



FISCAL YEAR 2009 BUDGET IN BRIEF

Mary E. Peters
Secretary of Transportation



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Message from the Secretary



I appreciate this opportunity to share the highlights of President Bush's \$68 billion budget plan for our Nation's transportation programs.

We are working with the President to hold the line on spending, while giving travelers and taxpayers the best possible value for their transportation dollars by transforming the way our transportation system works and is funded. At the Department of Transportation, our focus is on finding real transportation solutions that make travel safer, improve the performance of our transportation systems so that they operate more efficiently and serve us better, and apply advanced technologies and contemporary approaches to today's transportation challenges.

Consistent with these priorities, nearly 31 percent of the funds requested for Fiscal Year 2009 support safety programs. The budget allows us to build on our successes in delivering safer transportation systems by focusing on problem areas like runway incursions and near misses in the air, as well as motorcycle crashes and pedestrian injuries on the road. It is important that we continue a data-driven safety focus that allows us to target resources more effectively.

The budget request provides resources to hire 306 additional air traffic controllers. It also bolsters pipeline safety by funding eight new inspectors to increase oversight of poor performing pipeline operators and by increasing state pipeline safety grants by \$11.3 million.

Just as the budget supports continued strong progress on the safety front, it also builds on our comprehensive efforts to identify new partners, new financing, and new approaches to reduce congestion. If last year's record traffic jams and flight delays taught us anything, it is that our old approaches are no longer producing the results we need to keep America's economy growing.

The Bush Administration has moved aggressively on short-term measures to bring passengers relief from chronic flight delays, especially in the New York region. In addition, almost a year ago we sent Congress a transformative proposal that would use market forces more effectively to address aviation delays. It would modernize how we pay for airports and allow us to overhaul the nation's air traffic control system.

The President's \$14.6 billion budget for the Federal Aviation Administration assumes congressional passage of this overdue legislation. With a more efficient revenue structure and the ability to price congestion, we will be able to build on our exemplary aviation safety record while expanding the number of aircraft that the nation's airspace can safely handle at any given time.

Key to achieving these higher levels of safety and efficiency is the move to 21st Century technologies to guide air traffic. Our FY 2009 budget more than doubles investment in these *Next Generation Air Transportation System (NextGen)* technologies, providing \$688 million for the transformation from radar-based to satellite-based navigation systems.

Technology also can play an important role in relieving traffic on our highways. Through programs like our Urban Partnerships and Corridors of the Future initiatives, we have been aggressively pursuing effective new strategies to reverse the growing traffic congestion crisis. The interest around the country has proven quite strong – over 30 major U.S. cities responded to our call for innovative plans to actually reduce congestion, not simply to slow its growth.

The FY 2009 budget would encourage more of this type of bold thinking by dedicating 75 percent of discretionary highway and transit funds to fight congestion, giving priority to projects that combine the powerful mix of pricing, transit, and technology solutions. We currently are conducting another nationwide competition, and will be announcing cities that could benefit from this funding very soon.

Instead of having our transportation dollars whittled away by hundreds of congressional earmarks, we need to direct funding to projects that have the most impact on highway performance and congestion relief.

To further promote innovation, the President's budget calls for re-directing \$175 million in inactive earmarks for innovative programs to fight congestion in metropolitan areas and along major highway corridors. These projects will help us find a new way forward as we approach reauthorization of our surface transportation programs.

FY 2009 is the final year of the current surface transportation authorization, known as SAFETEA-LU. The President's budget completes the six-year, \$286.4 billion investment by providing \$52 billion in 2009 for highways, highway safety, and public transportation.

To honor that commitment even with anticipated shortfalls in Highway balances, the President is requesting temporary authority to allow "repayable advances" between the two accounts in the Trust Fund. This flexibility will get us through the current authorization without any impact on transit funding in 2009; however, unreliable Trust Fund revenues are another sign that we need to move away from our reliance on gasoline taxes and be open to new ways to finance our infrastructure.

It is increasingly clear that America's transportation systems are at a crossroads. The President's FY 2009 budget builds on the exciting things we are doing at the Department of Transportation to help America move forward on a new course – a course that delivers high levels of safety, takes advantage of modern technology and financing mechanisms, and mitigates congestion with efficient and reliable transportation systems.

As we begin the planning process for 2009, I look forward to working with the President, the Congress, and all the members of the transportation community. Together, we can ensure that America continues to have the best transportation system in the world. Thank you.



Mary E. Peters
Secretary of Transportation

Policy, Performance and Program Outlook

The U.S. Department of Transportation (DOT) continues to be a leader among Federal agencies in supporting the President's Management Agenda and instituting the use of performance-based budgeting in its decision making processes. The fiscal year (FY) 2009 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 2009 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 Department's strategic goals of safety; reduced congestion; global connectivity; environmental stewardship; security, preparedness and response; and organizational excellence; and the Secretary's priorities of safety, transportation systems performance and reliability, and 21st century solutions for 21st century transportation challenges.

Program Assessment Rating Tool

The Department uses 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 completed, 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.

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 | FY | PART Rating |
|---|-------|------|------------------------------------|
| Grants-in-Aid for Airports | FAA | 2002 | Moderately Effective |
| Federal Motor Carrier Safety Grants | FMCSA | 2002 | Moderately Effective ^{1/} |
| Highway Infrastructure | FHWA | 2002 | Moderately Effective |
| National Highway Traffic Safety Administration Grants | NHTSA | 2002 | Moderately Effective |
| Air Traffic Services | FAA | 2003 | Adequate |
| Federal Lands Highway Program | FHWA | 2003 | Moderately Effective |
| Hazardous Materials Transportation Safety Emergency Preparedness Grants | PHMSA | 2003 | Moderately Effective |
| New Starts | FTA | 2003 | Moderately Effective |
| Research, Engineering and Development | FAA | 2003 | Effective |
| Railroad Safety Program | FRA | 2003 | Moderately Effective |
| FAA Facilities and Equipment | FAA | 2004 | Adequate |
| Aviation Safety | FAA | 2004 | Moderately Effective |
| Highway Research and Development/ Intelligent Transportation Systems | FHWA | 2004 | Moderately Effective |
| Operations and Programs | FMCSA | 2004 | Moderately Effective |
| Railroad Research and Development | FRA | 2004 | Moderately Effective |
| Formula Grant Programs | FTA | 2004 | Effective |
| Maritime Security Program | MARAD | 2004 | Effective |
| Operations and Research | NHTSA | 2004 | Moderately Effective |
| Pipeline Safety | PHMSA | 2004 | Moderately Effective |
| Amtrak | FRA | 2005 | Ineffective |
| Highway Emergency Relief Program | FHWA | 2005 | Moderately Effective |
| Merchant Marine Academy | MARAD | 2005 | Moderately Effective |
| State Maritime Schools | MARAD | 2005 | Effective |
| Hazardous Materials Transportation Safety | PHMSA | 2005 | Moderately Effective |
| Operations and Maintenance | SLSDC | 2005 | Effective |
| Transportation Infrastructure Finance and Innovation | FHWA | 2006 | Adequate |
| Transit Research | FTA | 2006 | Effective |
| Ocean Freight Differential | MARAD | 2006 | Moderately Effective |
| Ship Disposal Program | MARAD | 2006 | Effective |
| Guaranteed Loan Program (Title XI) | MARAD | 2006 | Moderately Effective |
| Bureau of Transportation Statistics | RITA | 2006 | Moderately Effective |
| Essential Air Service | OST | 2006 | Results Not Demonstrated |
| Highway Infrastructure | FHWA | 2007 | Adequate |
| National Highway Traffic Safety Administration Grants | NHTSA | 2007 | Effective |
| State Administered Public Transit Grant Programs | FTA | 2007 | Effective |
| Transportation Research and Development Program | RITA | 2007 | Results Not Demonstrated |
| Air Traffic Organization - Terminal Programs | FAA | 2007 | Moderately Effective |

1/ The Federal Motor Carrier Safety Grants PART Rating was upgraded to Moderately Effective in FY 2003.

Note:

| | |
|--|--|
| 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) | |

The FY 2009 budget formulation process continues to fully incorporate the use of 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 be used 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. For additional information concerning PART assessments for DOT programs, see <http://www.expectmore.gov>.

Managing for Results

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

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

The PMA initiatives are identified in the following PMA Scorecard Table, along with details of the Department's efforts to improve performance in each initiative area and 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 12/31/07 | Progress as of 12/31/07 |
|---|-----------------------|-------------------------|
| <p>Human Capital — DOT remains “green” in both status and progress. OPM approved full SES performance management certification for DOT. DOT also has initiated the expanded use of telework agency-wide and incorporated telework training for leaders and employees into its electronic learning management system (eLMS).</p> | <p>Green ●</p> | <p>Green ●</p> |
| <p>Competitive Sourcing — DOT remains at “yellow” in status for failure to initiate public-private competitions. However, DOT achieved a “green” progress rating due in part to FAA having initiated business case development for its cartographic services high-performing organization. DOT also initiated independent validation of savings for Maritime Administration’s headquarters administrative support services competition and FHWA’s Visual Information Services and Data Analysis and Collection Services.</p> | <p>Yellow ●</p> | <p>Green ●</p> |
| <p>Improved Financial Management — Status is upgraded to “yellow” for the first time. DOT earned a clean audit opinion by removing the prior year qualification related to the Federal Aviation Administration’s construction in progress finding; however this finding was repeated in the FY 2007 audit. DOT also resolved the Highway Trust Fund material weakness on financial reporting & oversight. DOT has now received a clean audit opinion for six of the past seven years.</p> | <p>Yellow ●</p> | <p>Green ●</p> |
| <p>E-Government — DOT’s status remains “yellow” as the Department has not demonstrated achievement of the green standard for Earned Value Management (EVM). However, DOT provided information on 27 of 33 major investments using EVM.</p> | <p>Yellow ●</p> | <p>Green ●</p> |
| <p>Performance Improvement Initiative — DOT is a leader in the Government in Budget and Performance Integration and Performance Improvement and has achieved its “green” status. DOT’s FY 2009 Budget submissions incorporated PART findings and are structured to show full costs by strategic and performance goal.</p> | <p>Green ●</p> | <p>Green ●</p> |
| <p>Eliminating Improper Payments — DOT remains “yellow” for status and “green” for progress. DOT has developed FY 2008 work plans to expand nationwide improper payment rate testing for selected FHWA, FAA, and FTA grant programs.</p> | <p>Yellow ●</p> | <p>Green ●</p> |
| <p>Real Property Asset Management — DOT targeted the first quarter of FY 2008 to achieve a “green” status rating. OMB approved DOT’s Green Presentation with minor modifications; however, the evidence document submitted to meet the third and fourth “green” standards does not address a number of key questions necessary to demonstrate that data is used in decision-making across the organization.</p> | <p>Yellow ●</p> | <p>Green ●</p> |
| <p>Green = Satisfactory Yellow = Good Progress Red = Unsatisfactory</p> | | |



Performance Progress Report

| | ACHIEVED IN 2006 ^{1/} | ACHIEVED IN 2007 ^{1/} | 2009 TARGET |
|--|-----------------------------------|-----------------------------------|----------------|
| SAFETY | | | |
| Passenger vehicle occupant highway fatality rate per 100 million passenger vehicle-miles traveled | 1.12 | <i>1.10</i> | 1.02 |
| Large truck and bus fatality rate per 100 million total vehicle-miles traveled | <i>0.176</i> | <i>0.175</i> | 0.167 |
| Reduce the rate of air carrier fatalities per 100 million persons on-board ^{2/} | N/A | N/A | 8.31 |
| Rail-related accidents and incidents per million train-miles ^{3/} | 16.94 | <i>15.67</i> | 17.00 |
| Number of serious incidents for natural gas and hazardous liquid pipelines ^{4/} | 34 | 43 | 38 |
| Motorcycle rider fatality rate per 100 thousand registrations ^{5/} | N/A | N/A | 77 |
| REDUCED CONGESTION | | | |
| Percent of travel on the National Highway System (NHS) meeting pavement performance standards for 'good' rated ride | 54.0 | <i>57</i> | 57 |
| Average percent change in transit boardings per transit market (150 largest transit agencies) ^{6/} | 2.1 | <i>2.0</i> | 1.9 |
| Percent of total annual urban-area travel time occurring in congested conditions | 31.6 | <i>31.8</i> | 31.9 |
| Percent of flights arriving on time | 88.36 | <i>86.32</i> | 88.22 |
| Percent of bus fleets compliant with the Americans with Disabilities Act (ADA) | 98 | <i>98</i> | 98 |
| GLOBAL CONNECTIVITY | | | |
| Potential air transportation consumers (billions) in international markets traveling between the U.S. and countries with open skies agreements | 3.01 | <i>3.83</i> | 3.87 |
| 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. | 99.0 | <i>99.4</i> | 99.0 |
| ENVIRONMENTAL STEWARDSHIP | | | |
| Number of exemplary human environment initiatives undertaken ^{7/} | N/A | 8 | 15 |
| Number of hazardous liquid pipeline spills in high consequence areas ^{8/} | 46 | 53 | 49 |
| SECURITY, PREPAREDNESS, AND RESPONSE | | | |
| Percent of DOD-required shipping capacity, complete with crews available within mobilization timelines | 93 | 97 | 93 |
| <p>1/ Italicized numbers represent preliminary estimates or projections from trends.</p> <p>2/ New measure beginning in FY 2009.</p> <p>3/ Starting in FY 2008, the measure was redefined to include accidents/incidents resulting from trespassers onto railroad property.</p> <p>4/ Starting in FY 2008, the measure was redefined to include only serious incidents. Previous years' data adjusted accordingly.</p> <p>5/ New measure beginning in FY 2008.</p> <p>6/ Beginning in FY 2007, the average percent change in transit boardings per transit market will no longer be adjusted for changes in employment levels. Previous year's data will be adjusted accordingly.</p> <p>7/ Beginning in FY 2009, this measure will replace "the number of Exemplary Ecosystem Initiatives undertaken."</p> <p>8/ 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.</p> | | | |

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 2009 budget request for the Department of Transportation totals \$68.2 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 2009 budget request.

NET BUDGETARY RESOURCES BY STRATEGIC AND ORGANIZATIONAL GOALS

(Dollars in Millions)

FY 2009 Request ^{1/2/}

| | Total | Safety | Reduced Congestion | Global Connectivity | Environmental Stewardship | Security, Preparedness & Response | Organizational Excellence |
|--|---------------|---------------|--------------------|---------------------|---------------------------|-----------------------------------|---------------------------|
| Operating Administration | | | | | | | |
| Federal Aviation Administration | 14,643 | 9,855 | 3,672 | 63 | 352 | 219 | 481 |
| Federal Highway Administration | 40,138 | 9,394 | 22,442 | 1,257 | 6,183 | 366 | 496 |
| Federal Motor Carrier Safety Administration | 541 | 501 | 4 | 0 | 0 | 7 | 29 |
| National Highway Traffic Safety Administration | 851 | 841 | 0 | 0 | 5 | 0 | 5 |
| Federal Transit Administration | 10,135 | 13 | 9,602 | 1 | 439 | 48 | 31 |
| Federal Railroad Administration | 1,091 | 184 | 902 | 0 | 1 | 1 | 3 |
| Research & Innovative Technology Administration | 12 | 0 | 6 | 0 | 1 | 0 | 6 |
| Bureau of Transportation Statistics [non-add] | [27] | [0] | [1] | [21] | [0] | [0] | [5] |
| Pipeline & Hazardous Materials Safety Administration | 168 | 135 | 2 | 0 | 26 | 0 | 4 |
| Maritime Administration | 313 | 0 | 15 | 13 | 20 | 264 | 1 |
| Saint Lawrence Seaway Development Corporation | 32 | 0 | 0 | 32 | 0 | 0 | 0 |
| Office of the Secretary | 181 | 2 | 59 | 16 | 3 | 14 | 87 |
| Office of Inspector General | 70 | 0 | 0 | 0 | 0 | 0 | 70 |
| Surface Transportation Board | 23 | 0 | 11 | 0 | 0 | 0 | 12 |
| Total, Department of Transportation | 68,199 | 20,295 | 36,715 | 1,382 | 7,030 | 919 | 1,225 |
| Share of Total DOT Budgetary Resources | 100% | 30.7% | 53.8% | 2.0% | 10.3% | 1.3% | 1.8% |

1/ Totals may not add due to rounding.

2/ Excludes proposed cancellations in unobligated balances from prior year appropriations, and includes appropriations, obligation limitations, and exempt obligations

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. The FY 2009 budget request proposes overall transportation safety funding of \$20.3 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

Within DOT, NHTSA and FMCSA 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 number of people who died on the Nation's roads fell in 2006, leading to the lowest highway fatality rate ever recorded and the largest drop in total deaths in 15 years. In 2006, 42,642 people died in traffic crashes, a drop of 868 deaths compared to 2005. This two percent decline in traffic deaths contributed to the historic low fatality rate of 1.41 per 100 million vehicle-miles traveled (VMT). While firmly committed to meeting the 1.0 fatality rate goal of 1.0 fatalities per 100 million VMT, the Department has realized that we will not achieve this goal by the end of 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 4.4 percent, decreasing from 90 injuries per 100 million VMT in 2005 to 86 in 2006. Prior to the increase in 2006, the fatality rate had been steadily decreasing since 1986 when 46,087 people died and the rate was 2.51. Preliminary 2006 data show that VMT increased to 2.996 trillion, up 0.2 percent from 2005. 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 85 percent

in 2009, 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 0.47 in 2009. Drunk driving enforcement will continue to be a top priority for the Department, as there was no improvement in the 2006 alcohol-related fatalities numbers. In 2006, 15,121 fatalities involved a driver or motorcycle operator, pedestrian or cyclist who had a 0.08 or above BAC compared to 15,102 in 2005. The FY 2009 budget request includes \$227.5 million for NHTSA vehicle safety research and behavioral safety research programs, \$4 million for the National Driver Register, and \$619.5 million for grants to States for targeted highway safety programs. Included are programs to counter drugged and drunk driving, increase seat belt and booster seat use, increase motorcycle safety, and improve State safety information systems.

- Safer and Smarter Highway and Intersection Infrastructure. FHWA's FY 2009 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 2007 will not be available until the Fall of 2008. Roadway departures, including run off-the-road and head-on crashes, accounted for 24,806 fatalities in 2006, a 2.7 percent decrease from 2005. Safer highway and intersection designs and smarter operations will remove roadside hazards and help keep vehicles on the roadway. Also, 8,797 fatalities occurred in crashes in 2006 between vehicles in collisions at intersections, a decrease of 4.8 percent from 2005. 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 decreased 2 percent from 4,892 in 2005 to 4,784 in 2006; however, the number still exceeds the total in 2004. FHWA will continue to target the causes of crashes in major urban areas and select rural locations, and facilitate community-based programs that fully and safely accommodate pedestrians.
- Improve Motor Carrier Safety. OMB's FY 2005 PART review for FMCSA's safety grant program indicated that steady progress has been made in reducing truck-related fatalities. Further, the FY 2006 PART review for FMCSA's safety and operations programs found that FMCSA has continued to achieve reductions in the rate of fatalities involving large trucks. The large truck-related fatality rate in 2006 was 2.24 fatalities per 100 million truck vehicle-miles traveled (TVMT), which is 20 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 25 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 44 percent increase in the number of registered large trucks and a 105 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 \$541 million includes \$234 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 \$307 million for Motor Carrier Safety Grants to maintain aggressive State enforcement of interstate commercial truck and bus regulations as part of a Federal-State partnership aimed at meeting the Department's strategic goals and performance targets.

- Improve Railroad Safety. OMB's FY 2005 PART review of FRA's rail safety program showed that this program is well managed and 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 2009 budget request for FRA safety includes \$149 million to support FRA's efforts to reduce rail-related accidents and incidents to 17.00 per million train-miles in FY 2009. 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 \$13.2 million for FTA safety oversight, research projects, and associated administrative costs. These funds will also contribute to reducing the rate of transit-related injuries and incidents.
- Improve Pipeline and Hazardous Materials Safety. 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 2009, \$135.7 million is requested to support PHMSA's efforts to: (1) reduce the number of serious incidents for natural gas and hazardous liquid pipelines to no more than 38, and (2) meet the DOT performance target of no more than 458 serious hazardous materials transportation incidents.

In accordance with the Pipeline Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006, PHMSA will strengthen pipeline oversight and extend integrity management requirements by increasing financial support of State pipeline safety programs (funding up to 60 percent of State costs) and increasing inspections of poor performing operators. PHMSA will also begin to demonstrate the viability of safely moving alternative fuels through pipelines and other modes of hazardous materials transportation. Under its Hazardous Materials Emergency Planning grants program, PHMSA will add a special emphasis on improving rural safety by targeting increased support of volunteer firefighters.

Aviation Safety

- Improve Aviation Safety. As the stewards of aviation safety in the United States, FAA and its industry partners have built a system that has reduced the risks of flying to all-time lows. In 1997, the White House Commission on Aviation Safety and Security issued a challenge to FAA and the aviation industry to reduce the air carrier fatal accident rate by 80 percent in ten years. In the three years prior to 1997, the United States averaged about six commercial fatal accidents per year. The average loss of life each year was 266 deaths. Since that time, during the past three years the United States averaged approximately two fatal accidents per year, with an average loss of life of 28 per year.

FY 2007 marked the end of the ten-year period set by the Commission. In FY 2007, there were 0.22 fatal accidents per 100,000 departures – a 57 percent drop. Although FAA did not achieve the target set ten years ago, and also did not meet its performance target of a 0.010 rate averaged over three years, the safety achievements are significant.

Through the continuing effort and cooperation of all the participants in the aviation industry and FAA, the aviation industry has achieved the safest period in aviation history. For this reason FAA is introducing a new performance metric for commercial air carrier safety – Fatalities per 100 million Persons On Board. This new metric is more relevant to the flying public, as it better measures the individual risk, as low as it is, to fly. And the long-term target is no less challenging than the previous goal – the agency aims to cut this risk in half by 2025. To make this vision a reality, FAA will continue to work in partnership with industry.

Each year, general aviation (GA) aircraft transport only about one-fourth the number of people who fly on U.S. commercial airlines, but in most years more people perish from GA accidents. Therefore, reducing the number of fatal GA accidents is a top priority for FAA. The number of fatal GA accidents was estimated to be 314 in FY 2007, bettering the target of 331. Rotorcraft, including Emergency Medical Service (EMS) flights, showed a sharp decline. The FAA worked with various members of the GA community during the year, including aeromedical evacuation and charter services, to promote education and training on instrument check guidance and effective pilot/instructor mentoring programs.

As the aviation environment and industry change, FAA must keep pace. To achieve the next level of safety, the traditional methods of analyzing the causes of an accident or incident, after the fact, are inadequate by themselves. A more forward thinking approach is required to analyze trends, data, and systems, and to manage issues before they become accidents.

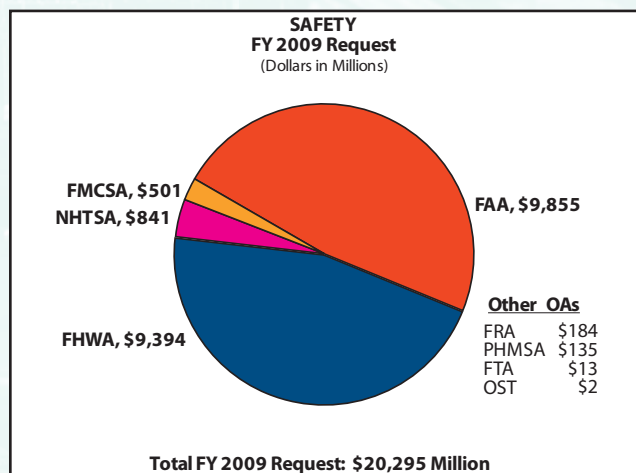
The FAA, with other Federal agencies and operators in the National Airspace System, is adopting a Safety Management System (SMS) that relies on developing standardized language, processes, and tools to manage safety risk. The foundation of FAA's SMS is its Quality Management Systems (QMS). The Aviation Safety Organization (AVS) within FAA is currently adopting QMS through its International Standards Organization (ISO) 9000 registration. While the QMS is designed to manage quality, the SMS is a system designed to integrate safety into FAA's quality processes. The FY 2009 request will allow the AVS to expand its SMS oversight staff.

The FY 2009 budget request for FAA includes \$9.9 billion to reduce U.S. commercial airline fatalities per 100 million people on board to fewer than 8.31 in FY 2009, and to reduce the rate of general aviation fatal accidents in FY 2009. The request also supports FAA's efforts to reduce the most serious runway incursions and operational errors. 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.

During FY 2009, in response to the Office of Inspector General's FY 2007 Aviation Safety Management Challenge, FAA will continue working to reduce the precursors of aircraft accidents, runway incursions and operational errors. To better map movements on the ground and in the air over airports and thus reduce the risk of runway incursions, the agency will deploy nine Airport Surface Detection Equipment Model X systems in FY 2009. In FY 2007, for the sixth year in a row, the FAA met its target for decreasing serious runway incursions.

The agency exceeded its target for reducing operational errors for the second consecutive year in FY 2007. This remains one of the agency's top priorities as air traffic continues to increase. To address this challenge, FAA will continue to concentrate on safety culture, outreach, and awareness, along with improved procedures, infrastructure and technology. Operational errors occur when there is a loss of separation between aircraft or aircraft and other objects. FAA's Air Traffic Organization (ATO) is developing and implementing an automated software prototype, the Traffic Analysis and Review Program (TARP), which will identify where separation standards are not being maintained, and highlight incidents for further investigation. TARP deployment to En Route facilities is currently scheduled to begin in FY 2009.

DOT's Safety Performance Budget is distributed as follows:



Reduced Congestion

The Department's budget request includes \$36.7 billion in FY 2009 to reduce the growing transportation congestion and declining system reliability 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. SAFETEA-LU continues a strong, fundamental emphasis on core formula programs, 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 2009 budget request, with overall investments in research, development, and technology proposed at \$1.2 billion.

Surface Congestion

- Improve Highway Infrastructure Condition and Relieve Congestion. OMB's FY 2007 PART review for the Federal-aid Highway infrastructure program concluded that this program adequately supports 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. DOT's goal is to work with States and local transportation officials to reverse the growth in total annual urban-area road travel that occurs in congested conditions, with the goal in FY 2009 to reduce congested travel to 31.9 percent in 2009, or by 0.4 percent below 2008 target levels.

Consistent with SAFETEA-LU, the FY 2009 budget request of \$22.4 billion for FHWA mobility programs continues to relieve traffic congestion and improve highway infrastructure conditions. The vast majority of these funds will be distributed to States to assist their efforts to improve highway performance. Funds will also enable FHWA to work with metropolitan areas to pursue several broad strategies that are aimed at reducing traffic congestion. Building on the success of last year's urban congestion efforts, additional partnerships will be established with selected cities pursuing innovative congestion pricing applications along with new operations, management strategies, and advanced technology deployment. A robust program of research, development, and technology transfer will support:

- Development of new road pricing strategies, including high occupancy toll lanes;
- Adoption of comprehensive traffic bottleneck reduction programs in every State DOT;
- Improved freeway and arterial systems management through better timing of traffic signals;
- Improved management of non-recurring events such as traffic incidents and work zones;
- Enhanced decision-making through the use of more robust traffic analysis tools;
- Integration of system management and operations considerations into the transportation planning process;

- Establishment of regional partnerships involving key agencies; and,
- Demonstrations of the effectiveness of variable parking pricing.

FHWA will continue developing the next generation of system operations capabilities that improve the collection and dissemination of real-time information to enable State and local transportation agencies to better quantify system performance and place better information in the hands of transportation decision-makers. Funds will also be used to improve the performance of the existing transportation system and increase physical capacity. The capacity and performance of the physical infrastructure can be increased in specific locations or corridors by building new facilities, adding lanes to existing facilities, or removing bottlenecks.

FHWA will also encourage States and metropolitan areas to provide system users with access to 511 telephone traveler information services, and thus increase to 85 percent the portion of the U.S. population with access. Because traffic incidents account for roughly one-quarter of congestion, FHWA and its partner agencies will increase the deployment of full-service (i.e., incident-oriented) patrols, as well as adopt more effective quick-clearance policies and laws in the top 40 U.S. metropolitan areas.

The requested funds will also be used to improve pavement conditions on the National Highway System (NHS) and thus increase to 57 percent in FY 2009 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.

Funds will be used to reduce the percent of deck area on NHS bridges that are rated deficient, either as structurally deficient or functionally obsolete. The target in FY 2009 is to reduce the percentage to 20.9 percent.

- Restructure Intercity Passenger Rail Service. The Administration’s goal of reforming Amtrak and fundamentally changing the manner by which intercity passenger rail services are provided in the United States is being pursued on multiple fronts, and is beginning to show progress. The Administration’s efforts have resulted in a Board of Directors committed to ambitious reform improvements; a new management team with a mandate to re-shape the company; and legislatively-directed tools that enable DOT to oversee and promote necessary changes. The Administration is proposing a budget of \$900 million for intercity passenger rail for FY 2009. This funding level supports intercity passenger rail at a level that will encourage Amtrak to undertake meaningful reforms

and control spending. As part of this \$900 million investment in intercity passenger rail, the budget proposes \$100 million to continue funding the State grant program, which encourages investment in rail infrastructure.

- Increase Transit Ridership, Invest in Transit Systems, and Improve Access to Transportation Services. The FY 2005, FY 2006, and FY 2008 PART reviews for the capital investment (New Starts), urban formula transit grants, and State administered transit grants programs affirm that these programs are well managed. FTA requires all New Starts projects to conduct a rigorous “Before and After Study” to document the impact of the project on ridership and other performance indicators. In communities that have completed New Starts projects, significant regional transit ridership growth has been demonstrated after the beginning of revenue operations.

The Department of Transportation is requesting more than \$9.6 billion in FY 2009 for FTA to: increase by at least 1.9 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; increase the proportion of bus fleets that are compliant with the Americans with Disabilities Act (ADA) to 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 so that America’s transit systems continue to move tens of millions of people safely and efficiently every day, thereby reducing congestion, facilitating economic development, and connecting people to their jobs and communities.

- Increase the reliability of oil and natural gas pipelines. By promoting continuous improvement in pipeline safety, PHMSA promotes the reliable delivery of energy products and maximizes the capacity of the Nation’s pipeline network. This network delivers most of the oil and natural gas needed to sustain the U.S. economy, including more than 90 percent of the fuels that power other transportation modes. In FY 2009, \$1.4 million is requested for PHMSA to support efforts in reducing the percent of pipeline capacity lost due to accidents, incidents, or safety-related 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 2007, and is on track to reach more than one billion passengers by 2015. By FY 2011, air carrier, commuter, and air taxi operations are anticipated to increase approximately 10.7 percent from FY 2006. By FY 2014, without any changes to the system, we expect to see delays 62 percent higher than they are today. We must take steps now to improve the efficiency of our Nation’s air traffic control system and our airports.

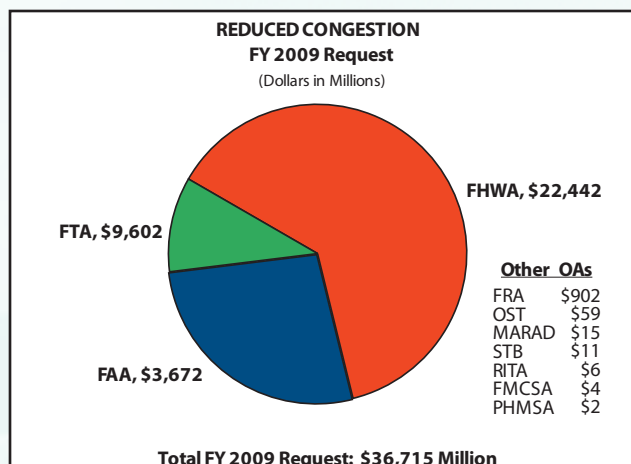
The multi-agency Joint Planning and Development Office (JPDO) is charged with developing a vision for the air transportation system’s long-term transformation. FAA’s challenge is to realize JPDO’s vision for the Next Generation Air Transportation System (NextGen). Ready to embrace

the hard work necessary for transformation, FAA has expanded its existing capacity-enhancement plan, formally known as the Operational Evolution Plan (OEP), to become the chief operational implementation plan for its NextGen responsibilities. The expanded OEP – now the Operational Evolution Partnership – details the path to the NextGen system, integrating a myriad of FAA planning activities into one comprehensive, high-level blueprint.

- Improve Access to Transportation Service. To allow Americans living in small communities to have reasonable access to air travel, the Department of Transportation's FY 2009 budget request assumes \$50 million of overflight fees collected by the Federal Aviation Administration will fund the Essential Air Service (EAS) program, which provides payments to air carriers serving small community airports. The budget request includes program reforms that seek to ensure the most isolated small communities maintain access to the national air transportation system.
- Meet New and Growing Demands for Air Transportation Services. To achieve an on-time arrival rate of 88.22 percent of flights in FY 2009 and to increase average daily capacity at major airports, the Department requests \$3.7 billion, primarily for FAA's Air Traffic Organization (ATO) and Safety/Operations Capital Accounts and Airport Improvement Program grants. This includes funding to replace obsolete radars and to continue automating terminal control facilities and \$21 million for oceanic automation to improve flight route flexibility. Programs that will form the core of NextGen are also funded, including \$41 million to develop an internet-like System-Wide Information Management network and \$300 million to continue implementing Automatic Dependent Surveillance Broadcast technology throughout the National Airspace System. \$14 million is included in FY 2009 Research, Engineering and Development (RE&D) funding to support the JPDO. The FY 2009 Airport Improvement Program request includes \$1.3 billion aimed at reducing congestion, largely through the building and maintaining of runways.

In addition, the Department proposes to budget \$21 million to provide for the assessment, development, acquisition, implementation, operation, and sustainment of additional civil capabilities to the Global Positioning System beyond the second and third civil signals already contained in the current Global Positioning System. These capabilities provide continuous, world-wide civil space-based positioning, navigation and timing services free of direct user fees for civil, commercial, scientific and homeland security uses.

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) the improvement of essential, intermodal transportation linkages. Both are needed to achieve the outcomes that will yield better global connectivity and a more competitive, cost-effective transportation marketplace. The FY 2009 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 2009 budget requests \$3.5 million for the Office of the Secretary to increase opportunities for air transportation consumers in international markets by continuing to pursue open skies aviation agreements with our international partners. While our domestic airline industry continues to undergo major changes, our efforts to further liberalize internationally poses even more complex and controversial issues. 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 seeks greater international liberalization, 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. In addition to pursuing aviation goals, OST provides direction and coordination to the modal international activities and Secretarial international outreach.
- 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 cargos comply with cargo preference laws designed to assure appropriate use of U.S.-flag ships to transport abroad certain government-funded cargos.
- Increase Access of the U.S. Mass Transportation Industry to International Markets. The budget includes \$1 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 2009, 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 passengers and 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 in FY 2009 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. The goal in FY 2009 is to reduce the average annual buffer index rating¹ to below the national average in at least 50 percent

¹ The buffer index (BI) rating is a measure of travel time reliability and variability. The BI represents the extra time (or time cushion) that would have to be added to the average travel time between points to ensure an on-time arrival 95% of the time.

of the freight corridors now being monitored. 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 for 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 2009 budget request includes a request of \$31.8 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 and to begin a multi-year Capital Investment Plan-Seaway Asset Renewal Program (ARP) to rehabilitate the 50-year-old Seaway lock infrastructure. The SLSDC achieved its goal in FY 2007 at 99.4 percent system availability. In FY 2009, the agency will continue to perform operations and maintenance activities, as well as start long-term asset renewal 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.

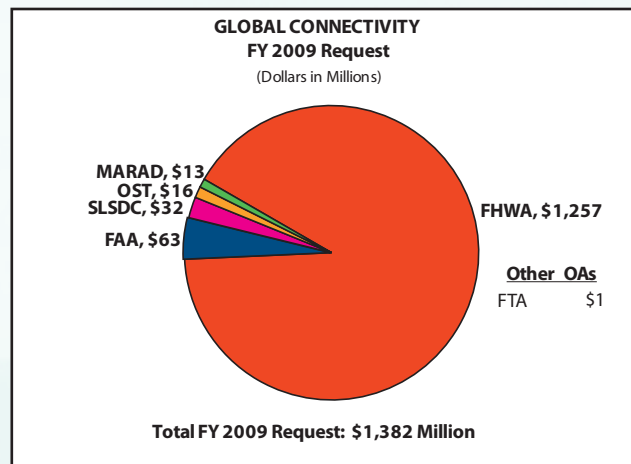
Harmonized and standardized regulatory and facilitation requirements

- Increase the Standardization and Harmonization of Standards and Practices. The Department of Transportation is requesting funding in FY 2009 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. The agency will also expand training and technical assistance programs that help civil aviation authorities meet international safety standards, and will continue its work with global partners to promote wider adoption of NextGen safety technologies. In addition, for greater connectivity, FAA will target efforts to promote seamless global operations in cooperation with international partners and the International Civil Aviation Organization.

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

- Increase Opportunities for Small Businesses including Small Disadvantaged Businesses (SDB), Veteran-Owned Businesses (VOB), Service-Disabled Veteran-Owned (SDVOB), 8a, Hub Zone, and Women-Owned Businesses (WOB). The budget request includes \$5.3 million for outreach and technical assistance to small businesses in general, including disadvantaged, veteran-owned, service-disabled veteran-owned, 8a, Hub Zone and women-owned businesses. These resources will promote the awarding of DOT direct contracts to SDBs, VOBs, SDVOBs, 8as, Hub Zones, and WOBs in FY 2009. To assist WOBs and VOBs to successfully compete, DOT and the Office of Small and Disadvantaged Business Utilization (OSDBU) conduct outreach, training, and offer financial assistance.

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



Environmental Stewardship

Transportation makes our communities more livable, enhancing the quality of our lives and our society. At the same time, transportation generates pollution and noise, and uses valuable land and aquatic habitat on which fisheries depend. 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 2009 budget request includes \$7 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 the Human Environment. The budget request includes \$6.2 billion for FHWA in FY 2009 to increase the number of Exemplary Human Environment Initiatives (EHEIs) undertaken nationwide to at least 15. An Exemplary Human Environment Initiative is a transportation program or project that either creates or improves conditions for human activities. Among the eligible activities are initiatives that encourage non-motorized transportation, project enhancements for human activities, process improvements, provision of educational and training opportunities, and new product development. In 2007, there were 38 submittals to the EHEI program, and eight were selected for recognition. The selected projects were in Arkansas, New York, Georgia,

South Carolina, Oregon, Colorado, Kansas, and Mississippi. This measure replaces the number of Exemplary Ecosystem Initiatives because FHWA exceeded its original target for this measure and achieved the desired effect of promoting consideration of ecosystems in the development of transportation projects.

FHWA supports activities at the State level to improve highway planning and project development, thereby enhancing the scenic beauty of facilities, promoting the conservation of native habitats, 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 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 in a conformity lapse in FY 2009 is no greater than six. In FY 2007, the average number of areas remained at zero during the entire year. 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.
- Ten-in-Ten Fuel Economy Act. The Energy Independence and Security Act of 2007 was signed into law by the President on December 19, 2007. Under Title I (known as the Ten-in-Ten Fuel Economy Act), NHTSA has the authority and responsibility to issue fuel economy standards for the 2011-2019 model years that will lead to steady progress toward the 35 mpg mandate in 2020. The Act also requires NHTSA to partner with the National Academy of Sciences (NAS) to conduct an evaluation of the technologies and costs associated with establishing fuel economy standards for medium and heavy duty trucks (single unit trucks and tractor trailers). These vehicles have never been evaluated or regulated by the Government for fuel efficiency. The Act also requires NHTSA to implement a rule that requires manufacturers to label additional fuel economy information on new vehicles. Additionally, the Act requires NHTSA to develop and propose a new consumer information program for replacement tires to educate consumers about the effect of tires on fuel efficiency, safety, and durability.
- Reduce the risk of hazardous liquid pipeline spills in high consequence areas. The budget request includes \$25.9 million for PHMSA and its State partners to help reduce the number of hazardous liquid pipeline spills in high consequence areas in FY 2009 to 49 or fewer. 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 invests in research and technology to strengthen industry's ability to effectively manage pipeline integrity.

PHMSA will increase oversight of low pressure pipelines in environmentally sensitive rural areas and increase oversight of Alaska pipelines. These initiatives support the National Energy Policy for energy infrastructure growth by improving the integrity of, and public confidence in, existing pipeline infrastructure.

- Limit Exposure to Aviation Noise. The budget request includes \$276.8 million for FAA in FY 2009 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. The FY 2009 request includes \$10 million in new RE&D funding for the Continuous Low Emissions, Energy and Noise Technologies program to accelerate the introduction of quieter and cleaner technology in commercial fleets, and to initiate a NextGen Environmental Management System.
- Alternative Fuels. For FY 2009, \$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. This will enable the development of a deployable hydrogen fuel infrastructure and help reduce green house gas emissions and dependence on petroleum products for our transportation energy source. Included in this environmental stewardship effort is the ability to contribute to the creation of a hydrogen economy; to help establish safety codes for emergency responders that will enable effective and safe responses to hydrogen emergencies; to enhance the development of codes supporting biofuel production and transport; to support biofuels sustainability; to provide leadership in Transportation's climate change research; and to inform policy and program planning. FTA also continues to provide incentives for transit operators to acquire or rehabilitate buses with biodiesel or hybrid electric propulsion systems.
- Clean Up DOT Facilities. The budget request includes funding in FY 2009 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 2009. 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.

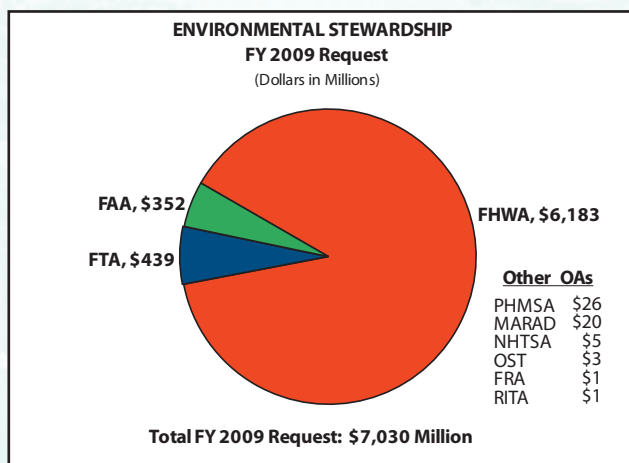
Regulatory factors at the local, State, and Federal levels are also considered in the decision-making process. FAA funds pollution prevention; complies with occupational safety, health and environmental regulations; promotes good energy management practices; and, conducts environmental impact analyses. In addition, MARAD conducts an obsolete ship disposal program in support of DOT's strategy to improve DOT-owned or controlled facilities. In 2009, MARAD proposes to remove 14 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 budget request includes funding 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 decision-making time required 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 the Security and Prosperity Partnership (US/Canada/Mexico).

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

- Exercising the Secretary's authorities, including emergency authorities for transportation matters affecting national defense and national and regional emergencies;
- Coordinating DOT's support for prevention, preparedness, response, recovery and mitigation activities among transportation stakeholders;
- Coordinating DOT's role in select international contingency planning and response initiatives; and,
- Coordinating the clearing and restoration of transportation infrastructure.

The FY 2009 budget requests \$919 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 \$218.6 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, the Department of Homeland Security and the 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 (ER) 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.

An example of a project receiving ER funds was the I-35W Bridge in Minneapolis, Minnesota. After its unfortunate collapse, DOT released \$50 million in ER program funds in August 2007 for clean-up and recovery work, including clearing debris and re-routing traffic, as well as for design work on a new bridge. This amount is in addition to the \$5 million in ER program funds immediately provided to the Minnesota DOT after the bridge collapse. In November 2007, an additional \$123.5 million in ER program

funds were provided to help rebuild the bridge. In FY 2008, Congress appropriated \$195 million more for bridge reconstruction.

- 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 \$48.3 million in FY 2009 to ensure that transit agencies address critical security needs and to provide assistance in the areas of emergency preparedness, employee training, and public awareness. 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. The budget request includes \$9.2 million for security-related activities of OST to improve DOT’s ability to carry out essential national functions at the alternate site, respond to new intelligence policy requirements, and operate 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 million to continue security contact 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 works to reduce the vulnerability of the railroad infrastructure and systems to physical and cyber attack. The budget request includes \$0.7 million to coordinate all FRA-related security projects in addition to responding to notifications of bomb threats and criminal acts against railroads as they are reported to the National Response Center. Personnel monitor FRA’s accident/incident database for reported acts of vandalism, sabotage, criminal mischief, and/or other malicious, intentional acts of destruction. FRA personnel also provide information to railroads regarding terrorist activity and threats or acts against rail transportation.

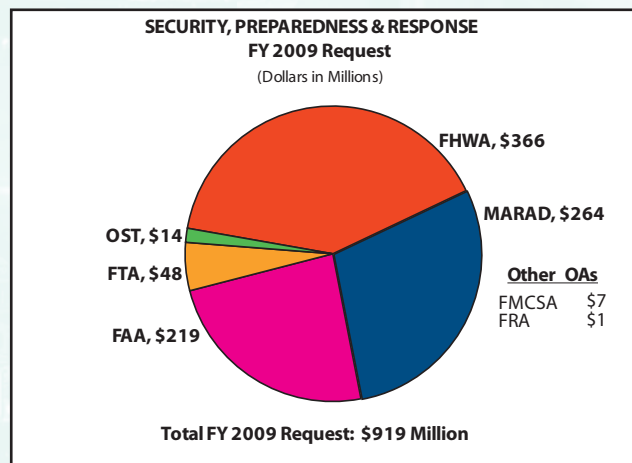
- The Saint Lawrence Seaway is a critical transportation link to and from the agricultural and industrial heartland of the United States. A shutdown of any one of the Seaway’s 15 U.S. or Canadian locks due to a security-related event or lock malfunction or failure would stop operations through the St.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

National Security Contingency Sealift

- Ensure the Availability of Contingency Strategic Sealift. The FY 2009 budget request includes \$264 million to achieve the goal that 94 percent of DOD-required shipping capacity, complete with crews, be available within mobilization timelines in FY 2009, 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 2009.

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

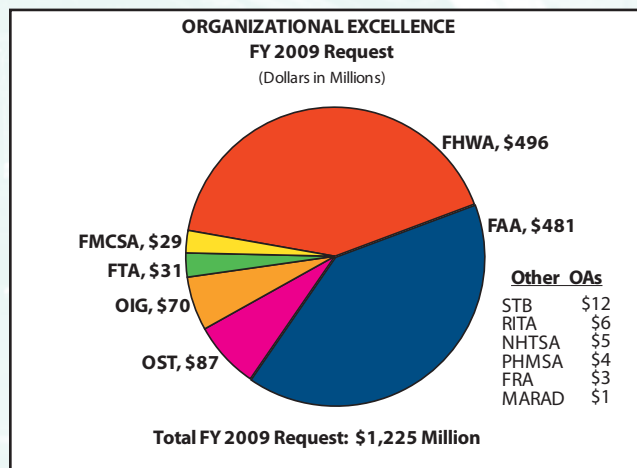
With approximately 56,000 employees and hundreds of programs, DOT faces significant challenges regarding customer satisfaction, employee effectiveness, and organizational performance and productivity. The FY 2009 budget requests \$1.2 billion to strengthen the management of the Department and to continue implementation of the President’s Management Agenda initiatives.

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 major Federally-funded transportation infrastructure projects meet finance plan cost estimates, with less than 2 percent annual growth, in FY 2009 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 2009 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 2009 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 2009 budget request of \$14.6 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)

| | 2007 <u>Actual</u> | 2008 <u>Enacted</u> | 2009 <u>Request</u> |
|--|-------------------------------|--------------------------------|--------------------------------|
| Operations | 8,374 | 8,740 | 0 |
| Facilities & Equipment | 2,518 | 2,514 | 0 |
| Research, Engineering, and Development | 130 | 147 | 171 |
| Airport Grants (Obligation Limitation) | 3,515 | 3,515 ^{1/} | 2,750 |
| Air Traffic Organization ^{2/} | 0 | 0 | 9,670 |
| Safety and Operations ^{2/} | 0 | 0 | 2,052 |
| Total | 14,537 | 14,915 | 14,643 |

1/ In 2008, the Airports Grant program has an obligation limitation of \$3,515 million, but only \$17 million in new contract authority. The program cannot award new grants until sufficient contract authority is provided for 2008.

2/ The Air Traffic Organization (ATO) and Safety & Operations appropriations will be new accounts in FY 2009. The new account structure aligns with proposed FAA reauthorization legislation that would reform the financing structure of our Nation's air traffic control system.

Summary of FAA FY 2009 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 2008 Base | 9,361 | 1,893 | 147 | 3,515 | 14,915 |
| Pay Inflation Adjustments | 213 | 46 | 1 | 2 | 262 |
| Non-Pay Inflation Adjustments | 30 | 16 | 0 | 1 | 47 |
| Annualization of FY 2008 Initiatives | 11 | 11 | 0 | 1 | 23 |
| Non-recurring Costs or Savings (Preliminary) | -171 | 0 | 0 | 0 | -171 |
| Base Re-engineering, Reductions or Adjustments | 213 | 60 | -7 | -778 | -512 |
| FY 2009 Current Services Levels | 9,659 | 2,026 | 141 | 2,741 | 14,567 |
| Program Initiatives | 11 | 26 | 30 | 9 | 76 |
| FY 2009 Request | 9,670 | 2,052 | 171 | 2,750 | 14,643 |

FY 2009 Budget

FAA's current financing structure expired at the end of FY 2007 and, therefore on February 14, 2007, the Administration transmitted a reauthorization proposal that would transform FAA's current financing system. The FY 2009 budget reflects this reauthorization proposal. 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.

Air Traffic Organization: The FY 2009 budget requests \$9.7 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 2009 budget requests \$2.1 billion for the Safety & Operations account. This account provides funds for the administrative and managerial costs of 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 \$171 million, including \$91 million for continued research on aviation safety issues. The remaining research funding is for reduced congestion and environmental issues, including \$14 million for the Joint Planning and Development Office.

Grants-in-Aid for Airports: The budget request is \$2.8 billion for planning and development of the Nation's airports, including grants for security, safety, capacity, and noise-reduction projects. Funding also includes \$87 million for administrative expenses, \$15 million for Airport Cooperative Research, and \$19 million for airport technology research.

**FEDERAL AVIATION ADMINISTRATION
CAPITAL PROGRAMS**
(Dollars in Millions)

Safety

| | |
|--|-----|
| Wide Area Augmentation System | 99 |
| Airport Surface Detection Equipment Model X | 33 |
| Safety Database and Computer Systems | 41 |
| Runway Status Lights | 27 |
| NextGen System Development | 41 |
| Advanced Technology | 8 |
| Other | 112 |
| Personnel compensation, benefits, and travel | 75 |

Reduced Congestion

| | |
|---|-----|
| Automatic Dependent Surveillance – Broadcast (ADS-B) Implementation | 300 |
| NextGen Demonstrations and Concepts | 190 |
| Air Traffic Management | 90 |
| Data Communications for NextGen | 29 |
| Oceanic Automation | 21 |
| En Route Automation | 218 |
| Terminal Automation | 36 |
| Terminal Digital Radar | 17 |
| Improve Weather Systems | 34 |
| Improve Voice Communications | 106 |
| Infrastructure Improvements | 313 |
| Other | 233 |
| Personnel compensation, benefits, and travel | 322 |

Environmental Stewardship

| | |
|--|----|
| Replace Fuel Tanks | 6 |
| Hazardous Materials Clean-Up | 18 |
| Personnel compensation, benefits, and travel | 5 |

Security, Preparedness and Response

| | |
|--|----|
| Facility Risk Management | 15 |
| National Airspace System Recovery Communications | 10 |
| Information Security | 12 |
| Personnel compensation, benefits, and travel | 8 |

Organizational Excellence

| | |
|--|--------------|
| System-wide Information Management (SWIM) | 41 |
| Other | 213 |
| Personnel compensation, benefits, and travel | 52 |
| Total | 2,724 |



FEDERAL HIGHWAY ADMINISTRATION

Overview: The mission of the Federal Highway Administration (FHWA) is to improve mobility on our Nation's highways through national leadership, innovation, and program delivery. 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 2009 budget request of \$40.1 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-----------------------------|
| Federal-Aid Highways Obligation Limitation (TF) | 37,148 ^{2/} | 40,585 | 40,400 |
| Revenue Aligned Budget Authority (RABA) (TF) | 842 | 631 | -1,001 |
| Subtotal: Federal-Aid Highways Obligation Limitation (TF) | 37,990 | 41,216 | 39,399 |
| Exempt Mandatory Federal-Aid Highways (TF) | 741 | 739 | 739 |
| Limitation on Administrative Expenses, Federal-Aid Highways (TF) | [361] | [378] | [395] |
| Budget Authority, FY 2007 Pay Raise (TF) | 3 | 0 | 0 |
| Emergency Relief Supplemental General Fund (GF) | 871 | 195 | 0 |
| Appalachian Development Highway System (GF) | 20 | 16 | 0 |
| Miscellaneous Appropriations/Delta Region Program (GF) | 0 | 14 | 0 |
| Total | 39,624 | 42,180 | 40,138 ^{3/} |

1/ Brackets [] indicate non-add entries. Amounts may not add to totals due to rounding.
2/ Reflects \$121 million transfer to NHTSA per P.L. 110-5 and a net \$975 million flex funding transfer to FTA.
3/ The FY 2009 budget also proposes cancellations of unobligated balances of Federal-aid contract authority (-\$3.885 billion). In addition, SAFETEA-LU rescinded unobligated balances of contract authority (-\$8.593 billion).

| Summary of Federal-Aid Highways FY 2009 Increases and Decreases (Dollars in Millions) | | | |
|---|---|--|---------------|
| | Federal-Aid Highways Obligation Limitation | Exempt Mandatory Federal-Aid Highways | Total |
| FY 2008 Base | 41,216 | 739 | 41,955 |
| Pay Inflation Adjustments | 8 | 0 | 8 |
| Non-Pay Inflation Adjustments | 5 | 0 | 5 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 |
| Base Re-engineering, Reductions, or Adjustments | -1,830 | 0 | -1,830 |
| FY 2009 Current Services Levels | 39,399 | 739 | 40,138 |
| Program Initiatives — SAFETEA-LU | 0 | 0 | 0 |
| FY 2009 Request | 39,399 | 739 | 40,138 |

FY 2009 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 2009 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 2009, 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, Air Quality Improvement Program, and Transportation Infrastructure Finance and Innovation programs.

The FY 2009 budget request of \$40.1 billion supports the Secretary’s goals and continues 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 2009 budget request includes an obligation limitation of \$39.4 billion for the FAHP. The request fulfills the President's multi-year commitment to invest in surface transportation without raising taxes or subsidizing transportation spending with other tax dollars. It is the final installment of the \$286.4 billion in highway, transit, and safety program funding agreed upon in last surface transportation re-authorization act. The Budget provides new flexibility to manage funds in the Highway Trust Fund so the existing tax structure can continue to support authorized spending for all surface transportation programs. The Federal-Aid Highways Program includes the following:

- National Highway System (NHS) — \$6.3 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) — \$6.6 billion for the STP program, which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- Interstate Maintenance (IM) — \$5.2 billion for the IM program, which is designed to rehabilitate, restore, resurface, and reconstruct the interstate system.

- Bridge Replacement and Rehabilitation — \$4.5 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) — \$1.8 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 2009, \$1.3 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 2009, \$429.8 million is estimated for research. 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. For FY 2009, \$110 million is estimated for the ITS program, now managed by RITA, to continue work on ten major initiatives and supporting technology transfer activities. Key among the initiatives is Vehicle Infrastructure Integration (VII), which continues development of enabling wireless platform to connect vehicles-to-vehicles and vehicle-to-infrastructure, along with safety and mobility applications. The ITS program also continues work in the deployment and integration of technology components to support congestion initiatives.



- Federal Lands Highway Program (FLHP) — FLHP improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$1 billion estimated for the FLHP in FY 2009 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 2009 estimated obligations of \$122 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) — An LAE of \$395 million is requested for FY 2009 for the necessary salaries and on-going administrative expenses in support of Federal highway 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: The budget proposes to redirect \$175 million in unobligated balances for inactive projects authorized in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The funds will be used to carry out the Department's National Strategy to Reduce Congestion on America's Transportation Network (the "Congestion Initiative") and will support metropolitan area congestion reduction demonstration initiatives and the Corridors of the Future Program.

The Department requests \$100 million to fund qualified projects in 2009 that would implement congestion pricing along with complementary transportation solutions, including transit service and innovative operational technologies. In December 2007, DOT received approximately 20 applications from a wide range of jurisdictions.

The Department requests \$75 million in the FY 2009 budget to support the Department's Corridors of the Future Program (CFP), which is part of the Department's Congestion Initiative. In September 2007, the Department identified Interstates 5, 15, 10, 69, 70 and 95 as nationally significant Corridors of the Future, whose improvement will alleviate congestion and provide national and regional long-term transportation benefits.

The Department will be entering into Development Agreements with the States along the Corridors during FY 2008. The \$75 million requested will support projects negotiated and included within the Development Agreements that demonstrate an aggressive approach to congestion management. Selected projects are expected to include technology purchases to support electronic tolling and other intelligent transportation system technologies, financing analysis and targeted infrastructure investments.

In addition, the Department requests that 75 percent of the funds available for allocation under discretionary programs be designated for support of critical congestion relief projects. Projects that combine various road pricing, transit and technology solutions would receive priority consideration and be selected by the Department according to transparent, competitive, and merit-based criteria. Projects eligible for funding under this provision would include, but would not be limited to, those congestion reduction projects supported by the Department in FY 2008.

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 2006, approximately 113,000 people were injured in crashes involving large trucks and 4,995 people died. This compares to 114,000 injuries and 5,240 deaths in 2005. 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 and buses. The 2009 budget request for FMCSA, \$541 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-------------------------|
| Motor Carrier Safety Operations & Programs | 223 | 230 | 234 |
| Motor Carrier Safety Grants | 294 | 300 | 307 |
| Total | 517 | 530 | 541 |

| | Motor Carrier Safety Operations & Programs | Motor Carrier Safety Grants | Total |
|--|---|--|--------------|
| FY 2008 Base | 230 | 300 | 530 |
| Pay Inflation Adjustments | 3 | 0 | 3 |
| Non-Pay Inflation Adjustments | 3 | 7 | 10 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | -2 | 0 | -2 |
| FY 2009 Current Services Levels | 234 | 307 | 541 |
| Program Initiatives | 0 | 0 | 0 |
| FY 2009 Request | 234 | 307 | 541 |

FY 2009 Budget

Motor Carrier Safety Operations & Programs: \$234 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 2009 budget proposes the following funding requests aimed at meeting DOT's strategic goals and performance targets:

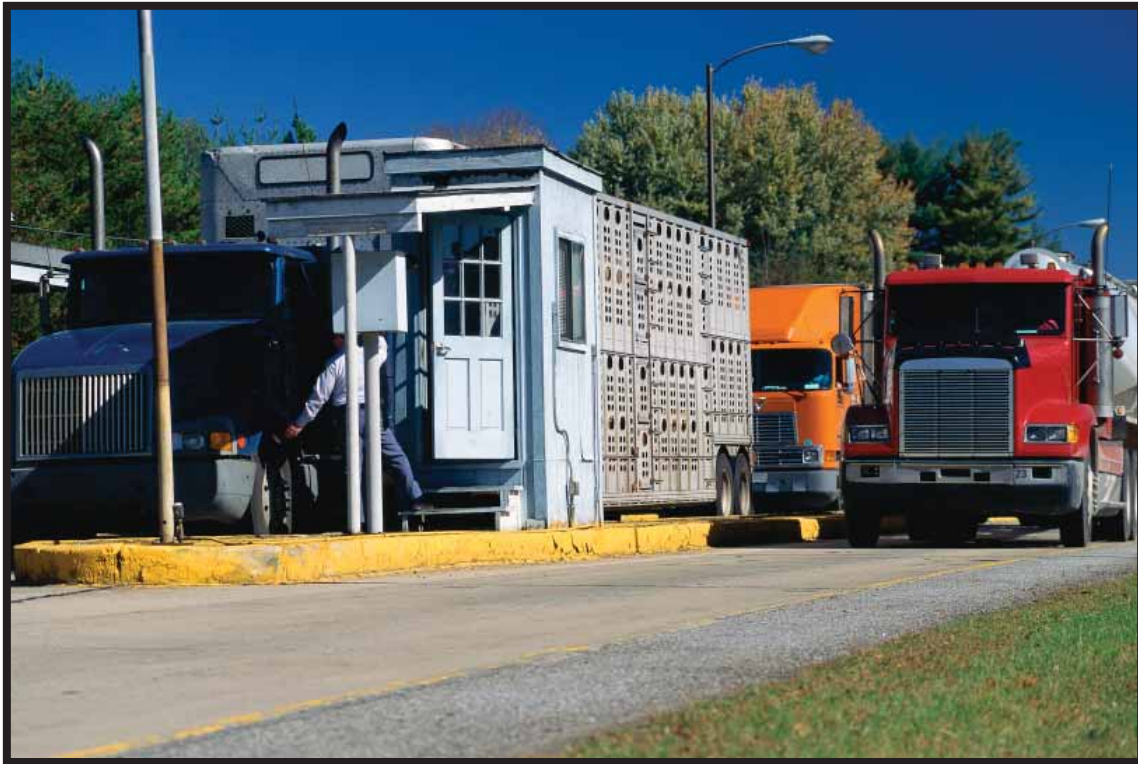


- Commercial Motor Vehicle Safety — \$193.5 million is dedicated to reducing the incidence and severity of commercial truck and bus crashes by advancing motor carrier standards and rulemaking; increasing compliance with Federal Motor Carrier Safety Regulations through enforcement operations; enforcing 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 — \$7.4 million is requested to improve the security of motor carrier transport of hazardous materials through outreach and security operations.
- Commercial Motor Vehicle Productivity — \$3.7 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 — \$29 million is requested to meet the objectives of the President's Management Agenda in the areas of strategic management of human capital, citizen-centered e-government, competitive sourcing, financial and procurement performance, and budget and performance integration. Efforts focus on evaluating and improving business practices and processes that support program delivery.

Motor Carrier Safety Grants: \$307 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. Included within this request is:

- Motor Carrier Safety Assistance Program (MCSAP) State Grants — \$209 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 — Through the \$25 million CVISN grant program, 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.
- 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 — The Safety Data Improvement Grants will provide \$3 million so States can purchase equipment to support data improvement activities, hire staff to manage data quality improvement programs, revise outdated crash report forms, hire staff to code and enter crash data, train law enforcement officers in collecting crash data, develop software to transfer data from the State repository to SAFETYNET 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 2 through 34. In 2006, motor vehicle crashes claimed 42,642 lives and accounted for over 90 percent of transportation-related deaths. The economic cost of motor vehicle crashes is estimated to be more than \$230 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 2009 budget request includes \$851 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|---|------------------------|-------------------------|-------------------------|
| Vehicle Safety Research ^{1/} | 0 | 127 | 0 |
| Operations & Research ^{2/} | 229 | 108 | 228 |
| Vehicle Safety Research | [121] ^{3/} | 0 | [122] |
| Highway Safety Research and Development | [108] | [108] | [106] |
| National Driver Register | 4 | 4 | 4 |
| Highway Traffic Safety Grants | 588 | 599 | 620 |
| Total | 821 | 838 | 851 |

1/ General Funds.
2/ Highway Trust Fund.
3/ Excludes \$346,000 transferred to NHTSA from FHWA for salary increases.

| | Vehicle Safety Research | Operations Safety Research | National Driver Register | Highway Traffic Safety Grants | Total |
|--|--|---|---|--|--------------|
| FY 2008 Base | 127 | 108 | 4 | 599 | 838 |
| Pay Inflation Adjustments | 1 | 0 | 0 | 0 | 2 |
| Non-Pay Inflation Adjustments | 2 | 0 | 0 | 0 | 2 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 | 0 | 0 |
| Non-recurring Costs or Savings | -1 | 1 | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | 0 | 0 | 0 | 0 | 0 |
| FY 2009 Current Services Levels | 129 | 109 | 4 | 600 | 841 |
| Program Initiatives | -7 | -3 | 0 | 20 | 10 |
| FY 2009 Request | 122 | 106 | 4 | 620 | 851 |

FY 2009 Budget

For FY 2009, NHTSA requests \$851 million from the Highway Trust Fund to support its programs. NHTSA's total FY 2009 budget request has been authorized by SAFETEA-LU.

Vehicle Safety Research: The FY 2009 budget request includes \$122 million in Highway Trust Funds for Vehicle Safety Research activities to reduce highway fatalities, prevent injuries, and significantly reduce their associated economic toll. Research projects will include promulgation and enforcement of Federal motor vehicle safety standards; biomechanics, crash avoidance and mitigation technologies; and vehicle safety issues regarding fuel efficiency and alternative fuels. Included in this request is:

- Rulemaking Programs — The \$16.7 million of funded activities through this program will support the Department's Safety goal 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. Additionally, rulemaking programs support the Departmental goal of Environmental Stewardship through automotive fuel economy standards required by the Energy Policy and Conservation Act.
- Enforcement Programs — \$17.5 million is requested to fund NHTSA's enforcement programs 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 and equipment from the highways.



- Research and Analysis — \$29.2 million is requested for vehicle safety research and analysis. This program supports 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 advancing vehicle safety technology, improving vehicle crashworthiness and crash avoidance, decreasing alcohol involvement in crashes, decreasing the number of rollover crashes, improving vehicle-to-vehicle crash compatibility, and improving data systems.



- Vehicle Safety Research Administrative Expenses — Funding in the amount of \$58.7 million is requested to fund NHTSA's salaries and administrative expenses associated with carrying out the agency's Vehicle Safety Research programs. Included are the costs associated with the salaries and benefits for NHTSA employees who work on and support these programs, together with other related expenses such as transportation, rent, communications, utilities, printing, supplies and equipment.

Highway Safety Research and Development: The FY 2009 budget request includes \$105.5 million in Trust Funds for Highway Safety Research and Development activities to reduce highway fatalities, prevent injuries, and significantly reduce their associated economic toll. Funds will be used to conduct research into the development of, and analysis of the effectiveness of, programs focused on driving issues, such as licensing, alcohol and drug impaired driving, older drivers, and motorcycle safety; safety of occupants, such as occupant protection, seat belts, and pupil transportation; non-occupants, such as pedestrians and cyclists; emergency medical

services; emerging traffic safety issues; and continued maintenance/improvement of the efficiency of vehicle crash data bases. Included in this request is:

- Highway Safety Research and Development Programs — NHTSA requests \$42 million for highway safety programs activities including 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, licensing, and State and community evaluations. Safety programs for motorcycle riders, pedestrian and bicycle safety, pupil transportation, and young and older driver safety programs are also included in this request. 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.
- Research and Analysis — \$26.9 million is requested for the identification of safety trends, development of alternative solutions, and the assessment of costs, benefits, and effectiveness. Research activities will continue to concentrate on advancing vehicle safety technologies, decreasing the number of rollover crashes, improving vehicle-to-vehicle crash compatibility, and improving data systems.
- Highway Safety Research and Development Administrative Expenses — NHTSA is requesting \$36.6 million for salaries and administrative expenses associated with carrying out the agency's Behavioral Safety Research programs. Included herein are the costs associated with the salaries and benefits for NHTSA employees who work on and support these programs together with other related expenses such as transportation, rent, communications, utilities, printing, supplies and equipment.

National Driver Register: A total of \$4 million in Trust Funds is proposed for NHTSA's National Driver Register (NDR) in FY 2009. Included in this total is \$2.5 million for maintaining and operating the Problem Driver Pointer System (PDPS). This database system improves traffic safety by assisting State motor vehicle administrators in communicating effectively and efficiently with other States to identify drivers whose licenses have been suspended or revoked for serious traffic offenses, such as driving under the influence of alcohol or other drugs. The remaining \$1.5 million will be used to support salaries and benefits, travel, and operating expenses within each program area.

Highway Traffic Safety Grants and High Visibility Enforcement: NHTSA's eight 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 2009 budget request of \$601 million in Trust Funds implements current SAFETEA-LU initiatives and includes the grant programs identified below. The remaining \$18.5 million will be used for salaries and operating expenses related to the administration of the Grant Programs, the National Occupant Protection User Survey (NOPUS), and Behavioral Safety Research programs.

- State and Community Grants (Section 402) — \$235 million was reauthorized in SAFETEA-LU for the State and Community Highway Safety formula grant program to support State highway safety programs designed to reduce traffic crashes and resulting deaths, injuries, and property damage. A State may use these grant funds only for highway safety purposes; at least 40 percent of these funds are to be expended by political subdivisions (i.e., communities) within the State.
- Alcohol-Impaired Driving Countermeasures Incentive Grants (Section 410) — SAFETEA-LU amended the alcohol-impaired driving countermeasures incentive grant program to include \$139 million to encourage States to adopt and implement effective programs to reduce impaired driving and its tragic consequences. States can qualify for a Section 410 grant as either a high-alcohol fatality rate State, a low-alcohol fatality State, or a programmatic State by meeting several eligibility criteria.
- Seat Belt Performance Grants (Section 406) — SAFETEA-LU established \$124.5 million for a new program of incentive grants to encourage State efforts to increase seat belt usage. States can qualify for a grant by enacting a primary seat belt use law or, beginning in 2008, achieving a State-wide seat belt use rate of 85 percent for the two prior consecutive years. A State may use these grant funds for any safety purpose under Title 23, any project that corrects or improves a hazardous roadway location or feature, or proactively addresses highway safety problems. At least \$1 million of amounts received by States must be obligated for behavioral highway safety activities.
- State Traffic Safety Information System Improvements (Section 408) — SAFETEA-LU authorized \$34.5 million for a new program of incentive grants to encourage States to adopt and implement effective programs to improve the timeliness, accuracy, completeness, uniformity, integration, and accessibility of State data needed to identify national, State, and local highway and traffic safety program priorities. Section 408 grants are intended to improve the ability of highway safety practitioners at the State and local level to collect, analyze and evaluate data to make resource allocation decisions. A State may use these grant funds only to implement such data improvement programs.
- High Visibility Enforcement (Section 2009) — SAFETEA-LU provides \$29 million to support States' seat belt and impaired driving enforcement programs through the continued provision of national paid media during mobilization and crackdown efforts.
- Occupant Protection Incentive Grants (Section 405) — SAFETEA-LU amended Section 405 (a) of Chapter 4 of Title 23, and includes \$25 million to encourage States to adopt and implement effective programs to reduce deaths and injuries from riding unrestrained or improperly restrained in motor vehicles. A State may use these grant funds only to implement and enforce occupant protection programs.

- Child Safety and Child Booster Seat Safety Incentive Grants (Section 2011) — SAFETEA-LU authorized \$7 million for a new incentive grant program to make grants available to States that enact and enforce a child restraint law for children too large to be restrained in a child safety seat. To qualify, States must be enforcing a child restraint law covering children up to age 8, unless the child is 4'9" tall or 65 pounds. These grant funds may be used only for child safety seat and child restraint programs.



- Motorcyclist Safety (Section 2010) — SAFETEA-LU authorized \$7 million for a new program of incentive grants to encourage States to adopt and implement effective programs to reduce the number of single and multi-vehicle crashes involving motorcyclists. A State may use these grants funds only 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.



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 attacks. Transit systems safely and efficiently move tens of millions of people every day connecting people to their jobs and communities. The FY 2009 budget request includes \$10.1 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-------------------------|
| Formula and Bus Grants | 8,240 ^{1/} | 7,768 ^{2/} | 8,361 |
| Capital Investment Grants | 1,566 | 1,569 | 1,621 |
| Formula Grants | 35 ^{3/} | 0 | 0 |
| Research & University Research Centers | 61 | 65 | 60 |
| Administrative Expenses | 85 | 89 | 94 |
| Total | 9,987 | 9,492 | 10,135 |

1/ Includes \$977 million in net flex funding transfers from FHWA.
 2/ The FY 2008 obligation limitation is \$7,768 million, accounting for the \$105 million rescission of contract authority from the \$7,873 million authorization level in SAFETEA-LU.
 3/ Includes U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, Chapter 8 of Title IV - Additional Hurricane Disaster Relief and Recovery. Pub. L. 110-28.

| | Formula and Bus Grants | Capital Investment Grants | Research & URCs | Admin. Expenses | Total |
|--|---------------------------------------|--|------------------------------------|----------------------------|---------------|
| FY 2008 Base | 7,768 | 1,569 | 65 | 89 | 9,492 |
| Pay Inflation Adjustments | 0 | 0 | 0 | 2 | 2 |
| Non-Pay Inflation Adjustments | 0 | 0 | 0 | 1 | 1 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | 593 | 52 | -5 | 0 | 640 |
| FY 2009 Current Services Levels | 8,361 | 1,621 | 60 | 92 | 10,134 |
| Program Initiatives | 0 | 0 | 0 | 2 | 2 |
| FY 2009 Request | 8,361 | 1,621 | 60 | 94 | 10,135 |

FY 2009 Budget

In FY 2009, the Federal Transit Administration (FTA) requests \$10.1 billion in budget authority, \$644 million above the FY 2008 enacted level. This record level of funding 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 \$8.4 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 include \$8.8 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 — \$6.2 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 urbanized and non-urbanized areas under differing factors.
- Bus and Bus Facilities — \$984 million is requested to finance bus and bus-related capital projects, including ferryboat projects, which enhance the efficiency and safety of the Nation's transit systems. In addition, these funds will be used to acquire or rehabilitate buses to include biodiesel or hybrid electric propulsion systems to further reduce pollution in the most congested urban areas.



- Non-urbanized Area Formula — \$538.1 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 15 percent of their annual apportionment is spent on such service. The Non-urbanized Area Formula program also includes funding for the High Density States program.
- Job Access and Reverse Commute — \$164.5 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 — \$133.5 million is requested to support America's commitment to meet the transportation needs of the elderly and persons with disabilities. Among the Americans who use transit are 35 million senior citizens who need access to dependable transportation to participate fully in their community. Transit is also important to 31 million Americans with disabilities who rely on public transportation.
- Planning — \$113.5 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 — \$92.5 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 — \$51.5 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 25 percent of grants annually), and other low or zero emissions technology.
- Alternative Transportation in Parks and Public Lands — \$26.9 million is requested to enhance the protection of America's national parks and public lands, and to increase the enjoyment of those visiting parks through innovative transportation projects.



Research and University Research: FTA requests \$59.6 million for transit research programs. This includes \$39 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 Centers Program. Approximately \$44.7 million of this request contributes to the Department's goal of reducing congestion. FTA also requests \$3.3 million for the clean fuels and electric drive bus deployment (hybrid-electric) program to promote environmental stewardship by increasing the deployment of new low-emission technology.

Capital Investment Grants: \$1.6 billion is proposed in FY 2009 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 encourages project sponsors to consider cost-effective transit options that may not require a fixed guideway. The request fully funds the annual cost of existing and 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. The “Small Starts” program, requested at \$200 million, will fund existing and proposed projects that cost less than \$250 million.

Transit Security: \$48.3 million is requested to support transit security, which remains a high priority in FY 2009. Most transit security funding is in the Formula and Bus Grants account, including the one percent of Urbanized Formula Grant funding that is required to be spent on security initiatives. Through its technical assistance and other programs, FTA emphasizes 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, \$80.6 million (\$64 million from Formula and Bus Grants, \$16.2 million from Capital Investment Grants, and \$0.4 million from the National Research program) is requested in FY 2009. 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 2009 Section 5309 New Starts/Small Starts ^{1/}

(Dollars in Millions)

| | | | FY 2009 Pres. Bud. |
|--|--|----------------------|-------------------------------|
| A. Existing Full Funding Grant Agreements (FFGAs) | | | |
| AZ | Central Phoenix/East Valley Light Rail | Phoenix | 91.8 |
| CA | Metro Gold Line Eastside Extension | Los Angeles | 74.6 |
| CO | Southeast Corridor LRT | Denver | 1.0 |
| DC | Largo Metrorail Extension | Washington | 34.7 |
| IL | Ravenswood Line Extension | Chicago | 30.5 |
| MN | Northstar Corridor Rail | Minneapolis-Big Lake | 71.2 |
| NJ | Hudson-Bergen MOS-2 | Northern NJ | 1.1 |
| NY | Long Island Rail Road East Side Access | New York | 219.3 |
| NY | Second Avenue Subway Phase I | New York | 277.7 |
| OR | South Corridor I-205/Portland Mall LRT | Portland | 81.6 |
| PA | North Shore LRT Connector | Pittsburgh | 0.7 |
| TX | Northwest/Southeast LRT MOS | Dallas | 88.0 |
| UT | Weber County to Salt Lake City Commuter Rail | Salt Lake City | 81.6 |
| VA | Norfolk LRT | Norfolk | 57.1 |
| WA | Central Link Initial Segment | Seattle | 28.8 |
| Subtotal Existing FFGAs | | | 1,139.6 |
| B. Pending Full Funding Grant Agreements | | | |
| CO | West Corridor LRT | Denver | 60.0 |
| WA | University Link LRT Extension | Seattle | 100.0 |
| Subtotal Pending FFGAs | | | 160.0 |
| C. Final Design | | | 85.0 |
| D. Small Starts Project Development | | | |
| AZ | Mountain Links BRT | Flagstaff | 6.2 |
| CA | Livermore-Amador BRT | Livermore | 8.0 |
| CA | Metro Rapid Bus System Gap Closure | Los Angeles | 0.3 |
| CA | Wilshire Blvd Bus-Only Lane | Los Angeles | 10.9 |
| CA | Perris Valley Line | Riverside | 50.0 |
| CA | Mid-City Rapid | San Diego | 21.7 |
| CO | Mason Corridor BRT | Fort Collins | 11.2 |
| MA | Commuter Rail Improvements | Fitchburg | 30.0 |
| MO | Troost Corridor BRT | Kansas City | 0.1 |
| OR | Streetcar Loop | Portland | 50.0 |
| OR | Pioneer Parkway EmX BRT | Springfield | 0.3 |
| WA | Bellevue-Redmond BRT | King County | 11.0 |
| WA | Pacific Highway South BRT | King County | 0.3 |
| Subtotal Small Starts | | | 200.0 |
| E. Other Funding | | | |
| Oversight Activities (1%) | | | 16.2 |
| Ferry Capital Projects (AK or HI) | | | 15.0 |
| Denali Commission | | | 5.0 |
| GRAND TOTAL | | | 1,620.8 |

^{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 2009 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-------------------------|
| Amtrak/Passenger Rail | 1,294 | 1,355 | 900 |
| Rail Line Relocation & Improvement Program | 0 | 20 | 0 |
| Safety and Operations | 150 | 150 | 157 |
| Research and Development | 35 | 36 | 34 |
| Total | 1,479 | 1,561 | 1,091 |

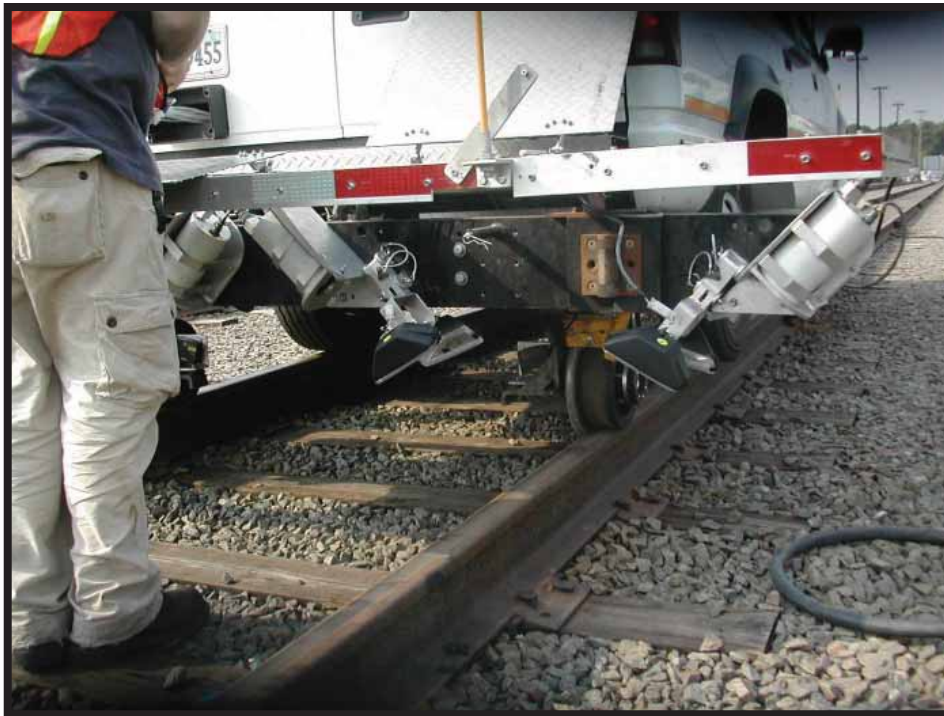
| | Amtrak/ Passenger Rail | Safety & Operations | Research & Development | Rail Line Reloc. & Imp. | Total |
|--|---------------------------------------|------------------------------------|---------------------------------------|--|--------------|
| FY 2008 Base | 1,355 | 150 | 36 | 20 | 1,561 |
| Pay Inflation Adjustments | 0 | 3 | 0 | 0 | 3 |
| Non-Pay Inflation Adjustments | 0 | 0 | 0 | 0 | 0 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | -455 | 1 | -5 | -20 | -478 |
| FY 2009 Current Services Levels | 900 | 154 | 32 | 0 | 1,086 |
| Program Initiatives | 0 | 3 | 2 | 0 | 5 |
| FY 2009 Request | 900 | 157 | 34 | 0 | 1,091 |

FY 2009 Budget

Grants to the National Passenger Rail Corporation/Intercity Passenger Rail: The FY 2009 request of \$900 million for intercity passenger rail. This amount would enable Amtrak's new management team to keep the trains running and act on its mandate to reshape the company. This request includes \$525 million for capital costs and \$275 million for efficiency incentive grants. In addition, \$100 million would be dedicated to issuing capital matching grants to States for intercity passenger rail projects. When combined with collections from Amtrak partners, the matching grants will enable States, rather than Amtrak, to undertake rail infrastructure projects that address their transportation goals and priorities.

Safety & Operations: Safety remains FRA's most important performance segment. The request for FY 2009 includes \$149 million to support the Department's goal of reducing railroad accidents and incidents, while contributing to the avoidance of serious hazardous materials incidents in rail transportation. In FY 2009, \$1.2 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 2009, \$34 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.



RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

Overview: The Research and Innovative Technology Administration (RITA) was created under the Norman Y. Mineta Research and Specials Programs Improvement Act (Public Law 108-426). RITA works to coordinate and manage the Department's research portfolio to more effectively and efficiently implement 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 as well as professional development through education and training; 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 professional venues.

The FY 2009 budget request is composed of \$27 million from the Highway Trust Fund and \$12 million from the General Fund appropriation. In addition, RITA will undertake over \$400 million in transportation-related research, education, and technology development on a reimbursable basis for other agencies.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-------------------------|
| Research and Development | 8 | 12 | 12 |
| Bureau of Transportation Statistics (non-add Allocation Account under Federal-Aid Highways) | [28] | [27] | [27] |
| Total | 8 | 12 | 12 |

| | Research & Development | Bureau of Transportation Statistics | Total |
|--|---------------------------------------|--|--------------|
| FY 2008 Base | 12 | 27 | 39 |
| Pay Inflation Adjustments | 0 | 0 | 1 |
| Non-Pay Inflation Adjustments | 0 | 0 | 0 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | 0 | 0 | 0 |
| FY 2009 Current Services Levels | 12 | 27 | 39 |
| Program Initiatives | 0 | 0 | 0 |
| FY 2009 Request | 12 | 27 | 39 |

FY 2009 Budget

The Administration's FY 2009 budget request reflects the Department of Transportation's intermodal and multi-modal research, development and technology, statistics, professional training and education, and applied transportation system solutions.

Research, Development and Technology (RD&T): The budget request includes \$12 million for RD&T. RITA will enhance coordination and review activities with an investment control approach to managing the Department's RD&T portfolio. The agency will also promote and advance innovative transportation technologies emphasizing work in alternative fuels in support of national economic and environmental priorities. RITA will also lead transportation's Position, Navigation and Timing (PNT) activities.



Transportation Statistics and Information: In FY 2009, \$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 \$400 million in transportation-related research, education, and technology application will be conducted by RITA on a reimbursable basis for other agencies during FY 2009. 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 congestion reduction, vehicle infrastructure integration, professional capacity building road weather information, integrated corridor management, and mobility.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

Overview: The Pipeline and Hazardous Materials Safety Administration (PHMSA) is serving a vital and expanding role in the work of the Department and in advancing each of the Department's strategic goals. Through its two safety programs – Hazardous Materials Safety and Pipeline Safety – PHMSA oversees the safe movement of the energy sources that power most of the transportation system, in addition to the chemicals and other materials essential to our way of life.

In FY 2009, PHMSA will focus on helping States by increasing funding to strengthen pipeline safety oversight and extend integrity management to the distribution pipeline network. PHMSA will also increase inspections of poor performing operators, shippers and carriers, and begin to demonstrate the viability of safely moving alternative fuels through pipelines and other modes of hazardous materials transportation.

Pipeline and Hazardous Materials Safety Administration Budget

(Dollars in Millions)

| | 2007 Actual | 2008 Enacted | 2009 Request |
|-------------------------------|------------------------|-------------------------|-------------------------|
| Pipeline Safety | 75 | 80 | 93 |
| Hazardous Materials Safety | 27 | 28 | 28 |
| Emergency Preparedness Grants | 14 | 28 | 28 |
| Operations | 18 | 18 | 18 |
| Total | 134 | 154 | 168 |

Summary of PHMSA FY 2009 Increases and Decreases

(Dollars in Millions)

| | Pipeline Safety | Hazardous Materials Safety | Emergency Preparedness Grants | Operations | Total |
|--|----------------------------|---|--|-------------------|--------------|
| FY 2008 Base | 80 | 28 | 28 | 18 | 154 |
| Pay Inflation Adjustments | 1 | 0 | 0 | 0 | 1 |
| Non-Pay Inflation Adjustments | 1 | 0 | 0 | 0 | 1 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | 0 | 0 | 0 | 0 | 0 |
| FY 2009 Current Services Levels | 82 | 28 | 28 | 18 | 156 |
| Program Initiatives | 11 | 0 | 0 | 0 | 11 |
| FY 2009 Request | 93 | 28 | 28 | 18 | 168 |

FY 2009 Budget

Hazardous Materials Safety Program: The FY 2009 request provides \$28 million, to achieve PHMSA's share of the overall DOT performance target of no more than 458 target serious hazardous materials incidents in 2009. PHMSA's oversight of safe, environmentally-sound, and reliable transportation of energy products and other hazardous materials is vital to our national economy. Hazardous materials make up about 28 percent of the annual ton-miles of U.S. freight, including two-thirds of all energy products consumed annually in the United States. On a daily basis, Americans rely on hazardous materials to generate electricity, fuel vehicles, clean drinking water, fertilize crops, and manufacture medicine, clothing, and many other essential industrial and consumer products. In FY 2009, PHMSA will continue to address existing and new challenges while the agency promotes and advance the goals of DOT and the Administration.

Emergency Preparedness Grants: The FY 2009 request funds the Hazardous Materials Emergency Preparedness grants program at \$28.3 million — the full level authorized by SAFETEA-LU. PHMSA will award grants for training 293,000 local first responders and 25,000 HAZMAT employees, and for development of 4,000 emergency response plans. PHMSA also will continue distribution and ongoing updating of its Emergency Response Guidebook, an internationally recognized, authoritative resource for hazardous materials incident response. The agency will place a special emphasis on training volunteer first responders in FY2009 as part of the Department's initiative targeting rural safety.

Pipeline Safety: The budget request includes \$93.3 million to meet the program's key performance goals: holding the number of serious pipeline incidents to no more than 38 and reducing hazardous liquid pipeline spills in high consequence areas to no more than 49. PHMSA will continue implementation of the Pipeline Inspection, Protection, Enforcement, and Safety (PIPES) Act of 2006; increase oversight of low pressure liquid pipelines in environmentally sensitive areas; strengthen oversight of Alaska pipelines; and promote safety improvements necessary to enhance system reliability and capacity.

Operations: The FY 2009 request includes \$18.1 million for expenses to maintain necessary oversight and support for the HAZMAT and Pipeline Safety programs.



MARITIME ADMINISTRATION

Overview: The Maritime Administration's (MARAD) mission is to strengthen the U.S. maritime transportation system 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 defense mobilization 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 2009, MARAD is requesting \$313 million to carryout its organizational mission.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|-------------------------------|------------------------|-------------------------|-------------------------|
| Operations and Training | 112 | 122 | 118 |
| Ship Disposal | 21 | 17 | 18 |
| Maritime Security Program | 154 | 156 | 174 |
| Assistance to Small Shipyards | 0 | 10 | 0 |
| Maritime Guaranteed Loans | 4 | 8 | 4 |
| Total | 291 | 313 | 313 |

| | Operations & Training | Ship Disposal | Maritime Security Program | Assistance to Small Shipyards | Maritime Guaranteed Loans | Total |
|--|--|--------------------------|--|--|--|--------------|
| FY 2008 Base | 122 | 17 | 156 | 10 | 8 | 313 |
| Pay Inflation Adjustments | 1 | 0 | 0 | 0 | 0 | 1 |
| Non-Pay Inflation Adjustments | 1 | 0 | 0 | 0 | 0 | 1 |
| Annualization of FY 2008 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 | 0 | 0 | 0 |
| FY 2009 Current Services Levels | 124 | 17 | 156 | 10 | 8 | 315 |
| Program Initiatives | -6 | 1 | 18 | -10 | -5 | -2 |
| FY 2009 Request | 118 | 18 | 174 | 0 | 3 | 313 |

FY 2009 Budget

Operations and Training: The FY 2009 budget request includes \$118 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 \$8 million for critical capital improvement projects), \$11 million for the State Maritime Schools, and \$46 million for MARAD Operations.

Maritime Security Program: The FY 2009 budget request includes \$174 million for payments of approximately \$2.9 million per ship, as authorized by the National Defense Authorization Act for Fiscal Year 2004. 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 the Department of Defense (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 2009 budget request includes \$18 million to remove 14 obsolete ships from the National Defense Reserve Fleet for disposal. MARAD continues to pursue alternative disposal methods, such as 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.

Maritime Guaranteed Loan Program: The FY 2009 budget request includes \$3.5 million to fund the administration of the existing Title XI guaranteed loan portfolio.

Ready Reserve Force: The Ready Reserve Force (RRF) is funded in the DOD 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 \$277 million for FY 2009 activities.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Overview: The U.S. Saint Lawrence Seaway Development Corporation (SLSDC), a wholly owned Government corporation and an operating administration of DOT, is responsible for the operations and maintenance of the U.S. portion of the St. Lawrence Seaway between Montreal and Lake Erie. This responsibility includes managing vessel traffic control in areas of the St. Lawrence River and Lake Ontario, as well as maintaining and operating the two U.S. Seaway locks located in Massena, NY. In support of DOT's global connectivity strategic 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)

| | 2007 <u>Actual</u> | 2008 <u>Enacted</u> | 2009 <u>Request</u> |
|-----------------------------------|-------------------------------|--------------------------------|--------------------------------|
| Operations and Maintenance (HMTF) | 16 | 17 | 32 |
| Total | 16 | 17 | 32 |

Summary of SLSDC FY 2009 Increases and Decreases (Dollars in Millions)

| | <u>Operations & Maintenance</u> |
|--|--|
| FY 2008 Base | 17 |
| Pay Inflation Adjustments | 1 |
| Non-Pay Inflation Adjustments | 0 |
| Annualization of FY 2008 Initiatives | 0 |
| Non-recurring Costs or Savings | -3 |
| Base Re-engineering, Reductions or Adjustments | -2 |
| FY 2009 Current Services Levels | 15 |
| Program Initiatives | 17 |
| FY 2009 Request | 32 |

FY 2009 Budget

Operations and Maintenance: The Saint Lawrence Seaway Development Corporation's (SLSDC) FY 2009 budget request of \$31.8 million, along with \$1.9 million from its reserve fund and estimated annual non-federal revenues, will allow the agency to perform its day-to-day operations and maintenance activities on the U.S. portion of the St. Lawrence Seaway, and support the first year of a 10-year Capital Investment Plan-Seaway Asset Renewal Program (ARP) to rehabilitate the U.S. Seaway lock infrastructure and other maritime-related assets.



As the St. Lawrence Seaway celebrates its 50th anniversary in 2009, the Department will begin to address the long-term infrastructure renewal needs of the U.S. section of the waterway through the ARP. The Seaway is comprised of perpetual assets (locks, channels, an international bridge, highway tunnel, vessel traffic control system, and accompanying facilities and equipment), which require periodic capital reinvestment in order to continue to operate safely, reliably, and efficiently. The U.S. Seaway infrastructure is approaching the end of its original “design” life, and without sufficient investment in these perpetual assets, it will become increasingly difficult to maintain the future availability and reliability of the U.S. section of the St. Lawrence Seaway.

The SLSDC's ARP will follow the lead of the asset renewal program underway in Canada on its portion of the Seaway and also support the efforts made by various U.S. and Canadian work groups, including Transport Canada, SLSDC, Canadian St. Lawrence Seaway Management Corporation, the Maritime Administration, and the U.S. Army Corps of Engineers, in completing the binational, multi-year Great Lakes St. Lawrence Seaway Study. The Study, released in November 2007, evaluated the infrastructure needs of the U.S. and Canadian Great Lakes Seaway System and assessed the economic, environmental, and engineering implications of those needs pertaining to commercial navigation.

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 2009 request is \$181 million.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|--|------------------------|-------------------------|-------------------------|
| Salaries and Expenses | 84 | 92 | 102 |
| Transportation Planning, R&D | 15 | 14 | 10 |
| Civil Rights, MBO and MBRC | 12 | 13 | 13 |
| New Headquarters Building | 50 | 0 | 0 |
| Financial Management Capital | 0 | 0 | 6 |
| EAS/Payments to Air Carriers - (discretionary) | 59 | 60 | 0 |
| EAS/Payments to Air Carriers - (mandatory - overflight fees/ transfers) | 46 | 50 ^{1/} | 50 |
| Total | 266 | 229 | 181 |

1/ Pursuant to P.L. 109-171, an additional \$15 million of funds from the sale of spectrum is available to the EAS program in FY 2008.

| | Salaries & Expenses | Transp. Planning, R&D | Civil Rights & MBRC | EAS Mand. | Payments to Air Carriers Discretionary | Fin. Mgmt. Capital | Total |
|--|--|--|--|----------------------|---|-----------------------------------|--------------|
| FY 2008 Base | 92 | 14 | 13 | 50 | 60 | 0 | 229 |
| Pay Inflation Adjustments | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Non-Pay Inflation Adjustments | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-recurring Costs or Savings | -1 | 0 | 0 | 0 | 0 | 0 | -1 |
| Base Re-engineering, Reductions or Adjustments | 7 | 0 | 0 | 0 | 0 | 0 | 7 |
| FY 2009 Current Services Levels | 101 | 14 | 13 | 50 | 60 | 0 | 238 |
| Program Initiatives | 1 | -4 | 0 | 0 | -60 | 6 | -57 |
| FY 2009 Request | 102 | 10 | 13 | 50 | 0 | 6 | 181 |

FY 2009 Budget

Salaries and Expenses: \$101.8 million is requested for FY 2009, including funding to strengthen the management of the Department's large information technology investment portfolio; continue increased enforcement activities to better protect air travelers; and respond to new requirements in the areas of intelligence policy and the dispersed alternate site program.

Transportation Planning, Research, and Development: \$10.1 million is requested for FY 2009 to fund analyses of: costs/benefits of transportation infrastructure investments; congestion pricing; safe mobility; hazardous materials safety; environment and climate issues; aviation and international transportation policy; and transportation security issues.

Office of Civil Rights: \$9.4 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.

Financial Management Capital Program: \$6.0 million is requested to begin a multi-year project to upgrade the Department's financial systems and business processes to support the President's Management Agenda goal for Improved Financial Management. The project includes

implementing new government-wide accounting standards, developing a better way to relate program costs to DOT strategic goals and program performance metrics, and implementing new Treasury Department mandates.

Minority Business Programs: \$4.0 million is requested for minority business programs. \$0.6 million in administrative expenses and \$0.4 million in subsidy will support an \$18 million short-term loan guarantee program to assist small, disadvantaged and women-owned transportation-related business; and \$3 million will fund the Minority Business Outreach program, which includes a clearinghouse for national dissemination of information on transportation-related projects and grants to minority educational institutions.

Essential Air Service (EAS): The budget request assumes \$50 million of mandatory funding will come from overflight fees collected by the Federal Aviation Administration. The EAS program provides payments to air carriers serving small community airports and associated administrative costs. Program reforms are proposed that seek to ensure that the most isolated small communities maintain access to the national air transportation system.

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. OIG 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) | | | |
|--|------------------------------|-------------------------------|-------------------------------|
| | 2007 Actual | 2008 Enacted | 2009 Request |
| Salaries and Expenses | 64 | 66 | 70 |
| Total | 64 | 66 | 70 |

| Summary of OIG FY 2009 Increases and Decreases (Dollars in Millions) | |
|--|------------------------------------|
| | Salaries & Expenses |
| FY 2008 Base | 66 |
| Pay Inflation Adjustments | 3 |
| Non-Pay Inflation Adjustments | 0 |
| Annualization of FY 2008 Initiatives | 0 |
| Non-recurring Costs or Savings | 0 |
| Base Re-engineering, Reductions or Adjustments | 1 |
| FY 2009 Current Services Levels | 70 |
| Program Initiatives | 0 |
| FY 2009 Request | 70 |

FY 2009 Budget

The FY 2009 budget request for the OIG totals \$76.5 million to support a staff of 412 full-time equivalent employees. This budget request includes a \$70.5 million appropriation and \$6.0 million in reimbursable funding (\$3.8 million from FHWA, \$2.0 million from FTA, \$0.1 million from OST, 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.

| | 2007 Actual | 2008 Enacted | 2009 Request |
|-----------------------|------------------------|-------------------------|-------------------------|
| Salaries and Expenses | 25 | 25 | 22 |
| Fees | 1 | 1 | 1 |
| Total | 26 | 26 | 23 |

| | Salaries & Expenses | Fees | Total |
|--|------------------------------------|-------------|--------------|
| FY 2008 Base | 25 | 1 | 26 |
| Pay Inflation Adjustments | 0 | 0 | 0 |
| Non-Pay Inflation Adjustments | 0 | 0 | 0 |
| Annualization of FY 2008 Initiatives | 0 | 0 | 0 |
| Non-recurring Costs or Savings | 0 | 0 | 0 |
| Base Re-engineering, Reductions or Adjustments | -3 | 0 | -3 |
| FY 2009 Current Services Levels | 22 | 1 | 23 |
| Program Initiatives | 0 | 0 | 0 |
| FY 2009 Request | 22 | 1 | 23 |

FY 2009 Budget

The FY 2009 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 Interstate Commerce Commission Termination Act of 1995, is responsible for the economic regulation of the rail industry and the transportation of commodities by pipeline other than oil and gas. The STB is also responsible for certain non-licensing regulation of motor and water carriers.

BUDGETARY RESOURCES
(Dollars in Millions)

| <u>Administration</u> | <u>2007 Actual</u> | <u>2008 Enacted</u> | <u>2009 Request</u> |
|--|-------------------------------|--------------------------------|--------------------------------|
| Federal Aviation Administration | 14,537 | 14,915 | 14,643 |
| Federal Highway Administration | 39,624 | 42,180 | 40,138 |
| Federal Motor Carrier Safety Administration | 517 | 530 | 541 |
| National Highway Traffic Safety Administration | 821 | 838 | 851 |
| Federal Transit Administration | 9,987 | 9,492 | 10,135 |
| Federal Railroad Administration | 1,479 | 1,561 | 1,091 |
| Research and Innovative Technology Administration | 8 | 12 | 12 |
| Pipeline and Hazardous Materials Safety Administration | 134 | 154 | 168 |
| Maritime Administration | 291 | 313 | 313 |
| Saint Lawrence Seaway Development Corporation | 16 | 17 | 32 |
| Office of the Secretary | 266 | 229 | 181 |
| Office of Inspector General | 64 | 66 | 70 |
| Surface Transportation Board | 26 | 26 | 23 |
| Total DOT Budgetary Authority | 67,770 | 70,333 | 68,199 |

| BUDGET AUTHORITY (Dollars in Millions) | | | |
|--|------------------------|-------------------------|-------------------------|
| Administration | 2007 Actual | 2008 Enacted | 2009 Request |
| Federal Aviation Administration | 14,696 | 11,220 | 14,643 |
| Federal Highway Administration | 37,765 | 39,226 | 29,084 |
| Federal Motor Carrier Safety Administration | 517 | 478 | 541 |
| National Highway Traffic Safety Administration | 821 | 815 | 851 |
| Federal Transit Administration | 9,987 | 9,463 | 10,136 |
| Federal Railroad Administration | 1,477 | 1,576 | 1,086 |
| Research and Innovative Technology Administration | 8 | 12 | 12 |
| Pipeline and Hazardous Materials Safety Administration | 134 | 154 | 168 |
| Maritime Administration | 435 | 452 | 488 |
| Saint Lawrence Seaway Development Corporation | 16 | 17 | 32 |
| Office of the Secretary | 217 | 207 | 180 |
| Office of Inspector General | 64 | 66 | 70 |
| Surface Transportation Board | 25 | 25 | 22 |
| Adjustment from rounding in MAX | 0 | 0 | 3 |
| Subtotal: Budget Authority before Offsetting Collections | 66,163 | 63,711 | 57,316 |
| Offsetting Collections | -169 | -274 | -178 |
| Total Budget Authority | 65,994 | 63,437 | 57,138 |

Totals may not add due to rounding.

| DEPARTMENT OF TRANSPORTATION | | | |
|--|---------------|-----------------|-------------|
| (Dollars in Millions) | | | |
| | Actual | Estimate | |
| | 2007 | 2008 | 2009 |
| Spending | | | |
| Discretionary Budget Authority | | | |
| Federal Aviation Administration ^{1/} | 14,537 | 14,916 | 14,644 |
| <i>FAA operations, capital, and research programs [non-add]</i> | 11,022 | 11,401 | 11,893 |
| Federal Highway Administration | 38,013 | 41,241 | 35,514 |
| <i>Federal-Aid Highway Obligation Limitation [non-add]</i> | 37,990 | 41,216 | 39,399 |
| <i>Federal-Aid cancellation of unavailable contract authority [non add]</i> | -3,472 | -3,150 | -3,150 |
| <i>Federal-Aid cancellation of available contract authority [non add]</i> | 0 | -1,026 | 0 |
| <i>Federal-Aid cancellation of contract authority for idle projects [non add]</i> | 0 | 0 | -735 |
| Federal Motor Carrier Safety Administration | 517 | 530 | 541 |
| National Highway Traffic Safety Administration | | | |
| Existing Law | 821 | 838 | 730 |
| Legislative proposal | | | 122 |
| Federal Railroad Administration | 1,478 | 1,561 | 1,091 |
| <i>Intercity Passenger Rail [non-add]</i> | 1,294 | 1,355 | 900 |
| Federal Transit Administration | 9,952 | 9,491 | 10,136 |
| Maritime Administration | 215 | 306 | 314 |
| Saint Lawrence Seaway Development Corporation | 16 | 17 | 32 |
| Pipeline and Hazardous Materials Safety Administration | 120 | 126 | 139 |
| Research and Innovative Technology Administration | 8 | 12 | 12 |
| All other programs | 250 | 208 | 147 |
| Total, Discretionary Budget Resources ^{2/} | 65,927 | 69,246 | 63,422 |
| <i>Memorandum: Total discretionary budget resources without 209 mandatory savings provisions</i> | 65,927 | 69,246 | 67,307 |
| <i>Memorandum: Budget authority from enacted supplementals</i> | 906 | 195 | 0 |
| Total, Discretionary Outlays | 60,826 | 67,671 | 69,921 |
| Mandatory Outlays | | | |
| Federal Aviation Administration | -256 | -157 | -14 |
| Federal Highway Administration | 980 | 1,103 | 1,044 |
| Federal Railroad Administration | -1 | 15 | -4 |
| Maritime Administration | 220 | 155 | 175 |
| Pipeline and Hazardous Materials Safety Administration | 13 | 25 | 29 |
| All others | -85 | -150 | -47 |
| Total, Mandatory Outlays | 871 | 991 | 1,183 |
| Total, Outlays | 61,697 | 68,662 | 71,104 |
| Credit Activity | | | |
| Direct Loan Disbursements | | | |
| Transportation Infrastructure Finance and Innovation Program | 267 | 1,389 | 1,186 |
| Railroad Rehabilitation and Improvement Program | 100 | 600 | 600 |
| Total, Direct Loan Disbursements | 367 | 1,989 | 1,786 |
| Guaranteed Loan Disbursements | | | |
| Transportation Infrastructure Finance and Innovation Program | 0 | 40 | 80 |
| Railroad Rehabilitation and Improvement Program | 0 | 100 | 100 |
| Maritime Guaranteed Loans (Title XI) | 30 | 75 | 75 |
| Minority Business Resource Center | 3 | 18 | 18 |
| Total, Guaranteed Loan Disbursements | 33 | 233 | 273 |

1/ In FY 2008, the Airports Grant program has an obligation limitation of \$3,515 million, but only \$17 million in new contract authority. The program cannot award new grants until sufficient contract authority is provided for FY 2008.

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

| OUTLAYS | | | |
|--|----------------------|-----------------------|-----------------------|
| (Dollars in Millions) | | | |
| | 2007 | 2008 | 2009 |
| <u>Administration</u> | <u>Actual</u> | <u>Enacted</u> | <u>Request</u> |
| Federal Aviation Administration | 14,154 | 14,528 | 16,089 |
| Federal Highway Administration | 34,985 | 38,933 | 40,637 |
| Federal Motor Carrier Safety Administration | 455 | 743 | 536 |
| National Highway Traffic Safety Administration | 665 | 902 | 934 |
| Federal Transit Administration | 9,199 | 10,788 | 11,031 |
| Federal Railroad Administration | 1,472 | 1,713 | 1,046 |
| Research and Innovative Technology Administration | -119 | 105 | 12 |
| Pipeline and Hazardous Materials Safety Administration | 135 | 149 | 166 |
| Maritime Administration | 515 | 590 | 491 |
| Saint Lawrence Seaway Development Corporation | 16 | 17 | 32 |
| Office of the Secretary | 305 | 371 | 211 |
| Office of Inspector General | 62 | 69 | 70 |
| Surface Transportation Board | 25 | 29 | 22 |
| Adjustment from rounding in MAX | -3 | -2 | 4 |
| Subtotal: Outlays before Offsetting Collections | 61,866 | 68,936 | 71,282 |
| Offsetting Collections | -169 | -274 | -178 |
| Total Outlays | 61,697 | 68,662 | 71,104 |

Totals may not add due to rounding.



FULL TIME EQUIVALENT EMPLOYMENT

| <u>Administration</u> | <u>2007 Actual</u> | <u>2008 Enacted</u> | <u>2009 Request</u> |
|--|-------------------------------|--------------------------------|--------------------------------|
| Federal Aviation Administration | 44,568 | 45,782 | 46,103 |
| Federal Highway Administration | 2,784 | 2,820 | 2,861 |
| Federal Motor Carrier Safety Administration | 1,011 | 1,119 | 1,119 |
| National Highway Traffic Safety Administration | 616 | 635 | 635 |
| Federal Transit Administration | 519 | 526 | 526 |
| Federal Railroad Administration | 811 | 850 | 853 |
| Research and Innovative Technology Administration | 659 | 759 | 759 |
| Pipeline and Hazardous Materials Safety Administration | 353 | 410 | 421 |
| Maritime Administration | 756 | 748 | 756 |
| Saint Lawrence Seaway Development Corporation | 144 | 157 | 157 |
| Office of the Secretary | 463 | 565 | 634 |
| Office of Inspector General | 405 | 410 | 412 |
| Surface Transportation Board | 136 | 150 | 122 |
| Working Capital Fund | 173 | 219 | 219 |
| Total Full Time Equivalent Employment | 53,398 | 55,150 | 55,577 |







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