 Initiatives	0	1	0	0	1
Non-recurring Costs or Savings	0	-2	0	0	-2
Base Re-engineering, Reductions or Adjustments	0	-7	-3	0	-10
FY 2008 Current Services Levels	900	146	32	0	1,079
Program Initiatives	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>
FY 2008 Request	900	148	32	0	1,081

FY 2008 Budget

Grants to the National Passenger Rail Corporation/Intercity Passenger Rail: The FY 2008 request of \$900 million for intercity passenger rail includes \$800 million for Amtrak directly. This amount is part of the Administration's stated goal of creating a system based on sound economics. The requested operating budget, \$300 million, will require Amtrak's new management team to make difficult but necessary decisions to act on its mandate to reshape the company. At the same time, the Administration fully supports Amtrak's efforts to rehabilitate its important infrastructure assets along the Northeast Corridor, and the request includes \$500 million for capital costs. In addition, \$100 million would be dedicated to issuing capital matching grants to States for intercity passenger rail projects. This would be a new program to enable States and localities to direct capital investment towards their top rail priorities.

Safety & Operations: Safety remains FRA's most important performance segment. The FY 2008 request includes \$148 million to support the Department's goal of reducing railroad accidents and inci-



ents, while contributing to the avoidance of serious hazardous materials incidents in rail transportation. The FY 2008 budget reflects a decrease of 2 percent from the FY 2007 President's request level for this account. In FY 2008, \$2 million is requested to implement a Close Call Confidential Reporting Pilot Program that would allow FRA to better leverage its resources by expanding its partnership with industry to achieve safety goals.

Research & Development: In FY 2008, \$32 million is requested to support research efforts in the areas of rail systems safety, track and structures, train occupant protection, human factors in train operations, rolling stock and components, track and train interaction, train control, grade crossings, hazardous materials, and transportation and research development facilities and test equipment. The request reflects a decrease of approximately \$2.4 million from the FY 2007 President's request level for this account. Funds will be used for research supporting the FRA's Rail Safety Action Plan.



RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

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

The FY 2008 budget request of \$39 million is composed of \$27 million from the Highway Trust Fund and \$12 million from the General Fund appropriation. In addition, RITA will undertake over \$300 million in transportation-related research, education, and technology development on a reimbursable basis for other agencies.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION BUDGET				
(DOLLARS IN MILLIONS)				
	2006 Actual	2007 Cont. Res.	2007 Pres. Bud.	2008 Pres. Bud.
RESEARCH AND DEVELOPMENT	6	6	8	12
BUREAU OF TRANSPORTATION STATISTICS (NON-ADD ALLOCATION ACCOUNT UNDER FEDERAL-AID HIGHWAYS)	[27]	[27]	[27]	[27]
TOTAL	6	6	8	12

SUMMARY OF RITA FY 2008 INCREASES AND DECREASES			
(DOLLARS IN MILLIONS)			
	Research & Development	Bureau of Transportation Statistics	Total
FY 2007 Base	8	27	35
Pay Inflation Adjustments	1	0	1
Non-Pay Inflation Adjustments	0	1	1
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	-2	-1	-3
FY 2008 Current Services Levels	7	27	34
Program Initiatives	5	0	5
FY 2008 Request	12	27	39

FY 2008 Budget

The FY 2008 budget request reflects the Department of Transportation's intermodal and multi-modal statistical, research, education and related activities.

Research and Development: The budget request includes \$12 million for Research and Development. RITA will coordinate and advance the pursuit of transportation research that cuts across all modes of transportation. To improve efficiency and reduce congestion, the agency will promote and advance innovative transportation technologies such as hydrogen fuels, remote sensing and differential global positioning.

Transportation Statistics and Information: In FY 2008, \$27 million is requested for the Bureau of Transportation Statistics to provide multi-modal and intermodal transportation data and information through public venues. Airline, travel, and freight data make up the largest portion of BTS activity but are complemented by work in geospatial data, transportation economics, and the information services of the National Transportation Library.

Reimbursable and Fee-for-Service Activities: Over \$300 million in transportation-related research, education, and technology application will be conducted by RITA on a reimbursable basis for other agencies during FY 2008. The Volpe Center will provide technical knowledge and expertise to customers with specific transportation systems and logistics projects or issues. The Transportation Safety Institute will provide training to transportation professionals in state-of-the-art safety methods and technologies. Through the University Transportation Centers, RITA will support the education of transportation professionals in obtaining advanced degrees in transportation-related programs from participating universities. The Joint Program Office for Intelligent Transportation Systems (ITS) will support the advancement of ITS through investments in major initiatives, exploratory studies, and a deployment support program.



PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

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

In FY 2008, PHMSA will focus on reducing serious hazardous materials and pipeline transportation incidents. The agency will also provide planning and training grants to States and Indian tribes to improve hazardous materials emergency preparedness.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION BUDGET

(DOLLARS IN MILLIONS)

	2006 <u>Actual</u>	2007 <u>Cont. Res.</u>	2007 <u>Pres. Bud.</u>	2008 <u>Pres. Bud.</u>
PIPELINE SAFETY	72	70	76	75
HAZARDOUS MATERIALS SAFETY	26	25	27	27
EMERGENCY PREPAREDNESS GRANTS	12	14	28	28
ADMINISTRATIVE EXPENSES	<u>17</u>	<u>17</u>	<u>18</u>	<u>18</u>
TOTAL	127	126	149	148

SUMMARY OF PHMSA FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	<u>Pipeline Safety</u>	<u>Hazardous Materials Safety</u>	<u>Emergency Preparedness Grants</u>	<u>Administrative Expenses</u>	<u>Total</u>
FY 2007 Base	76	27	28	18	149
Pay Inflation Adjustments	1	0	0	0	1
Non-Pay Inflation Adjustments	1	0	0	0	1
Annualization of FY 2007 Initiatives	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	1	2	0	0	3
FY 2008 Current Services Levels	79	29	28	18	154
Program Initiatives	<u>-4</u>	<u>-2</u>	<u>0</u>	<u>0</u>	<u>-6</u>
FY 2008 Request	75	27	28	18	148

FY 2008 Budget

Hazardous Materials Safety Program: The FY 2008 request provides \$27.0 million, \$0.2 million below the FY 2007 President's Budget, to achieve PHMSA's share of the overall DOT performance target of no more than 462 serious hazardous materials incidents in 2008.

Emergency Preparedness Grants: The FY 2008 request provides \$28.3 million, which is the same as the FY 2007 request and consistent with SAFETEA-LU, for States to train hazardous materials responders and improve hazardous materials response plans.

Pipeline Safety: The budget request includes \$74.6 million to meet the performance goals of holding the number of serious pipeline incidents to no more than 40 in FY 2008, reducing hazardous liquid pipeline spills into high consequence areas to a level that equates to no more 50, and reducing impediments to pipeline transportation by cutting the percent of pipeline system capacity lost due to accidents, incidents, or mandatory reductions in operating pressure.



Administrative Expenses: The FY 2008 request includes \$18.1 million for administrative expenses, \$0.4 million above the FY 2007 budget.



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 and crews for Department of Defense mobilizations. MARAD's mariner education and training programs, through the U.S. Merchant Marine Academy and six State Maritime Schools, provide most of the new, skilled U.S. merchant marine officers needed to serve the Nation's defense and commercial maritime transportation needs. Through its ship disposal program, MARAD also continues to reduce the significant environmental risks posed by the presence of obsolete ships in the National Defense Reserve Fleet.

For FY 2008, MARAD is requesting \$295 million to carry out its mission.

MARITIME ADMINISTRATION BUDGET				
(DOLLARS IN MILLIONS)				
	2006	2007	2007	2008
	Actual	Cont. Res.	Pres. Bud.	Pres. Bud.
OPERATIONS & TRAINING	129	116	116	115
SHIP DISPOSAL	21	17	26	20
MARITIME SECURITY PROGRAM	154	153	154	154
ALTERATION OF BRIDGES	0	0	0	6
MARITIME GUARANTEED LOANS	<u>4</u>	<u>3</u>	<u>3</u>	<u>0</u> ^{1/}
TOTAL	308	289	299	295

1/ Propose to fund the administration of the Maritime Guaranteed Loan (Title XI) program from unobligated balances.

SUMMARY OF MARAD FY 2008 INCREASES AND DECREASES						
(DOLLARS IN MILLIONS)						
	Operations & Training	Ship Disposal	Maritime Security Program	Alteration of Bridges	Maritime Guaranteed Loans	Total
FY 2007 Base	116	26	154	0	3	299
Pay Inflation Adjustments	2	0	0	0	0	2
Non-Pay Inflation Adjustments	1	0	0	0	0	1
Annualization of FY 2007 Initiatives	0	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	-4	-6	0	0	-3	-13
FY 2008 Current Services Levels	115	20	154	0	0	289
Program Initiatives	<u>0</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>0</u>	<u>6</u>
FY 2008 Request	115	20	154	6	0	295

FY 2008 Budget

Operations and Training: The FY 2008 budget request includes \$115 million to support the U.S. Merchant Marine Academy, State Maritime Schools, and MARAD operations. All three programs support national security and emergency response, reduced congestion, global connectivity, and environmental stewardship. The budget request includes \$61 million for the U.S. Merchant Marine Academy, including \$14 million for critical capital improvement projects, \$10 million for the State Maritime Schools, and \$44 million for MARAD Operations.



Maritime Security Program: The FY 2008 budget request includes \$154 million for payments of approximately \$2.6 million per ship, as authorized by the FY 2004 National Defense Authorization Act. MARAD will continue to retain a fleet of 60 active, militarily useful, privately-owned vessels to meet national defense and other security requirements, and to maintain a U.S. presence in international commercial shipping. The Maritime Security Program, together with the Voluntary Intermodal Sealift Agreement Program, the Ready Reserve Force and the War Risk Insurance program, assures DOD access to ships and crews during DOD mobilizations, and helps ensure the efficient flow of military cargo through commercial ports.

Ship Disposal: The FY 2008 budget request includes \$20 million to remove 16 obsolete ships from the National Defense Reserve Fleet (NDRF) for disposal. MARAD continues to pursue alternative disposal methods, such as export and artificial reefing initiatives, with other Federal agencies to minimize any impact on the human and natural environment. The budget request also includes funding to continue nuclear license management for the inactive Nuclear Ship SAVANNAH.



Alteration of Bridges: The FY 2008 budget request includes \$5.7 million for a MARAD Bridge Administration program. MARAD's request includes a functional transfer of the U.S. Coast Guard's (USCG) Bridge Administration program back to DOT. This transfer will include a request for change in legislative authorities to shift certain core safety and facilitation of commerce functions from the Department of Homeland Security (DHS) back to DOT where they were prior to the transfer of USCG to DHS in 2003.



Maritime Guaranteed Loan Program: Consistent with the Administration's intent to eliminate corporate subsidies, no funds are requested for new maritime loan guarantees. The budget request proposes to fund the administration of the existing guaranteed loan portfolio from unobligated balances.

Ready Reserve Force: The Ready Reserve Force (RRF) is funded in the Department of Defense budget, but managed by MARAD. RRF vessels were used in Operation Enduring Freedom and continue to serve in Operation Iraqi Freedom. The initial activation of the vessels for Iraqi Freedom was the fastest and most efficient sealift in U.S. history. Vessels from the RRF also participated as part of the DOT emergency response team for Hurricane Katrina relief efforts on the Gulf coast. MARAD will continue to support national security by meeting DOD sealift requirements and readiness levels for the RRF with an estimated \$219 million for FY 2008 activities.



SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

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

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION BUDGET				
(DOLLARS IN MILLIONS)				
	2006	2007	2007	2008
	<u>Actual</u>	<u>Cont. Res.</u>	<u>Pres. Bud.</u>	<u>Pres. Bud.</u>
OPERATIONS & MAINTENANCE (HMTF)	16	16	8	17
U.S. SEAWAY COMMERCIAL TOLL RECEIPTS	<u>0</u>	<u>0</u>	<u>9</u>	<u>N/A</u>
TOTAL	16	16	17	17

SUMMARY OF SLSDC FY 2008 INCREASES AND DECREASES			
(DOLLARS IN MILLIONS)			
	Operations & Maintenance	Toll Receipts	Total
FY 2007 Base	8	9	17
Pay Inflation Adjustments	1	0	1
Non-Pay Inflation Adjustments	0	0	0
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	8	-9	-1
FY 2008 Current Services Levels	17	0	17
Program Initiatives	<u>0</u>	<u>0</u>	<u>0</u>
FY 2008 Request	17	0	17

FY 2008 Budget

Operations and Maintenance: The Saint Lawrence Seaway Development Corporation's (SLSDC) FY 2008 budget request of \$17 million will allow the agency to perform operations, maintenance, and capital infrastructure improvements on the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. SLSDC collects an additional \$1 million in non-Federal revenues (interest income, pleasure craft tolls, concession operations, rental payments, etc.).

The SLSDC was a self-funded government corporation through commercial tolls from the Seaway's inaugural season in 1959 to 1987. Since April 1987, the SLSDC has been funded primarily through an appropriation from the Harbor Maintenance Trust Fund, coupled with its other non-Federal revenues.

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



OFFICE OF THE SECRETARY

Overview: The Office of the Secretary provides policy development, oversight and coordination for the overall planning and direction of the Department. The total FY 2008 request is \$168 million (\$118 million discretionary and \$50 million mandatory).

OFFICE OF THE SECRETARY BUDGET

(DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
SALARIES & EXPENSES	84	85	93	96
TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT	15	5	9	9
CIVIL RIGHTS & MINORITY BUSINESS RESOURCE CENTER	12	12	13	13
NEW HEADQUARTERS BUILDING	50	63	59	0
EAS/ PAYMENTS TO AIR CARRIERS (DISCRETIONARY)	59	57	0	0
EAS / PAYMENTS TO AIR CARRIERS (MANDATORY-OVERFLIGHT FEES/TRANSFERS)	42	50	50	50
COMPENSATION FOR GENERAL AVIATION OPERATIONS	<u>17</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	279	272	224	168

SUMMARY OF OST FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	<u>Salaries & Expenses</u>	<u>Transportation Planning R&D</u>	<u>Civil Rights & MBRC</u>	<u>New HQ Building</u>	<u>EAS (Mand.)</u>	<u>Total</u>
FY 2007 Base	93	9	13	59	50	224
Pay Inflation Adjustments	2	0	0	0	0	2
Non-Pay Inflation Adjustments	1	0	0	0	0	1
Annualization of FY 2007 Initiatives	0	0	0	0	0	0
Non-recurring Costs or Savings	0	0	0	0	0	0
Base Re-engineering, Reductions or Adjustments	0	0	0	-59	0	-59
FY 2008 Current Services Levels	96	9	13	0	50	168
Program Initiatives	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
FY 2008 Request	96	9	13	0	50	168

FY 2008 Budget

Salaries and Expenses: \$96 million is requested for FY 2008, including \$13 million to strengthen the management of the Department's large information technology investment portfolio, increase security of its information and technical infrastructure against cyber threats, and improve the American public's access to information and services through electronic government.

Transportation Planning, Research, and Development: \$9.1 million is requested for FY 2008 to fund analyses of: costs/benefits of transportation infrastructure investments; congestion pricing; safe mobility; hazardous materials safety; environment and climate issues; Global Positioning System monitoring, spectrum protection and radio-navigation technologies; aviation and international transportation policy; and, transportation security issues.

Office of Civil Rights: \$9.1 million is requested to support and advance internal and external civil rights initiatives, administer Federal civil rights statutes, investigate Equal Employment Opportunity complaints, support the Disability Resource Center, implement the Shared Neutrals Alternative Dispute Resolution Program, and oversee and ensure compliance of environmental justice programs throughout the Department.

Minority Business Resource Center (MBRC): \$3.9 million is requested for MBRC activities. \$0.9 million in Federal subsidy and administrative expenses will support an \$18 million short-term loan guarantee program to assist small, disadvantaged and women-owned transportation-related business; and \$3.0 million will fund the Minority Business Outreach program, which includes a clearinghouse for national dissemination of information on transportation-related projects and grants to minority educational institutions.

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



OFFICE OF INSPECTOR GENERAL

Overview: The Inspector General Act of 1978, as amended, established the Office of Inspector General (OIG) as an independent and objective organization within DOT. The Inspector General is committed to fulfilling its statutory mission and assisting the Secretary, Members of Congress, and senior Department officials in achieving a fast, safe, efficient, and convenient transportation system at the lowest cost consistent with the national objectives of general welfare, economic growth and stability, and the security of the United States.

OFFICE OF INSPECTOR GENERAL				
BUDGET				
(DOLLARS IN MILLIONS)				
	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Cont. Res.</u>	<u>2007</u> <u>Pres. Bud.</u>	<u>2008</u> <u>Pres. Bud.</u>
SALARIES & EXPENSES	62	62	64	66
TOTAL	62	62	64	66

SUMMARY OF OIG FY 2008 INCREASES AND DECREASES	
(DOLLARS IN MILLIONS)	
	Salaries & Expenses
FY 2007 Base	64
Pay Inflation Adjustments	3
Non-Pay Inflation Adjustments	0
Annualization of FY 2007 Initiatives	0
Non-recurring Costs or Savings	0
Base Re-engineering, Reductions or Adjustments	-1
FY 2008 Current Services Levels	66
Program Initiatives	0
FY 2008 Request	66

FY 2008 Budget

Salaries and Expenses: The FY 2008 budget request for the OIG totals \$73 million to support a staff of 410 full-time equivalent employment. This budget request includes a \$66 million appropriation and \$6.9 million in reimbursable funding (\$4 million from FHWA, \$2 million from FTA, \$0.8 million from FAA, and \$0.1 million from the National Transportation Safety Board).

SURFACE TRANSPORTATION BOARD

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

SURFACE TRANSPORTATION BOARD BUDGET

(DOLLARS IN MILLIONS)

	<u>2006</u> <u>Actual</u>	<u>2007</u> <u>Cont. Res.</u>	<u>2007</u> <u>Pres. Bud.</u>	<u>2008</u> <u>Pres. Bud.</u>
SALARIES & EXPENSES	25	22	22	22
FEES	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
TOTAL	26	23	23	23

SUMMARY OF STB FY 2008 INCREASES AND DECREASES

(DOLLARS IN MILLIONS)

	<u>Salaries & Expenses</u>	<u>Fees</u>	<u>Total</u>
FY 2007 Base	22	1	23
Pay Inflation Adjustments	0	0	0
Non-Pay Inflation Adjustments	0	0	0
Annualization of FY 2007 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions or Adjustments	0	0	0
FY 2008 Current Services Levels	22	1	23
Program Initiatives	<u>0</u>	<u>0</u>	<u>0</u>
FY 2008 Request	22	1	23

FY 2008 Budget

The FY 2008 budget request for the STB totals \$23.1 million, to be financed by appropriations and the offsetting collection of user fees. The STB, established in 1996 pursuant to the ICC Termination Act of 1995, is responsible for the economic regulation of the rail industry and the transportation of commodities by pipeline other than oil and gas. The STB is also responsible for certain non-licensing regulation of motor and water carriers.

BUDGETARY RESOURCES

(DOLLARS IN MILLIONS)

<u>Administration</u>	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
FEDERAL AVIATION ADMINISTRATION	14,310	14,231	13,749	14,077
FEDERAL HIGHWAY ADMINISTRATION	38,394	36,372	39,822	40,324
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	490	490	521	528
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	806	806	815	833
FEDERAL TRANSIT ADMINISTRATION	9,872	8,620	8,875	9,422
FEDERAL RAILROAD ADMINISTRATION	1,503	1,323	1,085	1,081
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	6	6	8	12
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	127	126	149	148
MARITIME ADMINISTRATION	308	289	299	295
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	16	16	8	17
OFFICE OF THE SECRETARY	279	272	224	168
OFFICE OF INSPECTOR GENERAL	62	62	64	66
SURFACE TRANSPORTATION BOARD	<u>26</u>	<u>23</u>	<u>23</u>	<u>23</u>
TOTAL DOT APPROPRIATIONS	66,199	62,637	65,642	66,996

BUDGETARY AUTHORITY
(DOLLARS IN MILLIONS)

<u>Administration</u>	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
FEDERAL HIGHWAY ADMINISTRATION	36,931	38,382	42,091	40,836
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	490	481	521	528
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	808	814	815	833
FEDERAL RAILROAD ADMINISTRATION	1,498	1,321	1,080	1,067
FEDERAL TRANSIT ADMINISTRATION	9,872	8,883	8,846	9,423
FEDERAL AVIATION ADMINISTRATION	13,874	14,976	13,724	14,077
MARITIME ADMINISTRATION	825	685	587	560
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	16	16	8	17
INSPECTOR GENERAL	62	62	64	66
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	6	6	8	12
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	127	126	149	148
OFFICE OF THE SECRETARY	279	222	174	146
SURFACE TRANSPORTATION BOARD	<u>25</u>	<u>22</u>	<u>22</u>	<u>22</u>
SUBTOTAL: OUTLAYS BEFORE OFFSETTING COLLECTIONS	64,812	65,997	68,089	67,734
OFFSETTING COLLECTIONS	<u>-368</u>	<u>-398</u>	<u>-387</u>	<u>-382</u>
TOTAL BUDGETARY AUTHORITY	64,444	65,599	67,702	67,352

DEPARTMENT OF TRANSPORTATION

(Dollars In Millions)

	2006 Actual	<u>Estimate</u> 2007	2008
Spending			
Discretionary Budgetary Resources:			
Federal Aviation Administration	14,271	14,798	14,077
<i>FAA operations, capital, and research programs [non-add]</i>	10,756	11,283	11,327
Federal Highway Administration	34,206	31,477	37,176
<i>Federal-Aid Highway Obligation Limitation [non-add]</i>	34,183	35,551	39,585
<i>Federal-Aid Highway rescission of contract authority [non-add]</i>	-4,229	-4,261	-2,000
Federal Motor Carrier Safety Administration	490	455	528
National Highway Traffic Safety Administration			
Existing Law	806	799	711
Legislative proposal	0	0	122
Federal Railroad Administration	1,502	1,324	1,071
<i>Intercity Passenger Rail [non-add]</i>	1,293	1,114	900
Maritime Administration	298	212	295
Federal Transit Administration	9,853	8,529	9,423
<i>Federal Transit Administration Obligation Limitation [non-add]</i>	8,263	6,910	7,873
Saint Lawrence Seaway Development Corporation	16	16	17
Pipeline and Hazardous Materials Safety Administration	115	112	119
Research and Innovative Technology Administration	6	6	12
All other programs (including offsetting collections)	267	203	128
Total, Discretionary budgetary resources^{1/}	61,830	57,931	63,679
<i>Memorandum: Budget authority from enacted supplementals</i>	<i>3,501</i>	<i>0</i>	<i>0</i>
Total, Discretionary Outlays	59,236	62,713	65,811
Mandatory Outlays:			
Federal Aviation Administration	-181	-158	1
Federal Highway Administration	1,080	1,300	1,339
Federal Railroad Administration	-4	-2	-5
Maritime Administration	274	198	145
Pipeline and Hazardous Materials Safety Administration	12	15	16
All others (including offsetting receipts)	-275	-291	-275
Total, Mandatory Outlays	906	1,062	1,221
Total, Outlays	60,142	63,775	67,032
Credit activity			
Direct Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	54	330	1,393
Railroad Rehabilitation and Improvement Program	79	363	600
Total, Direct Loan Disbursements	133	693	1,993
Guaranteed Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	0	200	200
Railroad Rehabilitation and Improvement Program ^{2/}	0	0	100
Maritime Guaranteed Loans (Title XI)	140	100	0
Minority Business Resource Center	5	19	18
Total, Guaranteed Loan Disbursements	142	319	318

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

2/ Limitation on guaranteed loans made by private lenders.

OUTLAYS
(DOLLARS IN MILLIONS)

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
<u>Administration</u>				
FEDERAL HIGHWAY ADMINISTRATION	34,193	35,375	38,743	38,153
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	436	638	506	503
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	504	841	766	868
FEDERAL RAILROAD ADMINISTRATION	1,477	1,454	1,135	1,119
FEDERAL TRANSIT ADMINISTRATION	8,637	10,234	9,157	10,465
FEDERAL AVIATION ADMINISTRATION	14,189	14,545	14,818	15,338
MARITIME ADMINISTRATION	592	481	415	507
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	16	16	8	17
INSPECTOR GENERAL	62	63	64	66
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	132	138	137	138
OFFICE OF THE SECRETARY	248	354	259	207
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	6	4	8	11
SURFACE TRANSPORTATION BOARD	<u>21</u>	<u>26</u>	<u>22</u>	<u>22</u>
SUBTOTAL: OUTLAYS BEFORE OFFSETTING COLLECTIONS	60,507	64,173	66,038	67,414
OFFSETTING COLLECTIONS	<u>-368</u>	<u>-398</u>	<u>-387</u>	<u>-382</u>
TOTAL OUTLAYS	60,139	63,775	65,651	67,032

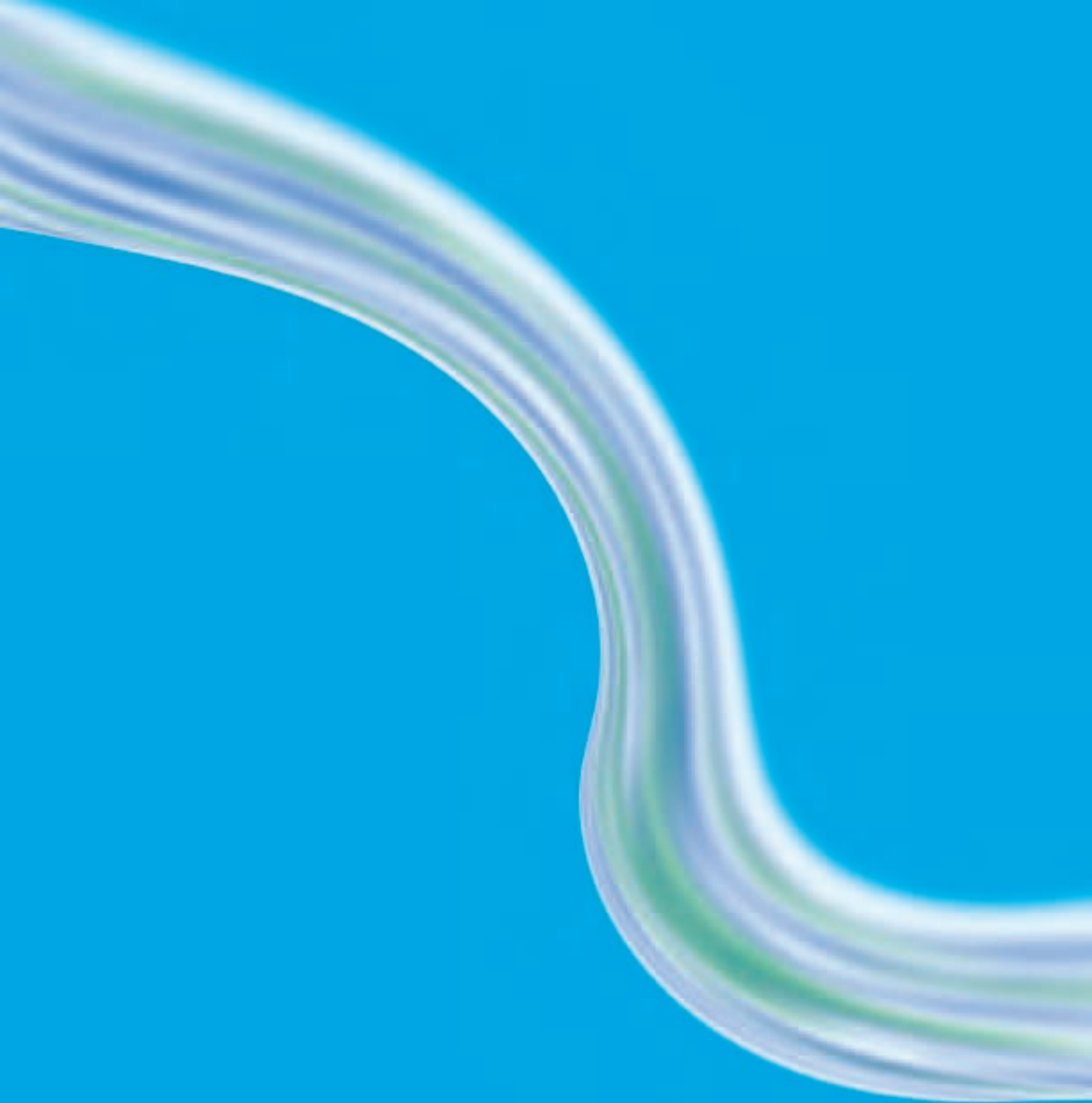
FULL TIME EQUIVALENT EMPLOYMENT

	<u>2006 Actual</u>	<u>2007 Cont. Res.</u>	<u>2007 Pres. Bud.</u>	<u>2008 Pres. Bud.</u>
<u>Administration</u>				
FEDERAL AVIATION ADMINISTRATION	44,348	45,011	46,153	45,401
FEDERAL HIGHWAY ADMINISTRATION	2,802	2,802	3,016	3,017
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	605	635	635	623
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	1,059	1,092	1,114	1,119
FEDERAL TRANSIT ADMINISTRATION	505	512	541	527
FEDERAL RAILROAD ADMINISTRATION	808	844	844	850
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION	337	396	401	405
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	145	157	157	157
SURFACE TRANSPORTATION BOARD	137	130	130	125
MARITIME ADMINISTRATION	785	785	820	808
RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION	672	744	754	759
WORKING CAPITAL FUND	183	219	219	227
INSPECTOR GENERAL	419	410	420	410
OFFICE OF THE SECRETARY	<u>523</u>	<u>639</u>	<u>639</u>	<u>637</u>
TOTAL FULL TIME EQUIVALENT EMPLOYMENT	53,328	54,376	55,843	55,065

NOTES

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



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