U.S. Department of Transportation

BUDGET ESTIMATES

FISCAL YEAR 2013

FEDERAL HIGHWAY ADMINISTRATION

SUBMITTED FOR THE USE OF
THE COMMITTEES ON APPROPRIATIONS

FHWA FY 2013 BUDGET

TABLE OF CONTENTS

FEDERAL HIGHWAY ADMINISTRATION (FHWA)
FISCAL YEAR 2013 BUDGET

BUDGET SUMMARY OVERVIEW

America is at a transportation crossroads. For too long we have put off the improvements needed to keep pace with today's transportation needs. To compete for the jobs and industries of the future, we must out-innovate and out-build the rest of the world. In support of this goal, FHWA's FY 2013 budget requests **$42.6 billion** to help move people and goods on roads, bridges, and tunnels throughout the U.S. as safely and effectively as possible.

This budget request builds on the FY 2012 Immediate Transportation Investment program, as requested in the American Jobs Act, which provides $28 billion in funding to FHWA to rebuild and modernize America's National Highway System and land ports of entry.

The FY 2013 budget request reflects a program restructuring and funding proposal to provide $305 billion from FY 2013 to 2018 for highway programs similar to the proposal in the FY 2012 budget. Through a revamped Federal-aid highway program, FHWA will provide national leadership to connect America's communities and economies. FHWA programs not only help create jobs today that build and maintain our infrastructure, but also provide people across the country with transportation options to get to their jobs and all other destinations.

The performance-based **Highway Safety Program ($2.5 billion)** aims to develop new and innovative ways to keep people safe on the roads. The program is designed to reduce fatalities and injuries on public roads in alignment with the Department of Transportation's (DOT) Roadway Safety Plan. This program will provide $2.2 billion for infrastructure-oriented safety improvement projects, with the flexibility to use up to 25 percent of funds for education, enforcement and emergency medical services investments if needed to address specific safety problems in the State. The program also features funding for rural road safety, as well as a $293 million Highway Safety Data Improvement Program designed to focus on improved State data collection, use of data to identify problems, and use of analytical tools and processes to identify and prioritize safety treatments. Each State will develop a Strategic Highway Safety Plan that will address how all available funds (Federal, State, and local) will be used to achieve safety performance targets. States will also be required to develop an annual spending program to implement the highway elements in the Strategic Highway Safety Plan.

The performance-based **National Highway Program ($32.4 billion)** targets investment to preserve and modernize the U.S. highway system, and ultimately save lives, on roads critical to national interest while also providing flexibility to the States for making transportation investment decisions on the larger system of Federal-aid eligible highways. In addition to maintaining highway infrastructure in a state of good repair, the National Highway Program funds investments targeted at reducing traffic congestion and making freight movement more efficient, which supports DOT's economic competitiveness strategic goal and the Administration's National Export Initiative. This program consists of two subprograms:

- **Highway Infrastructure Performance Program** – A $16.8 billion formula-based program designed to improve the infrastructure condition and performance on an expanded National Highway System. This 220,000-mile network includes the Interstate System, all principal arterials, intermodal connectors, and other roads important to mobility, commerce, national defense, and intermodal connectivity. The enhanced system is an objectively defined network of national interest that will operate as a cohesive highway system to support interstate commerce and economic competitiveness, which will carry 55% of all traffic and 97% of all truck-borne freight.

- **Flexible Investment Program** – A $15.6 billion formula-based program that provides flexibility to the States to invest in infrastructure preservation, congestion mitigation, or performance improvement projects on the 995,000 miles of Federal-aid eligible highways.

The **Livable Communities Program ($4.0 billion)** establishes place-based planning, policies, and investments to help communities increase transportation choices and access to transportation services. This program will fund transportation projects that improve quality of life in both rural and urban areas, provide users with enhanced transportation choices, and improve air quality in large metropolitan areas. The program consists of three components:

- **Livable Communities Grant Program** – A $3.3 billion formula-based program to enable recipients to deliver transportation projects for rural and urban areas that benefit quality of life.

- **Investments for Livable Communities Grant Program** - A $500 million discretionary grant program to support highway investments for livable communities.

- **Livability Capacity Building Grant Program** - Continues the $200 million discretionary grants program to support livability-related capacity building across the country.

The **Federal Allocation Program ($1.4 billion)** reflects inherently Federal responsibilities under one program with five components:

- **Federal Lands Transportation Program** – $430 million for projects that improve access within the Federal estate (national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands) using a performance management program model on infrastructure owned by the Federal government.

- **Federal Lands Access Program** – $177 million for projects that improve access to the Federal estate on infrastructure owned by States, Counties, and local governments.

- **Tribal Transportation Program** – $600 million for projects that improve access to and within Tribal lands using a performance management program model.

- **Emergency Relief Program** – $100 million for States for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster.

- **Workforce Development** – $50 million for the On-the-Job Training/Support Services program to support State training programs and the Disadvantaged Business Enterprise/Supportive Services program to develop, conduct, and administer training and assistance programs to increase the proficiency of minority businesses to compete, on an equal basis, for contracts and subcontracts.

The **Research, Technology, and Education (RT&E) Program ($644 million)** provides for a comprehensive, nationally-coordinated research, technology, and education program that will advance DOT organizational goals, while accelerating innovation delivery and technology implementation.

- **Highway Research & Development Program -** $200 million for research activities associated with safety, infrastructure preservation, environmental mitigation and streamlining, operations, livability, innovative program delivery solutions, and policy.

- **Technology & Innovation Deployment Program -** $144 million program to address testing, evaluating, and accelerating the delivery and deployment of technologies.

- **Training & Education Program -** $40 million to train the current and future transportation workforce; transferring knowledge quickly and effectively.

These FHWA programs will apply innovative technologies to construct and maintain the nation's roads, bridges and tunnels, which keeps the highway system in a state of good repair. In addition, these programs will generate economic growth by helping deliver transportation projects more quickly and encouraging innovation.

The RT&E request also includes $260 million for several programs administered by the Office of the Assistant Secretary for Research and Technology:

- Intelligent Transportation Systems ($110 million)
- Competitive University Transportation Center Consortia ($72 million)
- Bureau of Transportation Statistics ($38 million)
- Multi-Modal Innovative Research Program ($20 million)
- University Transportation Center Multimodal Competitive Research Grants ($20 million)

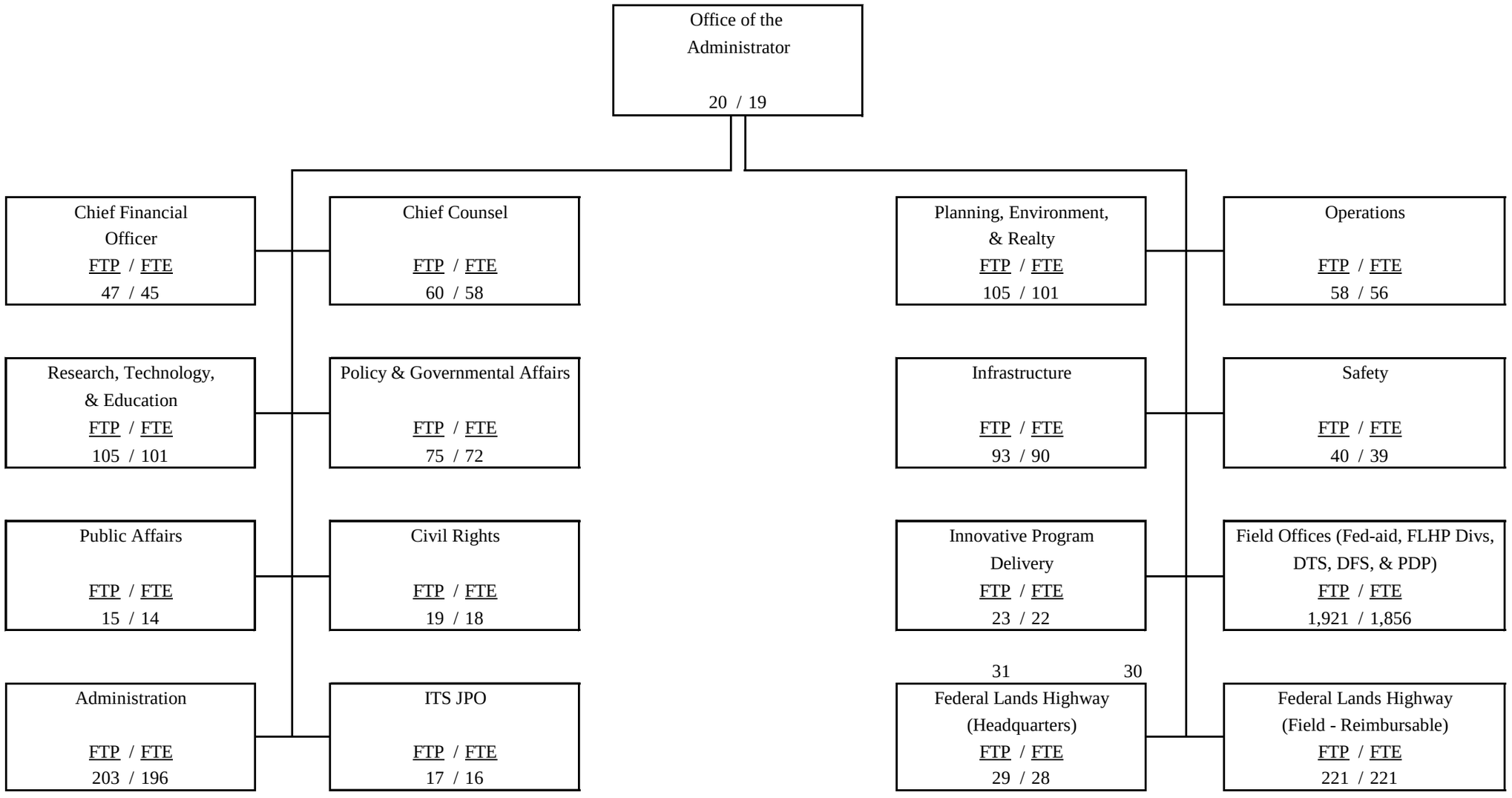
Transportation Leadership Awards (TLA) ($700 million) is a competitive grant program that will incentivize State departments of transportation, metropolitan planning organizations, tribal governments and other transportation agencies to make the reforms necessary to institutionalize best practices and innovations in transportation policy. The program will reform the way transportation investments and decisions are made and implemented to realize better performance outcomes and to integrate performance management into the budget and project selection process.

To oversee effectively the program activities described above, FHWA will require **$441 million for administrative expenses funding** for staff and other support costs. These resources are essential for FHWA and the Appalachian Regional Commission to perform critical oversight

functions and successfully implement the programs proposed in the budget. Reflected within this request are administrative cost savings identified for travel and transportation (5 percent reduction), printing (40 percent reduction), advisory service contracts (25 percent reduction), and supplies and promotional item (10 percent reduction) costs. The Section III narrative for the Limitation on Administrative Expenses (LAE) identifies these savings in detail.

EXHIBIT-I

FEDERAL HIGHWAY ADMINISTRATION ORGANIZATION CHART
FY 2012 AUTHORIZED FTP POSITIONS AND FTE ESTIMATES



FTP - POSITIONS	
Direct funded	2,830
Indirect funded	224
Total	3,054

FTE	
Direct funded	2,731
Indirect funded	224
Total	2,955

FTP & FTE shown by office are estimates only. FHWA has periodic needs that change due to proper management of the organization. Direct funded FTE presented by office reflect a pro-ration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST.

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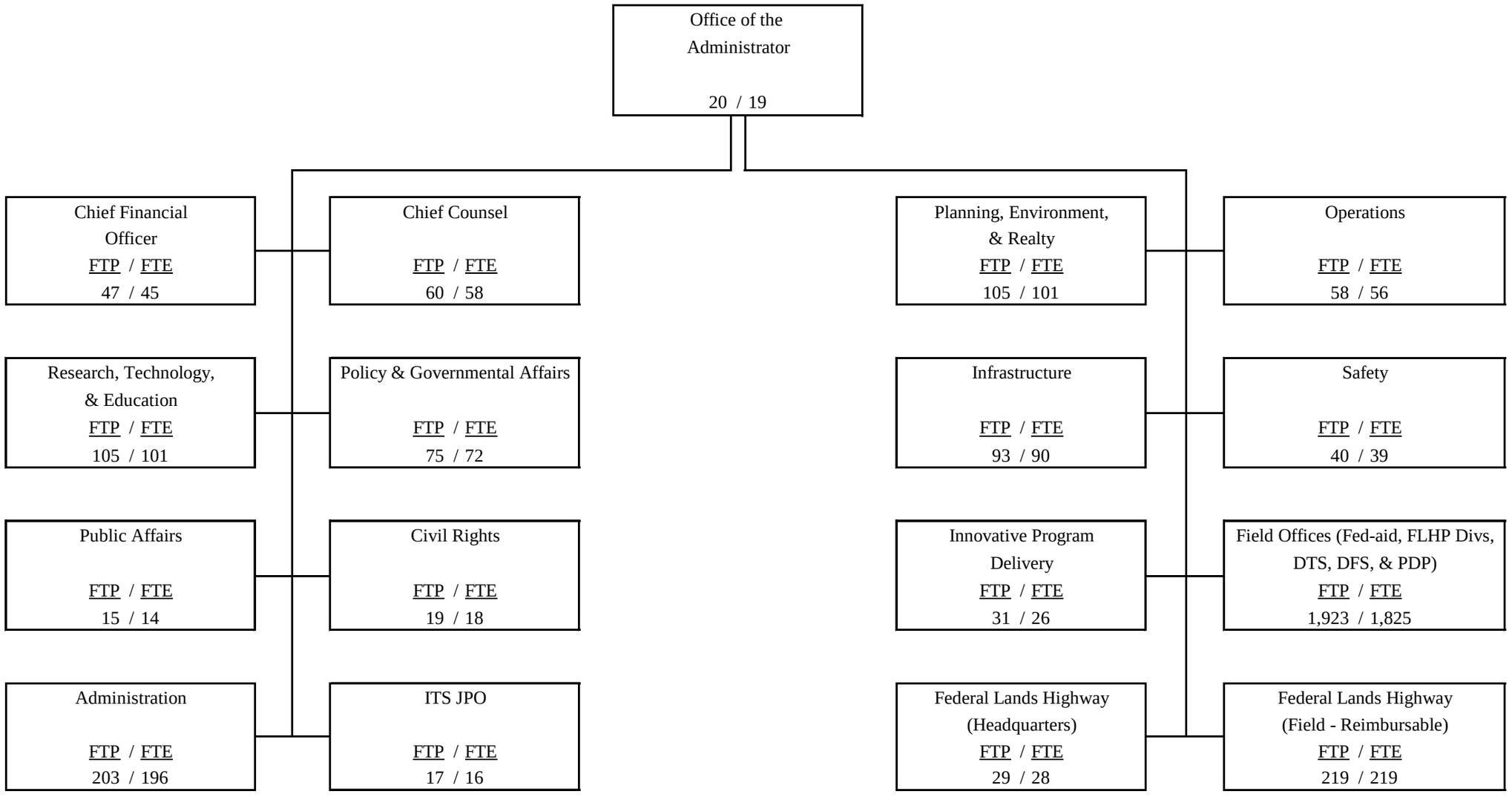

FTP - POSITIONS	
Direct funded	2,840
Indirect funded	222
Total	3,062

FTE	
Direct funded	2,704
Indirect funded	222
Total	2,926

FTP & FTE shown by office are estimates only. FHWA has periodic needs that change due to proper management of the organization. Direct funded FTE presented by office reflect a pro-ration of total FTE. Indirect funded FTP & FTE include Federal Lands Highway reimbursable FTE and allocation FTE from OST.

FEDERAL HIGHWAY ADMINISTRATION
Proposed Funding Classification

All surface transportation funding and spending are mandatory, attributed to the Transportation Trust Fund (TTF), and are proposed to be subject to PAYGO. Outlays flowing from contract authority, prior obligations of the Highway Trust Fund, baseline discretionary budget authority and outlays of programs merged into the TFF are now classified as mandatory and subject to PAYGO in all years. Additionally, 2011 enacted and 2012 estimated discretionary budget authority and outlays for programs merged into the TTF are also reclassified as mandatory for comparability purposes.

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EXHIBIT II-1

FY 2013 COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNT	FY 2011 ACTUAL		FY 2012 ENACTED		FY 2013 REQUEST
Administrative Expenses (FHWA Admin Contract Authority only - GOE)	[413,533]		[412,000]		[437,780]
Federal-aid Highways					
Contract Authority (subject to limitation)	42,303,152		39,446,216	2/	41,830,000
Fed-aid (baseline adjustment for contract authority)			- 302,633	3/	
Flex Transfers to/from FTA	- 1,211,495		-----		-----
Exempt Contract Authority	739,000		739,000		739,000
Subtotal for Federal-aid Highways	41,830,657		39,882,583		42,569,000
TIFIA Upward (Subsidy) Re-estimate	32,676		7,382		-----
Unobligated Balance Rescission from PL 112-10	- 2,825,150	1/	-----		-----
Total Federal-aid Highways	39,038,184		39,889,965		42,569,000
Miscellaneous Trust Funds (TF)	60,150		60,150		60,150
Right of Way Revolving Fund (TF)	-15,234		-8,000		-24,959
Miscellaneous Appropriations (GF) (TIFIA Interest Re-estimate)	18,603		4,655		-----
Emergency Relief (GF)	-----		1,662,000		-----
Payment to the Transportation Trust Fund (GF)	-----		-----		38,486,000
Subtotals	**39,101,703**		**41,608,770**		**81,090,191**

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 REQUEST
Immediate Transportation Investments (GF)	-----	28,000,000	-----
TOTALS	**39,101,703**	**69,608,770**	**81,090,191**

[ ] Non-add

1/ PL 112-10 included four sections of law which contained rescissions of unobligated balances of contract authority. Total rescissions for FY 2011 are as follows: $2.5 billion for Section 2207; $164.6 million for Section 2210; and $8.2 million for Section 2212. Section 2211 was calculated at the end of FY 2011 and totaled $152.4 million.

2/ The Surface Transportation Extension Act of 2011 (P.L. 112-30) authorized $19,723,108,198 through March 31, 2011 for CA subject to limitation, and shown here as annualized for the entire FY 2012.

3/ This reduction in combination with the annualized CA level for FY 2012 reflects an adjustment in the President's Budget Appendix which lowers CA to match obligation limitation provided by the FY 2012 annual appropriations act (P.L. 112-55).

EXHIBIT II-2

FY 2013 TOTAL BUDGETARY RESOURCES BY APPROPRIATION ACCOUNT
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

ACCOUNT	FY 2011 ACTUAL		FY 2012 ENACTED	FY 2013 REQUEST
[Limitation on administrative expenses (FHWA Admin only - GOE] [1/]	[413,533]		[412,000]	[437,780]
Federal-aid Highways [2/]				
(Liquidation of contract authorization)	(43,042,000)		(39,882,583)	(42,569,000)
(Limitation on obligations)	(39,895,505)	3/	(39,143,583)	(41,830,000)
Subtotal (Limitation on obligations)	(39,895,505)		(39,143,583)	(41,830,000)
Exempt contract authority	739,000		739,000	739,000
Total, Fed-aid Obligation Limitation & Exempt Contract Authority	40,634,505		39,882,583	42,569,000
Emergency Relief (GF)	-----		1,662,000	-----
Total, Federal Highway Administration				
(Limitation on obligations)	(39,895,505)		(39,143,583)	(41,830,000)
Exempt contract authority	739,000		739,000	739,000
Disaster relief funds (GF)	-----		1,662,000	-----
Subtotal Budgetary Resources, FHWA	**40,634,505**		**41,544,583**	**42,569,000**

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 REQUEST
Immediate Transportation Investments (GF)	-----	28,000,000	-----
Total Budgetary Resources, FHWA	**40,634,505**	**69,544,583**	**42,569,000**

[ ] Non-add

1/ Reflects limitation for FHWA general operating expenses (GOE) only, without including amounts appropriated for the Appalachian Regional Commission in FY 2012 and FY 2013 ($3,220 million both years). Does not include appropriation for Office of Inspector General in FY 2011 ($3.809 million).
2/ Highway Trust Fund in FY 2011 and FY 2012 -- Transportation Trust Fund in FY 2013.
3/ Reflects a net $1.211 billion flex funding transfer to FTA. In FY 2011, the total enacted Federal-aid Highways obligation limitation was $41,107.

EXHIBIT II-3

FY 2013 BUDGET REQUEST BY DOT STRATEGIC AND ORGANIZATIONAL GOALS
FEDERAL HIGHWAY ADMINISTRATION
New Contract Authority
($000)

ACCOUNT/Program	Safety	Environmental Sustainability	State of Good Repair	Livable Communities	Economic Competitiveness	Org. Excellence	TOTAL
Federal-aid Highways 1/	$8,636,112	$5,046,974	$19,072,724	$3,877,132	$5,930,422	$5,636	$42,569,000
Highway Safety Program	2,539,000	0	0	0	0	0	2,539,000
National Highway Program	4,858,200	2,591,040	17,813,400	2,267,160	4,858,200	0	32,388,000
Livable Communities Program	320,000	2,000,000	0	1,200,000	480,000	0	4,000,000
Research, Technology, and Education Program 2/	182,333	87,932	173,911	79,097	115,091	5,636	644,000
Federal Allocation Program	407,100	135,700	542,800	135,700	135,700	0	1,357,000
TIFIA	100,000	75,000	100,000	50,000	175,000	0	500,000
Transportation Leadership Awards (TLA)	140,000	105,000	245,000	105,000	105,000	0	700,000
Limitation on Administrative Expenses (LAE) 3/	89,479	52,302	197,613	40,175	61,431	0	441,000
TOTAL:	$8,636,112	$5,046,974	$19,072,724	$3,877,132	$5,930,422	$5,636	$42,569,000
FTE (TTF Federal-aid only) 3/	549	321	1,211	246	377	0	2,704

1/ Program goal dollars were determined using percentages provided by DOT HQ program officials. The amounts by goal shown here provide the best estimate available.
2/ The Office of Assistance Secretary for Research and Technology estimates $5.6 million for the Organizational Excellence goal.
3/ LAE funding levels and total FTE by goal were determined by applying a pro-ration of program dollars by goal.

EXHIBIT II-3-a

FY 2013 BUDGET REQUEST BY DOT OUTCOMES
FEDERAL HIGHWAY ADMINISTRATION
New Contract Authority
($000)

DOT Outcome	Program	FY 2013 Request
Safety		$8,636,112
Reduction in transportation-related fatalities and injuries. (Fatalities and Fatality Rate)		
	Highway Safety Program	$2,412,050
	National Highway Program	$3,886,560
	Livable Communities Program	$120,000
	Research, Technology, and Education Program	$128,881
	Federal Allocation Program	$305,325
	TIFIA	$85,000
	Transportation Leadership Awards	$105,000
	Limitation on Administrative Expenses	$73,735
Improved safety experience for all road users.		
	Highway Safety Program	$126,950
	National Highway Program	$971,640
	Livable Communities Program	$200,000
	Research, Technology, and Education Program	$53,452
	Federal Allocation Program	$101,775
	TIFIA	$15,000
	Transportation Leadership Awards	$35,000
	Limitation on Administrative Expenses	$15,744
Environmental Sustainability		$5,046,974
Reduced carbon/emissions and improved energy efficiency and reduced dependence on oil.		
	National Highway Program	$971,640
	Livable Communities Program	$1,200,000
	Research, Technology, and Education Program	$44,784
	Federal Allocation Program	$67,850
	TIFIA	$37,500
	Transportation Leadership Awards	$52,500
	Limitation on Administrative Expenses	$24,872
Increased use of environmentally sustainable practices in the transportation sector. (No. of Projects with sustainable design and/or tools)		
	National Highway Program	$1,619,400
	Livable Communities Program	$800,000
	Research, Technology, and Education Program	$43,148
	Federal Allocation Program	$67,850
	TIFIA	$37,500
	Transportation Leadership Awards	$52,500
	Limitation on Administrative Expenses	$27,430

EXHIBIT II-3-a

FY 2013 BUDGET REQUEST BY DOT OUTCOMES
FEDERAL HIGHWAY ADMINISTRATION
New Contract Authority
($000)

DOT Outcome	Program	FY 2013 Request
State of Good Repair		$19,072,724
Increased percentage of highways in good condition. (Pavement Condition)		
	National Highway Program	$12,955,200
	Research, Technology, and Education Program	$86,955
	Federal Allocation Program	$271,400
	TIFIA	$62,500
	Transportation Leadership Awards	$140,000
	Limitation on Administrative Expenses	$141,518
Increased percentage of bridges in good and fair condition. (Bridge Condition)		
	National Highway Program	$4,858,200
	Research, Technology, and Education Program	$86,956
	Federal Allocation Program	$271,400
	TIFIA	$37,500
	Transportation Leadership Awards	$105,000
	Limitation on Administrative Expenses	$56,095
Livable Communities		$3,877,132
Improved networks that accommodate pedestrians and bicycles. (No. of State & MPO Plans that address)		
	National Highway Program	$1,295,520
	Livable Communities Program	$800,000
	Research, Technology, and Education Program	$57,845
	Federal Allocation Program	$101,775
	TIFIA	$25,000
	Transportation Leadership Awards	$70,000
	Limitation on Administrative Expenses	$24,608
Improved access to transportation for people with disabilities and older adults.		
	National Highway Program	$971,640
	Livable Communities Program	$400,000
	Research, Technology, and Education Program	$21,252
	Federal Allocation Program	$33,925
	TIFIA	$25,000
	Transportation Leadership Awards	$35,000
	Limitation on Administrative Expenses	$15,567
Economic Competitiveness		$5,930,422
Maximum economic returns on transportation policies and investments. (Travel Time Reliability)		
	National Highway Program	$4,858,200
	Livable Communities Program	$480,000
	Research, Technology, and Education Program	$115,091
	Federal Allocation Program	$135,700
	TIFIA	$175,000
	Transportation Leadership Awards	$105,000
	Limitation on Administrative Expenses	$61,431
Organizational Excellence		$5,636
	Research, Technology, and Education Program	$5,636
TOTAL:		$42,569,000

1/ The program outcome dollars were determined using percentages, which may change as the programs are developed further. The amounts by outcome shown here provide the best estimate available.

EXHIBIT II-4

FY 2013 BUDGET AUTHORITY
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNT	Mandatory/ Discretionary	FY 2011 ACTUAL		FY 2012 ENACTED		FY 2013 REQUEST
Federal-aid Highways						
Contract Authority (subject to limitation)	Mand.	42,303,152		39,446,216	2/	41,830,000
Fed-aid (baseline adjustment for contract authority)	Mand.	-----		- 302,633	3/	-----
Flex Transfers to/from FTA	Mand.	- 1,211,495		-----		-----
Exempt contract authority	Mand.	739,000		739,000		739,000
Subtotal for Federal-aid Highways		41,830,657		39,882,583		42,569,000
TIFIA Upward Re-estimate	Mand.	32,676		7,382		-----
Unobligated Balance Rescission from PL 112-10	Mand.	- 2,825,150	1/	-----		-----
Total Federal-aid Highways		39,038,184		39,889,965		42,569,000
Miscellaneous Trust Funds (TF)	Mand.	60,150		60,150		60,150
Right of Way Revolving Fund (TF)	Mand.	-15,234		-8,000		-24,959
Miscellaneous Appropriations (GF) (TIFIA Re-Estimate)	Mand.	18,603		4,655		-----
Emergency Relief (GF)	Discr.	-----		1,662,000		-----
Payment to the Transportation Trust Fund (GF)	Mand.	-----		-----		38,486,000
Subtotals		**39,101,703**		**41,608,770**		**81,090,191**
[Discretionary]		-----		1,662,000		-----
[Mandatory]		39,101,703		39,946,770		81,090,191

		FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 REQUEST
Immediate Transportation Investments (GF)	Mand.	-----	28,000,000	-----
TOTALS		**39,101,703**	**69,608,770**	**81,090,191**
PROPRIETARY AND OTHER GOVERNMENTAL RECEIPTS				
Adv. from State Coop, Other Fed. Agencies, and Foreign Gov.	Mand.	54,514	54,514	54,514
Cooperative work, forest highways	Mand.	1,445	1,445	1,445
Transportation Infrastructure Finance & Innovation Program	Mand.	15,473	71,311	-----
Adv for Hwy Research Prog, Misc Trust	Mand.	178	178	178
Deposits for Coop. Work, International Highway Trans Outreach	Mand.	3,605	3,605	3,605
US Funding Advanced From Foreign Gov for Tech Asst	Mand.	390	390	390
Transportation Infrastructure Fin. & Innovation Program In	Mand.	671	27,824	-----
Payment from the General Fund, Hwy Trust Fund (MMA)	Mand.	-----	-----	8,000,000
Payment from the General Fund, Hwy Trust Fund (Mass transit)	Mand.	-----	-----	12,000,000
Payment from the General Fund, Hwy Trust Fund (Highways)	Mand.	-----	-----	18,486,000
Advances from Other Federal Agencies	Mand.	19	- 80	- 80
TOTAL		**76,295**	**159,187**	**38,546,052**

[ ] Non-add

1/ PL 112-10 included four sections of law which contained rescissions of unobligated balances of contract authority. Total rescissions for FY 2011 are as follows: $2.5 billion for Section 2207; $164.6 million for Section 2210; and $8.2 million for Section 2212. Section 2211 was calculated at the end of FY 2011 and totaled $152.4 million.

2/ The Surface Transportation Extension Act of 2011 (P.L. 112-30) authorized $19,723,108,198 through March 31, 2011 for CA subject to limitation, and shown here as annualized for the entire FY 2012.

3/ This reduction in combination with the annualized CA level for FY 2012 reflects an adjustment in the President's Budget Appendix which lowers CA to match the obligation limitation provided by the FY 2012 annual appropriations act (P.L. 112-55).

EXHIBIT II-5

FY 2013 OUTLAYS
FEDERAL HIGHWAY ADMINISTRATION
($000)

ACCOUNTS	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Federal-aid Highways (TTF)	36,135,740	38,980,088	41,469,055
Subject to Obligation Limitation	35,454,152	38,076,884	40,473,693
Exempt	536,808	788,902	944,362
TIFIA Re-estimate	32,676	7,382	-----
Emergency Relief Supplementals	112,104	106,920	51,000
Appalachian Development Highway System (TTF)	852	2,231	2,076
Miscellaneous Highway Trust Funds (TTF)	24,685	36,102	38,917
Right-of-Way Revolving Fund (TTF)	-15,234	-8,000	-24,959
Miscellaneous Trust Funds (TTF)	56,064	85,768	91,291
Highway Infrastructure Investment, ARRA 2009 (GF)	7,966,334	2,020,595	1,586,273
Payment to Highway Trust Fund (GF)	-----	-----	38,486,000
Emergency Relief Program (GF)	414,019	865,508	936,807
Highway Infrastructure Program (GF)	134,852	132,760	151,051
Appalachian Development Highway System (GF)	21,569	31,972	34,962
Miscellaneous Appropriations (GF)	87,382	98,360	85,954
Miscellaneous Appropriations -- TIFIA Re-Estimate (GF)	18,603	4,655	-----
TIFIA Financing Account (GF)	-20,000	-32,000	12,000
State Infrastructure Banks (GF)	480	127	39
Subtotals	**44,825,346**	**42,218,166**	**82,869,467**
[Mandatory]	36,083,069	38,955,591	79,970,388
[Discretionary]	8,742,277	3,262,575	2,899,079

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 REQUEST
Immediate Transportation Investments (GF)		2,520	12,320
TOTALS	**44,825,346**	**42,220,686**	**82,881,787**

Note: Detail lines may not add to Totals due to rounding.

EXHIBIT II-6

SUMMARY OF REQUESTED FUNDING CHANGES FROM BASE
FEDERAL HIGHWAY ADMINISTRATION
Appropriations, Obligation Limitations, and Exempt Obligations

LIMITATION ON ADMINISTRATIVE EXPENSES
($000)

		Baseline Changes										
	FY 2012 Enacted	Annualization of 2012 Pay Raises	Annualization of 2012 FTE	2013 Pay Raises	One Additional Compensable Day	Adjustment to Base Pay	GSA Rent	WCF Increase/ Decrease	Inflation/ Deflation	FY 2013 Baseline Estimate	Program Increases/ Decreases	FY 2013 Request
PERSONNEL RESOURCES (FTE)												
Direct FTE	2,345									2,345		2,345
FINANCIAL RESOURCES												
Salaries and Benefits	$299,100	$ --		$ 1,126	$1,150	$1,200				$302,576		$302,576
Travel	$10,178								$51	$10,229		$10,229
Transportation	$1,737								$9	$1,746		$1,746
GSA Rent	$26,728						$1,183			$27,911		$27,911
Rent, Communications & Utilities	$5,833								$29	$5,862		$5,862
Printing	$881								$4	$885		$885
Other Services:												
-WCF	$26,492							$519		$27,011		$27,011
-Other	$35,078								$175	$35,253	$20,304	$55,557
Supplies	$1,775								$9	$1,784		$1,784
Equipment	$4,198								$21	$4,219		$4,219
Subtotal, FHWA General Operating Expenses	**$412,000**	**$ --**	**$ --**	**$ 1,126**	**$1,150**	**$1,200**	**$1,183**	**$519**	**$ 298**	**$417,476**	**$ 20,304**	**$437,780**
ARC	$3,220	$ --		$ 12	$12				$16	$3,260	$ (40)	$3,220
OIG	$0									$0		$0
GRAND TOTAL, Obligation Limitation	**$415,220**	**$ --**	**$ --**	**$ 1,138**	**$1,162**	**$1,200**	**$1,183**	**$519**	**$ 314**	**$420,736**	**$ 20,264**	**$441,000**

Note: OIG has requested to be provided resources within their own FY 2013 request.

EXHIBIT II-7

WORKING CAPITAL FUND
FEDERAL HIGHWAY ADMINISTRATION
($000)

	FY 2012 ENACTED	FY 2013 REQUEST	CHANGE
DIRECT:			
Federal-aid Highways (Transportation Trust Fund)			
Limitation on administrative expenses	26,492	27,011	519
SUBTOTAL	26,492	27,011	519
REIMBURSABLE:			
Federal-aid Highways (Transportation Trust Fund)			
Limitation on administrative expenses	-----	-----	-----
SUBTOTAL	-----	-----	-----
TOTAL	**26,492**	**27,011**	**519**

EXHIBIT II-8

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
PERSONNEL RESOURCE--SUMMARY
TOTAL FULL-TIME EQUIVALENTS

	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
DIRECT FUND, BY APPROPRIATION			
Federal-aid Highways -- General Operating Expenses and Direct Construction -- FLH, ARC, & TIFIA	2,663	2,694	2,698
Miscellaneous Trust Funds	6	6	6
Direct Construction -- Highway Infrastructure Investment, ARRA 2009	45	31	-----
SUBTOTAL, DIRECT FUNDED	2,714 1/	2,731 1/	2,704
REIMBURSEMENT/ ALLOCATIONS/OTHERS			
Reimbursable Authority -- Federal-aid Highways	221	221	219
Allocation From OST, TIGER grants	3	3	3
SUBTOTAL, REIMBURSEMENTS/ALLOCATIONS/OTHER	224	224	222
TOTAL FTEs	2,938	2,955	2,926

1/ This includes FTE from funding within the $27.5 billion as provided under the American Recovery and Reinvestment Act of 2009.

EXHIBIT II-9

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
RESOURCE SUMMARY - STAFFING
TOTAL FULL-TIME PERMANENT POSITIONS

	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
DIRECT FUND, BY APPROPRIATION			
Federal-aid Highways -- General Operating Expenses and Direct Construction -- FLH, ARC, & TIFIA	2,820	2,820	2,830
Miscellaneous Trust Funds	10	10	10
SUBTOTAL, DIRECT FUNDED	2,830	2,830	2,840
REIMBURSEMENT/ ALLOCATIONS/OTHERS			
Reimbursable Authority -- Federal-aid Highways	185	221	219
Allocation From OST, TIGER grants	3	3	3
SUBTOTAL, REIMBURSEMENT/ALLOCATION/OTHERS	188	224	222
TOTAL POSITIONS	3,018	3,054	3,062
INFO:			
Allocations to other agencies	-----	-----	-----

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FEDERAL HIGHWAY ADMINISTRATION
HISTORICAL FUNDING LEVELS (2003-2012)
($000)

	FY 2003 2/	FY 2004 3/	FY 2005 4/	FY 2006 5/	FY 2007	FY 2008 6/	FY 2009 7/	FY 2010 9/	FY 2011 10/	FY 2012 11/
Federal-Aid Highways										
Obligation Limitation 1/	$31,800,000	$33,843,000	$34,422,400	$36,032,344	$39,086,465	$41,216,051	$40,700,000	$41,107,000	$41,107,000	$39,143,583
Liquidation of Contract Authority (C.A.)	$32,000,000	$34,000,000	$35,000,000	$36,032,344	$36,032,344	$41,955,051	$41,439,000	$41,846,000	$41,846,000	$39,882,583
Emergency Relief Funds (C.A.)	$100,000	$100,000	$100,000	$100,000	$101,737	$100,000	$100,000	$100,000	$100,000	$100,000
LGOE/LAE - (Non Add within Federal-Aid)	$504,126	$462,604	$2,369,500	$3,837,001	$1,251,814	$1,438,236	$399,500	$413,533	$413,533	$412,000
Admin Expenses - LGOE	316,126	337,604	346,500	364,638	360,992	377,556	390,000	413,533	413,533	412,000
Supplemental Emergency Relief Funds			$1,943,000	$3,452,363	$871,022	$1,045,000				$1,662,000
Appalachian Development Highway System (GF)	$188,000	$125,000	$80,000	$20,000	$19,800	$15,680	$9,500			
Appalachian Development Highway System (TF)										
Miscellaneous Appropriations	$90,600	$4,000		$153	$1,328	$15,148	$167,563	$346,515	$18,603	$4,655
Highway Infrastructure Programs (GF)								$650,000		
Highway Infrastructure Investment, Recovery Act (GF)							$27,500,000 **8/**			
Miscellaneous Highway Trust Fund	$285,000	$50,000	$34,000							

Note: This table reflects actual enacted amounts as appropriated.
1/ Does not reflect $1.291 billion transferred to and from Federal Transit Administration in FY 2001, $1.175 billion in FY 2002, $1.067 billion in FY 2003, $1.022 billion in FY 2004, $1.005 billion in FY 2005, $1.383 billion in FY 2006, $975 million in FY 2007, $1,001 million in FY 2008, $985.4 million in FY 2009, and $1,411 billion in FY 2010.
2/ Does not reflect the following rescissions in FY 2003: Federal-aid $206.700 million, LAE $ 2.055 million, Appalachian Dev. Hwy. Sys. $1.222 million, Misc. Appropriations $0.589 million, and Misc. Hwy. Trust Funds $1.853 million.
3/ Does not reflect the following rescissions in FY 2004: Federal-aid $207 million, LAE $3.989 million, ADHS $0.738 million, Misc. Appropriations $0.021 million, and Misc. Hwy. Trust Funds $0.295 million.
4/ Does not reflect the following rescissions in FY 2005: LAE $2.8 million, Appalachian Dev. Hwy. Sys. $0.640 million, Misc. Hwy Trust Funds $0.272 million.
5/ Does not reflect the following rescissions in FY 2006: Federal-aid $360 million, LAE $3.6 million, Appalachian Dev. Hwy. Sys. $0.200 million.
6/ Does not reflect the following rescissions of new authority in FY 2008: Federal-aid $486.2 million, LAE $43.4 million.
7/ Does not reflect the following rescissions of new authority in FY 2009: $1.162 billion from the $3.15 billion FY 2009 appropriated rescission and $5.3 billion from the $8.7 billion FY 2009 SAFETEA-LU rescission.
8/ Does not reflect $288.4 million transferred to Federal Transit Administration in FY 2009.
9/ Reflects Appropriations for obligation limitation in FY 2010. Extension bill provided through February 28, 2010.
10/ Reflects annualized appropriations from FY 2010. Extension bill provided beyond FY 2011 through March 31, 2012.
11/ Reflects enacted appropriations for FY 2012. Also reflects annualized authorization -- the extension bill provided authorization through March 31, 2012.

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FEDERAL-AID HIGHWAYS
JUSTIFICATION OVERVIEW

The FHWA FY 2013 budget request represents a new paradigm in funding our nation's highways. Built on past successes, the new structure is a significant departure from the previous eight years (FY 2005-2012) carried out under SAFETEA-LU and strives to enhance the safety, livability, condition, and efficiency of our nation's highway system. The new construct consists of seven core programs: Safety Program; National Highway Program; Livable Communities Program; Research, Technology and Education Program; Federal Allocation Program, Transportation Infrastructure Finance and Innovation Act Program, and Transportation Leadership Awards Program. Requested funding levels for each program over 6 years are provided on the following page.

The remainder of this Section contains detailed narratives to justify our budget request.

FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS
FY 2013 - 2018 BUDGET PROPOSAL IN FY 2013 REQUEST

Program	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Total 2013-2018
Administrative Expenses	**441,000,000**	**468,000,000**	**489,000,000**	**511,000,000**	**533,000,000**	**558,000,000**	**3,000,000,000**
National Highway Program	**32,388,000,000**	**35,042,000,000**	**37,478,000,000**	**39,490,000,000**	**41,246,000,000**	**43,169,000,000**	**228,813,000,000**
Highway Infrastructure Performance Program	16,750,000,000	17,100,000,000	17,800,000,000	18,600,000,000	19,500,000,000	20,300,000,000	110,050,000,000
Flexible Investment Program 1/	15,638,000,000	17,942,000,000	19,678,000,000	20,890,000,000	21,746,000,000	22,869,000,000	118,763,000,000
Highway Safety Program	**2,539,000,000**	**2,732,000,000**	**2,851,000,000**	**2,980,000,000**	**3,112,000,000**	**3,250,000,000**	**17,464,000,000**
Highway Safety Improvement Program	2,246,000,000	2,417,000,000	2,522,000,000	2,636,000,000	2,753,000,000	2,875,000,000	15,449,000,000
Highway Safety Data Improvement Program	293,000,000	315,000,000	329,000,000	344,000,000	359,000,000	375,000,000	2,015,000,000
Livable Communities Program	**4,000,000,000**	**4,290,000,000**	**4,477,000,000**	**4,680,000,000**	**4,888,000,000**	**5,104,000,000**	**27,439,000,000**
Livable Communities Formula Grants	3,300,000,000	3,539,000,000	3,693,000,000	3,861,000,000	4,033,000,000	4,211,000,000	22,637,000,000
Investments for Livable Communities Grants	500,000,000	536,000,000	560,000,000	585,000,000	611,000,000	638,000,000	3,430,000,000
Livability Capacity Building Grants	200,000,000	215,000,000	224,000,000	234,000,000	244,000,000	255,000,000	1,372,000,000
Research, Technology and Education Program	**644,000,000**	**650,000,000**	**650,000,000**	**675,000,000**	**700,000,000**	**700,000,000**	**4,019,000,000**
Highway Research and Development	200,000,000	202,000,000	202,000,000	210,000,000	217,000,000	217,000,000	1,248,000,000
Technology and Innovation Deployment	144,000,000	146,708,000	145,568,000	159,913,000	173,574,000	168,546,000	938,309,000
Training and Education	40,000,000	40,000,000	40,000,000	42,000,000	43,000,000	43,000,000	248,000,000
ITS (RITA)	110,000,000	110,000,000	110,000,000	110,000,000	110,000,000	110,000,000	660,000,000
Competitive UTC Consortia (RITA)	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000	72,000,000	432,000,000
BTS (RITA)	38,000,000	38,292,000	38,432,000	38,087,000	40,426,000	44,454,000	237,691,000
Multimodal Innovative Research Program (RITA)	20,000,000	21,000,000	22,000,000	23,000,000	24,000,000	25,000,000	135,000,000
UTC Multimodal Competitive Research Grants (RITA)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	120,000,000
Federal Allocation Program	**1,357,000,000**	**1,474,000,000**	**1,550,000,000**	**1,631,000,000**	**1,713,000,000**	**1,776,000,000**	**9,501,000,000**
Emergency Relief 2/	100,000,000	109,000,000	114,000,000	120,000,000	126,000,000	131,000,000	700,000,000
Federal Lands Transportation Program	430,000,000	467,000,000	491,000,000	517,000,000	543,000,000	562,000,000	3,010,000,000
NPS/FWS set-aside (non-add)	*315,000,000*	*340,000,000*	*360,000,000*	*380,000,000*	*380,000,000*	*380,000,000*	*2,155,000,000*
Competitive (non-add)	*115,000,000*	*127,000,000*	*131,000,000*	*137,000,000*	*163,000,000*	*182,000,000*	*855,000,000*
Federal Lands Access Program	177,000,000	192,000,000	202,000,000	213,000,000	223,000,000	232,000,000	1,239,000,000
Tribal Transportation Program	600,000,000	652,000,000	685,000,000	721,000,000	757,000,000	785,000,000	4,200,000,000
On-the-Job Training	25,000,000	27,000,000	29,000,000	30,000,000	32,000,000	33,000,000	176,000,000
Disadvantaged Business Enterprise	25,000,000	27,000,000	29,000,000	30,000,000	32,000,000	33,000,000	176,000,000
TIFIA PROGRAM	**500,000,000**	**500,000,000**	**500,000,000**	**500,000,000**	**500,000,000**	**500,000,000**	**3,000,000,000**
TIFIA	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	3,000,000,000
Admin take-down (non-add)	*5,000,000*	*5,000,000*	*5,000,000*	*5,000,000*	*5,000,000*	*5,000,000*	*30,000,000*
TRANSPORTATION LEADERSHIP AWARDS	**700,000,000**	**1,300,000,000**	**1,666,000,000**	**2,073,000,000**	**2,818,000,000**	**3,460,000,000**	**12,017,000,000**
Admin take-down (non-add)	*1,000,000*	*1,000,000*	*1,000,000*	*1,000,000*	*1,000,000*	*1,000,000*	*6,000,000*
TOTAL	**42,569,000,000**	**46,456,000,000**	**49,661,000,000**	**52,540,000,000**	**55,510,000,000**	**58,517,000,000**	**305,253,000,000**
CA Subject to Obligation Limitation	**41,830,000,000**	**45,717,000,000**	**48,922,000,000**	**51,801,000,000**	**54,771,000,000**	**57,778,000,000**	**300,819,000,000**
CA Exempt from Obligation Limitation 2/	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**739,000,000**	**4,434,000,000**

1/ Amounts include $639M exempt from Obligation Limitation
2/ Amounts are exempt from Obligation Limitation

EXHIBIT III-1

FEDERAL-AID HIGHWAYS
SUMMARY BY PROGRAM ACTIVITY
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

ACCOUNTS	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST	CHANGE FY 2012-2013	
[Limitation on administrative expenses (FHWA Admin only - GOE] [1/]	[413,533]	[412,000]	[437,780]	[25,780]	
Federal-aid Highways Obligation Limitation	(39,895,505) [2/]	(39,143,583)	(41,830,000)	(2,686,417)	1/
Subtotal, Obligation Limitation	(39,895,505)	(39,143,583)	(41,830,000)	(2,686,417)	
Exempt Programs	739,000	739,000	739,000	-----	
Total, Obligation Limitation & Exempt Contract Authority	**40,634,505**	**39,882,583**	**42,569,000**	**2,686,417**	
FTEs					
Direct Funded	2,663	2,694	2,698	4	1/
Reimbursements/Allocations/Other	221	221	219	-2	
Total, FTE	**2,884**	**2,915**	**2,917**	**2**	

Program and Performance Statement

This account provides necessary resources to the Federal-aid Highways program. These funds aid in the development, operations, and management of an intermodal transportation system that is economically efficient. It also provides the necessary resources to support and maintain the FHWA administrative infrastructure.

[ ] Non-add

1/ Reflects limitation for FHWA general operating expenses (GOE) only, without including amounts appropriated for the Appalachian Regional Commission in FY 2012 and FY 2013 ($3,220 million both years). Does not include appropriation for Office of Inspector General in FY 2011 ($3.809 million). FTE increase reflects 8 new positions for TIFIA (4 FTE) from program funding.

2/ Reflects a net $1.211 billion flex funding transfer to FTA.

EXHIBIT III-1a

FEDERAL-AID HIGHWAYS
SUMMARY ANALYSIS OF CHANGE FROM FY 2012 TO FY 2013
Appropriations, Obligation Limitations, and Exempt Obligations
($000)

Item	Change from FY 2012 to FY 2013 ($000)	Change from FY 2012 to FY 2013 FTE
FY 2012 Base	**$39,882,583**	**2,694**
Federal-aid Highways		
Adjustments to Base		
FY 2013 President's Raise (0.5%)	$1,138	
Pay Changes - Add One Compensable Day	$1,162	
Pay Changes - Adjustment to base pay (re-estimate)	$1,200	
GSA Rent	$1,183	
WCF	$519	
Inflation	$314	
Subtotal, Adjustments to Base	**$5,516**	**0**
New or Expanded Programs		
Other Services - Contract Services (Accounting Support)	$1,256	
Other Services - Learning & Development	$3,966	
Other Services - Financial Management & Reporting System	$5,000	
Other Services - Data & Reporting Systems Integration	$4,000	
Other Services - Document Management System (DMS)	$3,582	
Other Services - Video Teleconferencing Modernization	$1,200	
Other Services - Continuous Monitoring & Config Mgmt.	$800	
Other Services - Cloud Computing	$500	
ARC - net reductions for FY 2012 Cost to Compete & Infl.	-$40	
Federal-aid Highways Grants	$2,660,637	
Increase of Base FTE (direct) - TIFIA		4
Subtotal, New or Expanded Programs	**$2,680,901**	**4**
FY 2013 Total Request [Ob. Lim. + Exempt CA]	**$42,569,000**	**2,698**

EXHIBIT III-2

ANNUAL PERFORMANCE RESULTS AND TARGETS

FEDERAL HIGHWAY ADMINISTRATION

The Federal Highway Administration (FHWA) integrates performance results into its budget request to demonstrate alignment with the Department of Transportation's *Strategic Plan*. The FHWA tracks the following DOT-level performance measures to demonstrate program results.

DOT Goal: Safety

Highway Fatality Rate per 100 million VMT.	2007	2008	2009	2010	2011	2012	2013
Target			1.35	1.30	1.10	1.05	1.03
Actual	1.37	1.25	1.13	1.10	N/A*		

N/A* - Data will be available December 2012.
Safety is a DOT priority goal for 2012-2013.

DOT Goal: State of Good Repair

Percent of travel on Enhanced NHS roads with pavement performance standards rated good.	2009	2010	2011	2012	2013
Target	52	54	55	56 (r)	57
Actual	52	N/A*	N/A*		

(r) = Revised target

N/A* - Data will be available December 2012. The 2010 data is not available yet due to database issues associated with this newly revised measure.

Percent of deck area (i.e., the roadway surface of a bridge) on Enhanced NHS bridges rated structurally deficient	2009	2010	2011	2012	2013
Target			7.9	7.8	7.7
Actual	8.4	8.5	7.9		

DOT Goal: Livable Communities

Number of States with policies that improve transportation choices for walking, wheeling, and bicycling *(NEW)*	FY 2010	FY 2011	FY 2012	FY 2013
Target		22	26	27
Actual	21	24		

Number of states that have developed an Americans with Disabilities Act (ADA) transition plan that is current and includes the public rights-of-way. *(NEW)*	FY 2010	FY 2011	FY 2012	FY 2013
Target	9	11	14	15
Actual	9	13		

DOT Goal: Economic Competitiveness

Travel time reliability in freight significant corridors.	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target		15.0	15.0	15.0	14.8
Actual	13.8	13.7	13.8		

Travel time reliability (i.e., Travel Time Index) in urban areas.	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Target		1.17	1.21	1.21	1.21
Actual	1.19	1.21	1.21		

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization legislation, funds available for the implementation or execution of programs of Federal-aid highways and highway safety construction programs authorized under titles 23 and 49, United States Code, and the provisions of Public Law 109-59, as amended by such authorization, shall not exceed total obligations of $41,830,000,000 for fiscal year 2013: Provided, That the Secretary may collect and spend fees, as authorized by title 23, United States Code, to cover the costs of services of expert firms, including counsel, in the field of municipal and project finance to assist in the underwriting and servicing of Federal credit instruments and all or a portion of the costs to the Federal Government of servicing such credit instruments: Provided further, That such fees are available until expended to pay for such costs: Provided further, That such amounts are in addition to administrative expenses that are also available for such purpose, and are not subject to any obligation limitation or the limitation on administrative expenses under section 608 of title 23, United States Code.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(TRANSPORTATION TRUST FUND)

Contingent upon enactment of multi-year surface transportation authorization language, $42,569,000,000, to be derived from the Highway Account of the Transportation Trust Fund and to remain available until expended, for the payment of obligations incurred in carrying out Federal-aid highways and highway safety construction programs authorized under title 23, United States Code, as amended by such authorization.

(ADMINISTRATIVE PROVISIONS - FEDERAL HIGHWAY ADMINISTRATION)

Sec. 120. Contingent upon enactment of multi-year surface transportation authorization legislation, the following authorities shall apply for fiscal year 2013:

(a) The Secretary of Transportation shall—

(1) not distribute from the obligation limitation for Federal-aid highways amounts authorized for administrative expenses and programs by section 104(a) of title 23, United States Code; and the Bureau of Transportation Statistics;

(2) not distribute an amount from the obligation limitation for Federal-aid highways that is equal to the unobligated balance of amounts made available from the Highway Account of the Transportation Trust Fund (other than the Mass Transit Account) for Federal-aid highways and highway safety programs for previous fiscal years the funds for which are allocated by the Secretary;

(3) determine the ratio that—

(A) the obligation limitation for Federal-aid highways, less the aggregate of amounts not distributed under paragraphs (1) and (2), bears to

(B) the total of the sums authorized to be appropriated for the Federal-aid highway and highway safety construction programs (other than sums authorized to be appropriated for provisions of law described in paragraphs (1) through (11) of subsection (b) and sums authorized to be appropriated for section 133 of title 23, United States Code, equal to the amount referred to in subsection (b)(12) for such fiscal year), less the aggregate of the amounts not distributed under paragraphs (1) and (2) of this subsection;

(4) distribute the obligation limitation provided for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2), for each of the programs that are allocated by the Secretary under title 23, United States Code, as amended by such authorization legislation, (other than to programs to which paragraph (1) applies), by multiplying the ratio determined under paragraph (3) by the amounts authorized to be appropriated for each such program for such fiscal year; and

(5) distribute the obligation limitation provided for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2) and the amounts distributed under paragraph (4), for Federal-aid highway and highway safety construction programs that are apportioned by the Secretary under title 23, United States Code, as amended by such authorization legislation, (other than the amounts apportioned for the flexible investment program in section 133 of title 23, United State Code, that are exempt from limitation under subsection (b)(12)) in the ratio that—

(A) amounts authorized to be appropriated for the programs that are apportioned under such title to each State for such fiscal year; bear to

(B) the total of the amounts authorized to be appropriated for the

programs that are apportioned under such title to all States for such fiscal year.

(b) Exceptions From Obligation Limitation.--The obligation limitation for Federal-aid highways shall not apply to obligations:

(1) under section 125 of title 23, United States Code;
(2) under section 147 of the Surface Transportation Assistance Act of 1978 (23 U.S.C. 144 note; 92 Stat. 2714);
(3) under section 9 of the Federal-Aid Highway Act of 1981 (Public Law 97-134; 95 Stat. 1701);
(4) under subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982 (Public Law 97-424; 96 Stat. 2119);
(5) under subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17; 101 Stat. 198);
(6) under sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991 (Public Law 102-240; 105 Stat. 2027);
(7) under section 157 of title 23, United States Code (as in effect on June 8, 1998);
(8) under section 105 of title 23, United States Code (as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years);
(9) for Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century (Public Law 105-178; 112 Stat. 107) or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used;
(10) under section 105 of title 23, United States Code (as in effect for fiscal years 2005 through 2012, but only in an amount equal to $639,000,000 for each of those fiscal years);
(11) under section 1603 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109-59; 119 Stat. 1248), to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation; and
(12) under section 133 of title 23, United State Code (but, for fiscal years 2013, only in an amount equal to $639,000,000).

(c) Redistribution of Unused Obligation Authority.-- Notwithstanding subsection (a), the Secretary shall, after August 1 of such fiscal year, revise a distribution of the obligation limitation made available under subsection (a) if an amount distributed cannot be obligated during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year, giving priority to those States having large unobligated balances of funds apportioned under sections 144 (as in effect on the date before the

date of enactment of such authorization legislation) and 104 of title 23, United States Code, as amended by such authorizing legislation.

(d) Applicability of Obligation Limitations to Transportation Research Programs.--The obligation limitation shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code, as amended by such authorization legislation, except that obligation authority made available for such programs under such limitation shall remain available until used for obligation of such funds for transportation research programs and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(e) Redistribution of Certain Authorized Funds.—

(1) In general.--Not later than 30 days after the date of distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds that

(A) are authorized to be appropriated for such fiscal year for Federal-aid highway programs; and

(B) the Secretary determines will not be allocated to the States, and will not be available for obligation, in such fiscal year due to the imposition of any obligation limitation for such fiscal year.

(2) Ratio.--Funds shall be distributed under paragraph (1) in the same ratio as the distribution of obligation authority under subsection (a)(5).

(3) Availability.--Funds distributed under paragraph (1) shall be available for any purpose described in section 133(c) of title 23, United States Code.

Sec. 121. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to 49 U.S.C. 111 may be credited to the Federal-aid Highways account for the purpose of reimbursing the Bureau for such expenses: Provided, That such funds shall be subject to the obligation limitation for Federal-aid Highways and highway safety construction programs.

Sec. 122. Not less than 15 days prior to waiving, under his statutory authority, any Buy America requirement for Federal-aid highway projects, the Secretary of Transportation shall make an informal public notice and comment opportunity on the intent to issue such waiver and the reasons therefor: Provided, That the Secretary shall provide an annual report to the House and Senate Committees on Appropriations on any waivers granted under the Buy America requirements.

LIMITATION ON ADMINISTRATIVE EXPENSES

(TRANSPORTATION TRUST FUND)
(INCLUDING TRANSFER OF FUNDS)

Not to exceed $437,780,000, together with advances and reimbursements received by the Federal Highway Administration, shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration for necessary expenses for administration and operation. In addition, not to exceed $3,220,000 shall be paid from appropriations made available by this Act and transferred to the Appalachian Regional Commission in accordance with section 104 of title 23, United States Code.

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations				
	Obligations by program activity:			
00.10	Surface transportation program	9,510	9,511	.....
00.11	National highway system	8,218	8,219	.....
00.12	Interstate maintenance	5,950	5,951	.....
00.13	Bridge program	5,516	5,517	.....
00.14	Congestion mitigation and air quality improvement	1,347	1,347	.....
00.15	Highway safety improvement programs	1,503	1,503	.....
00.16	Equity programs	1,172	1,790	.....
00.17	Federal lands highways	480	480	.....
00.18	Appalachian development highway system	380	380	.....
00.19	High priority projects	1,572	1,579	.....
00.20	Projects of national and regional significance	238	238	.....
00.21	Research, development, and technology	366	370	.....
00.22	Administration	407	412	441
00.23	Other programs	3,748	3,748	261
00.24	National highway program	.....	.....	32,388
00.25	Safety program	.....	.....	2,539
00.26	Livable communities program	.....	.....	4,000
00.27	Research, technology and education program	.....	.....	644
00.28	Federal allocation program	.....	.....	1,357
00.29	TIFIA Program	.....	.....	500
00.30	Challenge grants	.....	.....	700
00.91	Programs subject to obligation limitation	40,407	41,045	40,809
02.11	Emergency relief program	40	181	120
02.13	Equity programs	348	909	747
02.14	Demonstration projects	30	13	9
02.91	Programs exempt from obligation limitation	418	1,103	876
05.00	Total direct program	40,825	42,148	41,685
	Credit program obligations:			
07.01	Direct loan subsidy	.....	97	478
07.02	Loan guarantee subsidy	.....	20	20
07.05	Reestimates of direct loan subsidy	33	7	.....
07.09	Administrative expenses	2	2	5
07.91	Direct program activities, subtotal	35	155	503
07.99	Total direct obligations	40,860	42,274	42,188
08.01	Reimbursable program	90	250	250
09.00	Total new obligations	40,950	42,524	42,438

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Budgetary resources				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	31,025	29,329	27,247
10.11	Unobligated balance transferred from other accounts [69-8350]	12	……	……
10.50	Unobligated balance (total)	31,037	29,329	27,247
Budget authority				
	Appropriations, discretionary:			
11.01	Appropriation (trust fund)	41,846	39,883	42,569
11.20	Appropriations transferred to other accounts [69-8350]	-1,140	……	……
11.21	Appropriations transferred from other accounts [69-8350]	34	……	……
11.37	Appropriations applied to liquidate contract authority	-40,740	-39,883	-42,569
11.60	Appropriations, discretionary (total)	……	……	……
	Appropriations, mandatory:			
12.01	Appropriation (trust fund, indefinite)	33	7	……
12.60	Appropriations, mandatory (total)	33	7	……
	Contract authority, discretionary:			
15.40	Contract authority, discretionary (total)	……	……	……
	Contract authority, mandatory:			
16.00	Contract authority	43,042	39,883	42,569
16.10	Transfer to other accounts [69-8350]	-1,233	……	……
16.11	Transfer from other accounts [69-8350]	22	……	……
16.20	Unobligated balance permanently reduced (PL 111-226)	-2,825	……	……
16.40	Contract authority, mandatory (total)	39,006	39,883	42,569
	Spending authority from offsetting collections, discretionary:			
17.00	Collected	107	250	250
17.01	Change in uncollected payments, Federal sources	96	……	……
17.50	Spending authority from offsetting collections, discretionary (total)	203	250	250
19.00	Budget authority (total)	39,242	40,133	42,819
19.30	Total budgetary resources available	70,279	69,469	70,066
	Memorandum (non-add) entires:			
19.41	Unexpired unobligated balance, end of year	29,239	27,247	25,244
Change in obligated balance				
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	64,706	69,413	72,675
30.10	Uncollected payments, Federal sources, brought forward, Oct 1	-335	-431	-431
30.20	Obligated balance, start of year (net)	64,371	68,982	72,244
30.30	Obligations incurred, unexpired accounts	40,950	42,524	42,438
30.40	Outlays (gross)	-36,243	-39,262	-30,483
30.50	Change in uncollected payments, Federal sources, unexpired	-96	……	……
	Obligated balance, end of year (net):			
30.90	Unpaid obligations, end of year (gross)	69,413	72,675	84,630
30.91	Uncollected payments, Federal sources, end of year	-431	-431	-431
31.00	Obligated balance, end of year (net)	68,982	72,244	84,199

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

PROGRAM AND FINANCING SCHEDULE
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Budget authority and outlays, net				
	Discretionary:			
40.00	Budget authority, gross	203	250	250
	Outlays, gross:			
40.10	Outlays from new discretionary authority	9,629	10,819	250
40.11	Outlays from discretionary balances	25,932	27,647	29,289
40.20	Outlays, gross (total)	35,561	38,466	29,539
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
40.30	Federal sources	-105	-250	-250
40.33	Non-Federal sources	-2	……	……
40.40	Offsets against gross budget authority and outlays (total)	-107	-250	-250
	Additional offsets against gross budget authority only:			
40.50	Change in uncollected payments, Federal sources, unexpired	-96	……	……
40.70	Budget authority, net (discretionary)	……	……	……
40.80	Outlays, net (discretionary)	35,454	38,216	29,289
	Mandatory:			
40.90	Budget authority, gross	39,039	40,192	40,185
	Outlays, gross:			
41.00	Outlays from new mandatory authority	234	207	200
41.01	Outlays from mandatory balances	448	589	744
41.10	Outlays, gross (total)	682	796	944
41.60	Budget authority, net (mandatory)	39,039	40,192	40,185
41.70	Outlays, net (mandatory)	682	796	944
41.80	Budget authority, net (total)	39,039	40,192	40,185
41.90	Outlays, net (total)	36,136	39,012	30,233

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

OBJECT CLASSIFICATION
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct obligations:				
	Personnel compensation:			
11.1	Full-time permanent	275	289	289
11.3	Other than full-time permanent	3	6	6
11.5	Other personnel compensation	4	4	4
11.9	Total personnel compensation	282	299	299
12.1	Civilian personnel benefits	74	86	86
21.0	Travel and transportation of persons	14	15	15
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	25	27	27
23.2	Rental payments to others	1	……	……
23.3	Communications, utilities, and misc. charges	2	3	3
24.0	Printing and reproduction	1	1	1
25.1	Advisory and assistance services	51	43	43
25.2	Other services from non-federal sources	284	353	353
25.3	Other goods and services from federal sources	494	425	425
25.4	Operation and maintenance of facilities	……	4	4
25.7	Operation and maintenance of equipment	46	34	34
26.0	Supplies and materials	4	4	4
31.0	Equipment	2	6	6
32.0	Land and structures		8	8
33.0	Investments and loans	33	7	……
41.0	Grants, subsidies, and contributions	38,574	39,987	41,930
99.0	Direct obligations	39,888	41,303	43,239
99.0	Reimbursable obligations	91	250	250

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
FEDERAL-AID HIGHWAYS

OBJECT CLASSIFICATION
in millions of dollars

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Allocation account - direct:				
	Personnel compensation:			
11.1	Full-time permanent	44	44	44
11.3	Other than full-time permanent	7	7	7
11.5	Other personnel compensation	4	4	4
11.9	Total personnel compensation	55	55	55
12.1	Civilian personnel benefits	15	15	15
21.0	Travel and transportation of persons	4	4	4
22.0	Transportation of things	1	1	1
23.1	Rental payments to GSA	4	4	4
23.3	Communications, utilities, and misc. charges	1	1	1
25.1	Advisory and assistance services	6	6	6
25.2	Other services from non-federal sources	364	364	364
25.3	Other goods and services from federal sources	2	2	2
26.0	Supplies and materials	8	8	8
31.0	Equipment	5	5	5
32.0	Land and structures	14	14	14
41.0	Grants, subsidies, and contributions	490	491	491
42.0	Insurance claims and indemnities	1		
99.0	Allocation account - direct	970	970	970
99.5	Below reporting threshold	1	1	……
99.9	Total new obligations	40,950	42,524	44,459

FEDERAL-AID HIGHWAYS

EMPLOYMENT SUMMARY

Identification code: 69-8083-0-7-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
	Direct:			
10.01	Civilian full-time equivalent employment	2,663	2,694	2,698
	Reimbursable:			
20.01	Civilian full-time equivalent employment	221	221	219
	Allocation account:			
30.01	Civilian full-time equivalent employment	3	3	3

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Executive Summary
Highway Safety Improvement Program (HSIP)

What Is The Request & What Will We Get For The Funds?
The budget proposes a $2.246 billion Federal-aid infrastructure-focused program to significantly reduce highway fatalities and serious injuries on all public roads directly tied to the Department's safety goal and Roadway Safety Plan principles. The request represents an increase of 40 percent annually over the existing SAFETEA-LU safety program, a significant increase to the funding dedicated to improving the safety of highway infrastructure. Safety is a DOT priority goal for 2012 and 2013.

What Is The Program?
- A data-driven, strategic approach to improving highway safety to reduce fatalities and serious injuries.
- Ensures coordination among all highway safety modes, including coordination with National Highway Traffic Safety Administration (NHTSA) and Federal Motor Carrier Safety Administration (FMCSA) safety programs in conjunction with all Department safety initiatives.
- Continues the requirement that each State develop a Strategic Highway Safety Plan. This statewide, coordinated safety plan in each State will provide a comprehensive framework for establishing statewide goals, objectives, and performance targets.
- Increases the eligibility and flexibility of safety-focused funding. Ends the transfer of safety funds to non-safety programs unless certain safety performance targets are met.
- Eliminates the railroad-crossing safety set-aside. Projects previously funded under the railroad-crossing program remain fully eligible for HSIP funding.
- Requires States to spend a minimum of 10 percent of their HSIP funds on projects to improve the safety of any public rural road in lieu of the High Risk Rural Roads set-aside.

Why Is This Particular Program Necessary?
The program saves lives. Almost 33,000 people died on the nation's highways in 2010 and action must be taken to address this serious public safety problem. The financial burden of highway crashes is at least $230 billion per year – a sign of the economic magnitude of highway crashes.

How Do You Know The Program Works?
FHWA estimates show that infrastructure-related safety investments provide an overall benefit-cost ratio of 14:1. The number of highway-related fatalities decreased almost 25 percent between 2005 and 2010, and the HSIP and other US DOT safety programs contributed to this success for the American public. It is estimated that more than 5,000 fatalities and 17,000 serious injuries could be prevented as a result of HSIP investments alone under SAFETEA-LU.

Why Do We Want/Need To Fund The Program At The Requested Level?
Safety is the Department's top priority, as emphasized in the new DOT Safety Policy. The funding request significantly increases funding to address safety needs on the nation's highways. Quite simply, a lower level of funding will result in more highway fatalities and serious injuries on all public roads. A single death on our highways is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capabilities to prevent them.

Detailed Justification
Highway Safety Improvement Program

What Do I Need To Know Before Reading This Justification?

- The Highway Safety Improvement Program (HSIP) is an existing program under SAFETEA-LU.
- The program requires strategic safety planning, devotes additional resources to infrastructure-related safety improvements, and supports innovative approaches on all public roads.
- This justification relates to continuing the program at a higher funding level, with features including: 1) a performance-based framework; 2) greater flexibility; 3) making optimal safety infrastructure investment decisions; and 4) coordination with other DOT safety investments. This program is coupled with a Highway Safety Data Improvement Program.

What Is The Request And What Will We Get For The Funds?

FY 2013 – Highway Safety Program ($2.539 billion)
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Highway Safety Program			
FY 2012 cross-walked programs	1,605,540		- 1,605,540
Highway Safety Improvement Program	-----	2,246,000	2,246,000
Highway Safety Data Improvement Program	-----	293,000	293,000
Total	**1,605,540**	**2,539,000**	**933,460**

Note: Includes cross-walked programs in SAFETEA-LU extention for FY 2012 (annualized).

- **Key actions or anticipated milestones in the budget year**
  - Establishment of a performance-based framework for the HSIP that is coordinated with NHTSA's and FMCSA's safety programs and performance measures, as well as all Department safety initiatives, and is incorporated into FHWA's overall performance management system.
  - An increase in the number of proven countermeasures States implement from Strategic Highway Safety Plans.
  - Increased flexibility to use HSIP funds to address a broad range of safety issues.

- **Key outputs expected in budget year –** The number of HSIP projects implemented and HSIP obligation rates. Using States' annual reports, obtain more complete data on HSIP projects to conduct a comprehensive evaluation of the overall program.
- **Key outcomes expected in the budget year** – The safety benefits of the HSIP program are long-term and sustainable, which means that their full life saving value continues over multiple years. The previous HSIP investments made under SAFETEA-LU will continue to provide safety benefits long after the funds are expended. The benefits expected in FY 2013 include a reduction in fatalities and serious injuries from safety improvements that were implemented during the last 10 years; just as the projects completed in FY 2013 will continue to generate benefits in the future.

What Is This Program?

The program authorizes a Federal-aid infrastructure-focused funding program to achieve a significant reduction in fatalities and serious injuries on all public roads. It is directly tied to the Department's safety strategic goal and the Roadway Safety Plan. The HSIP includes a data-driven, strategic approach to improving highway safety. As such, the program is coupled with a Highway Safety Data Improvement Program for the States to establish or improve their roadway safety data program. Another major program feature is a statewide, coordinated strategic highway safety plan in each State that provides a comprehensive framework for establishing statewide goals, objectives, and performance targets; and that integrates the four "Es" - engineering, education, enforcement and emergency medical services. The plan is developed by each State through a cooperative process involving local, State, Federal, Tribal, and private-sector stakeholders to address the safety needs for all public roads. The States will be guided by the plan and their data systems in using the HSIP and other funds to produce a program of projects and strategies to solve relevant safety challenges.

Proposed changes from SAFETEA-LU's HSIP:

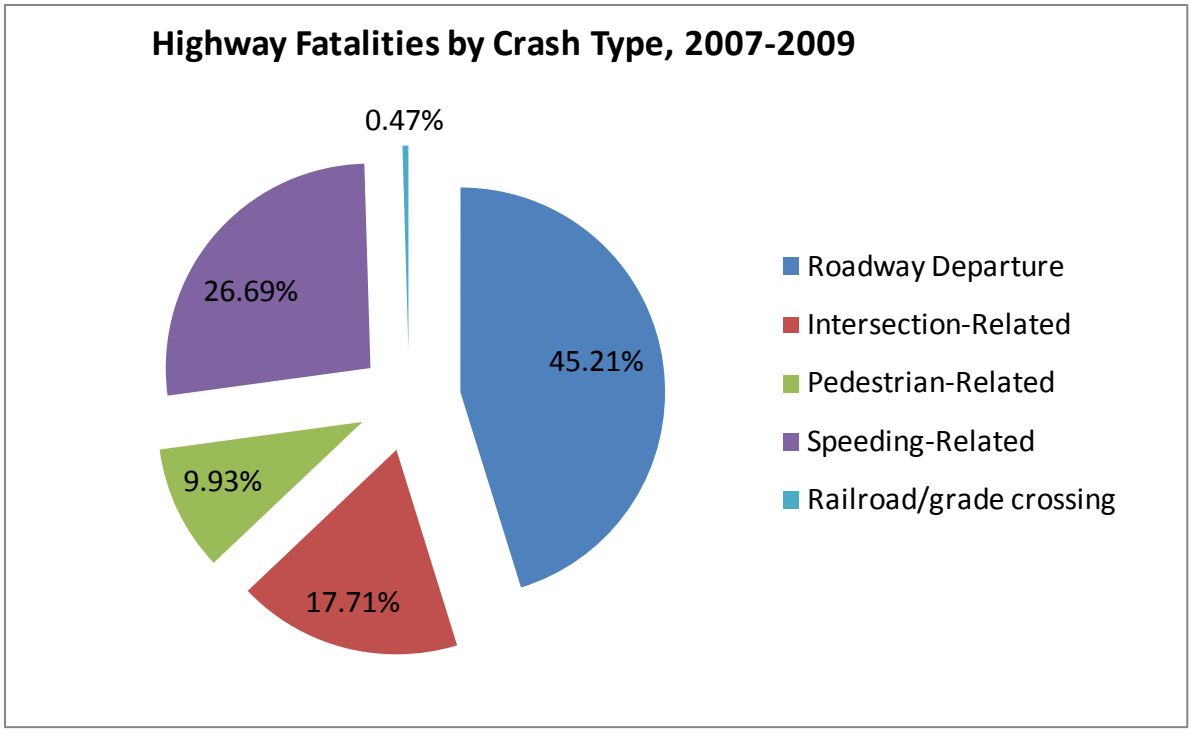
- **Establish a performance-based framework –** Establish a performance-based framework for the HSIP that is coordinated with NHTSA's and FMCSA's safety programs and is incorporated into FHWA's overall performance management system. The features of the framework will include:
    - A coordinated set of roadway safety metrics emphasizing outcome measures
    - A process to establish performance targets for those measures
    - Evaluation of program results
    - Greater flexibility for those states that achieve their performance targets; more focused investments in safety for those States that do not meet their targets
    - Technical assistance that is aimed towards the achievement of State performance targets
- **A Statewide Strategic Highway Safety Plan** – Each State's Strategic Highway Safety Plan (SHSP) will address how all available funds (Tribes, Federal, State, and local) will

be used to achieve safety performance targets. The SHSP will inform the NHTSA and FMCSA plans and will be updated every five years.

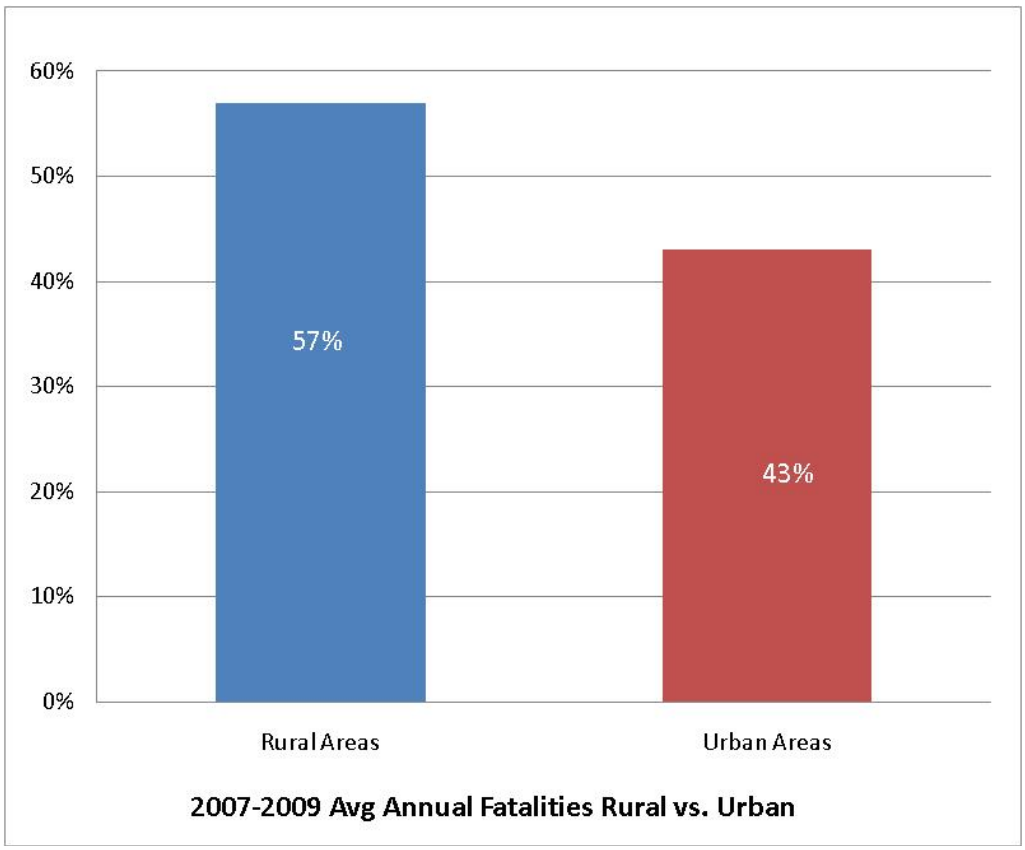
- **A single set of safety performance targets** – To most effectively improve overall highway safety, there should be only one set of safety targets in each State. The budget proposes performance based on the overall goal that is established through the SHSP process. The State's goal will contribute to the achievement of national targets.
- **Targets to be set in collaborative process** –As part of the cooperative SHSP process, performance areas will be identified and appropriate performance metrics and targets will be developed. Performance metrics and progress in achieving performance targets will be tracked on an annual basis.
- **Data and Analysis –** States are required to develop a safety data system or advance their capabilities to maintain a record of safety data on all public roads; identify roadway features that constitute a danger to road users and perform safety problem identification and countermeasure analysis. This requirement is supported by the new Highway Safety Data Improvement Program.
- **HSIP Implementation –** As part of each State highway safety improvement program, the State will collect and analyze safety data to prioritize their safety needs. States would then establish and implement a schedule of highway safety improvement projects, activities or strategies to address the identified safety problems. A State would prepare an annual implementation plan describing how the HSIP activities would make progress toward achieving safety performance targets. The State would also report annually on the extent to which these activities achieve performance targets.
- **Eligibility of HSIP program –** Eligible activities for the use of HSIP funds will be expanded and FHWA will provide information to clarify current eligibilities that some States may not be aware of. For example:
    - Specific emphasis will be placed on the eligibility of systemic safety improvements that are based on not only high crash frequency, but where there are high-risk roadway features that are correlated with particular crash types. Such systemic improvements may include installation of rumble strips, placement of guardrail or upgrading existing signs and pavement markings.
    - Professional development programs, training and activities to increase the knowledge base of safety practitioners will be eligible.
    - States can use HSIP funds for safety program evaluations.
    - Projects that provide infrastructure and equipment to support Emergency Medical Services will become eligible.
    - HSIP funds will be encouraged to be used as part of other system improvement projects to fund roadway safety infrastructure included as part of the larger project. However, HSIP funds are not to supplant funds for capital projects, but to upgrade projects.
- **Increase flexibility for states** – Under SAFETEA-LU, States are eligible to use up to 10 percent of their HSIP funds for non-infrastructure safety projects under 23 U.S.C. that are

addressed in their State SHSP (including education, enforcement and emergency medical services). Currently, to take advantage of this flexibility provision, States must certify that they are appropriately addressing their infrastructure safety needs. As part of this proposal, the percentage of funds that can be used on other safety projects that are addressed in the SHSP will increase from 10 to 25 percent to allow projects with the highest safety payoffs to be funded. The requirement to certify focuses on the most effective projects to make progress towards achieving safety performance targets.

- **Streamline the delivery of systematic safety projects** - Optimize the delivery of safety projects by improving the processes by which funds can be used for systematic improvements particularly on rural roads. Unlike most Federal-aid projects, most safety projects occur within existing rights-of-way and have very limited environmental impacts. Such process improvements will be particularly beneficial for those projects that are on locally-owned roadways where the local governments may have very limited experience addressing the environmental, process and financial oversight requirements of standard FHWA projects.
- **End transfer of HSIP funds to other (i.e., non-safety) programs** – When safety became a core program in SAFETEA-LU, states were allowed under Section 126 of Chapter 23 U.S.C. (Uniform transferability of Federal-aid Highway funds) to transfer up to 50 percent of their funds out of the HSIP to non-safety programs such as Interstate Maintenance, National Highway System, Highway Bridge Repair and Replacement Program, and other Federal-aid Highway programs. In FY 2010, 11 states took advantage of the transfer provision and a total of $120 million of HSIP funds were transferred to other programs. This provision will end the transfer of safety funds to non-safety programs unless certain performance targets are met. If the safety performance targets are met in the previous year, the State will be granted the flexibility to transfer up to 50 percent of their HSIP funds to other, non-safety programs.
- **Focused obligation authority to improve performance** – HSIP funds should be used for safety projects to achieve the State's safety performance targets. For those States that do not meet their performance targets, a portion of their subsequent obligation authority (in the amount of that year's HSIP apportionment) could only be used for HSIP projects. If a State meets its performance targets in the previous year, it will be granted the flexibility to use its obligation authority for all core programs.
- **Eliminate railroad-crossing program set aside** - Eliminate the annual set aside of HSIP funds for railroad-crossing safety (which was $220 million in SAFETEA-LU). The nation has had tremendous success in significantly reducing rail crossing fatalities, which now represent less than 1 percent of the annual total of road-related fatalities. As such, the portion of HSIP funds (17 percent in FY 2010) set aside to address railroad-crossings is no longer warranted. Projects previously funded under the railroad-crossing program will remain fully eligible for HSIP funding, and States will be given the flexibility to fund the projects of greatest need in their area.



- **High risk rural roads program (HRRR)** – Although the nation has a tremendous challenge in improving safety on rural roads, elements of the program authorized in SAFETEA-LU inadvertently made it very difficult for State and local agencies to make full use of these funds. The Department proposes to eliminate these restrictive elements and put such projects under the same criteria as the rest of the HSIP. The High Risk Rural Roads program will be replaced with a more flexible, easier to administer 10 percent set aside dedicated to rural road safety. Since the majority of fatalities occur on rural roads, we believe that resources should be targeted to rural safety projects. States will be required to spend a minimum of 10 percent of their HSIP funds on projects to improve the safety of any public rural road. States are encouraged to expend additional HSIP funds on rural roads as necessary to meet statewide goals.



- **Integrated Roadway Safety Programs** – Consistent with the Department's Roadway Safety Plan, this proposal sets forth a vision to significantly reduce fatalities and serious injuries on all public roads by implementing a collaborative national roadway safety strategy working with a broad array of committed stakeholders. Within USDOT, the proposal emphasizes integration, coordination and collaboration among FHWA, FMCSA, NHTSA and the Office of the Assistant Secretary for Research and Technology. Coordination is encouraged for Safety plans from each of the agencies, cross-modal safety data collection and analysis; and continued efforts to provide flexibility and simplification in the administration of safety programs, applications and award processes.

Why is this particular program necessary?

The Department of Transportation (DOT) has set a vision for significantly reducing the overall number of highway fatalities and serious injuries by undertaking various strategies in the focus areas of safer vehicles, safer driver behavior and safer highway infrastructure. FHWA contributes a large portion towards the achievement of this vision through the close working relationship with other safety modes, State, tribal and local governments and other partners. While NHTSA and FMCSA focus their resources on improved vehicle and user safety, FHWA concentrates on ensuring the safety of the infrastructure upon which all vehicles and users operate. The balance of coordinated efforts enables various DOT modes to concentrate on their areas of expertise while working towards a single goal at the federal level. This continued coordination eliminates the potential for duplication of efforts, and encourages greater unity of

effort at the federal level. Coupled with a comprehensive focus on shared reliable safety data, the efforts of all modes will ensure that the federal efforts are implemented to their greatest potential. The HSIP is the main instrument for highway infrastructure safety used by FHWA for achieving the goal of reduced fatalities and serious injuries.

There is a backlog of highway safety needs. A gross estimate of highway safety needs based on a sample of State reports, indicates that more than $15 billion is needed just to address the top 5 percent most hazardous locations. For example, New Jersey identified their top five percent most hazardous roadway locations and indicated they would need approximately $702 million to address these locations. New Jersey was apportioned $173 million in HSIP funds over the SAFETEA-LU period. The Recovery Act also demonstrated the demand for safety project funding. Over 800 safety improvement projects were given priority for these limited funds, totaling $1.3 billion in safety and operational improvements.

Many State and local agencies currently address safety by identifying high crash locations. Louisiana conducted an analysis on intersection safety improvement needs and determined that, at a minimum, their short term (5-year) intersection needs amount to approximately $63 million, which is more than 50 percent of the State's HSIP apportionment from 2006-2010 of over $122 million. Kentucky conducted a similar analysis on roadway departure safety needs and estimated that $48 million of their $97 million HSIP budget could be dedicated just to roadway departure safety needs.

FHWA is encouraging a systemic approach to safety planning – identifying locations for deployment of lower cost safety measures over many miles of roadway segments. Locations for implementing safety improvements are based on an analysis of what roadways share "dangerous" elements that may be mitigated with the improvement. Systemic improvements address crashes that are widely distributed geographically. For example, Minnesota has 29,000 rural curves (10 percent of their roadway mileage, but 40 percent of the crashes). Half of these curve locations had zero crashes in a five year period, making identification of where spot improvements should occur based on crashes impossible. However, analysis shows that curves with 1,500-foot radius or less have a significantly higher crash rate than higher radius curves. Therefore, a systemic program of low cost signing and marking improvements at only these curves is appropriate. Minnesota's cost to improve the safety of its most dangerous curves would be approximately $22 million. This $22 million would address only the highest potential hazardous curves in only one State. Minnesota would need additional funds for systemic improvements to address other crash types including intersections, pedestrian, bicycle, speeding, other roadway departures, etc.

This program will continue to save lives and prevent serious injuries on the nation's highways. The program supports the new DOT Safety Policy and contributes to the achievement of the DOT Safety goal; specifically to the DOT outcome to reduce transportation related fatalities and injuries. Almost 33,000 people died on the nation's highways in 2010 and the financial burden of highway crashes is at least $230 billion per year. Action must be taken to address this serious public safety and economic problem.

How do you know the program works?

Since the inception of SAFETEA-LU, there has been a doubling of funds for USDOT safety programs which have been strengthened in many ways. Within FHWA, the HSIP program required strategic highway safety plans which are cross-modal in nature. The number of traffic fatalities in the U.S. decreased almost 25 percent between 2005 and 2010, and the HSIP and other US DOT safety programs contributed to this success for the American public.

The SHSP process has fostered an unprecedented level of partnership among a variety of safety stakeholders. As they identify life saving initiatives the demand for dedicated safety resources grows. Further, with an additional emphasis on safety and roadway design characteristics data from the new Highway Safety Data Improvement Program, States will be able to use existing and future analysis tools for problem identification, trend analysis, safety projects and systemic improvement planning.

Safety infrastructure investments are effective and cost-beneficial. FHWA has identified and promoted proven safety countermeasures that have demonstrated benefits for reducing crashes. For example, the installation of centerline rumble strips on a two-lane roadway can expect a 14 percent reduction in all crashes and a 55 percent reduction in head-on crashes. Cable median barriers on multi-lane divided roadways can reduce injury crashes by 29 percent.

Several methods are available for determining benefit-cost ratio for HSIP. Many assumptions are necessary for such analyses, and therefore the numbers presented are rounded, minimized, and/or averaged. In the approach presented here, FHWA analyzed a sample of data from 10 states, representing a cross section of size and geographic location. Based on the 10 State sample, 1,250 HSIP projects were analyzed. This figure, which includes $605 million worth of improvements, does not include all implemented projects, only those where detailed cost information was available.

In the three-year period before the improvements were put in place, the locations for these 1,250 projects averaged 1.5 fatal crashes and 5 serious injuries. Depending on a variety of factors, safety infrastructure countermeasures reduce crashes by 5 to 30 percent, so a 20 percent reduction is used. Further, a standard factor of 1.1 fatalities per fatal crash (or serious injuries per serious injury crash) is used.

With these assumptions, the $605 million investment eliminates 412 fatalities over three years (1,250 projects x 1.5 fatal crashes per project location x 0.20 reduction factor x 1.1 fatalities per fatal crash = 412) **saving 137 lives annually**. The $605 million investment also eliminates 1,374 serious injuries over three years (1,250 x 5 injury crashes per project location x 0.20 reduction factor x 1.1 injuries per injury crash = 1374) **eliminating 458 serious injuries annually**.

Extrapolating the fatality and serious reduction injuries with $605 million to a fully funded program, a $2.246 billion HSIP could save over 500 lives per year and eliminate 1,700 serious injuries. Safety infrastructure countermeasures retain their efficacy for approximately 10 years, so the full benefits of a $2.246 billion annual program are 5,000 lives saved and 17,000 serious injuries prevented. Using the DOT economic values for a statistical life ($6 million), a factor for the comprehensive cost of a serious injury, and a 4 percent discount rate over 10 years, the

$2.246 billion HSIP provides an economic benefit of over $31.5 billion, a benefit-cost ratio of 14 to 1.

Why do we want/need to fund the program at the requested level?

Since Safety is the Department's top priority, it is critical that additional resources are provided to achieve a better safety record in the US. A single death on our highways is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capability to prevent them. To significantly reduce roadway deaths and serious injuries, it is being proposed that the funding for this program be increased by almost $1 billion per year.

A $2.246 billion annual HSIP funding level could reduce fatalities by at least 500 per year and serious injuries by at least 1,700 per year and is estimated to save more than 5,000 lives and 17,000 serious injuries over the ten-year lifecycle of the countermeasures. This program is coupled with a program for safety data systems focused on safety roadway infrastructure elements to allow States to best use existing safety analysis tools and to invest the HSIP funds on the most efficient and effective safety improvements. Funding the program at a lower level will result in fewer safety infrastructure investments reducing the states' ability to make the most effective safety investment decisions. Therefore, less funding will result in fewer lives saved and fewer injuries prevented.

Executive Summary
Highway Safety Data Improvement Program

What Is The Request & What Will We Get For The Funds?
The budget requests $293 million to establish the Highway Safety Data Improvement Program (HSDIP) to ensure that States can make the most cost effective infrastructure design decisions with the greatest safety payoff, based on the actual safety aspects of the system. Coordinated with NHTSA, the Office of the Assistant Secretary for Research and Technology and FMCSA, the HSDIP will enhance the capability of States to collect, use, maintain and share their safety data. Safety is a DOT priority goal for 2012 and 2013.

What Is The Program?
The FHWA safety program encourages more complete and accurate roadway inventory data systems at the State level. The HSDIP will provide States with the necessary tools and information about roadway design characteristics to use along with crash data to make better safety investment decisions. With these data systems in place integrated into base maps, advanced analysis tools can be used to improve states' safety programs.

FHWA will ensure that coordination among all highway safety modes support an enhanced capability for States to collect, use, maintain and share their data. Further, FHWA will partner with the other modes to ensure that States receive consistent technical support and to coordinate and align data-related activities to ensure that funds are leveraged towards the highest impacts.

Why Is This Particular Program Necessary?
Currently, State and local highway agencies cannot make consistent prioritized safety decisions. Highway agencies are not able to consistently locate crashes on all public roads and determine infrastructure related characteristics at crash and non-crash locations. While most States are developing mapping systems, they often are not inclusive of all public roads within the State; and do not contain a consistent set of roadway data elements. These limitations present obstacles to States in implementing the most effective infrastructure, enforcement, and behavioral treatments.

How Do You Know The Program Works?
Some State jurisdictions already use a state-of-the-art data collection and mapping process which allows them to uniquely identify the locations of events or roadway characteristics. These jurisdictions are better able to identify problem spots or high risk features and direct limited resources to correct the identified problems with the most appropriate treatments. DOT, in coordination with the Transportation Research Board (TRB), AASHTO and State partners, has developed several data analysis tools which have shown to be effective in applying the data-driven concept to prioritized planning.

Why Do We Want/Need To Fund The Program At The Requested Level?
This program will give States the necessary resources to collect roadway element data and meet current state-of-practice standards for data quality. These funds will provide States with the necessary data and data analysis capabilities to make evidence-based safety infrastructure investment decisions. Funding the program at a lower level will result in weaker State data systems, reducing the States' ability to make the most effective safety investment decisions.

Detailed Justification
Highway Safety Data Improvement Program

What Do I Need To Know Before Reading This Justification?

- Safety data collection and analysis is an eligible item under the existing SAFETEA-LU Highway Safety Improvement Program (HSIP). However, there has not been a concentrated effort to improve State capabilities in this area.
- This proposed program provides vital support for the collection and maintenance of safety data that is integral to effective analysis and modeling of actual and potential highway crashes.
- This program supports DOT's efforts at improving data collection and analysis, and fills in critical data gaps.
- This program directly supports roadway safety planning, including:
    - a performance-based framework;
    - establishment of standard definition of data collection and use requirements;
    - making optimal safety infrastructure investment decisions;
    - coordination with other DOT safety investments; and
    - an overall increased emphasis on data.
- This program directly supports the Office of the Assistant Secretary for Research and Technology efforts to establish a DOT-wide intermodal capability to tie together information in plans, processes, and systems and improve access to transportation safety data in DOT.
- This program directly supports NHTSA, FHWA, and FMCSA efforts to establish consistent standards for all highway safety data, including performance measures.
- This program will be used to make improvements to the State collection of safety-related roadway data elements, data system improvements, enhancements to data analysis processes, and procurement and application of data analysis tools.
- Use of this funding for other purposes will be contingent on States' meeting specific data guidelines established for data quality and completeness by FHWA and other highway safety agencies.

What Is The Request And What Will We Get For The Funds?

FY 2013 – Highway Safety Program ($2.539 billion)
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Highway Safety Program			
FY 2012 cross-walked programs	1,605,540		- 1,605,540
Highway Safety Improvement Program	-----	2,246,000	2,246,000
Highway Safety Data Improvement Program	-----	293,000	293,000
Total	**1,605,540**	**2,539,000**	**933,460**

Note: Includes cross-walked programs in SAFETEA-LU extention for FY 2012 (annualized).

Key actions or anticipated milestones in the budget year

- Use of roadway characteristic data and crash data to determine trends and high-priority areas that need to be addressed through safety infrastructure treatments.
- Implementation of guidance on performance standards for roadway data collection, quality and analysis.
- Implementation of safety data improvement plans to address data gaps and to meet data standards.
- Continued implementation of the process for developing basemaps in each State to record roadway data elements.
- Provision of funding, guidance and support to States to enable them to collect data and meet standards.

Key outputs expected in budget year – DOT will continue to work with States to develop and expand State basemaps that include, at a minimum, a subset (30-40 elements) of the Model Inventory of Roadway Elements (MIRE) identifying the core roadway safety data elements. The goal will be to have these basemaps in place in all States that cover all public roads within two years after the program starts, and to have a system in place for maintenance of those maps on an ongoing basis. DOT will likely set guidelines that identify the key safety-related roadway data elements that need to be collected, the required coding, and format. The program will require States to begin implementing the Strategic Highway Safety Data Improvement Plan developed in the previous year; in order to achieve the standards laid out in the guidelines mentioned above.

Key outcomes expected in the budget year – States will utilize an established process for using crash data to determine trends and high-priority areas that need to be addressed through safety infrastructure treatments. States will begin achieving milestones on a plan for basemap development and to meet data guideline standards set by DOT. Some States will develop large

portions of their basemaps; however, this process will take longer in other States depending on current capabilities. Performance measures, established within the first year, will begin applying to programs and will be linked to the gap assessments and Strategic Highway Safety Data Improvement Plans.

Although the primary outcomes from the program will benefit safety efforts, other disciplines will benefit as well. Asset managers can use the basemaps to identify the locations of their physical assets. Emergency Responders can identify the locations of their resources (e.g. personnel and equipment) relative to their service districts. Further, it will allow the development of mutual aid agreements in responding to catastrophic events.

What Is This Program?

The program will provide States with necessary tools and information to develop and use information about roadway design characteristics, along with crash data, to determine trends and high-priority areas to be addressed through safety infrastructure treatments. The FHWA safety program is founded on the concept of an evidence-based approach to safety implementation; and this program enables that foundation.

This concept requires more complete and accurate roadway inventory data systems at the State level. With enhanced data systems in place, advanced analysis processes and tools can be used to drive safety programs to a higher level of achievement. FHWA will coordinate with its Federal safety partners to ensure that all highway safety modes support an enhanced capability for States to collect, use, maintain and share their data.

The core element of the DOT data initiative will be the development and use of State basemaps. These basemaps will reference all public roads to assist in specific identification of the physical location of any incident (e.g. crashes), roadway characteristic (e.g. lanes, shoulders, intersections, interchanges, etc.) or asset (e.g. guardrails, traffic signs and signals, rumble strips etc.). The basemaps may be an extension of existing State mapping systems, and will be inclusive of all public roads within the State.

The HSDIP will contribute to the improvement of the overall effectiveness of the HSIP and other DOT highway safety programs (such as in NHTSA and FMCSA) by increasing the capabilities of states to apply the most appropriate safety investments. The collection of the reliable and complete roadway data, coupled with the collection of similar quality crash, fatality and injury data, will ensure that states can perform the necessary analytical processes to diagnose and treat their safety problems. This analysis will allow states to identify the best countermeasures to meet their specific needs as well as to determine the right mix between infrastructure and non-infrastructure applications. These decisions will allow states to meet their program performance goals while also increasing efficiency in the application of all of their transportation safety funding across all DOT programs. On an ongoing basis, this program will also provide a much-needed resource for states to maintain their data systems within the most current state-of-practice for analytical methodologies and apply the latest research-based knowledge of the actual performance of specific safety countermeasures.

The current activities of the Crash Data Improvement Program are being augmented by a Roadway Data Improvement Program to focus on roadway data; to assist States voluntarily, on the status of their data activities, as well as a delivery mechanism for technical assistance for ongoing improvement. This assistance can also be used to validate State compliance with data guidelines, in order to consistently apply the HSDIP flexibility allowances to all States based on their maintenance of established standards. FHWA will coordinate with NHTSA, the Office of the Assistant Secretary for Research and Technology and FMCSA to set a consistent set of performance measures based on the six established attributes for data quality that NHTSA currently uses as part of the Section 408 program (*Timelines, Accuracy, Completeness, Consistency/Uniformity, Integration and Accessibility*). If the State certifies that it has met all State needs for highway safety data improvement, the State may use their HSDIP funds for any Highway Safety Improvement Program project.

To achieve the full benefit of this program, $17.5 million will be focused on the analysis and application of the data that is collected through this program. Four specific areas where these national HSDIP deployment funds will be key are: 1) the evaluation and management of performance; 2) the development of coordinated safety plans; 3) improvement in the quality, timeliness and integration of data; and 4) fostering cross modal implementation of safety programs.

All four of these elements are dependent and supportive of the HSDIP and recognize the coordinated nature of safety programs across FHWA, FMCSA, NHTSA and the Office of the Assistant Secretary for Research and Technology. In terms of performance, an integrated approach is needed to establish performance targets, track results, and assure that appropriate measures are being taken to achieve those targets. This work feeds directly into the requirement for States to develop strategic highway safety plans that optimize the use of all safety funds. As part of this deployment element, training, technical assistance and guidance will be provided to the States to help them implement these performance management and safety planning programs. Further, this information will feed into the Department's strategic planning process and assure that the process is based on the most current data from across the nation. The four Operating Administrations have committed to continue a strong, coordinated program to implement this plan.

Proposed elements of the new safety data program

- **State Basemaps** – Create, update or enhance State basemaps that include, at a minimum, a subset (30-40 elements) of the Model Inventory of Roadway Elements (MIRE) identifying the core roadway safety data elements, and to have a system in place for maintenance of those maps on an ongoing basis.
- **Strategic Highway Safety Data Improvement Plan** – States will prepare a Strategic Highway Safety Data Improvement Plan that describes a program of strategies to achieve a data-driven safety program and defines State safety data improvement goals and annual roadway safety data targets. The data improvement plan would define State safety data improvement goals and annual safety data targets to inform how HSDIP funds should be spent over a longer period. The data improvement plan would describe what the State intends to achieve with its HSDIP funds and the projects, strategies and activities it will implement to achieve data improvement goals.

- **There should only be one set of safety data performance targets**. The challenge of improving highway safety is shared between multiple modes that concentrate on the areas of driver behavior, vehicle safety and infrastructure safety. However, all modes have an equal dependency on many of the same data from States. To this end, FHWA, NHTSA, the Office of the Assistant Secretary for Research and Technology and FMCSA have established consistent shared performance standards for State data collection in the areas of *Timeliness, Accuracy, Completeness, Consistency/Uniformity, Integration and Accessibility*. By setting data quality targets and providing support to States to achieve these targets, the entire highway safety community will benefit. By stressing minimum performance, we are not discouraging States from reaching further, but we are assuring we see some level of progress in each State.
- **Implementation of multimodal data systems**. Data improvement is one of the greatest opportunities for cross-agency coordination and integration. While resources are included in individual modal budgets for improvement of data programs, resources are necessary to better integrate these agency efforts. One example is the development of a single standardized traffic data collection and analysis model for distribution to the States. The implementation of such a standardized data model could be enhanced by providing capacity building, technical assistance, and training in development, coding, analysis, and performance measures to facilitate standardization, improve quality and timeliness, and other safety data quality parameters, as well as national analytical capabilities.
- **Integrated Roadway Safety Programs** – Consistent with the Department's Roadway Safety Plan, this proposal sets forth a vision to significantly reduce fatalities on all public roads by implementing a collaborative national roadway safety strategy working with a broad array of committed stakeholders. Within USDOT, the proposal emphasizes integration, coordination and collaboration among FHWA, FMCSA, NHTSA and the Office of the Assistant Secretary for Research and Technology. Coordination is encouraged for Safety plans from each of the agencies, cross-modal safety data collection and analysis; to develop a process for a single annual roadway safety report; and continued efforts to provide flexibility and simplification in the administration of safety programs, applications and award processes.

Why is this particular program necessary?

Currently, States are not able to make consistent prioritized safety decisions based on all aspects of crash occurrences. States are not able to consistently locate crashes and determine infrastructure related characteristics on all public roads. While most States are developing mapping systems, they often are not inclusive of all public roads within the State and do not contain a consistent set of roadway data elements. Many States cannot accurately locate crashes that are not on State-maintained roadways. These limitations present obstacles to States in implementing the most cost effective and impactful infrastructure, enforcement and behavioral treatments.

Specific to FHWA, there is a distinct lack of collection of information regarding the roadway characteristics for safety programs. The Government Accountability Office (GAO), in several

reports, has pointed out shortfalls in the consistency of State highway safety data and the need for the establishment of consistent standards from DOT. GAO has also recognized the value of evidence-based highway safety planning through the use of high-quality and consistent data collection.

The DOT safety program is founded on the concept of an evidence-based approach towards safety implementation. States are expected to use information about roadway design characteristics, along with crash data, to determine trends and high-priority areas that need to be addressed through safety infrastructure treatments. FHWA works very closely with the other highway safety modes within DOT to ensure that data is collected based on a common set of standards. To this end, FHWA, NHTSA, the Office of the Assistant Secretary for Research and Technology and FMCSA have established consistent shared performance standards for State data collection in the areas of *Timeliness, Accuracy, Completeness, Consistency/Uniformity, Integration and Accessibility*.

The funding for the HSDIP will ensure that this coordination is strengthened by an enhanced capability for States to collect, use, maintain, and share their data. This enhanced collection of data will ensure that States are capable of making the most cost effective and impactful infrastructure design decisions, based on the actual safety aspects of the system. The collection of better quality data will also allow States to use existing and future analysis tools which provide capabilities for problem identification, trend analysis, evaluation, safety projections and systemic planning. FHWA will partner with the other modes to ensure that States receive consistent technical support in the areas of data education, analysis, standardization and modeling. DOT will coordinate and align data-related activities within all highway safety grant programs to ensure that funds are leveraged towards the highest impacts for safety planning.

How do you know the program works?

Some States already use this data collection and mapping process which allows them to uniquely identify the locations of events or roadway characteristics. These jurisdictions are better able to identify problem spots and high risk features and direct limited resources to correct the identified problems with the most appropriate treatments. DOT, in coordination with TRB, AASHTO and State partners, has developed several data analysis and planning tools which have shown to be effective in applying the evidence-based concept to prioritized planning.

Since the inception of SAFETEA-LU, there has been a doubling of funds for USDOT safety programs which have been strengthened in many ways. Within FHWA, the HSIP required strategic highway safety plans which are cross-modal in nature. The safety program is founded on an evidence-based approach towards safety implementation. States are expected to use crash data, along with information about roadway design characteristics, to determine trends and high-priority areas that need to be addressed through safety infrastructure treatments. However, recent reports from the GAO have found that FHWA and our State partners could achieve more success in our efforts through consistent planning based on established standards for data collection.

Why do we want/need to fund the program at the requested level?

Since Safety is the Department's top priority, it's critical that additional resources are provided to achieve a better safety record in the US. A single death on our highways is a tragedy; almost 100 deaths a day is unacceptable when we possess the tools and capability to prevent them. To move toward ending roadway deaths and serious injuries, the budget includes $293 million for a highway safety data improvement program.

This program funding will give States the necessary resources to collect roadway element data and meet DOT standards for data quality. These funds are needed to develop State base maps which will identify roadway data elements and allow States to cross reference crash data to roadway element data. This funding will also allow States to maintain these basemaps; and will also provide support for State and federal analysis of this data. All of these funded activities will provide States with the necessary data and data analysis capabilities to make evidence-based safety infrastructure design decisions. Funding the program at a lower level will result in weaker State data systems, reducing the States' ability to make the most effective safety investment decisions. Therefore, fewer lives saved and fewer injuries prevented.

Executive Summary
National Highway Program

What is the request and what do we get for our funds?
The $32.388 billion National Highway Program (NHP) will focus significant federal resources on maintaining the National Highway System (NHS) and will give States flexibility for local priorities. This request streamlines and combines several Federal-aid programs into one that is focused on preserving and improving infrastructure condition and performance on highways of national importance, includes performance management features that hold States accountable for achievement of targeted improvements, and provides flexibility to the States for making transportation investment decisions.

What is the program?
The NHP includes two sub-programs:

- The Highway Infrastructure Performance Program (HIPP) is a formula-based program that provides funding to maintain and improve the NHS.
- The Flexible Investment Program (FIP) is a formula-based program that provides resources to improve the condition and performance of all Federal-aid highways.

Why is this program necessary?
The condition of the Nation's roads and bridges has improved in recent years. However, in 2008 only 50 percent of NHS vehicle miles travelled occurred on pavements with good ride quality. The condition of pavement and bridges across the country varies considerably with many states struggling to maintain current conditions. Over the next 40 years the U.S. population is expected to rise by 43 percent (from 307 million to 439 million), and the GDP is expected to almost triple (from $14 trillion to $41 trillion). To support this growth, we expect demand for freight and passenger transportation to increase by about two-and-a-half times by 2050. Maintaining and preserving an efficient transportation system is critical to maintaining the competitiveness of our economy. This program supports the Administration's National Export Initiative and goal of doubling exports over a five year period.

How do you know the program works?
The NHP has provisions that will ensure that states invest their HIPP funds in NHS infrastructure and operations to achieve targeted performance results leading to improved NHS condition and performance. The FIP gives states flexibility to improve condition and performance on Federal-aid highways. States will also be required to develop risk based asset management plans for managing and evaluating NHS condition and performance. Projects on the NHS, regardless of funding category, must be generated from the asset management plan.

Why do we want/need to fund the program at the requested level?
In fiscal year 2013, the NHP will need to be funded at the $32.388 billion level in order to make progress in achieving a state of good repair and improved operations of the NHS and for improving mobility and operation of Federal-aid highways.

Detailed Justification
National Highway Program

What Do I Need To Know Before Reading This Justification?

This is a request to fund the National Highway Program (NHP). It contains two sub-programs:

(1) the Highway Infrastructure Performance Program (HIPP) that focuses funding to maintain and improve the National Highway System (NHS); and
(2) the Flexible Investment Program (FIP) that directs funding to maintain and improve Federal-aid highways and bridges on public roads in urban and rural areas, while giving states flexibility to make transportation decisions.

The HIPP and the FIP streamline and consolidate portions of the following programs:

- Interstate Maintenance Program
- Highway Bridge Program
- National Highway System
- Surface Transportation Program
- Ferry Boat Program
- Appalachian Development Highway System Program
- Puerto Rico Highway Program
- Territorial Highway Program

The National Highway System will be expanded and defined as approximately 220,000 miles of Interstate Highways and other principal arterials, intermodal connectors, and a network of highways important to the nation's strategic defense. This system carries 55 percent of all traffic and 97 percent of all truck-borne freight and is critical to maintaining economic competitiveness. The proposed definition of NHS is more objective than the existing definition in terms of its functionality in supporting and facilitating economic activity and quality of life.

This justification requests that the NHP be funded at $32.388 billion with features including:

- federal funding focused on improving and maintaining the NHS;
- a performance-based framework;
- flexibility to the states for making transportation investment decisions;
- requirements for risk-based asset management plans;
- funding provisions to improve and enhance bridges on any public road, including those not located on Federal-aid highways; and,
- funding for Puerto Rico highways on the same basis as States, funding for Territorial highways, and eligibility for ferry boats and the Appalachian Development Highway System.

What Is The Request And What Will We Get For The Funds?

FY 2013 – National Highway Program ($32.388 billion)
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
National Highway Program			
FY 2012 cross-walked programs	31,072,240		- 31,072,240
Highway Infrastructure Performance Program (HIPP)	-----	16,750,000	16,750,000
Flexible Investment Program (FIP)	-----	15,638,000	15,638,000
Total	**31,072,240**	**32,388,000**	**1,315,760**

Note: Includes cross-walked programs in SAFETEA-LU extention for FY 2012 (annualized).

Enhancing the National Highway System (NHS)

In the 20th century, the Federal Government periodically defined and focused resources on the roads that were critical to national interests and enhanced security, economic growth and quality of life. At each turning point, the decision was to emphasize a limited network of roads of critical national priority – the Federal-aid system (1921), the Interstate System (1956), and the National Highway System (1991). In the 21st century, we are again at a turning point calling for a fresh look at our Nation's mobility needs and how we propose to address those needs, including personal and freight mobility, economic competitiveness, and vital defense needs.

The proposed definition of the NHS does not create a new system with new roads. It is more objectively defined than the existing definition and more comprehensively supports economic activity and quality of life. It builds on the existing 160,000 mile NHS and is the mobility system that will help ensure the Nation's economic competitiveness today and in the future. It recognizes that principal arterials not now a part of the NHS have importance to our Nation's mobility. The enhanced NHS is an approximately 220,000-mile network composed of the Interstate System, all principal arterials, intermodal connectors, and other roads important to national defense. It provides mobility to the vast majority of the Nation's population and almost all of its commerce; supports national defense; and promotes intermodal connectivity. While the NHS is limited, it will carry 55 percent of all traffic and 97 percent of truck-borne freight. While it will comprise 53 percent of U.S. highway border crossings, it will handle 98 percent of the value of total truck trade with our largest trading partners – Canada and Mexico.

The key elements of an enhanced NHS include:

- **Principal Arterials** (including the Interstate Highway System) serving regional and national needs as conduits for major traffic flow and freight movement. In urban areas, all high volume corridors would be included in the NHS, providing access within and around metropolitan areas. In rural areas, the NHS will carry over 47 percent of all rural vehicle miles traveled and provide critical access for jobs, health care and commerce.
- **Intermodal Connectors** providing access between major intermodal facilities and the principal arterial system. These roads are often the important "last mile" connecting critical intermodal facilities, such as rail, bus, ports, etc. These can be local roads not otherwise eligible for Federal-aid funding but of vital importance to the economy.
- **Strategic Highway Network Roadways** (STRAHNET) providing defense access, continuity and emergency capabilities for defense purposes. It contains all of the routes designated by the Department of Defense as essential for national defense.
- **Border Crossings on principal arterials** providing vital links with our largest trading partners. Maintaining efficient and effective transportation system connections to U.S. ports of entry is essential for global competitiveness and economic growth.

National Freight Transportation Policy

Within the Department's reauthorization proposal, the Secretary would be required to establish a National Freight Transportation Policy; designate a National Freight Transportation System, that would include the designation of multimodal national freight corridors, including portions of the enhanced National Highway System (NHS); and issue a triennial National Freight Transportation Strategic Plan. The Secretary would also be required to use the findings of the National Freight Transportation Plan to guide investment decisions subject to the Secretary's discretion.

States would have broadened flexibility to use HIPP and FIP funds to improve performance of designated national freight corridors. The National Network designated under the Surface Transportation Assistance Act of 1982 would be replaced by the enhanced National Highway System. The National Network conventional combination vehicle standards for operation and reasonable access to services and terminals requirements would be applied to the enhanced NHS.

National Highway Program (NHP)

The NHP has two formula-based sub-programs supporting the Department's state of good repair outcome to increase the proportion of highways and bridges in good physical and operating condition, thus improving economic competitiveness and maximizing the economic returns on transportation policy and investments.

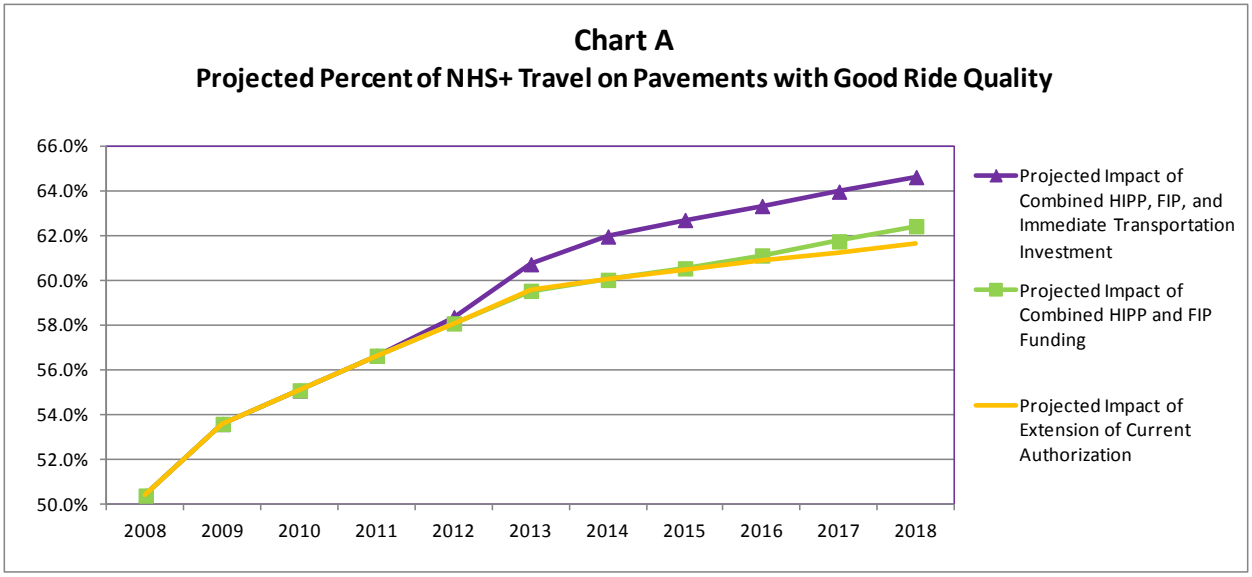
Maintaining and improving the NHS is essential to ensuring U.S. economic competiveness in world trade. The NHP will emphasize preservation of the NHS while giving States flexibility to make additional investments to enhance NHS condition and operational performance.

The NHP addresses mobility and access in rural areas. It will enhance access to jobs, educational opportunities, health care, recreation, and other quality of life needs.

The NHP would include a risk-based asset management approach to ensure states have a strategic and systematic process of operating, maintaining, and improving physical assets, with a focus on both engineering and economic analysis based on quality information, to identify a structured sequence of maintenance, repair, rehabilitation, and replacement actions that will achieve a desired state of good repair over the lifecycle of the assets at minimum possible cost. It focuses on business and engineering practices for resource allocation and utilization, with the objective of better decision making based upon quality information and well defined objectives. The intent of such an approach would be to keep good highways good and to better manage system condition and performance.

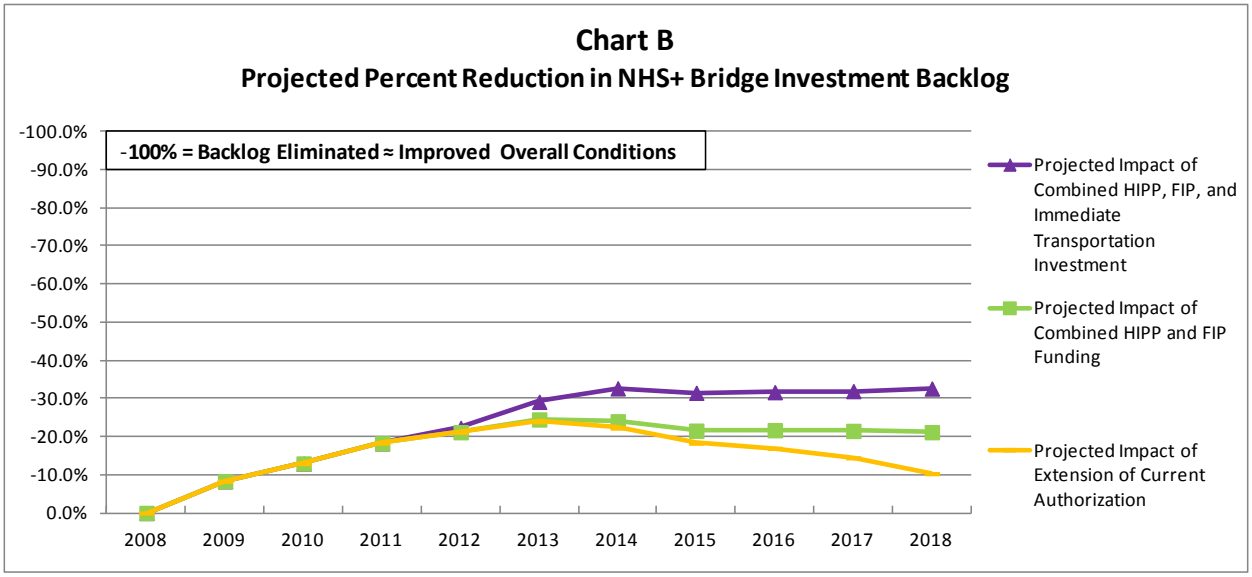
A large increase in Federal highway capital investment under the American Recovery and Reinvestment Act (ARRA), combined with a decrease in construction materials prices that started in 2006, are expected to result in significant improvement to the physical condition of the NHS through 2012. The requested funding for the HIPP is expected to maintain the condition of the NHS at this level through 2018. States could use FIP funds to further improve NHS pavements and bridges, to address pavement and bridge needs off the NHS, or to address operational issues.

In 2008, 50 percent of NHS vehicle miles travelled occurred on pavements with good ride quality. As shown in Chart A below, if States direct approximately one-quarter of their FIP funding towards NHS pavements, the combination of HIPP, FIP, and the Immediate Transportation Investment is projected to bring the share of NHS Vehicle Miles Traveled (VMT) on pavements with good ride quality to 65 percent by 2018.



Note: Impacts shown assume all Highway Infrastructure Performance Program (HIPP) funding and the Immediate Transportation Investment for critical highway infrastructure is directed to pavement and bridge improvements on the enhanced NHS (NHS+). Green line reflects combined HIPP and Flexible Infrastructure Program (FIP) funding, assuming approximately one-quarter of FIP funding (or an equivalent amount from other sources) is directed to pavements on the enhanced NHS (consistent with historic trends); Purple line adds in the Immediate Transportation Investment. Orange line represents an alternative scenario assuming an extension of the current authorization with obligations set at baseline budget levels for FY 2013 through FY 2018.

The biennial US DOT Conditions and Performance Report identifies a backlog of potential cost-beneficial bridge system rehabilitation investments. As of 2008, the portion of this backlog attributable to bridges on the enhanced NHS is estimated to be $71.5 billion. Reductions in this backlog over time reflect improvements to overall bridge conditions. This economic investment backlog for NHS bridges is projected to be reduced by 21 percent by 2011, as shown in Chart B below. The combination of HIPP, FIP, and 2012 Immediate Transportation Investment funding is projected to be sufficient to reduce the NHS bridge investment backlog by 33 percent by 2018.



Note: Impacts shown assume all Highway Infrastructure Performance Program (HIPP) funding and the Immediate Transportation Investment for critical highway infrastructure is directed to pavement and bridge improvements on the enhanced NHS (NHS+). Green line reflects combined HIPP and Flexible Infrastructure Program (FIP) funding; Purple line adds in the Immediate Transportation Investment. Orange line represents an alternative scenario assuming an extension of the current authorization with obligations set at baseline budget levels for FY 2013 through FY 2018. Reductions in the backlog of potential cost-beneficial bridge investments equate to improvements in overall bridge condition.

Detailed Justification
Highway Infrastructure Performance Program

What is the program?

The Highway Infrastructure Performance Program (HIPP) is a formula-based sub-program of the NHP intended to support the NHS. It is performance-based, including a framework to support the condition and performance needs of NHS infrastructure with a focus on pavements and bridges. It has key provisions to ensure that federal-aid highway funds are invested to achieve national goals for condition and performance. States would determine targets for each goal-related measure in consultation with US DOT and will report annually on the performance of the NHS.

The budget requests $16.8 billion for the HIPP in FY 2013. The HIPP gives priority to projects that improve and preserve NHS infrastructure condition in a state of good repair and operations ensuring structural integrity and intermodal connectivity.

Why is the HIPP program necessary?

Preserving the condition of pavement and bridges and other NHS infrastructure elements is critical to the integrity, functionality, and cost effectiveness of the Nation's transportation system. In 2008, over $182 billion[1] of the public's money was invested on public roadways by federal, state and local governments. This included $91.1 billion for highway capital spending, of which over half was directed to the resurfacing, rehabilitation, and reconstruction of existing pavements and bridges. Nationally, it is difficult to determine if these investments were optimized to meet performance needs to support the system in the future. Up to now, performance requirements for pavements and bridges have not been defined and accepted at a national level. There is a need today to define national performance requirements and to ensure that investments are focused on achieving these requirements today and in the future.

The overall condition of pavements and bridges on NHS has been improving. While this improvement is promising; it is clear that states are struggling to maintain the system in a state of good repair. The existing approach to allocate funding, to deliver programs and to report condition provides no assurance that investments today will result in improvements in overall condition in the future without a substantial need to increase funding.

Additional transportation infrastructure investment is needed, but it needs to be carefully targeted where it will have the greatest economic payoffs and help to achieve National goals. We need to identify transportation infrastructure investments that are cost-effective, safe, and environmentally sustainable.[2] The HIPP will ensure that states invest their HIPP funding in NHS infrastructure to achieve targeted performance results.

[1] US DOT 2010 "Conditions and Performance Report"
[2] U.S. DOT Strategic Plan FY 2010 – FY 2015

How do you know the HIPP program works?

HIPP projects are identified for funding by the State in rural areas in consultation with local transportation officials and by the State in metropolitan areas in cooperation with MPOs. Projects must support performance goals (and the associated performance measures) identified in the statewide or metropolitan transportation plan for:

- Infrastructure Condition – to maintain the highway system in a state of good repair;
- System Reliability – to improve the reliability of the transportation system and to reduce both recurring and non-recurring congestion on our highways; and
- Freight Movement – to improve the national freight transportation system, enable rural communities to access national and international markets and support regional economic development. Improve existing long haul freight corridors and links to freight terminals and other intermodal facilities.

The HIPP framework includes elements designed to ensure that Federal-aid highway funds are invested in highway infrastructure to achieve national and performance goals. They include:

- **Performance Requirements** – Develop national goals for NHS pavement and bridge condition and performance and help States to set state targets to meet these goals;
- **Asset Management Plan** – Require States to develop risk-based asset management plans that include a summary listing of highway infrastructure assets on the NHS and their condition, asset management goals and measures, performance gaps identification, life-cycle cost and risk management analysis, financial plans, and investment strategies;
- **Investment Strategy** – A requirement for States to develop a strategy to invest HIPP funding in infrastructure to achieve targeted performance results;
- **Program Monitoring** – A process to assess the delivery of programs supported with HIPP funding to ensure consistency with an approved investment strategy targeted to achieve infrastructure performance results.

Under this proposal, US DOT would determine performance measures. Each State would determine its appropriate target for each measure in consultation with US DOT. States will report on the performance of the NHS to US DOT annually. This report will provide an explanation for the shortfall in reaching any targets, lessons learned from efforts to improve performance, and plans for improving performance based on the lessons learned.

Incentives:

States that demonstrate that they have met all of the HIPP performance targets for 3 consecutive years may request approval to use their HIPP apportionments for the purposes described in the FIP for a period of 12 months or until such time as the State does not meet its targets. A State that does not meet HIPP performance target for two consecutive years for each of the national goals shall state the actions it will undertake to meet its targets.

Eligibility:

Funding will be provided to projects on the NHS that collectively contribute to achieving performance objectives and measures. Examples of eligible projects include the following:

- Reconstruction, resurfacing, restoration, rehabilitation, preservation and operational improvements of segments of the NHS

- Bridge and tunnel replacement, rehabilitation, preservation, and protection on the NHS
- Inspection and evaluation of NHS bridges, tunnels, and of other NHS infrastructure assets
- Training for bridge and tunnel inspectors
- Replacement or rehabilitation of existing ferry boats and facilities that connect NHS segments
- Bicycle transportation, pedestrian walkways and modifications of sidewalks to comply with the Americans with Disabilities Act of 1990
- Highway safety improvements on the NHS
- Capital and operating costs for traffic management and traveler information monitoring, management, and control facilities and programs
- Development and implementation of a State asset management plan for the NHS and other public roads
- Mitigation of impacts of highway projects on human and natural environment, including mitigation banking
- Infrastructure-based ITS capital improvements
- Projects and strategies to support congestion pricing
- Environmental restoration and pollution abatement
- Control of noxious weeds and establishment of native species

Non-NHS highway improvements in the same corridor – HIPP funds may be used for preservation and operational improvements of nearby non-NHS Federal-aid highways in the same corridor, if they are more cost beneficial and improve NHS performance.

National Freight Corridor improvements – A State may use up to 5% of its HIPP funds for operational improvements to a freight railroad, marine highway, or intermodal facility in a National Freight Corridor if investments in the alternate mode results in highway performance improvements at a cost less than what the same performance improvements would be from a highway investment.

Limitation on new capacity – HIPP funds may not be used to expand capacity by adding lanes, except for added auxiliary lanes or for widening of a bridge during rehabilitation or replacement.

Funding:
Funds will be apportioned by formula. State DOTs can spend HIPP funds on eligible projects on the NHS subject to meeting the performance targets. Projects must be included on the STIP/TIP.

The following amounts are to be taken down prior to apportionment:

- 1% for Metropolitan Planning

The following amounts are to be set aside from each State's apportionment for the following activities:

- 1% for bridge and tunnel inspection activities, to be combined with FIP set-aside and administered as a single fund
- 2% for State Planning and Research (SPR)

Federal Share: The Federal government will provide up to 80% of the total project cost.

Why do we want/need to fund the program at the proposed funding level?

In FY 2013, the HIPP program will need to be funded at the $16.8 billion level in order to maintain the progress in achieving a state of good repair and improved operations of the NHS.

Detailed Justification
Flexible Investment Program

What is the program?

The Flexible Investment Program (FIP) is a formula-based sub-program within the NHP that will support currently eligible federal-aid highways. It gives states the flexibility to make decisions on transportation investment. It sets aside funding for bridges on public roads that are not located on a Federal-aid highway. FIP funds can be used to improve highway infrastructure condition and performance on and off the NHS. FIP funds will improve access and connectivity to jobs and services in rural areas and reduce congestion and improve quality of life in urban areas.

The FHWA requests $15.638 billion for the FIP in 2013. These funds provide flexibility to the states to invest in Federal-aid eligible highways to replace, rehabilitate, and preserve bridges and other highway infrastructure and to build or expand needed transportation facilities. Beyond asset preservation and new capacity, other illustrative activities include the removal of bottlenecks, projects and strategies to support congestion pricing, including electronic toll collection and travel demand management strategies and programs, collection and dissemination of real-time travel information, deployment and integration of Intelligent Transportation System (ITS) technologies, and greater use of traffic incident management practices in corridors. These funds will help to enhance access to educational opportunities, health care, recreation, and other quality of life needs in rural areas.

Why is the program necessary?

Over the next 40 years the U.S. population is expected to rise by 43 percent (from 307 million to 439 million), and the GDP is expected to almost triple (from $14 trillion to $41 trillion). To support this growth, we expect the demand for both freight and passenger transportation to increase by about two-and-a-half times by 2050. Since 1970, exports as a percentage of GDP have almost doubled, and imports have tripled. The U.S. manufacturing base is increasingly shifting to high-value, high-tech products whose manufacture integrates transportation into a just-in-time supply chain requiring efficient performance and consistent reliability. Further, on March 11, 2010, President Obama issued an Executive Order establishing a National Export Initiative to help meet the Administration's goal of doubling exports over a five-year period.

An efficient transportation system is critical to maintaining the competitiveness of our economy. The highly developed U.S. transportation system played a key role in allowing GDP per capita to grow faster in the U.S. than comparable rates abroad. Additional transportation infrastructure investment is needed. This program will give transportation agencies the ability to target funding to states and localities priorities.

How do you know the program works?

States will identify projects for FIP funding in consultation with local transportation officials in rural areas and in cooperation with the MPO in metropolitan areas. FIP will fund projects that generally meet the eligibility and location requirements for the Surface Transportation Program previously contained in 23 USC 133.

As a component of the NHP, States will be expected to develop an asset management plan outlining a strategic and systematic process of operating, maintaining, upgrading and expanding physical assets effectively throughout their lifecycle. The plan would focus on business and engineering practices for resource allocation and utilization, with the objective of better decision-making based upon quality information and well-defined objectives. States would be required to submit an annual performance report and would be held accountable for making progress towards achieving NHS performance goals and targets.

Eligibility:

- Construction, reconstruction, rehabilitation, resurfacing, restoration, preservation, and operational improvements of Federal-aid highways, including routes designated for the Appalachian Development Highway System
- Replacement, rehabilitation, preventive maintenance, and protection for bridges and tunnels on all public roads
- Construction of a new bridge or tunnel on a Federal-aid highway
- Inspection and evaluation of bridges, tunnels, and other highway assets
- Training for bridge and tunnel inspectors
- Fringe and corridor parking facilities
- Bicycle transportation and pedestrian walkways
- Highway safety infrastructure improvements
- Highway research and development and technology transfer programs
- Capital and operating costs for traffic management and traveler information monitoring, management, and control, including advanced truck stop electrification systems
- Projects and strategies to support congestion pricing
- Surface transportation planning
- Transportation control measures (Clean Air Act)
- Development and implementation of a State asset management plan for the NHS and other public roads
- Mitigation of impacts of highway projects on human and natural environment, including mitigation banking
- Infrastructure-based ITS capital improvements
- Environmental restoration and pollution abatement
- Control of noxious weeds and establishment of native species

National Freight Corridor improvements – A State may use up to 5% of its FIP funds for capacity and operational improvements to a freight railroad, marine highway, or intermodal facility in a National Freight Corridor if investments in the alternate mode results in highway performance improvements at a cost less than what the same performance improvements would be from a highway investment.

Funding:

The following amounts are to be taken down prior to apportionment:

- 1% for Metropolitan Planning

- Territorial Highways – $52 million in each of fiscal years 2013-2018 for the territories of Virgin Islands, Guam, American Samoa, and Northern Mariana Islands.

The following amounts are to be set aside from each State's apportionment for the following activities:

- 1% for bridge and tunnel inspection activities to be combined with HIPP set-aside and administered as a single fund
- 2% for State Planning and Research (SPR)
- Off-system bridges – set aside of an amount equal to at least 15% of each State's FY 2011 Bridge apportionment, for bridges on public roads other than Federal-aid highways

Each State's apportionment must be suballocated as follows

- 46% will be suballocated and will be divided into two different amounts – one for urbanized areas with a population over 200,000, and the other for the remainder of the State – based on the relative population within each of the two categories.
- For states with metropolitan planning areas over 1 million population, the percentages will be adjusted so that the total amount suballocated under both the FIP and Livable Communities Program for an urbanized area of over 1 million population is 50 percent more than it would otherwise have been.
- For large urbanized areas the amount will be further divided among urbanized areas with population over 200,000 based on relative population, taking account of the bonus suballocation to metropolitan planning areas over 1 million population, unless the State and relevant MPOs apply jointly to the Secretary for permission to use other factors.

Federal Share: The Federal government will provide up to 80% of the total project cost.

Why do we want/need to fund the program at the proposed funding level?

In FY 2009, the existing programs that would be merged to form the FIP accounted for a third of the core highway funds. In FY 2013, the FIP program will need to be funded at $15.638 billion to make progress in achieving improved conditions and performance of Federal-aid highways.

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Executive Summary
Livable Communities Program

What is the request and what will we get for the funds?
The $4.0 billion Livable Communities Program will use place-based planning, policies, and investments to help communities increase transportation choices and access to transportation services. This program will help eliminate stovepipes and other barriers that make collaborative decision-making difficult for State Departments of Transportation, Tribal Governments, Local Governments, and Metropolitan Planning Organizations (MPOs). The funding program will support safe, multimodal transportation networks and enhance their relationship with land use and the environment.

What is this program?
The Livable Communities Program consists of three components:

- Livable Communities Formula Grant Program - A $3.3 billion formula-based grant program to enable recipients to deliver transportation projects for rural and urban areas that benefit quality of life;
- Investments for Livable Communities Grant Program - A $500 million discretionary grant program to support highway and multi-modal investments that enhance livability; and
- Livability Capacity Building Grant Program - A $200 million discretionary grant program to improve the capacity for analyzing and addressing livability needs across the country.

Why is this particular program necessary?
Livable Communities Program funding would provide more flexibility to States and local governments and communities to pursue transportation improvements that meet their priorities for access, mobility, development or economic objectives. Livability is the outcome of working with nontraditional partners such as housing agencies and private industry to develop safe and convenient multimodal transportation systems that meet a community's needs. These funds extend the opportunity to support sustainable infrastructure improvements and state of good repair by encouraging States to identify roadway improvements in the context of other identified community priorities and to use scarce transportation resources together with other federal programs or funds that support community goals.

How do you know the program works?
The Livable Communities Program supports projects that help enhance and revitalize local economies for rural and metropolitan communities alike, reduce highway maintenance costs, improve roadway safety, reduce congestion, increase transportation choices, and ultimately improve quality of life.

Why do we want/need to fund the program at the requested level?
The funding request of $4.0 billion will ensure the program has adequate resources to generate measurable results across a wide spectrum of communities and effectively contribute to the achievement of DOT performance outcomes.

Detailed Justification
Livable Communities

What is the request and what will we get for the funds?

FY 2013 – Livable Communities Program ($4.00 billion)
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Livable Communities Program			
FY 2012 cross-walked programs	3,392,971		- 3,392,971
Livable Communities Formula Grants	-----	3,300,000	3,300,000
Investments for Livable Communities Grants	-----	500,000	500,000
Livability Capacity Building Grants	-----	200,000	200,000
Total	**3,392,971**	**4,000,000**	**607,029**

Note: Includes cross-walked programs in SAFETEA-LU extention for FY 2012 (annualized).

Projects from this program will help improve community transportation choices across all modes. By supporting the development or improvement of multimodal transportation networks, this funding program will help improve air quality, reduce congestion, foster affordable transportation and housing, improve roadway safety for all road users, and ultimately improve quality of life. The program will advance the state of practice and help DOT achieve the following performance outcomes:

- **Advance the State of Practice:** The Livable Communities Capacity Building Grant program will help States, localities, and metropolitan areas engage in more robust regional transportation planning. The goal is to advance the state of the practice on key technical aspects such as transportation-related data collection, modeling, livability surface transportation planning, and performance measurement. These technical activities represent critical needs that traditionally have been underfunded.
- **Achieve DOT Strategic Goals:** The DOT Strategic Plan includes performance outcomes for: 1) increased access to convenient and affordable transportation choices; 2) improved public transit experience; 3) improved networks that accommodate pedestrians and bicyclists; and 4) improved access to transportation for special needs populations and individuals with disabilities. The Livable Communities Program is critical to facilitating these outcomes, and providing real-time information on the various modes' performance to enable better transportation system user decision-making.

What is this program?

The Livable Communities Program supports the U.S. Department of Transportation's (DOT) Livable Communities strategic goal which aims to foster livable communities through policies and investments that increase transportation choices and access to transportation services. This program:

- **Maintains project eligibility from successful previous programs in Title 23 and Title 49**. Many activities previously eligible under Congestion Mitigation and Air Quality Improvement Program, National Scenic Byways Program, the Transportation Enhancement Activities Program, and Safe Routes to School Program will continue to be eligible under the formula-based component of the Livable Communities Program. The eligible activities from these programs represent key livability-related transportation activities, ranging from congestion reduction and traffic flow improvements to environmental mitigation for highway projects. Eligible activities include but are not limited to:
    - Planning, designing, or constructing boulevards, main streets, and scenic byways;
    - Providing transportation choices, including on-road and off-road facilities for bicycle, pedestrian, and other nonmotorized transportation, projects to promote safe routes for non-drivers and to encourage walking and bicycling to school and community centers, ridesharing projects, and conversion of abandoned railroad corridors to trails;
    - Supporting livability through planning, project development, and mitigation, including archeological and historic preservation planning and research, and stormwater management;
    - Projects that reduce congestion and improve air quality in nonattainment and maintenance areas;
- **Continues to require air quality improvements for nonattainment and maintenance areas.** If a State has nonattainment or maintenance areas it will be required to devote a portion of its Livable Communities Program formula funds to projects that will improve air quality in these areas. States without nonattainment and maintenance areas will not be constrained by this requirement.

- **Establishes performance measures.** A combination of quantitative and qualitative performance measures will be developed and will be consistent with the HUD/DOT/EPA Partnership for Sustainable Communities' six principles of livability.

The Livable Communities Program consists of three key components; a formula based program and two discretionary grant programs.

Livable Communities Formula Program

This $3.3 billion formula-based program will enable recipients to deliver transportation projects for rural and urban areas that:

- promote safe and efficient multi-modal choices for transportation users in rural and urban areas throughout the country;
- increase access to transportation services;
- enhance the relationship between transportation and land use while protecting the environment;
- provide affordable connections from residences to employment centers and essential services, including safe routes to school and medical and social services; and
- enhance economic opportunities and environmental sustainability.

A State may obligate funds apportioned to carry out the livable communities program for any of the following projects or activities:

- Planning, designing, or construction of boulevards, main streets and scenic byways, including:
    - Redesign of an underused highway, particularly one that is no longer a principal route after construction of a bypass or Interstate System route, into a context sensitive boulevard or main street that supports multiple forms of transportation;
    - New street construction that enhances connectivity, increases the efficiency of network performance, and encourages the use of public transportation, pedestrian walkways, or bicycle infrastructure;
    - Redesign of a street to enhance connectivity, increase the efficiency of network performance, and encourage the use of public transportation, pedestrian walkways, or bicycle infrastructure;
    - Redesign of a highway to support public transportation, including transit-only lanes and priority signalization for transit;
    - Planning or implementation of changes to State or local laws, codes, or ordinances that provide transportation facilities to support infill, transit-oriented or town center development that will support trip-chaining, non-motorized transportation, or more efficient use of the road network;
    - Safety improvements to a State scenic byway, National Scenic Byway, All-American Road, or one of America's Byways; and
    - Historic preservation and other improvements to the streetscape that support livable communities, and the rehabilitation of historic transportation buildings, structures, or facilities for transportation use.

- Providing transportation choices, including:
    - On-road and off-road facilities for pedestrians, bicyclists, and other nonmotorized forms of transportation, including sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming techniques, lighting and other security-related infrastructure, and transportation projects to achieve compliance with the Americans with Disabilities Act of 1990;
    - The planning, design, and construction of infrastructure-related projects and systems that will provide safe routes for non-drivers, including children, older adults, individuals with disabilities, and individuals with lower incomes to access daily needs;
    - Activities for safety and education of pedestrians and bicyclists and to encourage walking and bicycling, including efforts to encourage walking and bicycling to schools and community centers;
    - Conversion and use of abandoned railroad corridors for trails for pedestrians, bicyclists, or other non-motorized transportation users that enhance the efficiency of the transportation network; and
    - Carpool, vanpool, and car share projects
- Supporting livability through planning, project development, and programmatic mitigation, including archaeological and historic preservation planning and research, and storm water management.
- Improving air quality and reducing congestion by means of transportation projects or programs for an area in a State that is or was designated as a nonattainment area for ozone, carbon monoxide, nitrogen dioxide, or particulate matter under the Clean Air Act.
- Construction, rehabilitation, or replacement of ferry boats and ferry boat terminals.
- Capital costs for transit projects eligible for assistance under chapter 53 of title 49, United States Code, including vehicles and facilities, whether publicly or privately owned, that are used to provide intercity passenger service by bus, and fringe and corridor parking or other transportation project to support transit-oriented development.

Investments for Livable Communities Grant Program

The purpose of the competitive $500 million investments for livable communities grant program is to promote innovative, multi-modal, and multi-jurisdictional highway projects that promise significant environmental and economic benefits to an entire metropolitan area, a region, or the nation.

State departments of transportation, tribal governments, local governments, or metropolitan planning organizations may submit applications for challenge grants with a minimum award of $250,000. Eligible costs include:

- Development phase activities, including planning, feasibility analysis, revenue forecasting, environmental review, preliminary engineering and design work, and other preconstruction activities;
- Construction, reconstruction, rehabilitation, acquisition of real property (including land related to the project and improvements to land), environmental mitigation, construction contingencies, acquisition of equipment directly related to improving system performance, and operational improvements; and
- Certain financing costs.

The Federal share will not exceed 80 percent.

Livability Capacity Building Grant Program

The budget includes a $200 million livability-related capacity building program to improve capacity for addressing livability needs. State departments of transportation, tribal governments, local governments, or metropolitan planning organizations shall be eligible to apply for a grant under this subsection to:

- Facilitate improved data collection to better incorporate livability into transportation planning through the use of a variety of data collection mechanisms, including household travel surveys, panel surveys, built environment inventories, employment inventories, and travel data collection related to bicyclists and pedestrians, including persons with disabilities;
- Provide staff training to support livability-related transportation capacity building;
- Furnish software and computer upgrades to support modeling and data collection;
- Reorganize an eligible applicant's institution to better reflect the responsibilities and expertise needed to address livability in transportation plans and related activities;
- Assist a transportation authority to develop integrated transportation, land use, housing, and environmental planning efforts or to carry out a comprehensive plan supported by the community; and
- Develop and implement transportation modeling, simulation, and analysis capabilities.

Why is this program necessary?

Livable Communities Program funding would provide more flexibility to States and local governments and communities to pursue transportation improvements that meet their priorities for access, mobility, development or economic objectives. Livability is the outcome of working with nontraditional partners such as housing agencies and private industry to develop safe and convenient multimodal transportation systems that meet a community's needs. These funds extend the opportunity to support sustainable infrastructure improvements and state of good repair by encouraging States to identify roadway improvements in the context of other identified

community priorities and to use scarce transportation resources together with other federal programs or funds that support community goals.

The Livable Communities Program will advance the state of the practice in terms of transportation-related data collection, modeling, livability surface transportation planning, and performance measurement to ensure high returns to federal investment. The program, which will enable FHWA to achieve the Livable Communities goals in the DOT Strategic Plan, addresses the critical need to enhance the relationship between transportation and land use planning while protecting the environment and promoting multi-modal choices in communities, from rural to urban, across the country. The formula component guarantees that all States have a base level of funding to complete livability-related transportation projects while the two discretionary components will enable DOT to direct funding to projects that will help achieve national livability goals while improving communities at the same time.

How do you know the program works?

The Livable Communities Program aims to foster livable communities through place-based policies and investments that increase transportation choices and access to transportation services. It will be a new way of doing business and will be successful because:

- Both quantitative and qualitative performance measures will be used to establish baselines and track progress towards livability goals. These performance measures will be linked to DOT performance targets;
- Livability-related projects provide improvements that communities can see and experience firsthand. Such projects enhance and revitalize local economies for rural and metropolitan communities alike, reduce highway maintenance costs, improve roadway safety, reduce congestion, increase transportation choices, and ultimately improve the quality of life;
- It will help ensure that transportation-related air quality issues continue to be addressed and will help reduce greenhouse gas emissions;
- It will eliminate inconsistencies among different fund sources; and
- It will involve state of the practice tools for improved data collection and transportation modeling that will help agencies achieve success.

Why do we want/need to fund the program at the requested level?

The funding request of $4.0 billion will ensure the program has adequate resources to generate measurable results across a wide spectrum of communities and effectively contribute to the achievement of DOT performance outcomes. The formula program represents the approximate funding level of existing programs that would be consolidated into the new program (e.g., CMAQ, Transportation Enhancement Activities, and Safe Routes to School).

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Executive Summary
Research, Technology & Education (RT&E) Program

What Is The Request And What Will We Get For The Funds?
The $384 million request will enable FHWA to address current issues, emerging challenges and provide information for policy decisions. The program will conduct, sponsor, sustain, and guide highway research to develop and deliver innovation. FHWA plays an invaluable leadership role by working with our partners to develop and implement a highway research and technology agenda that addresses national needs, meets future demands, and maximizes the strengths of all research entities. This request will provide for a comprehensive, coordinated research, technology, and education program that will advance DOT organizational goals, as well as accelerate innovation delivery and technology implementation.

What Is The Program?
The program is comprised of the following major program categories and the $206.4 million research portion of the State Planning and Research (SP&R) program:

- Highway Research & Development Program (HRD): $200 million for research activities associated with safety, infrastructure preservation, environmental mitigation and streamlining, operations, livability, innovative program delivery solutions, and policy.
- Technology & Innovation Deployment Program (TIDP): $144 million program to address testing, evaluating, and accelerating the delivery and deployment of technologies.
- Training & Education Program (T&E): $40 million to train the current and future transportation workforce, transferring knowledge quickly for effective deployment and implementation.
- Office of the Assistant Secretary for Research and Technology-administered RD&T programs: $260 million for Intelligent Transportation Systems, Competitive University Transportation Center Consortia, Bureau of Transportation Statistics, Multimodal Innovative Research Program, and University Transportation Center Multimodal Competitive Research Grants.

Why Is This Particular Program Necessary?
FHWA is in a unique leadership position to identify and address issues that require high-risk, long-term research, and research on emerging issues of national significance. FHWA's leadership role is necessary to build effective partnerships to maximize the investment in the transportation system. The entire innovation lifecycle is covered under the RT&E program umbrella from agenda setting to the deployment of technologies and innovations.

How Do You Know The Program Works?
FHWA's continued commitment to highway research and the implementation of ground-breaking technology delivers a safer, more reliable highway transportation system that is in good repair, supports community goals, and is environmentally sustainable.

Why Do We Want/Need To Fund The Program At The Requested Level?
There is a critical need for bold actions, effective investments, and financing innovations to address current gaps and emerging issues facing our nation's transportation system. With enhanced leadership and adequate financing, FHWA can assure the best solutions are realized and applied, and that existing resources are focused on critical national priorities.

Detailed Justification
Research, Technology & Education (RT&E) Program

What Do I Need To Know Before Reading This Justification?

The budget request enables FHWA to strengthen its national leadership role in conducting, sponsoring, sustaining, and guiding the FHWA RT&E program, and working with partners and stakeholders in the highway community to conduct long-term, high-risk research, and research on emerging issues of national significance.

The budget proposes to restructure the existing FHWA's research, development, and technology activities into three programs – Highway Research and Development, Technology and Innovation Deployment, and Training and Education – totaling $384 million.

The FHWA budget also includes a number of programs which are administered by the Office of the Assistant Secretary for Research and Technology. ***Detailed justifications for these programs can be found in budget submission for the Office of the Secretary of Transportation (OST) - Office of the Assistant Secretary for Research and Technology.***

The budget continues a separate obligation ceiling for Title V programs, including the Office of the Assistant Secretary for Research and Technology programs, and proposes that both the contract authority and the obligation limitation for these programs remain available until expended.

FY 2013 – Research, Technology, and Education Program ($644 million)

($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Research, Technology, and Education Program			
FY 2012 cross-walked programs	196,783		- 196,783
Highway Research and Development	-----	200,000	200,000
Technology and Innovation Deployment	-----	144,000	144,000
Training and Education	-----	40,000	40,000
ITS Research [1/]	97,454	110,000	12,546
Competitive UTC Consortia [1/]	69,901	72,000	2,099
Bureau of Transportation Statistics [1/]	25,206	38,000	12,794
Multimodal Innovative Research Program [1/]	-----	20,000	20,000
UTC Multimodal Competitive Research Grants [1/]	-----	20,000	20,000
State Planning & Research (SP&R) non-add	[178,828]	[206,398]	[27,570]
Total	**389,344**	**644,000**	**254,656**

1/ Administered by the Office of the Assistant Secretary for Research and Technology.

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

What Is The Request And What Will We Get For The Funds?

The FHWA RT&E program strives to generate new solutions, provide better decision-making information and tools, and build more effective partnerships that will allow our country to make the best investments in the nation's largest utility— our transportation system. The entire innovation lifecycle is covered under the RT&E program umbrella: from agenda setting to research and development, to technology testing and evaluation, to the deployment and impact evaluation of market-ready technologies and innovations.

FHWA Managed Programs
(Millions of Dollars)

Program Activity	FY 2013 FHWA Request	
	RT&E Program	Formula Programs Takedown
Highway Research & Development	$200.0	
Technology and Innovation Deployment Program	$144.0	
Training & Education	$40.0	
SP&R (Research) non-add		$206.4
Total, FHWA Managed Programs	***$384.0***	***$206.4***

As summarized in the above table, FHWA requests $384 million for the following three RT&E major program categories:

- Highway Research and Development program (HRD), which includes most areas previously found under the Surface Transportation Research, Development and Deployment program (STRDD).
- Technology and Innovation Deployment Program (TIDP), designed specifically to enable FHWA to more aggressively fill the critical need to turn research products into proven technologies or demonstrate practices, identify the market forces that will influence successful technology and innovation deployment, and plan and deliver effective communication to promote rapid adoption of proven, market-ready technologies and innovations to States, local jurisdictions, and industry.
- Training and Education (T&E) is responsible for training the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals, and providing training that addresses the full life-cycle of the highway transportation system.

In addition, the State Planning and Research program would continue – now as a two percent take-down from three core programs (National Highway Program, Safety, and Livable Communities), with at least 25 percent ($206.4 million) of the available funding directed to research purposes.

What Is This Program?
The FHWA's RT&E program role is to provide leadership in conducting highway-related research, development, deployment, and training activities to address current and emerging needs facing our nation's transportation system. The program is responsible for developing and delivering the solutions needed to meet current challenges and foresee future needs, addressing them proactively and effectively. The program is committed to providing superior training and education to transportation professionals. FHWA's leadership role signifies a commitment to working collaboratively with its partners in defining the direction of and developing the FHWA roadmaps needed to achieve results, especially since these partners may at times be the ones implementing the technologies and innovations developed. The three main components of the RT&E program are as follows:

The Highway Research and Development program (HRD)
The HRD program highlights FHWA's leadership in developing a comprehensive, nationally-coordinated FHWA highway research and technology program, engaging and cooperating with other highway research stakeholders. The HRD program performs research activities associated with safety, infrastructure preservation and improvements, environmental mitigation and streamlining, livability considerations, operations, and policy. The research conducted aims to collect information that ultimately provides transportation policymakers tools and products that allows them to make accurate decisions that improve the nation's quality of life. The HRD program includes FHWA's advanced and applied research, and facilitates national and international coordination and collaboration to leverage knowledge and develop solutions to address current and emerging highway transportation needs. The Program is closely coordinated with, but does not duplicate, R&D conducted through the University Transportation Center Program, the Intelligent Transportation System Program, the pooled fund National Cooperative Highway Research Program, and State-based research and technology initiatives. The six major areas under the HRD program are:

- **Safety.** Research and development activities support comprehensive and sustainable safety programs. Activities emphasize data-driven analysis of roadway-related safety considerations and specific improvement in four crash areas: roadway departure, intersection, pedestrian, and speeding. The program conducts rigorous evaluations to determine what safety improvements can be expected with the introduction of countermeasure designs or operations. All design or operational changes are assessed from a human factor perspective to eliminate or minimize unexpected consequences of change. FHWA works in cooperation with NHTSA and FMCSA to develop tools and technologies to reduce crashes and improve highway and intermodal transportation safety.
- **Infrastructure.** FHWA conducts problem-focused research, development, and communications outreach activities to preserve the existing investment in our Nation's highway infrastructure and to build for the future through the application of advanced technologies that improve infrastructure integrity. Infrastructure-related research focuses on three major areas: pavements, bridges and structures, and asset management. This work includes: a) development of metrics to assess the performance of infrastructure over the longer term; b) research and development of technologies and techniques to assure that the Nation's infrastructure is world class from a standpoint of longevity, safety,

performance, climate-change mitigation, and sustainability; and c) leadership to ensure effective follow-up and deployment of the improvements developed, particularly those that will speed construction and reduce congestion caused by construction.

- **Planning and Environment.** Activities in this program area include carrying out short and long-term livability and sustainability initiatives to improve project delivery and enhance communities that are impacted by surface transportation projects; developing comprehensive strategies to minimize the impact of transportation investment on the environment; developing capabilities to adjust to changing climate conditions; advancing state of the practice for data collection, geographic information systems applications, and travel forecasting; and providing technical assistance and forums, best practices, and training to assist States, Metropolitan Planning Organizations, local public agencies and other partners and stakeholders in planning and delivering surface transportation projects.

- **Operations.** The Operations program conducts research on the application of cutting-edge technologies to move people and goods better, quicker, more reliably, and safer. The primary focus of Operations activities is on congestion relief solutions. This work will mitigate the impacts of recurring congestion, as well as deal more effectively with non-recurring events that cause congestion, such as traffic incidents, work zones, adverse weather conditions and planned special events. Activities also include conducting applied research to develop the next generation of traffic management systems and models, and researching specific technologies that can improve the performance of the system's services and support to the connected vehicle and other Intelligent Transportation System initiatives. HRD Operations also pursues a broad range of activities designed to improve freight movement and reduce freight-related congestion throughout the transportation network.

- **Policy.** The Policy program analyzes emerging issues in the transportation community, including climate change, public-private partnerships, highway revenues, performance management, authorizing legislation, and a host of other issues. The program also supports data collection on motor fuels, motor vehicles, licensed drivers, roadway characteristics, pavement conditions, travel trends, and travel behavior. Policy data collection and forecasting efforts provide the foundation on which program administration, policy analysis and implementation, and legislative support all rely. The Policy area is responsible for the development of the Infrastructure Investment Needs Report, which promotes the ongoing development of engineering and economic analytical tools and related products to assess the current and future conditions and performance of the Nation's highways and bridges. Policy research initiatives include conducting research through strategic alliances as an associate of the Forum of European Highway Research Laboratories (FEHRL), and other activities to gain better knowledge of technology and best practices put in place in other countries that can improve the U.S. surface transportation system. The initiatives also support implementation of these innovations, leveraging resources to enable the U.S. to benefit from investments made by foreign counterparts, and creating business opportunities for the U.S. private sector. The Policy program also supports innovative program delivery solutions such as public-private partnerships and alternative funding and financing mechanisms for highways.

- **Next Generation Research & Technology.** The Next Generation Research & Technology (R&T) program is responsible for leading the development and coordination of the FHWA components of a national highway research agenda to provide policy-makers and the research community information needed to address critical knowledge gaps, develop collaboration opportunities, and accelerate innovation and technology deployment to meet future highway transportation needs. The FHWA provides the unique national leadership and support required to accomplish this goal and meet the collective needs and national priorities recognized by highway research and technology stakeholders. FHWA has been working with these stakeholders to establish an on-going framework or process to identify national research needs that should be the focus of FHWA's program; improve coordination among researchers; and identify potential opportunities for synergy among research entities. Initial work on creating the framework for developing a highway research agenda is underway, and resources are needed to continue this effort to achieve the goal of an enhanced research agenda, based on a sustained, collaborative process, and reflective of our national needs and priorities. Next Generation R&T also encompasses the Exploratory Advanced Research (EAR) Program, which conducts longer-term, higher-risk research with the potential for dramatic breakthroughs in surface transportation. Key elements of the EAR program are to obtain information from the very large number of basic and advanced research and development activities outside of the highway R&D community for possible exploitation, adaptation and eventual application to the highway industry. Next Generation R&T also supports the operation of the Turner-Fairbank Highway Research Center (TFHRC), a Federally-owned and operated research facility in McLean, Virginia that provides State and local governments, FHWA, and the world highway community with advanced and targeted applied research and development related to new highway technologies. Research conducted at and managed by this facility focuses on providing solutions to complex technical problems through the development of more economical, safe, and environmentally sensitive designs; more efficient, quality controlled constructions practices; and more durable materials.

Technology & Innovation Deployment Program (TIDP)

After innovations and technologies have gone through an initial testing and evaluation process, and they are ready to be put through a more refined, conclusive testing, or they are ready to be deployed, these technologies are advanced into the TIDP program, where final analysis, marketing, communications, and promotional activities are conducted to accelerate its adoption by state DOTs and other government entities or beneficiaries. This aspect of the innovation lifecycle has in the past been insufficiently funded, which has resulted in a number of market-ready technologies that could be highly beneficial to the industry being under-utilized. Thus, FHWA is establishing a separate program area that will aim at advancing deployment-ready technologies resulting from the HRD program, or take market-ready technologies developed by other entities and support their accelerated implementation by State DOTs or other stakeholders.

The newly-created TIDP will greatly accelerate the delivery and deployment of innovation and technology, filling gaps in the innovation lifecycle previously inadequately addressed. The program aims to concentrate on the growing need to significantly accelerate the adoption of

proven, high-payoff, innovative practices and technologies that will significantly improve safety, efficiency, reliability and performance of the current highway transportation system. Expanding on the existing Highways for LIFE program, the TIDP will shorten project planning and delivery time, advance longer-lasting highway innovations and technologies to accomplish the fast construction of efficient and safe highways and bridges, improve safety during and after construction, reduce recurring and non-recurring congestion, improve freight movement and enhance the quality of the highway infrastructure. The TIDP will speed up the adoption of innovative technologies by the surface transportation community, providing creative programs, technical assistance, and resources to state and local transportation agencies to implement market-ready technologies. The TIDP will embrace stakeholder participation, monitoring, evaluation, documentation, and open dissemination of results. It will allow for the modification or upgrade of existing innovations and technologies to ensure widespread adoption and benefit by the highway community.

FHWA TIDP will also work with AASHTO, the States, the Transportation Research Board and others on the implementation of the Strategic Highway Research Program (SHRP 2) results. The purpose of SHRP 2 is to conduct concentrated, results-oriented, applied research focusing on solving the top problems in the area of highway safety, reliability, capacity, and renewal. The program has been carried out by the Transportation Research Board (TRB) in consultation with AASHTO, and is now reaching the results implementation phase.

Finally, TIDP will provide a conduit to accelerate technology and innovation delivery through FHWA's recently launched Every Day Counts initiative (EDC). The Every Day Counts Initiative identifies under-utilized market-ready technologies with high pay-offs and accelerates their deployment and acceptance throughout the Nation.

Training and Education program (T&E)

T&E is responsible for training the current and future transportation workforce, transferring knowledge quickly and effectively to and among transportation professionals, and providing education solutions throughout the full innovation lifecycle. The T&E program provides a wide variety of services and products, including:

- The National Highway Institute provides training courses to present the latest technologies and best practices in highway construction.
- The Local Technical Assistance Program supports technology transfer centers in all 50 states, Puerto Rico, and regional centers serving Native American tribal governments.
- Training and Workforce Development Programs:
    - The Dwight David Eisenhower Transportation Fellowship Program provides opportunities for high performing students and faculty to research transportation topics.
    - The Garret A. Morgan Technology and Transportation Education Programs enhance science, technology, engineering, and mathematics at the elementary and secondary school level.

- The Transportation Education Development Pilot Program develops new curricula and education programs to train individuals at all levels of the transportation workforce.
- Freight Planning Capacity Building supports enhancements in freight transportation planning.
- The Surface Transportation Congestion Relief Solutions Technical Assistance and Training Program disseminates the results of the surface transportation congestion relief solutions research initiative for the purpose of assisting State transportation departments and local transportation agencies with improving their approaches to surface transportation congestion measurement, analysis, and project programming.

State Planning & Research program (SP&R)
A separate category from the three components above, the SP&R program has been funded as a two percent take-down of seven major Federal-aid highway program funds. With the reconfiguration of Federal-aid formula programs presented in this budget document, it would be a take-down of three of the new programs: National Highway Program, Safety Program, and Livable Communities Program.

States must allocate a minimum of 25 percent of their SP&R apportionment for research, development, and technology. FHWA's RT&E program is responsible for administering and providing funds to the States for this research portion of the take-down. SP&R activities involve research on new areas of knowledge; adapting findings to practical applications by developing new technologies; and the transfer of these technologies, including the process of dissemination, demonstration, training, and adoption of innovations by users.

The SP&R program is intended to solve problems identified by the states. State Departments of Transportation are encouraged to develop, establish, and implement research programs that anticipate and address transportation concerns before they become critical problems. High priority is given to applied research on state or regional problems, transfer of technology from researcher to user, and research for setting standards and specifications. To promote effective use of available resources, State Departments of Transportation are encouraged to cooperate with other States, the FHWA, and other appropriate agencies to achieve research objectives established at the national level and to develop a technology transfer program to promote and use those results. States are encouraged to pool their funds in cooperative research efforts as a means of addressing national and regional issues and as a means of leveraging funds. This includes contributing to cooperative programs such as the National Cooperative Highway Research Program (NCHRP), the Transportation Research Board (TRB), and transportation pooled fund studies.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

Why is this particular program necessary?

The three categories under the RT&E program are necessary to cover all phases in the innovation life cycle. The HRD program includes advanced and applied research, exploring new areas of research, developing and testing new products and services to benefit the transportation system. Once a new product or technology has proven to provide value, after initial testing and evaluation, the TIDP program supports the implementation, delivery and deployment phase, conducting refined testing and evaluation, market research, and assisting with marketing and communication matters for the technology or innovation to be widely used in the community. Another part of the innovation lifecycle is performed by the T&E program, which provides assistance to transportation agencies and users of these market-ready technologies, training and educating the workforce on how to efficiently implement and deploy the innovations. Additionally, states use the SP&R program to conduct research of local or regional interest that may not be covered under the HRD program. The TIDP program can assist with the deployment phase of technologies and innovations developed by state research programs, transportation pooled funds, or other research entities.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and.

How do you know the program works?

FHWA's continued commitment to highway research and the implementation of ground-breaking technology is changing the way roads, bridges, and other facilities are planned, designed, built, and maintained across the country. This commitment ultimately delivers a safer, more reliable transportation system that is both effective and environmentally sustainable. The success of the RT&E program can be illustrated through the following examples of innovations that support DOT strategic goals:

- **Safety**:
    - The Safety Analyst software tool is widely used by State DOTs to support the implementation of the new Highway Safety Manual.
    - Through the Every Day Counts (EDC) initiative, the accelerated implementation of the Safety Edge which shapes the edge of the pavement to 30 degrees, is saving lives by allowing drivers who stray off highways to return to the road safely, reducing highway crashes.
- **State of Good Repair**:
    - Research conducted at the FHWA's Turner-Fairbank Highway Research Center (TFHRC) Hydraulics Laboratory has advanced the understanding of the effects of flooding, scour, and coastal inundation on bridges, providing useful information to evaluate infrastructure damage after a hazardous event, and to develop improved bridge design standards.
    - Geosynthetic Reinforced Soil (GRS), another EDC technology targeted for accelerated deployment, provides for extremely durable bridges at reduced costs.

- **Economic Competitiveness**:
    - The EDC initiative is accelerating implementation of Adaptive Signal Control Technologies that adjust traffic signal timing to traffic patterns, resulting in reduced traffic congestion and delays, and decreased fuel consumption and vehicle emissions.
    - Federal, State and local transportation agencies have available a passenger travel analysis framework model developed by FHWA to forecast Vehicle Miles Traveled and perform a variety of scenario analysis, allowing for better transportation planning and assist in crucial transportation decisions.
- **Livability**:
    - FHWA developed a guide to help practitioners incorporate livability considerations into transportation planning. In addition, FHWA conducted regional livability workshops across the country and, based on the attendees' feedback, developed resources for their use in advancing livability.
    - New technology developed at FHWA's TFHRC can survey streets, sidewalks, and curb ramps with great precision, allowing for quick evaluation for Americans with Disabilities Act compliance, improving sidewalk access and the livable community experience for everyone.
- **Environmental Sustainability**:
    - FHWA has led research that has produced information on potential impacts of climate change on transportation systems and infrastructure.
    - FHWA has also developed a rating tool to help State DOTs and MPOs evaluate the sustainability of highway systems and projects.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

Why do we want/need to fund the program at the requested level?

There is a critical need for bold actions, effective investments, and financing innovations to address current gaps and emerging issues facing our nation's transportation system.

Research and development activities are crucial to develop improved performance measures, data collection and analysis tools, and modeling and planning tools, and more durable materials, in support of all departmental goals and objectives.

Recent studies have shown the importance of investing in deployment. Past authorizations have not provided adequate language flexibility or funding for FHWA to perform needed deployment activities for technologies that can support all DOT strategic goals and are ready to be deployed.

As the SHRP 2 program nears its implementation phase, FHWA staff must be prepared to properly administer the growing needs of the program, in conjunction with the work being performed by other stakeholders involved.

Finally, any investment in research and technology would be ineffective without educating and training the current and future transportation workforce to fully leverage resulting innovations and implement new technologies.

For details about the Office of the Assistant Secretary for Research and Technology-administered RT&E programs, see the budget submissions for the Office of the Secretary of Transportation (OST) -- Office of the Assistant Secretary for Research and Technology.

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Executive Summary
Federal Allocation Program

What Is The Request And What Will We Get For The Funds?
FHWA requests $1.357 billion for a Federal Allocation Program to provide funding for transportation projects on Federal and Tribal lands, to respond to natural disasters or other emergencies, to train the highway construction workforce, and to assist disadvantaged business enterprise firms compete for highway construction contracts.

What Is The Program?
The Federal Allocation Program consolidates several existing programs with inherently Federal responsibilities into one program with five components:

- Federal Lands Transportation Program – $430 million for projects that improve access within the Federal estate (national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands) using a performance management program model on infrastructure owned by the Federal government.
- Federal Lands Access Program – $177 million for projects that improve access to the Federal estate on infrastructure owned by States, Counties, and local governments.
- Tribal Transportation Program – $600 million for projects that improve access to and within Tribal lands using a performance management program model.
- Emergency Relief Program – $100 million for States for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster.
- Workforce Development – $50 million for the On-the-Job Training/Support Services program to support State training programs and the Disadvantaged Business Enterprise/Supportive Services program to develop, conduct, and administer training and assistance programs to increase the proficiency of minority businesses to compete, on an equal basis, for contracts and subcontracts.

Why Is This Particular Program Necessary?
This program supports safe, seamless, and multimodal access to Federal and Tribal lands, assists States to restore damaged highway facilities, and provides opportunities to disadvantaged individuals and small businesses.

How Do You Know The Program Works?
The existing FLHP has demonstrated that Federal investment has improved conditions of roads and bridges on Federal and Tribal lands. Emergency Relief program funding has been critical in allowing States to restore highway facilities to pre-disaster conditions. Workforce Development requires annual performance-based proposals that include clearly measurable goals and objectives.

Why Do We Want/Need To Fund The Program At The Requested Level?
The requested $1.357 billion provides the level of investment required to respond to an increasing number and scope of natural disasters and to achieve results for these programs of national interest.

Executive Summary
Federal Lands Transportation Program

What Is The Request And What Will We Get For The Funds?
FHWA requests $430 million to implement the Federal Lands Transportation Program (FLTP). The FLTP outcomes include completed construction and engineering projects that will improve multimodal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

What Is The Program?
The FLTP represents a comprehensive and coordinated approach to funding projects that improve access to and within national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands using a performance management program model. These projects improve the federally-owned and maintained transportation infrastructure, enhance the ecosystems, and increase outdoor opportunities while demonstrating program transparency and accountability.

Why Is This Particular Program Necessary?
The Federal Government owns approximately 30 percent of the land in the United States. More than 20 percent of Americans' recreational activities take place on Federal lands. This program - in conjunction with the Federal Lands Access Program - supports safe, seamless, and multimodal access to America's treasures. The FLTP is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally significant portions of the Federal public transportation infrastructure, which are used on a daily basis by the American public and international visitors. The program is focused on facilities that generate the greatest return on American's investment: roads that provide the seamless linkages to highly visited recreation areas and destination points within our Federal public lands. The FLTP supports rural, livable communities. Many communities outside national parks, refuges, forests and other Federal lands are close enough to urban areas to facilitate the use of transit, vanpools and/or bicycles to the Federal estate.

How Do You Know The Program Works?
Generally, the condition of roads and bridges in the FLHP remained about the same over the current highway authorization (2005-2012). Considering the increasing volume of visitors to our Federal public lands coupled with the long-term trend of increasing construction costs, these data indicate the program preserved critical assets in our national treasures effectively. During 2011, over 1,100 lane miles of park roads and refuge roads were improved and 20 deficient bridges were restored to a safe condition.

Why Do We Want/Need To Fund The Program At The Requested Level?
The requested $430 million represents a 16 percent increase over the $371 million annualized funding level in FY 2012 authorized for the equivalent separate programs under the FLHP. This increase is similar to the average long-term (1983-2012) funding trend and supports a more comprehensive, coordinated, goal-oriented approach to Federal transportation infrastructure management.

Detailed Justification
Federal Lands Transportation Program

What Is The Request And What Will We Get For The Funds?

FY 2013 – Federal Lands Transportation Program
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Federal Allocation Program			
FY 2012 cross-walked programs	621,872		- 621,872
Federal Lands Transportation Program (FLTP)		430,000	430,000
Federal Lands Access Program (FLAP)		177,000	177,000
Tribal Transportation Program (TTP)	464,000	600,000	136,000
Emergency Relief (ER)	100,000	100,000	-----
On-the-Job Training		25,000	25,000
Disadvantaged Business Enterprise		25,000	25,000
Total	**1,185,872**	**1,357,000**	**171,128**

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

FHWA requests $430 million to implement the Federal Lands Transportation Program (FLTP). The FLTP outcomes include completed construction and engineering projects that will improve multimodal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

Program Activity	FY 2012 Authorization	Programmatic Changes	FY 2013 Request
Park Roads and Parkways Program	$240,000	($240,000)	$0
Public Lands Highways Discretionary Program	$102,000	($102,000)	$0
Refuge Roads Program	$29,000	($29,000)	$0
Federal Lands Transportation Program:			
Transportation Facilities owned by the National Park Service and U.S. Fish & Wildlife Service	$0	$315,000	$315,000
Transportation Facilities owned by the U.S. Forest Service, Bureau of Land Management, and the U.S. Army Corps of Engineers	$0	$115,000	$115,000
Total	**$371,000**	**$59,000**	**$430,000**

What Is This Program?

The FLTP continues the purpose of the Federal Lands Highway Program (FLHP), which was established in 1983 to promote a coordinated approach to highway construction on roads owned by Federal Land Management Agencies. The FLTP is the next logical step in that approach, with a focus on a comprehensive system of nationally-significant Federal transportation infrastructure (roads, bridges, trails, and transit systems) using a performance management program approach.

The anticipated FY 2013 accomplishments will include the design and construction of Federal transportation infrastructure consistent with the Federal Land Management Agencies' strategic plans and strategic DOT goals. Based on recent data at comparable funding levels, we anticipate improving about 25 structurally deficient and/or functionally obsolete bridges to a safe/good condition and improving about 400 miles of roads within our national parks, forests, refuges, recreation sites, and Federal public lands.

The purpose of the FLTP is to provide access within our national parks, forests, wildlife refuges, Bureau of Land Management lands, US Army Corps of Engineers recreation areas, and other Federal lands. The FLTP focuses on the subset of the Federal transportation infrastructure that is nationally-significant: those roads, bridges, trails, or transit systems which provide access to high-use recreation areas or provide critical access for economic generation to support the local economy.

The structure of the $430 million FLTP is made up of two central components: transportation facilities owned by the existing partners under the FLHP, the National Parks Service (NPS) and the U.S. Fish & Wildlife Service (FWS) (a total of $315 million), and a competitive component ($115 million) to address the needs of transportation systems owned by three Federal Land Management Agencies (FLMA) partners who are experiencing increased visitation to recreational destinations on their lands: the U.S. Forest Service (USFS), the Bureau of Land Management (BLM), and the U.S. Army Corps of Engineers (USACE). In this manner, critical funding resources will be targeted to those facilities that provide access to the most popular recreational destination points within the Federal estate and thereby generate the greatest return on investment to land owners, communities adjacent to Federal lands, and the American people who are looking for seamless transportation to these popular recreational locations. Put more plainly, the FLTP would focus on facilities that are in the national interest to maintain rather than broadly trying to include every road owned by the Federal Government or every road that provides access to Federal lands.

The FLTP supports livability, particularly in rural America. Many communities outside national parks, refuges, and forests are close enough to urban areas to facilitate the use of transit, vanpools and/or bicycles to access the Federal estate. Greater use of alternative transportation options inside and outside Federal lands helps reduce car emissions, eases congestion at the gate and preserves the environment inside our national treasures for future generations.

The FLTP would reserve a percentage of the funding for comprehensive transportation planning and road and bridge inventory data collection. The set-aside will focus on comprehensive multi-

agency planning efforts and positions the program more effectively to support performance management. The set-aside funding level is empirically-derived using previous planning and data collection spending levels over the previous ten years.

The FLTP would fund transportation planning, research, preventive maintenance, engineering, administrative expenses, rehabilitation, and construction of transportation facilities that provide access to, within, or adjacent to Federal lands. The proposal to fund NPS and FWS transportation facilities directly ($315 million) is attributable to the programs' past performance, their existing backlog of transportation needs, their current standalone programs as part of the FLHP, and their inherent mission to support visitation to our national wildlife refuge and park treasures. The NPS and FWS effectively leverage resources from the Highway Trust Fund and pool these funds with Interior-appropriated (Title 16) funds and gate receipts for transportation purposes. The NPS and FWS maintain a static network of roads, and continue to plan the use of their resources effectively by instituting safety, pavement, bridge, and congestion management systems. The NPS and FWS would be required to maintain a national road and bridge inventory, and report annually on the state of good repair of the transportation system.

The competitive component ($115 million) would be allocated using a discretionary grant process among the transportation systems of the USFS, the BLM, and the USACE. DOT would develop criteria to be used by the respective FLMAs. This program would annually grant entire programs to these agencies rather than a long list of individual projects. Each agency would submit several proposed programs at various funding levels. Each program proposal would be required to demonstrate how it supports the most highly visited recreational areas and their own resource management goals in addition to the Department of Transportation's strategic goals - including performance management goals - such as improving highway safety or keeping their road networks in a state of good repair. This approach would spur competition and strategically channel resources to the programs that yield the greatest return. In this manner, agencies can continue to engage in long-term transportation planning, multi-year project programming, and leverage management systems and other asset management tools to support better decision making. The FLMAs would be required to maintain a national road and bridge inventory and report annually on the state of good repair of the Federal Lands transportation facilities.

Why Is This Particular Program Necessary?

The Federal Government owns approximately 30 percent of the land in the United States (see Exhibit 1 that follows). This land is primarily rural in nature, though there are many Federal facilities in urban settings, such as the Golden Gate National Recreation Area in San Francisco, CA and the Federal Mall and Memorial Parks in Washington, DC. This program supports safe, seamless, and multimodal access to and through our national parks, forests, wildlife refuges, Bureau of Land Management lands, and US Army Corps of Engineers recreation areas.

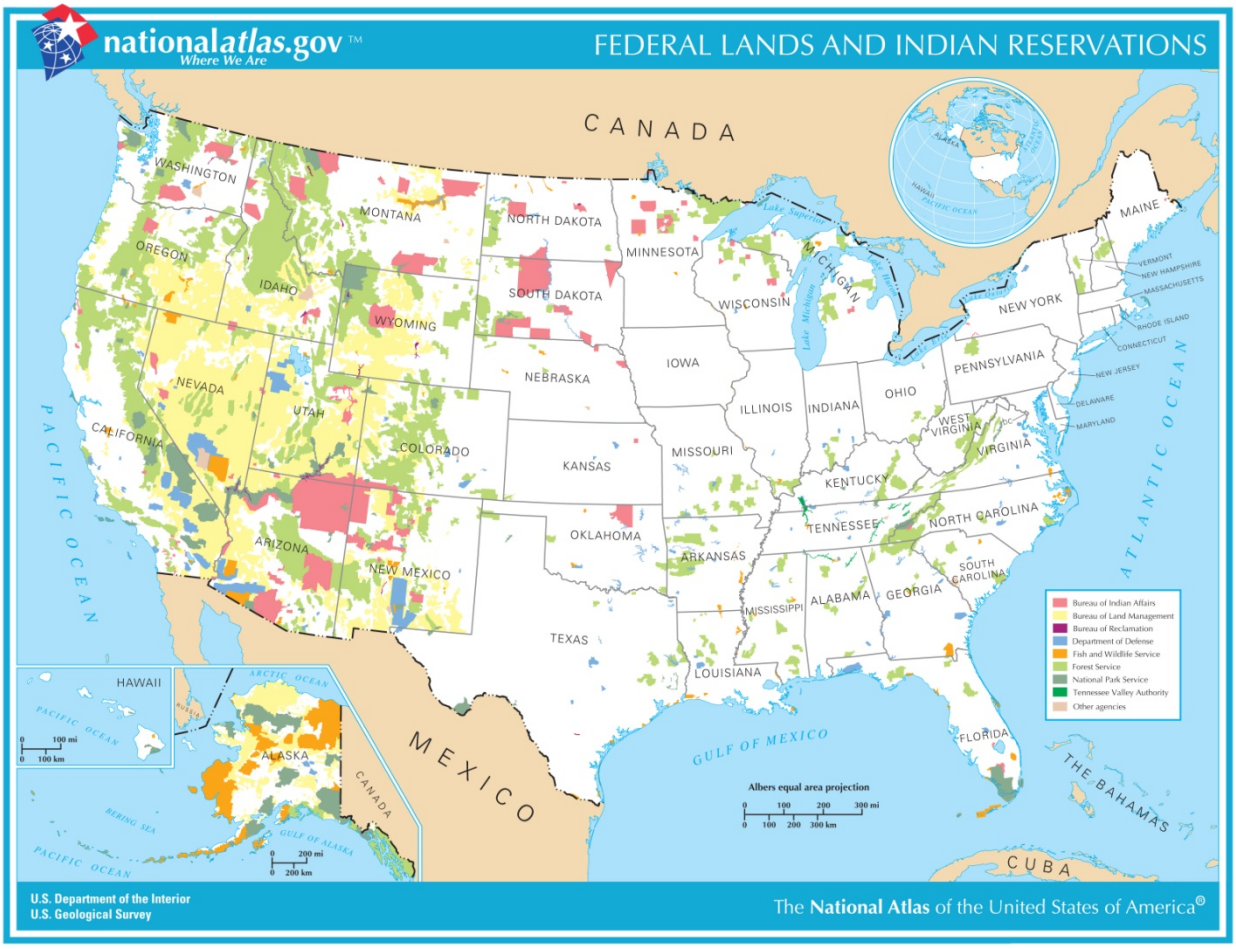

Exhibit 1

The FLTP is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally-significant portions of the public transportation infrastructure owned by FLMAs, which are used on a daily basis by the American public.

Recent national trends indicate that national forests and parks that were once 60-90 minutes away from urban areas are now 15-20 minutes away as suburbs continue to expand further from the urban cores. Approximately 90 percent of the US population is located within 50 miles of a US Army Corps of Engineers recreation site. The need for recreation for the growing US population is increasing, especially in light of the administration's push to tackle childhood obesity. Outdoor recreation is playing a bigger role in the nation's health and quality of life. Recreational spending is a significant portion of the hundreds of billions in travel and tourism dollars that are contributed to the US economy every year. It is one of the fastest growing sectors of our economy—and more than 20 percent of Americans' recreational activities take place on Federal lands.

The FLTP provides access to those Federal lands for a wide variety of recreational activities: hunting, fishing, hiking, camping, RVing, skiing, snowshoeing, swimming, snorkeling, diving, running, biking, bird watching, sightseeing, horseback riding, driving for pleasure,

snowmobiling, boating, waterskiing, and countless other outdoor activities. These activities create thousands of jobs for local communities surrounding Federal lands. Additionally, Federal lands contribute significantly to our economy through energy generation, livestock grazing, and resource extraction, including both renewable (timber) and non-renewable (oil, gas, and other mineral) resources. The FLTP is the primary funding mechanism to keep all of the roads, trails, and other Federal transportation systems that provide this access in a state of good repair.

How Do You Know The Program Works?

Generally, the condition of roads and bridges in the FLHP remained about the same over the current highway authorization (2005-2012). Considering the increasing volume of visitors to our Federal public lands coupled with the long-term trend of dramatically increasing construction costs, these data indicate the program preserved critical assets in our national treasures effectively. During 2011, over 1,100 miles of park roads and refuge roads were improved and over 20 structurally deficient and/or functionally obsolete bridges were restored to a safe condition. Many of these road and bridge improvements included multimodal options on the same facility thereby providing visitors with transportation options, e.g., car, biking, or walking. In summary, the program's transportation investments allow visitors from the United States and numerous countries to experience America's treasures in a safe and seamless manner.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $430 million represents a 16 percent increase over the $371 million funding level in FY 2012 for the equivalent separate programs under the FLHP. This increase reflects the long-term (1983-2012) authorized funding trends and supports a more comprehensive and coordinated, goal-oriented approach to Federal transportation infrastructure management.

We request that the national priority should focus the limited Federal funding on roads or other transportation facilities that provide critical access to highly visited Federal recreation areas and economic generators. When coupled with the Tribal Transportation Program and the Federal Lands Access Program, the FLTP would replace the current FLHP. The FLTP would expand the eligibility of the FLHP to include publicly accessible, high-priority roads, trails, and transit systems owned by the National Park Service, the US Fish & Wildlife Service, the US Forest Service, the US Army Corps of Engineers, and the Bureau of Land Management (only roads owned by the first two agencies are included under the current FLHP).

Executive Summary
Federal Lands Access Program

What Is The Request And What Will We Get For The Funds?
FHWA requests $177 million to implement the Federal Lands Access Program (FLAP). The FLAP outcomes include completed construction and engineering projects that will improve multi-modal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

What Is The Program?
The FLAP represents a comprehensive and coordinated approach to funding projects that improve access to national forests, national parks, national wildlife refuges, national recreation areas, and other Federal public lands. These projects improve the infrastructure, enhance the ecosystems, and increase outdoor opportunities while demonstrating program transparency and accountability.

Why Is This Particular Program Necessary?
The Federal Government owns approximately 30 percent of the land in the United States. More than 20 percent of Americans' recreational activities take place on Federal lands. This program supports safe, seamless, and multimodal access to America's treasures, and provides the linkage to other Federal-aid highways. The FLAP is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally significant portions of the public transportation infrastructure, which are used on a daily basis by the American public and international visitors. The FLAP supports rural, livable communities. Many communities outside national parks, refuges, and forests are close enough to urban areas to facilitate the use of transit, vanpools and/or bicycles. This program also provides residents located in communities adjacent to Federal lands with opportunities to keep their homes and secure jobs in nearby cities by using a range of transportation options, e.g., vanpools, buses, bike paths.

How Do You Know The Program Works?
Generally, the condition of roads and bridges in the Forest Highway (FH) Program remained about the same over the current highway authorization (2005-2012). Considering the increasing volume of visitors to our Federal public lands coupled with the long-term trend of increasing construction costs, these data indicate the program preserved critical assets in our national treasures effectively. During 2011, more than 1,000 miles of Forest Highways were improved and 19 deficient bridges were restored to a safe condition.

Why Do We Want/Need To Fund The Program At The Requested Level?
The requested $177 million is a decrease from the $198 million funding level in FY 2012 for the equivalent FH program under the FLHP. The FLAP builds upon the Forest Highways Program model by supporting State and county owned roads accessing federal lands beyond national forests. The funding level is reduced to reflect the realities of ramping up a new program with many new partners, getting new projects to new Federal lands underway while winding down ongoing FH projects (which would remain eligible for this new FLAP).

Detailed Justification
Federal Lands Access Program

What Is The Request And What Will We Get For The Funds?

FY 2013 – Federal Lands Access Program
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Federal Allocation Program			
FY 2012 cross-walked programs	621,872		- 621,872
Federal Lands Transportation Program (FLTP)		430,000	430,000
Federal Lands Access Program (FLAP)		177,000	177,000
Tribal Transportation Program (TTP)	464,000	600,000	136,000
Emergency Relief (ER)	100,000	100,000	-----
On-the-Job Training		25,000	25,000
Disadvantaged Business Enterprise		25,000	25,000
Total	**1,185,872**	**1,357,000**	**171,128**

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

FHWA requests $177 million to implement the Federal Lands Access Program (FLAP). The FLAP outcomes include completed construction and engineering projects that will improve multi-modal access, support increasing visitation to recreational areas on public lands, and expand economic development in and around Federal lands while preserving the environment and reducing congestion at our national treasures.

Program Activity	FY 2012 Authorization	Programmatic Changes	FY 2013 Request
Forest Highways Program	$198,000	($198,000)	$0
Federal Lands Access Program	$0	$177,000	$177,000
Total	**$198,000**	**($21,000)**	**$177,000**

What Is This Program?

The Federal Lands Access Program (FLAP) continues and expands the purpose of the Forest Highway Program under the FLHP, which was established in 1916 to promote highway construction on roads that provided access to National Forest System lands. The original intent of the Forest Highway Program was to rehabilitate and construct roads to facilitate timber

extraction, but as timber harvesting has reduced over the last few decades the program has shifted focus to recreational access to the National Forest System. The FLAP is the next logical step in that approach, with a focus on a comprehensive system of nationally significant State, County, and local transportation infrastructure (roads, trails, and transit systems) which provide access to the entire Federal estate, not just lands owned by the Forest Service.

The FY 2012 baseline for the equivalent Forest Highway program under the FLHP category is $198 million. The anticipated FY 2013 accomplishments will include the design and construction of transportation infrastructure consistent with the Federal Land Management Agencies' strategic plans and strategic DOT goals. Based on recent data at comparable funding levels, we anticipate improving about 10 structurally deficient and/or functionally obsolete bridges to a safe/good condition and improving more than 200 miles of roads within or providing access to our national parks, forests, refuges, recreation sites, military facilities, and other Federal lands.

The purpose of the FLAP is to provide access to and through the Federal estate. The FLAP focuses on the subset of the roads, bridges, trails, or transit systems which provide access to high-use recreation areas that increase interconnectivity between rural communities adjacent to Federal lands, or which provide critical access for resource extraction, energy generation, renewable resource usage, or animal grazing to support the local economy.

The structure of the $177 million FLAP is a formula distribution by State to the Federal Lands Highway Division offices, following a similar procedure in place for the existing Forest Highway Program. Since all states have Federal lands of some type, each state would benefit from some portion of this funding. The formula criteria will include visitation, number of Federal public road miles and bridges, and the relative amount of Federal public lands within each state. Programming decisions would be determined in each State and encouraged to be made locally in coordination with key stakeholders, e.g., State DOTs, County Governments, FHWA, and FLMAs. This funding component would be used to target Federal funding to transportation infrastructure (roads, bridges, trails, or transit systems) that are owned by States, Counties, or local governments which provide critical access to Federal lands with high-use recreation areas, economic generators, and/or provide interconnectivity between communities adjacent to Federal lands. The type of facility (state- or county-owned roads) would be similar to those facilities that the Forest Highway program funded (though that program was limited to only providing access to national forests).

The FLAP supports livability, particularly in rural America. Many communities outside national parks, refuges, forests, recreational areas, and military bases are close enough to urban areas to facilitate the use of transit, vanpools and/or bicycles. Greater use of alternative transportation options inside and outside Federal lands helps reduce car emissions, eases congestion at the gate and preserves the environment inside our national treasures for future generations. This program also provides residents located in communities outside public lands with opportunities to keep their homes and secure jobs in nearby cities by using a range of transportation options, e.g., vanpools, buses, and bike paths.

The FLAP would reserve a percentage of the funding for comprehensive transportation planning and road and bridge inventory data collection. The set-aside will focus on comprehensive multi-agency planning efforts and positions the program more effectively to support performance management. The set-aside funding level is empirically derived using previous planning and data collection spending levels over the previous ten years.

The FLAP would fund transportation planning, research, preventive maintenance, engineering, rehabilitation, and construction of transportation facilities owned by States, Counties, or local governments that provide access to, within, or are adjacent to Federal lands. The projects would link highly used Federal transportation infrastructure inside the boundaries of public lands with the Federal-aid system outside the boundaries of Federal lands. In this manner, critical funding resources will be targeted to those facilities that provide access to the most popular recreational destination points within the Federal estate and thereby generate the greatest return on investment to land owners, communities adjacent to Federal lands, and the American people who are looking for seamless transportation to these popular recreational locations. Put more plainly, the FLAP would focus on facilities that are in the national interest to maintain rather than broadly trying to include every road that provides access to Federal lands.

Why Is This Particular Program Necessary?

The Federal Government owns approximately 30 percent of the land in the United States (see Exhibit 1 that follows). This land is primarily rural in nature, though there are many Federal facilities in urban settings, such as the Golden Gate National Recreation Area in San Francisco, CA and the Federal Mall and Memorial Parks in Washington, DC. This program, in conjunction with the Federal Lands Transportation Program, supports safe, seamless, and multimodal access to and through our national parks, forests, wildlife refuges, Bureau of Land Management lands, US Army Corps of Engineers recreation areas, military installations, and other Federal lands.

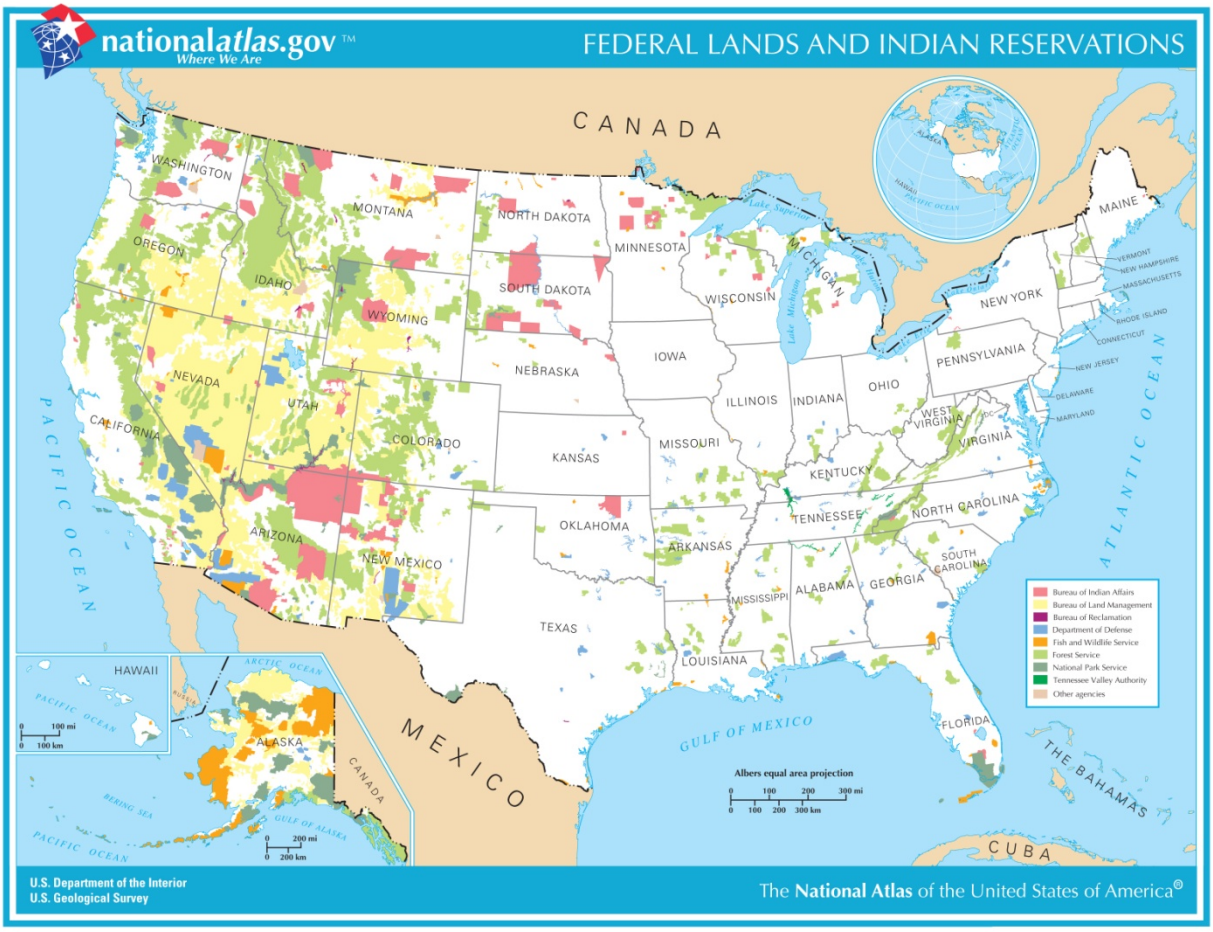

Exhibit 1

The FLAP is focused on a comprehensive and coordinated approach to maintaining, rehabilitating, and improving the nationally-significant portions of the public transportation infrastructure owned by States, Counties, or local governments, which provide access to the Federal estate and are used on a daily basis by the American public.

Recent national trends indicate that national forests and parks that were once 60-90 minutes away from urban areas are now 15-20 minutes away as suburbs continue to expand further from the urban cores. Approximately 90 percent of the US population is located within 50 miles of a US Army Corps of Engineers recreation site. The need for recreation for the growing US population is increasing, especially in light of the administration's push to tackle childhood obesity. Outdoor recreation is playing a bigger role in the nation's health and quality of life. Recreational spending is a significant portion of the hundreds of billions in travel and tourism dollars that are contributed to the US economy every year. It is one of the fastest growing sectors of our economy - and more than 20 percent of Americans' recreational activities take place on Federal lands.

The FLAP provides access to those Federal lands for a wide variety of recreational activities: hunting, fishing, hiking, camping, RVing, skiing, snowshoeing, swimming, snorkeling, diving, running, biking, bird watching, sightseeing, horseback riding, driving for pleasure,

snowmobiling, boating, waterskiing, and countless other outdoor activities. These activities create thousands of jobs for local communities surrounding Federal lands. Additionally, Federal lands contribute significantly to our economy through energy generation, livestock grazing, and resource extraction, including both renewable (timber) and non-renewable (oil, gas, and other mineral) resources. The FLAP is the primary funding mechanism to keep key roads, trails, and other transportation systems that provide this access in a state of good repair.

How Do You Know The Program Works?

Generally, the condition of roads and bridges in the FLHP remained about the same over the current highway authorization (2005-2012). Considering the increasing volume of visitors to our Federal public lands coupled with the long-term trend of dramatically increasing construction costs, these data indicate the program preserved critical assets in our national treasures effectively. During 2011, more than 1,000 miles of Forest Highways were improved and 19 structurally deficient and/or functionally obsolete bridges were restored to a safe condition. Many of these road and bridge improvements included multimodal options on the same facility thereby providing visitors with transportation options, e.g., car, biking, and walking. In summary, the program's transportation investments allow visitors from the United States and numerous countries to experience America's treasures in a safe and seamless manner.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $177 million is a decrease from the $198 million funding level in FY 2012 for the equivalent Forest Highway program under the FLHP. The FLAP builds upon the Forest Highways Program model by supporting State and county owned roads accessing federal estates beyond national forests. The funding level is decreased to reflect the realities of ramping up a new program with many new partners, getting new projects to new Federal lands underway while winding down ongoing Forest Highway projects (which would remain eligible for this new Federal Lands Access Program).

The national priority should focus the limited Federal funding on roads or other transportation facilities that provide critical access to highly-visited Federal recreation areas, economic generators, or communities adjacent to Federal lands. When coupled with the Tribal Transportation Program, and the Federal Lands Transportation Program, the FLAP would replace the current FLHP. The FLAP would expand the eligibility of the Forest Highway Program to include publicly accessible, high-priority roads, trails, and transit systems owned by the States, Counties, and local governments which provide access to the entire Federal estate, not just National Forest System lands.

Executive Summary
Tribal Transportation Program

What Is The Request And What Will We Get For The Funds?
FHWA requests $600 million to implement the Tribal Transportation Program (TTP). The TTP outcomes include completed construction and engineering projects that provide multi-modal access to basic community services for the 565 federally recognized sovereign Tribal governments. The results from this program will enhance livable communities and the quality of life of tribal residents by including safer all weather access to schools and healthcare facilities as well as improved opportunities for economic development on Tribal lands.

What Is The Program?
The TTP represents a comprehensive and coordinated approach to funding projects that improve access to and within Tribal lands using a performance management program model. The TTP would fund transportation planning, research, maintenance, engineering, rehabilitation, and construction of transportation facilities that provide access to, are within, or are adjacent to Tribal lands. These projects improve the transportation infrastructure, enhance the ecosystems, and increase the economic development opportunities of Tribal members while demonstrating program transparency and accountability.

Why Is This Particular Program Necessary?
The TTP provides access to basic community services for the 565 federally recognized sovereign Tribal governments. This program supports livable communities in the mostly rural environments of Indian reservations and will translate to better access to housing, emergency services, schools, stores, places of employment, and medical services. Access to these basic services will enhance the quality of life in Indian country. The TTP will promote access to Tribal lands for commerce and economic growth within Tribal communities. More than eight billion vehicle miles are traveled annually on the Indian Reservation Roads system, even though it is among the most rudimentary of any transportation network in the United States.

How Do You Know The Program Works?
Generally, the condition of roads and bridges in the Indian Reservation Roads Program remained about the same over the current highway authorization (2005-2012). Considering the increasing traffic on Indian lands coupled with the increased inventory and long-term trend of dramatically increasing construction costs, these data indicate the program preserved critical assets in Indian country. During 2011, over 2,100 lane miles of Indian Reservation Roads were improved and about 60 bridges were constructed or rehabilitated in Indian country. The program's transportation investments have enhanced safe and seamless travel to/through Indian country.

Why Do We Want/Need To Fund The Program At The Requested Level?
The requested $600 million represents a 29 percent increase over the $464 million funding level in FY 2012 for the equivalent Indian Reservation Roads Program under the FLHP. This increase supports a more comprehensive and coordinated, goal-oriented approach to Tribal transportation infrastructure management.

Detailed Justification
Tribal Transportation Program

What Is The Request And What Will We Get For The Funds?

FY 2013 – Tribal Transportation Program
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Federal Allocation Program			
FY 2012 cross-walked programs	621,872		- 621,872
Federal Lands Transportation Program (FLTP)		430,000	430,000
Federal Lands Access Program (FLAP)		177,000	177,000
Tribal Transportation Program (TTP)	464,000	600,000	136,000
Emergency Relief (ER)	100,000	100,000	-----
On-the-Job Training		25,000	25,000
Disadvantaged Business Enterprise		25,000	25,000
Total	**1,185,872**	**1,357,000**	**171,128**

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

FHWA requests $600 million to implement the Tribal Transportation Program (TTP). The TTP outcomes include completed construction and engineering projects that provide multi-modal access to basic community services for the 565 federally-recognized sovereign Tribal governments. The results from this program will enhance livable communities and the quality of life of tribal residents by including safer all weather access to schools and healthcare facilities as well as improved opportunities for economic development on Tribal lands.

Program Activity	FY 2012 Authorization	Programmatic Changes	FY 2013 Request
Indian Reservation Roads	$464,000	($464,000)	$0
Tribal Transportation Program	$0	$600,000	$600,000
Total	**$464,000**	**$136,000**	**$600,000**

What Is This Program?

The standalone Tribal Transportation Program (TTP) continues the purpose of the Indian Reservation Roads (IRR) program portion of the FLHP, which was established in 1983 to

promote a coordinated approach to highway construction on roads owned by Federal Land Management Agencies and sovereign Tribal governments. The TTP builds on the IRR approach and focuses on a comprehensive system of nationally-significant Tribal roads using a performance management program approach.

The FY 2012 baseline for the equivalent IRR program under the FLHP category is $464 million. The anticipated FY 2013 accomplishments will include the design and construction of tribal transportation infrastructure consistent with strategic long range transportation plans and goals of the Tribes and DOT.

The structure of the $600 million TTP would remain similar to the current IRR program: the funding would be allocated by formula to all 565 Tribes, in accordance with 25 CFR 170 which was developed through a Negotiated Rulemaking process. The IRR inventory has drastically increased over the past 5 years from approximately 60,000 miles to over 140,000, and nearly all of the new mileage is owned by States and Counties. In consideration of the constantly growing IRR inventory, the Administration proposes that tribal distributions, based on the existing formula, be evaluated annually to assess the effects of the growing inventory on tribal shares and the facilities they support. Prior to distributing funds, the authorized funding level will be applied to ownership types in the current IRR inventory, i.e., one data run/category would include public facilities owned by Tribal governments, the Bureau of Indian Affairs, and other roads that were part of the IRR inventory prior to the Negotiated Rulemaking, and the other data run/category would include eligible facilities owned by States, Counties, and other local governments that have been added since the Negotiated Rulemaking took effect. Following these two computations/runs, the Department and BIA will assess the percentage of funds that apply to each category. If the percentage of the total authorization is 50% or greater for facilities owned by Tribes, the BIA, and "grandfathered" roads, no action will be invoked and the total tribal distributions will occur as they do today. Conversely, if the data reveals that less than 50% of the total funding is being generated from roads owned by the BIA, Tribes, and "grandfathered" roads, a cap of 50% will be invoked on State and County facilities. The use of a funding cap will ensure that BIA and tribally owned facilities will always account for at least 50% of any authorization under the Tribal Transportation Program thereby mitigating the risk with the growing IRR inventory.

The program would fund transportation planning, research, maintenance, engineering, rehabilitation, and construction of transportation facilities that provide access to, are within, or are adjacent to Tribal lands. The Bureau of Indian Affairs and the Tribes would be required to maintain a national road and bridge inventory, and report annually on the state of good repair of the TTP system.

The TTP supports rural livability in tribal communities. This program will provide better access to housing, emergency services, schools, stores, places of employment, and medical services. Access to these basic services will enhance the quality of life in Indian country.

The TTP would reserve up to a five percent set-aside for national bridge rehabilitation and replacement priority activities. This would replace the existing stand-alone Indian Reservation Roads Bridge Program (IRRBP), and increase the funding level from $14 million to up to $30

million. This would operate in an identical manner as the current IRRBP; it is a discretionary program which focuses funds on the bridges with the lowest sufficiency rating. Applications are submitted by Tribes each year. The level is empirically-derived based on spending levels over the previous ten years as well as anticipated future needs.

Similar to the past two authorizations under the IRR Program, the TTP would reserve up to a six percent set aside for administration of the program. This percentage replaces the numeric set-aside listed in SAFETEA-LU (which historically equated to six percent) and would be used for identical activities.

The TTP would reserve up to a three percent set aside for transportation planning and road and bridge inventory data collection. This set-aside currently exists in the IRR program at the two percent level; the three percent level is empirically-derived using spending levels over the previous ten years as well as anticipated future needs. This set-aside is a continuation of the planning activities from the IRR program. This three percent is allocated among the 565 tribes by formula, but those tribes can only spend this funding on planning and data collection activities.

The TTP would reserve up to a two percent set aside for national safety priority activities. This is a new set aside intended to target funds for safety projects using a national discretionary grant process similar to the bridge process, i.e., applications will be submitted by Tribes each year. In some States, the fatality and crash rates in Indian country are three to four times higher when compared to the balance of the same State(s). Therefore, we suggest this situation warrants national attention and dedicated resources to address it.

Why Is This Particular Program Necessary?

The TTP provides access to basic community services for the 565 federally-recognized sovereign Tribal governments. The Administration's support for livable communities in the mostly rural environments of Indian reservations will translate to better access to housing, emergency services, schools, stores, places of employment, and medical services. On some rural reservations, a "complete street" means an all-weather road instead of a native-surface road. The TTP will promote access to Tribal lands for commerce and economic growth within Tribal communities. More than eight billion vehicle miles are traveled annually on the IRR system, even though it is among the most rudimentary of any transportation network in the United States. More than 60 percent of the system is unpaved.

One notable change to the program pertains to the distribution of funds. This program proposes directing a minimum of 50 percent of the authorized amount to roads that have traditionally been associated with the IRR program. In this manner, the program protects a portion of funding for roads within the BIA/tribal subset regardless if additional state and county owned roads are added to the overall IRR inventory. This proposed change still aligns with the results of the 25 CFR rulemaking, i.e., the use of the tribal share formula, while simultaneously preserving the integrity and original intent of the program.

How Do You Know The Program Works?

Generally, the condition of roads and bridges in the IRR program remained about the same over the current highway authorization (2005-2012). Considering the increasing traffic on Indian lands coupled with the long-term trend of dramatically increasing construction costs, we believe there is a good news story to be told.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $600 million represents a 29 percent increase over the $464 million funding level in FY 2012 for the equivalent IRR program under the FLHP. This increase supports a more comprehensive and coordinated, goal-oriented approach to Tribal transportation infrastructure management. This increase reflects the Administration's support for livable communities in the rural environments of Indian country, and will translate to better access to housing, emergency services, schools, stores, places of employment, and medical services.

Executive Summary
Emergency Relief Program

What Is The Request And What Will We Get For The Funds?
The Emergency Relief (ER) program provides funding to States for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster. ER funds are allocated to the States based on their damage assessment of repair costs following a disaster. This request provides continued funding for the ER program at the current annual authorization of $100 million in FY 2013.

What Is The Program?
Congress authorized a special program for the repair or reconstruction of Federal-aid highways and roads on Federal lands which have suffered serious damage as a result of (1) natural disasters or (2) catastrophic failures from an external cause. This program supplements the commitment of resources by States, their political subdivisions, or other Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

Why Is This Particular Program Necessary?
ER program funds are critical to maintaining mobility for the American public. Natural disasters and catastrophes that destroy highways and bridges are unpredictable events and can occur anywhere in the country.

How Do You Know The Program Works?
The ER program provides for repair and restoration of highway facilities to pre-disaster conditions. ER funds are not intended to replace other Federal-aid, State, or local funds for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities. Program requirements are specifically provided in the statute under 23 USC 125 and the ER regulations at 23 CFR 668. FHWA manages ER projects in accordance with normal Federal-aid project requirements. Contracts for both permanent repair work and emergency repairs must incorporate all applicable federal requirements. ER project oversight is performed in accordance with the FHWA stewardship agreement with the State.

Why Do We Want/Need To Fund The Program At The Requested Level?
The ER program has been funded through a recurring annual authorization of $100 million since 1972. When ER program needs exceed available funding, Congress may provide supplemental appropriations to cover the ER backlog. Over the past 12 years, the costs of nationwide ER events, not including large scale disasters {e.g., Hurricane Katrina} have averaged about $350 million annually. Within the same time frame, including large scale events, the average costs increases to about $750 million annually.

Detailed Justification
Emergency Relief Program

What Is The Request And What Will We Get For The Funds?

FY 2012 – Emergency Relief Program
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Federal Allocation Program			
FY 2012 cross-walked programs	621,872		- 621,872
Federal Lands Transportation Program (FLTP)		430,000	430,000
Federal Lands Access Program (FLAP)		177,000	177,000
Tribal Transportation Program (TTP)	464,000	600,000	136,000
Emergency Relief (ER)	100,000	100,000	-----
On-the-Job Training		25,000	25,000
Disadvantaged Business Enterprise		25,000	25,000
Total	**1,185,872**	**1,357,000**	**171,128**

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

The purpose of this request is to provide continued funding for the ER program at the current annual authorization of $100 million (exempt from limitation) in FY 2013.

The ER program provides funding to States for the repair and reconstruction of Federal-aid highways and roads on Federal lands following a disaster. ER funds are allocated to the States based on their damage assessment of repair costs following a disaster. ER funds are not intended to cover all damage repair costs nor interim emergency repair costs to restore the facility. State and local highway agencies must expect additional expenditures, changes in project priorities, and some inconvenience to traffic as a result of emergency conditions. State and local governments are responsible for planning and providing for extraordinary conditions. Economic hardship is not a factor in determining repair eligibility.

Program Activity	FY 2012 President's Budget	Programmatic Changes	FY 2013 Request
Emergency Relief Program	$100,000	--	$100,000
Total	**$100,000**	**--**	**$100,000**

What Is The Program?

Congress authorized in Title 23, United States Code, Section 125, a special program from the Highway Trust Fund for the repair or reconstruction of Federal-aid highways and roads on Federal lands which have suffered serious damage as a result of (1) natural disasters or (2) catastrophic failures from an external cause. This program, commonly referred to as the emergency relief or ER program, supplements the commitment of resources by States, their political subdivisions, or other Federal agencies to help pay for unusually heavy expenses resulting from extraordinary conditions.

Examples of natural disasters include floods, hurricanes, earthquakes, tornadoes, tidal waves, severe storms, and landslides. A catastrophic failure is defined as the sudden and complete failure of a major element or segment of the highway system that causes a disastrous impact on transportation services. Additionally, the cause of the catastrophic failure must be determined to be external to the facility. A bridge suddenly collapsing after being struck by a barge is an example of a catastrophic failure from an external cause. Failures due to an inherent flaw in the facility itself do not qualify for ER assistance.

Emergency repair work to restore essential traffic, minimize the extent of damage, or protect the remaining facilities, accomplished in the first 180 days after the occurrence of the disaster, may be reimbursed at 100 percent Federal share. ER funds are available for permanent repairs and for emergency repair work accomplished more than 180 days after an event at the pro rata Federal-aid share that would normally apply to the facility being repaired.

Why Is This Particular Program Necessary?

ER program funds are critical to maintaining mobility for the American public. Natural disasters and catastrophes that destroy highways and bridges are unpredictable events and can occur anywhere in the country. Following the 2005 Gulf Coast Hurricanes, more than $2.8 billion in ER funds were provided to assist States in the repair and recovery of Federal-aid highways damaged by the hurricanes. These funds were instrumental in assisting the Gulf Coast region with needed recovery efforts following the devastating impact from Hurricanes Katrina, Rita, and Wilma.

When a natural disaster or catastrophe strikes, the ER program is available to provide assistance to clear the roadway and get damaged highways open to traffic. Longer term permanent repairs to restore the damaged highway facility are also funded through the ER program.

How Do You Know The Program Works?

The ER program provides for repair and restoration of highway facilities to pre-disaster conditions. ER funds are not intended to replace other Federal-aid, State, or local funds for new construction to increase capacity, correct non-disaster related deficiencies, or otherwise improve highway facilities.

Program requirements are specifically provided in the statute under 23 USC 125 and the ER regulations at 23 CFR 668. FHWA manages ER projects in accordance with normal Federal-aid project requirements. Contracts for both permanent repair work and emergency repairs must incorporate all applicable federal requirements. ER project oversight is performed in accordance with the FHWA stewardship agreement with the State.

Why Do We Want/Need To Fund The Program At The Requested Level?

The ER program has been funded through a recurring annual authorization of $100 million since 1972. When ER program needs exceed available funding, Congress may provide supplemental appropriations to cover the ER backlog.

Over the past 12 years, the costs of nationwide ER events, not including large scale disasters {e.g., Hurricane Katrina} have averaged about $350 million annually. Within the same time frame, including large scale events, the average costs increases to about $750 million annually. Over the past 20 years, $12.2 billion has been provided through supplemental appropriations to the ER program, in addition to the annual $100 million authorization.

Detailed Justification
Workforce Development Program

What Is The Request And What Will We Get For The Funds?

FY 2013 – Workforce Development Program
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Federal Allocation Program			
FY 2012 cross-walked programs	621,872		- 621,872
Federal Lands Transportation Program (FLTP)		430,000	430,000
Federal Lands Access Program (FLAP)		177,000	177,000
Tribal Transportation Program (TTP)	464,000	600,000	136,000
Emergency Relief (ER)	100,000	100,000	-----
On-the-Job Training		25,000	25,000
Disadvantaged Business Enterprise		25,000	25,000
Total	**1,185,872**	**1,357,000**	**171,128**

Note: Includes cross-walked programs in SAFETEA-LU extension for FY 2012 (annualized).

FHWA requests $25 million for both the On-the-Job Training/Support Services (OJT/SS) and Disadvantaged Business Enterprise/Supportive Services (DBE/SS) programs. This funding will enable FHWA to boost the development of our nation's highway construction industry workforce and expand efforts to assist certified DBE firms in becoming competitive when seeking to obtain highway and bridge construction contracts.

Program Activity	FY 2012 Enacted	Programmatic Changes	FY 2013 Request
On-the-Job Training/Support Services	$10,000	$15,000	$25,000
Disadvantaged Business Enterprise/Supportive Services	$10,000	$15,000	$25,000
Total	**$20,000**	**$30,000**	**$50,000**

On-the-Job Training/Support Services (OJT/SS)

Prior to FY 2011, funding had not changed over a 30-year period. A significant increase in funding requested for FY 2013 would allow FHWA to be a more relevant player in the development of our nation's highway construction industry workforce. For the past several years, the need for OJT/SS funds by the States has greatly exceeded available funds. For example, in FY 2011 FHWA received more than $25 million in requests for funding, but we had

only approximately $6 million in available funds after take-aways, set-asides, etc.; current legislation allows "up to $10 million," and so it is often the case that far less than $10 million is actually available. Further, many States would regularly reduce the amount of their request for funding in anticipation that too little would be available.

In FY 2012, FHWA adopted a new, formula-based process for allocating available OJT/SS funds. Funds will now be distributed to FHWA Division Offices using the previous fiscal year's obligation limitation pro-rata. For example, if a State received 2.04% of total federal funds available to the States, that State would receive 2.04% of all available funds allocated for the OJT/SS program. Under this formula-based process, every State will now receive OJT/SS funds. Given that FHWA anticipates that the funding needs of the States will continue to grow, and, given that approximately one-third more States will receive OJT/SS funds than under the former allocation process, an increase in funding to the recommended level would allow FHWA to ensure that every State's OJT/SS Statement of Work would be funded at a level facilitating full project implementation.

In addition, the National Summer Transportation Institute (NSTI) is one of the OJT/SS-funded programs that would also benefit from an increase in funding. This program provides high school students with an introduction to educational and occupational opportunities in transportation, with a focus on highway construction; many of the NSTI participants go on to work for State Departments of Transportation. The program is conducted over a two- to four-week period during the summer at a college or university-based host site. Currently, due to limited available funds, almost one-third of the States do not have an NSTI host site; many States would like to have several host sites. Further, a number of States would like to recruit more students with disabilities for the program, but are unable to do so due to the additional costs such recruitment involves.

Disadvantaged Business Enterprise/Supportive Services (DBE/SS)

Additional funding would provide sufficient supportive services to assist many more certified DBE firms in becoming competitive in gaining contracts in highway and bridge construction. For the past several years, the need for DBE/SS funds by the States has greatly exceeded available funds by millions of dollars. For example, in FY 2011 FHWA received more than $20 million in requests for funding for scaled-down DBE/SS projects, but we had only approximately $9 million in available funds after takedowns, set-asides, etc.; legislation prior to FY 2012 allowed "up to $10 million." Further, many States would regularly reduce the amount of their request for funding in anticipation that once again, too little would be available.

As with the OJT/SS program, in FY2012, in FY2012, FHWA adopted a new, formula-based process for allocating available DBE/SS funds. Funds will now be distributed to FHWA Division Offices using the previous fiscal year's obligation limitation pro-rata. For example, if a State received 2.04% of total federal funds available to the States, that State would receive 2.04% of all available funds allocated for the DBE/SS program. Under this formula-based process, every State will now receive DBE/SS funds. Given that FHWA anticipates that the funding needs of the States will continue to grow, and, given that approximately 20% more States will receive DBE/SS funds than under the former allocation process, an increase in

funding to the recommended level would allow FHWA to ensure that every State's DBE/SS Statement of Work would be funded at a level facilitating full project implementation.

What Is This Program?

On-the-Job Training/Support Services (OJT/SS)

The OJT/SS program was established by regulation (23 CFR 230, Subpart A) under statutory authority at 23 USC 140(b) to support State training programs by providing services to surface transportation contractors and assistance to construction apprentices and trainees. The funds made available each fiscal year are administered by the FHWA Civil Rights Office, and all funds are allocated to the State for a 100% federal share, with no State matching required. The OJT/SS program funds are available to each State Department of Transportation for developing, conducting, and administering surface transportation and technology training, including skill improvement programs, job readiness and developing and funding summer transportation institutes. Eligible work includes skills training, job readiness and placement, transportation to work sites, recruitment and post-graduation follow-up and job-site mentoring. This program is an adjunct to the OJT Program.

Disadvantaged Business Enterprise/Supportive Services (DBE/SS)

The DBE/SS program was established by regulation (23 CFR 230, Subpart B) under statutory authority at 23 USC 140(c) to develop, conduct, and administer training and assistance programs to increase the proficiency of minority businesses to compete, on an equal basis, for contracts and subcontracts. The program has consistently operated as an adjunct to the DBE program. The primary purpose of the DBE/SS program is to provide training, capacity building assistance, and services to DBE firms certified in the DBE program so as to increase their activity within the program, and to facilitate the firms' development into viable, self-sufficient organizations capable of competing for, and performing on federally assisted highway projects.

Why Is This Particular Program Necessary?

On-the-Job Training/Support Services (OJT/SS)

The Program's targeted populations include minorities, women and disadvantaged individuals who are provided training and apprenticeship opportunities designed to move them into journey-level positions in skilled and semi-skilled crafts; these groups are among those that have been historically under-represented in highway construction. Further, many veterans returning to the civilian workforce are in need of training and other assistance provided by the OJT/SS Program, and are also considered to be among the Program's primary target populations. The NSTI Program supported with OJT/SS funds further strengthens FHWA's efforts to develop the highway construction workforce of the future by introducing individuals to this industry at the more formative stages of their lives. The OJT/SS Program provides FHWA with a leadership-level tool for developing a skilled and technically competent workforce to meet our nation's future needs in highway construction.

Disadvantaged Business Enterprise/Supportive Services (DBE/SS)

The DBE program of the US DOT is a program created by Congress to assist a sector of our small business community. The continued reauthorization of this program has been justified by Congress on clear evidence of discrimination and/or the lingering effects of past discrimination. The goal of the program is to achieve a level playing field in a competitive environment where the affects of discrimination are absent and small businesses have a fair chance to participate in US DOT assisted contracts without contending against discriminatory barriers related to race, color, gender, or national origin that are so prevalent in our industry. The DBE program is not an entitlement program, but rather, a program that provides opportunities in a competitive environment where success must be earned. The DBE/SS Program has consistently operated as an adjunct to the DBE Program, providing those very services that are needed to achieve that level playing field.

How Do You Know The Program Works?

The OJT/SS Program requires annual performance-based Statements of Work (SOW) that include clearly measurable and quantifiable goals and objectives. Under the former allocation process, to be considered for funding in subsequent years, each previously funded State was required to submit a detailed accomplishment report indicating the level of success with respect to achieving the goals and objectives stated in their proposal. Under the new formula-based allocation process, the requirement to include clearly measurable goals and objectives in a State's SOW has been retained, along with the requirement to submit to the respective FHWA Division Office a detailed accomplishment report upon completion of the project. SOWs are reviewed by the FHWA Division offices and approved, upon recommendation by the FHWA Division offices by FHWA HQ Office of Civil Rights.

The DBE/SS Program also requires annual performance-based SOWs that include clearly measurable goals and objectives, both under the former allocation process as well as under the new formula-based allocation process. In addition, the requirement to submit to the respective FHWA Division Office a detailed accomplishment report upon completion of the project has been retained.

Why Do We Want/Need To Fund The Program At The Requested Level?

Current funding is well under what the $10 million would look like today considering inflation. Further consideration should be given to the expanded eligibility under the new formula-based allocation process, as well as substantive increases in the following:

- national program size
- number of unemployed
- number of individuals seeking work in the highway and bridge construction areas
- number of veterans returning to the civilian workforce
- number of certified DBEs across the country
- number of under-utilized DBE firms seeking contracts in the highway and bridge construction areas, and

- U.S population.

To make the OJT/SS funding relevant on a national scale, and give every State the ability to target funds to emerging programs and/innovations of national interest, we need to significantly increase the funding level.

In addition, an increase in funding is likely to result in performance improvement because every State would now have the necessary resources to enhance their targeted recruitment of OJT/SS participants (e.g., trainees and apprentices), expand their outreach efforts to DBE firms, heighten and expand their level and breadth of project oversight, and avoid any shortcuts in providing the full-range of necessary services based on the required needs assessment element in every Statement of Work.

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Executive Summary
Transportation Infrastructure Finance Innovation Act (TIFIA)

What Is The Request And What Will We Get For The Funds?
The FY 2013 FHWA budget request includes $500 million for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

What Is The Program?
The TIFIA program provides Federal credit assistance to surface transportation projects of national or regional significance.

Why Is This Particular Program Necessary?
The TIFIA program leverages Federal dollars in a time of scarce budgetary resources, facilitating private participation in transportation projects and encouraging innovative financing mechanisms that help advance projects sooner.

How Do You Know The Program Works?
The success of the TIFIA program is evident in three main areas: the strong demand for TIFIA credit support; the active pipeline of projects applying for TIFIA assistance; and the performance of projects financed with TIFIA credit assistance. The program has accelerated the delivery of critical infrastructure investments, providing almost $8.7 billion in credit assistance to 25 projects since inception.

Why Do We Want/Need To Fund The Program At The Requested Level?
The TIFIA program funding level will help meet the overwhelming demand for TIFIA credit support and stimulate infrastructure investment that would be temporarily or permanently delayed without TIFIA financing.

Detailed Justification
Transportation Infrastructure Finance and Innovation (TIFIA)

What Do I Need To Know Before Reading This Justification?

The FY 2013 FHWA budget request includes $500 million for the Transportation Infrastructure Finance and Innovation Act (TIFIA) program.

What Is The Request And What Will We Get For The Funds?

FY 2013 – TIFIA
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
TIFIA (loan program subsidies)	122,000	500,000	378,000
Total	**122,000**	**500,000**	**378,000**

The FY 2013 budget requests $500 million in TIFIA program funds to cover the subsidy cost of providing credit support to surface transportation projects of regional or national significance. This funding will help to meet the demand for infrastructure financing options in the United States. What's more, TIFIA funding can leverage Federal dollars by approximately tenfold, so that a relatively small Federal commitment can stimulate a large amount of State, local, and private investment. TIFIA support will advance projects that could not have moved forward in FY 2013 without Federal financing, thereby accelerating the economic, livability, and mobility benefits of this infrastructure investment.

What Is This Program?

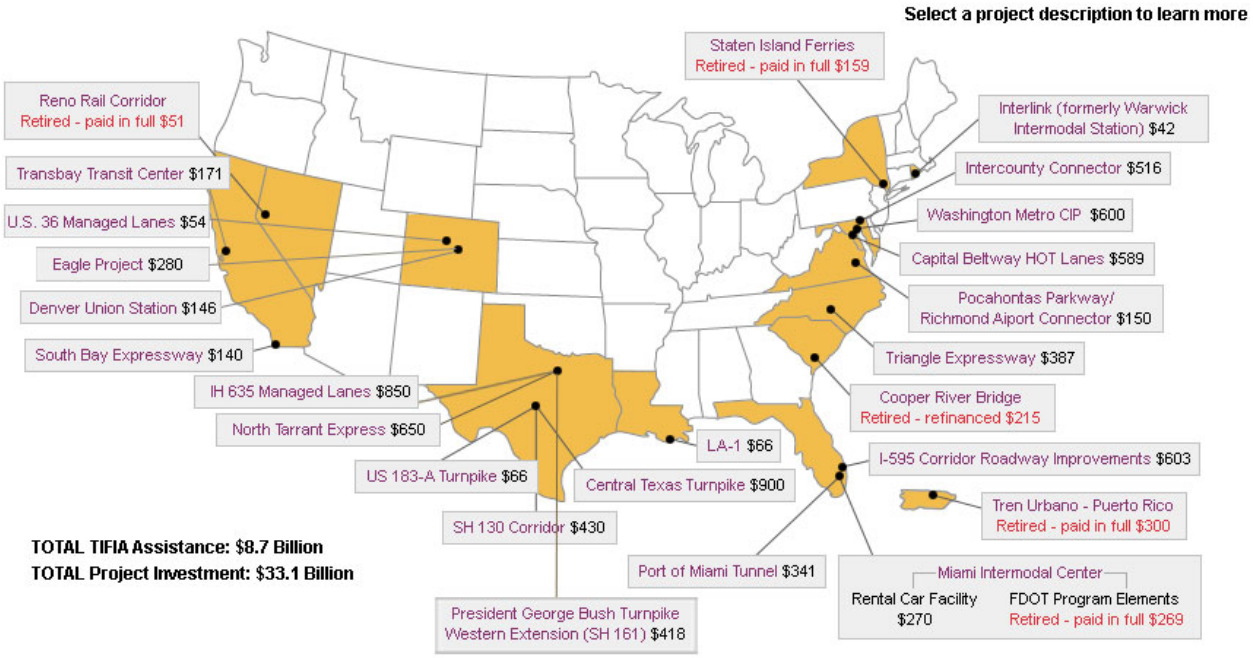
Congress created the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit program as part of its 1998 enactment of the Transportation Equity Act for the 21st Century (TEA-21, P.L. 105-78), as amended by the TEA-21 Restoration Act (Title IX of P.L. 105-206). Codified in Sections 601 through 609 of Title 23, United States Code (23 U.S.C.), the TIFIA program provides Federal credit assistance to surface transportation projects of national or regional significance

Through TIFIA, the Department provides Federal credit assistance to highway, transit, rail, and intermodal freight projects including seaports. TIFIA may lend up to 33 percent of eligible costs for large infrastructure projects of $50 million or more ($15 million for Intelligent Transportation System projects). The program offers three types of financial assistance:

- **Secured loans** are direct Federal loans providing long-term financing of capital costs with flexible repayment terms.
- **Loan guarantees** provide full-faith-and-credit guarantees by the Federal Government of a portion of project loans made by institutional investors.
- **Standby lines of credit** represent secondary sources of funding in the form of contingent Federal loans that can supplement project revenues during the first 10 years of project operations.

The TIFIA program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital to projects. TIFIA credit assistance provides improved access to capital markets, flexible repayment terms, and potentially more favorable interest rates than can be found in private capital markets for similar instruments. TIFIA can help advance qualified, large-scale projects that otherwise might be delayed or deferred because of size, complexity, or uncertainty over the timing of revenues.

Since the inception of the program, 25 projects have received a credit commitment, including four intermodal projects, 16 highway projects, and five transit projects. These projects represent approximately $33.1 billion of infrastructure investment spread across the United States. The commitments total nearly $8.7 billion in Federal assistance with a budgetary cost of approximately $611 million. The map that follows indicates the locations of TIFIA investment across the United States.



Why Is This Particular Program Necessary?

A relatively small amount of TIFIA program funds can stimulate large-scale infrastructure investment, thereby creating and maintaining jobs across America. The TIFIA program leverages Federal funds by attracting private and other non-Federal co-investment in critical improvements to the nation's surface transportation system, often playing an integral role in a project's financial plan. TIFIA program funds cover the Federal government's estimated cost of providing credit assistance, or the subsidy cost. The subsidy cost reflects estimated losses on a present value basis, and is a fraction of the face value of the loan, calculated on a loan-by-loan basis. The maximum portion of eligible project costs a TIFIA loan can fund is 33 percent. Thus, each dollar of TIFIA program funds could support a loan of approximately 10 dollars and result in an infrastructure investment of roughly thirty dollars.

TIFIA credit assistance can often provide more advantageous terms than are available in the financial market, making it possible to obtain financing for needed projects when it might not otherwise receive funding. TIFIA was created because State and local governments often had difficulty financing large-scale transportation projects with innovative revenue streams at reasonable rates due to the uncertainties associated with these, non-traditional repayment sources. Tolls and other project-based revenues are difficult to predict, particularly for new facilities, because it is hard to estimate how many transportation users will pay fees during the initial ramp-up years after construction. Similarly, innovative revenue sources, such as proceeds from tax increment financing, are difficult to predict.

Some recent loan closings facilitated the construction of several billions of dollars worth of projects across the nation as follows. The DOT recently executed a $341 million loan for the Port of Miami Tunnel Project, facilitating construction of a dedicated access tunnel between the City of Miami, Florida and the Port. Another $650 million TIFIA loan closed for the North Tarrant Express Project, a managed lanes facility in the Dallas-Fort Worth region. The Transbay Transit Center Project, a multimodal transportation facility, received a $171 million TIFIA loan. TIFIA closed the second largest loan in the program's history, an $850 million loan for the IH 635 Project, a second managed lanes facility in the Dallas-Fort Worth area. And a $145.6 million TIFIA loan closed to finance the Denver Union Station Project, a multimodal transit hub in Denver, Colorado.

In all, TIFIA provided nearly $2.2 billion in credit assistance in for these projects, facilitating innovations in funding and financing for transportation that would not have been possible without TIFIA support. The Capital Beltway Hot Lanes, North Tarrant Express, and IH 635 projects were the first U.S. projects advanced as managed lanes facilities. The I-595 and Port of Miami Tunnel projects were the first U.S. availability payment projects. Transbay Transit Center and Denver Union Station both used tax increment financing, an uncommon funding source for transportation projects, as part the repayment pledge. Private financing was either unavailable or prohibitively expensive for the projects because of their innovative nature. By acting as a patient investor – back loading debt repayment and accepting a junior lien on project revenues – TIFIA facilitated delivery of these critical infrastructure investments.

How Do You Know The Program Works?

The success of the TIFIA program is evident in three main areas: the strong demand for TIFIA credit support; the active pipeline of projects applying for TIFIA assistance; and the performance of projects financed with TIFIA credit assistance.

Demand for TIFIA

In the past several years, there has been an unprecedented level of interest in TIFIA credit assistance due to the growing need for additional infrastructure investment relative to other existing sources of transportation funding, including fuel tax receipts and municipal borrowing. The demand for TIFIA is further strengthened by the economic downturn.

Since FY 2008, the TIFIA program has been oversubscribed. To help manage this demand, the Department shifted from a first come, first served approach to a fixed-date application process by issuing a Notice of Funding Availability (NOFA). A NOFA seeks Letters of Interest (LOIs) from project leaders interested in applying for TIFIA credit assistance.

In each of the three years that DOT has issued a NOFA seeking LOIs, the program has been oversubscribed by a ratio of more than ten to one.

TIFIA LOIs: Demand from FY 2010 through FY 2012			
NOFA Deadline	Mar. 1, 2010	Mar. 1, 2011	Dec. 30, 2011
Number of LOIs	39	34	26
Credit Support Requested	$12.5 billion	$14 billion	$13 billion
Total Investment	$41 billion	$48 billion	$38.5 billion

Pipeline of Projects

In FY 2011, two TIFIA loans closed. In April, a loan agreement was executed for the SH 161 project near Dallas, Texas. In September, the US 36 project north of Denver, Colorado reached financial close. Both projects were forwarded under ARRA authority and selected for TIGER TIFIA Awards. The SH 161 project will complete an important link in that tollway. The US 36 project will add managed lanes to a congested portion of highway between Denver and Boulder and improve transit service in the corridor. In total, the two projects received almost $500 million in credit assistance to finance over $1.5 billion in total project costs.

One TIFIA loan – for the Eagle project – has already been executed in FY 2012. The $280 million loan was made to the Denver Regional Transportation District to finance a portion of the transit authority's costs associated with the East and Gold Line projects. In addition to the Eagle project, TIFIA expects to execute loans for five more projects in FY 2012. In total, it is anticipated that TIFIA will provide over $2 billion in credit assistance in FY 2012.

Loan Performance

TIFIA has provided 25 loans and one loan guarantee for 24 projects since the program's inception in 1999. Many projects financed with TIFIA credit support were constructed ahead of schedule or at a lower cost than otherwise would have been possible.

Since TIFIA finances major infrastructure projects with long construction timeframes, many of the TIFIA projects have not opened to traffic. Of the projects that have been completed, five have repaid or retired the TIFIA credit support in full. Another six projects are open for use, generating revenue as expected, and have or will begin TIFIA repayment in 2012.

As further evidence of TIFIA's successful loan performance, there have been no payment defaults in the history of the TIFIA program. One project, the South Bay Expressway, did go through bankruptcy reorganization. The San Diego Association of Governments acquired the assets of the company as well as the TIFIA loan in December 2011. Based on the terms of the sale, TIFIA expects to fully recover the balance due on the loan when the project went into bankruptcy.

Why Do We Want/Need To Fund The Program At The Requested Level?

The requested $500 million in program funds will enable TIFIA to provide almost $5 billion in direct loans, loan guarantees, and lines of credit. This level is beneath the current demand for the program as evidenced by the past three years that TIFIA has received letters of interest from projects under the competitive solicitation process. In each of these three years, the requested amount of credit support has exceeded $10 billion. That is more than twice the estimated level of credit assistance that the FY 2013 budget request will support.

The FY 2013 funding level will help meet the demand for TIFIA credit support and stimulate infrastructure investment that would be temporarily or permanently delayed without TIFIA financing. The budget request will provide credit assistance for a substantial pipeline of projects that would like to have access to TIFIA credit support, from innovative transit programs to managed lane facilities to bridge repair and replacement projects. It is estimated that demand for TIFIA credit support in FY 2013 will be similar to the $12 - $14 billion requested by the projects that submitted Letters of Interest in prior years.

Detailed Justification
Transportation Leadership Awards

What Is The Request And What Will We Get For The Funds?

FHWA requests $700 million in FY 2013 for the Transportation Leadership Awards program. This competitive grant program assists State DOTs and tribal governments to implement bold, innovative reforms leading to transportation policy innovations. It also funds improvements in the organizational capacity of State DOTs, metropolitan planning organizations (MPOs) and tribal governments to support such reform.

FY 2013 – Transportation Leadership Awards– Budget Request
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Transportation Leadershp Awards	-----	700,000	700,000
Total	-----	**700,000**	**700,000**

What Is This Program?

The Transportation Leadership Awards program is a competitive grant program designed to incentivize the implementation of innovative strategies and best practices in transportation planning, management, spending, and project delivery. It is a multi-year, multi-modal effort to encourage transportation agencies to think differently about transportation projects.

States, Puerto Rico, the District of Columbia, tribal governments and MPO's may apply. Applicants must demonstrate meaningful participation with relevant partners and experience in successfully and independently administering Federal-aid highway programs or projects. Grants over $100 million are awarded on a competitive basis, commensurate with the relative size of a State's Federal transportation program.

Each applicant submits a program of projects, to be evaluated on the basis of how well it has adopted or implemented best practices that create a robust, sustainable multimodal transportation investment that is both efficient and cost-effective. The program of projects shall –

- Include priorities of MPOs within the applicant's jurisdiction as identified in their Transportation Improvement Programs (TIPs);
- Demonstrate superior return on investment and competitive value for taxpayer money by means of a benefit-cost analysis of alternatives;

- Be developed through a multimodal performance based, comprehensive transportation planning process that includes linkages to housing, economic development, environment, land use, and other infrastructure investment planning and investment and with strong, interactive public input and awareness; and
- Further the identified best practices and reform initiatives.

The best practices referred to above include –

- Commitment to a variety of sustainable and innovative non-federal sources of transportation funding that provides flexibility to make investments across all modes;
- Analytical tools in the investment decision-making process;
- Practices that increase the efficient use of system capacity and reduce the need to invest in new highway capacity;
- Technologies and training to improve the condition and performance of transportation networks;
- Adoption of laws, rules, and regulations, and a commitment of resources toward practices that reduce transportation-related fatalities and injuries, improve air quality, reduce greenhouse gas emissions, enhance community quality of life, and expand transportation choices;
- Integration of transportation planning and investment decisions with other land-use and economic development decisions;
- Collection and use of data in longitudinal analyses of investment performance and return on investment; and
- Performance-based distribution process for the allocation of a significant portion of non-Federal funds and Federal transportation formula funds under the control of the applicant.

Three percent of the Transportation Leadership Awards funding will be reserved for a Managing Performance Grants program to build technical and organizational capacity to implement the best practices described above. This is a separate competition held annually over a three-year period. Grants will range between $1 million to $25 million.

States, Puerto Rico, the District of Columbia, tribal governments and MPO's may apply for Managing Performance Grants. Applicants will be evaluated on the extent to which their proposals do the following:

- Show how awarded funds will promote national transportation priorities;
- Provide for a multi-modal approach to transportation needs;
- Demonstrate the progress made on earlier grant awards (if awarded a grant prior to this).

Eligible activities include:

- Data collection, storage, and analysis systems;
- Advanced transportation modeling, simulation, and analysis; and
- Staff training to utilize new, more advanced systems and departmental reorganization to support implementation of best practices.

Why Is This Particular Program Necessary?

This program will encourage reforms that are often complex, challenging and difficult to adopt. It will incentivize broad, innovative transportation planning and implementation beyond the status quo while also providing significant benefits to communities across the country.

How Do You Know The Program Works?

This program encourages strategies and best practices that are tested and proven. Awardees build on lessons learned from the obstacles these practices have overcome in the past and set up a framework for wider-deployment in the future. Awards are based on the extent to which proven practices are adopted or the extent to which the applicant can demonstrate that a new strategy is equally as impactful. This program promotes the competition necessary to encourage bold, innovative steps in transportation planning, management, spending and project delivery.

Why Do We Want/Need To Fund The Program At The Requested Level?

The request includes $700 million to continue this program in FY 2013. This funding level is necessary to provide awards large enough to incentivize States to take on complex and difficult challenges to reform their transportation programs and improve outcomes.

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Executive Summary
Limitation on Administrative Expenses (LAE)

What Is The Request And What Will We Get For The Funds?
FHWA requests a $441.0 million Limitation on Administrative Expenses (LAE) consisting of $437.8 million for FHWA Federal-Aid General Operating Expenses (GOE) and $3.2 million for the Appalachian Regional Commission (ARC). Unlike previous years, the Office of the Inspector General (OIG) requests funding for administrative expenses through a direct appropriation in their budget.

In addition to baseline increases in payroll and benefits, GSA rent, and inflation; FHWA requests additional resources to help implement our Financial Management Reporting System Assessment, our Data Integration program, restore training and development to necessary levels, and other critical Information Technology (IT) initiatives (described below).

What Is The Program?
This account provides the resources necessary to maintain the Agency's general administrative operations. The LAE funds salaries and benefits, travel, rent, communications, utilities, printing, contractual services, supplies and equipment for most of the Federal-aid Highway Program.

Why Is This Particular Program Necessary?
This program provides the resources necessary to maintain the Agency's extensive administrative and oversight functions. The GOE request will help ensure FHWA is properly resourced to maintain its leadership and oversight role as the Federal highway program begins a new era of complexity, accountability, and transparency.

Why Do We Want/Need To Fund The Program At The Requested Level?
FHWA seeks a modest increase in its GOE funding to ensure it has the necessary resources to provide oversight of the programs proposed in this budget request.

Three-quarters of the proposed increase is driven by baseline adjustments that FHWA has little or no control over; if not funded, these costs will erode FHWA's GOE base and will reduce the organization's ability to execute its host of responsibilities.

In addition to the above baseline increases, FHWA requests additional resources to help implement our Financial Management Reporting System Assessment, our Data Integration program, restore training and development to necessary levels, and other critical Information Technology (IT) initiatives (described below).

The scope and complexity of FHWA's responsibilities have greatly expanded and evolved over the last 10 years and the requested funding level is necessary for essential management and oversight activities.

In support of the Executive Order to Promote Efficient Spending, FHWA has proactively taken steps in the following areas to reduce administrative costs and operate in the most efficient, effective way:

Travel/Transportation Costs—FHWA is increasing its use of technology such as teleconferencing and virtual meetings to reduce travel costs. Also, the agency is focused on streamlining conferences and seminars. As a result of these efforts, FHWA expects to reduce travel and transportation costs by nearly 5% by FY 2013.

Printing/Reproduction—FHWA is continuing its focus on encouraging all staff to use electronic resources in place of printed materials. For example, the agency has significantly reduced its orders of hard-copy publications from the Federal Register, instead making use of the Federal Register's on-line resources. FHWA expects to reduce printing and reproduction costs by approximately 40% by FY 2013.

Advisory Contracts—FHWA has undertaken a careful review and analysis of its advisory contracts to determine the appropriate funding levels for these contracts. Based on this review and analysis, FHWA expects to reduce advisory contracts costs by approximately 25% by FY 2013.

Supplies/Promotional Items—FHWA has made a concerted effort to reduce or eliminate promotional items to the greatest extent possible, and to limit supplies to necessary levels. The agency expects to realize a 10% reduction in this area by FY 2013.

Detailed Justification
Limitation on Administrative Expenses

What Is The Request And What Will We Get For The Funds?

FY 2013 – Limitation on Administrative Expenses
($000)

PROGRAM ACTIVITY	FY 2012 ENACTED	FY 2013 REQUEST	Difference From FY 2012 ENACTED
Federal-aid Highways Program			
Limitation on Administrative Expenses			
FHWA General Operating Expenses	412,000	437,780	25,780
Appalachian Regional Commission	3,220	3,220	-----
Office of Inspector General	-----	-----	-----
Total	**415,220**	**441,000**	**25,780**

FHWA requests $441.0 million for Limitation on Administrative Expenses (LAE), consisting of $437.8 million for FHWA General Operating Expenses (GOE) and $3.2 million for the Appalachian Regional Commission (ARC). In accordance with section 104 of title 23, United States Code, funding is appropriated to FHWA and transferred to ARC.

To ensure FHWA has the resources to execute its myriad of Federal-aid responsibilities and is positioned to implement the programmatic changes proposed in the President's proposed reauthorization, it seeks a $25.8 million increase in LAE funding over the FY 2012 enacted levels. The table below summarizes the requested FY 2013 obligation limitation changes from FY 2012 levels.

Summary of Requested FY 2013 Funding Changes from FY 2012 Enacted level

GOE Activity	Amount ($000)
President's FY 2013 pay raise	1,126
One Additional Compensable Day in FY 2013	1,150
Adjustment to Base Pay	1,200
GSA Rent	1,183
Working Capital Fund	519
Inflation (0.5%)	298
Subtotal, adjustments to base	5,476
Increase in Contractual Services (Accounting Support)	1,256

Learning & Development	3,966
Financial Management Reporting System (FMIS)	5,000
Data & Reporting Systems Integration	4,000
Document Management System (DMS)	3,582
Video Teleconferencing (VTC) Modernization Initiative	1,200
Continuous Monitoring and Configuration Management	800
Cloud Computing	500
Subtotal, FY 2013 increases	20,304
Total	**$25,780**

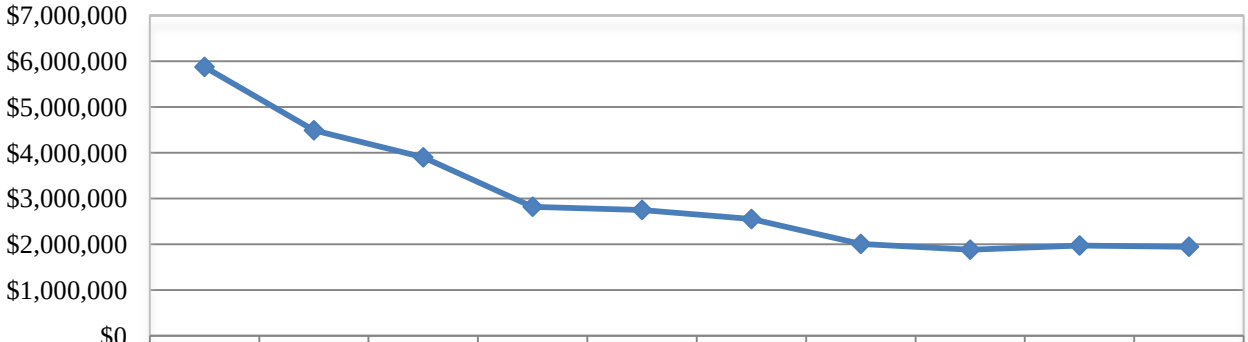
Of the increased funding requested, $6.27 million is adjustments to baseline funding and other increases that are required to maintain current level of agency operations. These increased costs include:

- President's FY 2013 pay raise ($1.1 million)
- One Additional Compensable Day in FY 2013 ($1.2 million)
- GSA Rent ($1.2 million)
- Working Capital Fund increase ($0.5 million)
- Increase in Contractual Services (Accounting Support) ($1.3 million)
- Inflation ($0.3 million)
- Adjustment to Base Pay ($1.2 million) - Many FHWA employees spend a portion of their time on American Reinvestment and Recovery Act (ARRA) oversight and stewardship, which is currently funded with ARRA administrative funds. However, this funding expires at the end of FY 2012, but FHWA will continue to have oversight and reporting requirements in FY 2013 and beyond. Starting in FY 2013, ongoing costs associated with ARRA projects will need to be covered with general operating expenses funding.

In addition, FHWA requests additional resources to help strengthen the professional expertise of its human resources, improve data and reporting systems capabilities, and make other necessary IT investments to ensure the appropriate infrastructure support for the organization, as described below.

Learning & Development ($4.0 million):
FHWA is currently struggling to sustain its highest levels of program and operational knowledge, as training dollars as a percentage of salaries continue to decrease. Investment in learning and professional development in FY 2011 was one-third of what it was in 2002 ($6 million versus $2 million, dropping from 2.9 percent to less than 1 percent of total salaries), even at a time when retirements and other staff departures are steadily draining our expertise and we are increasingly turning to mid-career hires to fill key positions. On average, this is less than $850 per FTE.

Funding Trend for Learning & Development



	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
L&D Funding	$5,876,000	$4,491,342	$3,900,000	$2,820,000	$2,750,000	$2,550,473	$2,006,484	$1,880,296	$1,971,948	$1,944,845

% of Salaries Available for Learning and Development									
FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11
2.9%	2.1%	1.7%	1.2%	0.8%	1.0%	0.7%	0.7%	0.7%	0.7%

With funding for training decreasing significantly over the last eight years, it is increasingly difficult, if not impossible, to fund professional development at levels commensurate with needs. The lack of training resources inhibits FHWA's ability to build the capacity of its staff to continue to successfully fulfill oversight responsibilities. As evidenced by the recent development of the transportation operations, freight management, and emergency operations programs, as well as the monumental growth of environmental, planning and related activities required by statute, training is essential to support new and complex requirements and to enhance the qualifications and knowledge of a quickly changing workforce resulting from retirements and other separations.

Furthermore, while the current discipline approach provides us with a "baseline" 3-year training cycle, it is unlikely that this level of professional development will enable FHWA to fully keep up with technology, and the need to be innovators and providers of value-added expertise. Additional travel for professional development is also needed to support the workshops/conferences and communities of practice opportunities to equip employees to adequately provide a value-added stewardship role.

GAO report GAO-05-173, recognized the critical nature of training to support project oversight stating that, "*Providing professional training in oversight management could ensure that managers develop the skills necessary for conducting their oversight activities*".

FHWA is seeking to increase its Learning and Development budget to 1.2% of our salaries and benefits budget, which is still well below FHWA training expenditures in FY 2002. This is a small cost considering the many benefits of a well trained workforce.

Financial Management and Reporting System ($5.0 million):
In order to meet current program management and reporting requirements, FHWA must reconfigure its financial management reporting system. At this time, the existing funding level for the Fiscal Management Information System (FMIS) supports only maintenance and resolution of some high priority issues. There is currently no funding available for enhancements or any significant modifications to the system in order to meet programmatic and reporting requirements.

In this environment of increased governmental transparency and robust reporting, FHWA financial management and reporting systems must be upgraded to accurately and quickly provide data for Transparency Act reporting and support performance-based management initiatives. The type of flexibility needed to provide different reporting parameters does not exist within the structure of FMIS.

Additionally, inquiries from the Department, OMB, Congress, and program partners have greatly increased in frequency and complexity. To meet the demands of both internal and external stakeholders, the financial management and reporting systems need to be strengthened and made more flexible.

FMIS must be upgraded to a different platform since it is not cost-effective to maintain it in its current state. This up-front, multi-year investment will pay off in future years with more timely, accurate data and a more efficient use of staff resources.

Data and Reporting Systems Integration ($4.0 million):
FHWA collects, processes, and analyzes a wide range of data and information related to various program and functions. However, because of technology and legacy issues, the data are collected, stored and processed in a stovepipe manner. Increasing time and resources are spent linking data together during data analysis, which can cost the agency more time and financial resources than the actual comprehensive analysis itself.

FHWA has initiated a data reporting and systems integration project as a phase in moving FHWA towards agency-wide enterprise architecture. Data and reporting system integration will allow the major data systems in FHWA to communicate directly with each other to facilitate cross-cutting analysis, ultimately improving information and data flow, preventing duplication of efforts, and providing for comprehensive analyses.

It is anticipated that at the conclusion of the project, (1) agency-wide data collection guidance will be developed and implemented to address “key” linkages increasing data reliability, (2) a geographically-enabled platform will be implemented, where all continuously collected data throughout the agency are linked and comprehensive analysis can be carried out, and (3) a public data user portal will be developed to reduce day to day data user support needs in terms of staff hours and increase customer use and satisfaction.

The implementation of an enterprise system approach to data management will enable the FHWA to greatly enhance its ability to manage and relate various types of data in an effective

manner. This will in turn provide staff with a greater ability to analyze and report data on a more comprehensive basis, helping to improve overall program performance to achieve agency goals.

Document Management System (DMS) ($3.6 million):
This initiative supports the Presidential memorandum that directs agencies to make recordkeeping less burdensome and information easier to access, use and share. In order to update records management policies and practices to meet this initiative, FHWA is requesting $3.65 million in FY 2013 to establish an agency-wide document management system.

This system will result in the standardization of information storage, and allow FHWA to aggregate and compare information across the organization. Also, it will enable FHWA to facilitate electronic document routing and tracking, making the document review and approval process more efficient.

Video Teleconferencing (VTC) Modernization Initiative ($1.2 million):
FHWA last upgraded its video teleconferencing nearly five years ago. Since then, an increase in the demand for VTC services in conjunction with reduced budgets for physical travel and conferences; increased numbers of VTC systems in field offices; and increased support for FHWA and Department-wide VTC sessions has brought the system to its capacity limits. Currently, the VTC system no longer supports a conference with all FHWA VTC units participating. Replacement of the system will allow FHWA to support more simultaneous conferences, and more sites for each session. The existing equipment can potentially be re-located to an off-site facility away from headquarters and remotely managed during an emergency.

Continuous Monitoring and Configuration Management ($0.8 million):
FHWA is requesting $800,000 for a tool that will perform continuous monitoring of system configuration in support of Departmental IT Security goals. Continuous monitoring is one of the six steps outlined in the Risk Management Framework as it relates to Federal Information Systems (*NIST Special Publication 800-37, Revision 1, Applying the Risk Management Framework to Federal Information Systems*). As such, it is essential for agencies to determine if the set of planned, required, and deployed security controls within an information system continue to be effective over time in light of changes that occur.

FHWA is working with the Department to implement a Department-wide system that meets these requirements. This funding will allow FHWA to support that effort.

Cloud Computing ($0.5 million):
FHWA is participating in government-wide and Departmentally mandated initiatives to move towards “cloud” computing. The first phase of this was accomplished in FY 2010-2011 with a

refreshed technology platform for application support that included "virtualization" of servers, reducing the number of servers from 82 to 12.

The additional funds requested will allow for moving the virtual environment towards a "cloud" architecture where resources can be dynamically allocated and systems moved in response to fluctuations in demand or changed and new requirements. The replication abilities will also improve FHWA's disaster recovery (DR) posture by lessening the "window" for replicating data to DR from the production site; and allow FHWA to increase the volume of replicated data in anticipation of new program requirements in support of Performance Management and other agency initiatives.

Appalachian Regional Commission ($3.2 million):
The FY 2013 budget request for ARC is $3.2 million. This is equal to ARC's FY 2012 enacted level.

Our request does not include resources for the Office of Inspector General (OIG), which will submit a separate budget request for a direct appropriation. In FY 2012, funding was provided directly to OIG for costs associated with audit and investigations of FHWA projects and programs and the annual audit of FHWA's financial statements. Previously, these costs were appropriated to FHWA as part of its LAE and then transferred to OIG.

What Is This Program?

The Limitation on Administrative Expenses funds salaries and benefits, travel, rent, communications, utilities, printing, contractual services, supplies and equipment.

Why Is This Particular Program Necessary?

This account provides the resources necessary to maintain the Agency's administrative operations. Funding will support activities related to the FHWA goals, and meeting other Federal mandates.

Why Do We Want/Need To Fund The Program At The Requested Level?

The scope and complexity of FHWA's responsibilities have greatly expanded and evolved over the last 10 years, but its enacted obligational authority levels to carry out essential management and oversight has not kept up.

SAFETEA-LU amended Title 23 U.S.C. to include comprehensive Federal approval and oversight requirements. Project design and development has become more complicated as States and partners are increasingly turning to Public-Private-Partnerships (PPPs), innovative contracting and project delivery mechanisms (e.g. design-build), as a means for our partners and others to deliver large complex and higher cost projects. These methods require extensive

FHWA involvement on issues ranging from contracting, project development, financing, tolling, construction, maintenance, and operations.

The planning process has become more complicated, with new requirements to discuss and consider, such as environmental mitigation, safety, operations and management, asset management, freight movement, fiscal constraint, land use and multi-modal issues. Finally, the operations and freight program areas, which largely did not exist 10 years ago, are now integral parts of the Federal-aid program and FHWA's role in transportation security and in preparing for and responding to manmade and natural disasters has grown significantly as a result of events such as 9/11 and Hurricane Katrina.

FHWA has proactively adjusted over the last 10 years to changing requirements and these limited GOE resources. We have staffed at reduced levels, refocused staff on new oversight responsibilities and de-emphasized lower risk activities, evaluated and implemented resource sharing to gain staff efficiencies, cut back to all but essential travel and training activities, and performed an increasing amount of our work virtually (through teleconferencing, videoconferencing, web-conferencing).

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Executive Summary
Immediate Transportation Investment Funding

What Is The Request And What Will We Get For The Funds?
The FY 2013 President's Budget assumes FY 2012 funding for $28 billion in Immediate Transportation Investments as requested in the American Jobs Act for an economic boost to transportation to rebuild and modernize America's National Highway System and land ports of entry (LPOE) for the long term. This funding would be provided in FY 2012 and includes $26.0 billion from the General Fund to be used for critical highway infrastructure projects and another $2.0 billion from the General Fund for border crossing infrastructure improvements (transferred to GSA).

What Is The Program?
The $26 billion for critical highway infrastructure will improve the conditions and operations of the enhanced National Highway System (NHS). The $2 billion for Cross-Border Infrastructure funding will help support necessary improvements at (LPOE) facilities which link directly to the transportation infrastructure at border crossing locations.

Why Is This Particular Program Necessary?
The additional $26 billion for critical highway infrastructure will significantly help improve the physical condition of the NHS. The $2 billion Cross-Border Infrastructure funding will improve inspection stations for passengers, cargo and truck safety, and border facilities.

How Do You Know The Program Works?
An additional $26 billion for critical highway infrastructure is projected to bring the share of NHS VMT on pavements with good ride quality to almost 65 percent by 2018. Existing Cross-Border Infrastructure facilities allow the safe and efficient flow of lawful traffic and commerce while at the same time ensuring the security of the nation.

Why Do We Want/Need To Fund The Program At The Requested Level?
The one-time funding for critical highway infrastructure will result in a measurable improvement in the overall condition and performance of the heavily used National Highway System. The Cross-Border Infrastructure funding will address a number of the largest border crossings that support high-volume transportation and trade.

Detailed Justification
Critical Highway Infrastructure Funding

What Do I Need To Know Before Reading This Justification?

The FY 2013 President's Budget assumes FY 2012 funding $26 billion in Immediate Transportation Investments as requested in the American Jobs Act for an economic boost to transportation to rebuild and modernize America's National Highway System for the long term.

What Is The Request And What Will We Get For The Funds?

The critical highway infrastructure proposal is a one-time General Fund supplement of $26 billion provided in FY 2012 to conduct projects under the same eligibilities as the new Highway Infrastructure Performance Program (HIPP). These funds will be used in conjunction with the funding provided by the HIPP and will focus significant federal resources that will not just maintain, but will improve the condition and operation of the enhanced National Highway System (NHS).

What Is This Program?

The requested $26 billion will improve the conditions and operations of the enhanced NHS. It shares location and project eligibilities with the Highway Infrastructure Performance Program (HIPP).

The HIPP is a sub-program within the NHP that will be a formula-based program intended to support the National Highway System (NHS). The program is a performance-based program that includes a framework to support the condition and performance needs of highway infrastructure with a specific focus on the NHS pavements and bridges. The HIPP includes key criteria designed to ensure that federal-aid highway funds are invested in infrastructure to achieve national performance goals for condition and performance. Each state would determine its appropriate target for each goal-related measure in consultation with US DOT. States shall report on the performance of the NHS to US DOT annually.

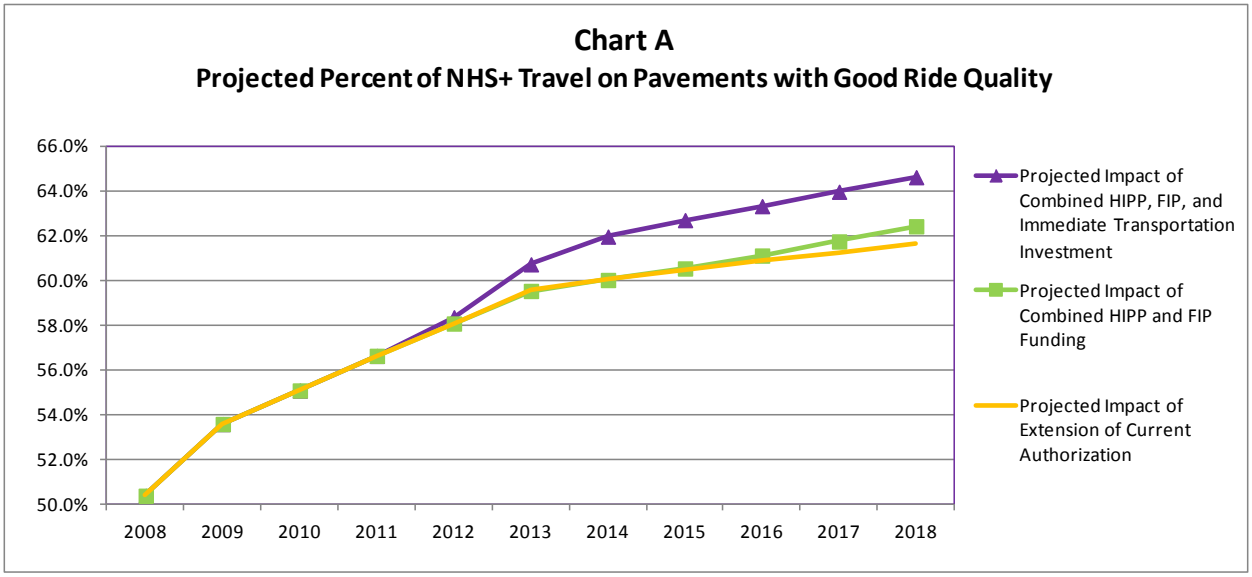
This request for critical highway infrastructure has a 100 percent Federal share and is funded by General Fund appropriations.

Why Is This Particular Program Necessary?

Since 2008, combined investments by all levels of government have improved the overall condition of the highway system. This result is attributable to several one-time events, including a decrease in the construction materials prices starting in 2006 (which has increased the purchasing power of highway capital investments), and increased investment under the American Recovery and Reinvestment Act (ARRA).

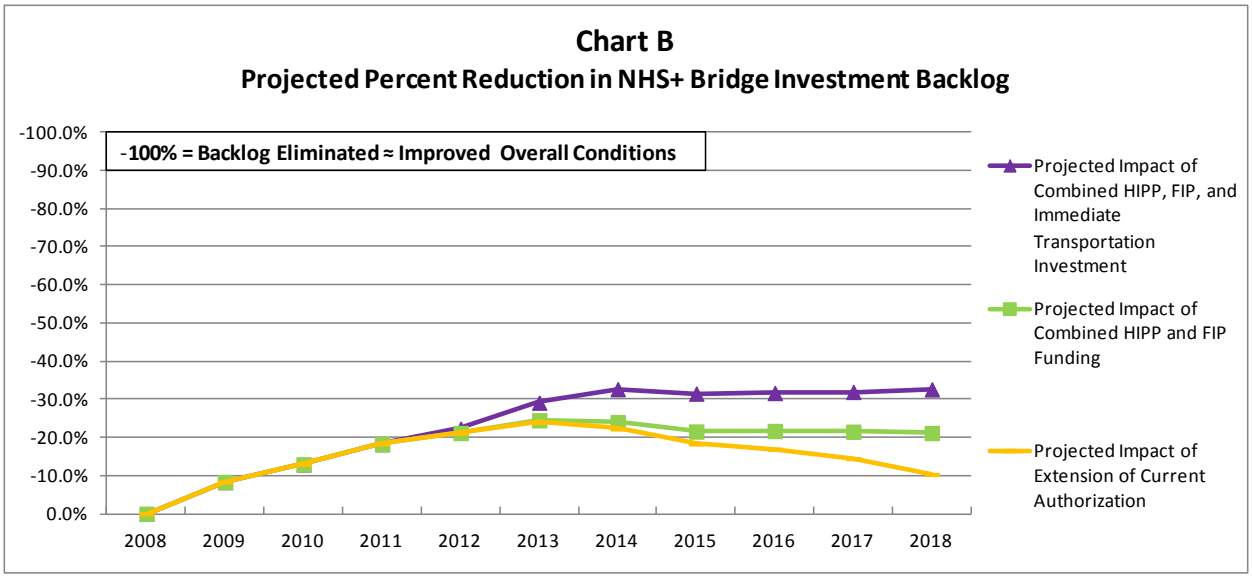
The combined impacts of the increases in nominal dollar spending relative to highway capital investment needs noted above are expected to result in significant improvements to the physical

condition of the NHS through 2012. The requested funding for the HIPP is expected to maintain the condition of the NHS at this level through 2018. States would be able to use FIP funds to further improve NHS pavements and bridges, to address pavement and bridge needs off the NHS, or to address operational performance issues. In 2008, 50 percent of NHS vehicle miles travelled occurred on pavements with good ride quality. If States direct approximately one-quarter of their FIP funding towards NHS pavements, the combination of HIPP, FIP, and the Immediate Transportation Investment is projected to bring the share of NHS Vehicle Miles Traveled (VMT) on pavements with good ride quality to almost 65 percent by 2018.



Note: Impacts shown assume all Highway Infrastructure Performance Program (HIPP) funding and the Immediate Transportation Investment for critical highway infrastructure is directed to pavement and bridge improvements on the enhanced NHS (NHS+). Green line reflects combined HIPP and Flexible Infrastructure Program (FIP) funding, assuming approximately one-quarter of FIP funding (or an equivalent amount from other sources) is directed to pavements on the enhanced NHS (consistent with historic trends); Purple line adds in the Immediate Transportation Investment. Orange line represents an alternative scenario assuming an extension of the current authorization with obligations set at baseline budget levels for FY 2013 through FY 2018.

The biennial USDOT Conditions and Performance Report identifies a backlog of potential cost-beneficial bridge system rehabilitation investments. As of 2008, the portion of this backlog attributable to bridges on the enhanced NHS is estimated to be $71.5 billion. Reductions in this backlog over time reflect improvements to overall bridge conditions. This economic investment backlog for NHS bridges is projected to be reduced by 21 percent by 2011, as shown in Chart B below. HIPP funding alone is projected to be sufficient to sustain this improved overall level of bridge performance. The combination of HIPP, FIP, and the critical highway infrastructure component of the Immediate Transportation Investment funding is projected to be sufficient to reduce the NHS bridge investment backlog by 33 percent by 2018.



Note: Impacts shown assume all Highway Infrastructure Performance Program (HIPP) funding and the Immediate Transportation Investment for critical highway infrastructure is directed to pavement and bridge improvements on the enhanced NHS (NHS+). Green line reflects combined HIPP and Flexible Infrastructure Program (FIP) funding; Purple line adds in the Immediate Transportation Investment. Orange line represents an alternative scenario assuming an extension of the current authorization with obligations set at baseline budget levels for FY 2013 through FY 2018. Reductions in the backlog of potential cost-beneficial bridge investments equate to improvements in overall bridge condition.

How Do You Know The Program Works?

The NHS pavement target is based on pavements in good condition with "good" ride quality. In 2008, 50 percent of NHS VMT occurred on pavements with good ride quality. As shown in Chart A above, this percentage is projected to increase to 58 percent by 2012. If States were also to direct approximately one-fourth of their FIP funding towards NHS pavements, the combination of HIPP and FIP are expected to increase the percent of NHS VMT on pavements with "good" ride quality to over 62 percent by 2018. The addition of the critical highway infrastructure component of the Immediate Transportation Investment is projected to bring the share of NHS VMT on pavements with good ride quality to almost 65 percent by 2018.

Why Do We Want/Need To Fund The Program At The Requested Level?

While the proposed NHS network is limited, it would carry 55 percent of all traffic and 97 percent of all truck-borne freight. Likewise, the NHS network would comprise 53 percent of U.S. highway border crossings, but would handle 98 percent of the value of total truck trade with our largest trading partners – Canada and Mexico. The one-time infusion of $26 billion is equivalent to 150 percent of the annual HIPP funding and will result in a measurable improvement in the overall condition and performance of the National Highway System. For example, the combination of HIPP, FIP, and Immediate Transportation Investment funding is projected to be sufficient to reduce the NHS bridge investment backlog by 33 percent by 2018. Across the Nation, an estimated 750,000 additional jobs will be supported by this additional funding.

Detailed Justification
Cross-Border Transportation

What Do I Need To Know Before Reading This Justification?

The FY 2013 President's Budget assumes FY 2012 funding for $28 billion in Immediate Transportation Investments as requested in the American Jobs Act for an economic boost in transportation to rebuild and modernize America's roads, rails, transit, and runways for the long term. This justification discusses one component of that request.

What Is The Request And What Will We Get For The Funds?

The budget assumes a $2.0 billion investment in land ports of entry (LPOEs) and associated infrastructure utilized by DOT and Department of Homeland Security (DHS) and maintained by General Services Administration (GSA). The funding will be transferred to GSA for design, management and inspection, and construction/modernization of the facilities. FMCSA infrastructure needs will be assessed and incorporated into project execution at the LPOE locations.

What Is This Program?

The funding will help support necessary improvements at LPOE facilities which link directly to the transportation infrastructure at border crossing locations (e.g., inspection stations for passengers, cargo and truck safety, and border facilities).

The GSA, through their Public Buildings Service, is responsible for the design and construction of LPOEs as well as the leasing a limited number of land ports of entry. GSA, as part of its custodial responsibility, also manages the LPOE facilities and executes both daily maintenance and repair and capital improvements.

The FHWA works with its state, federal, and international partners to ensure the safe and efficient movement of people and goods across borders. With its counterparts in Mexico and Canada, the FHWA creates joint working groups to cooperate on addressing the challenges of improving mobility and security at overland border crossings. The FHWA also coordinates with states, GSA, and DHS on the scope of requirements of the projects administered by GSA.

Why Is This Particular Program Necessary?

The Nation's LPOEs are responsible for a broad range of security priorities including monitoring trade, assuring the safety of agricultural and farm products, the interdiction of the flow of illegal goods, and processing the entry of citizens, visitors and immigrants. On an average day, in FY 2010, nearly 287,000 vehicles, over 111,000 pedestrians, and more than 27,000 trucks pass through the Nation's 167 border crossings. Protecting the 7,525 miles of border with Canada and Mexico are 123 GSA owned and leased facilities that must allow the safe and efficient flow of lawful traffic and commerce while at the same time ensuring the security of the nation.

The majority of the Nation's LPOE facilities currently in operation were designed to accomplish legacy missions from decades ago and require significant refurbishment or replacement to

function effectively. Some of these facilities were built more than 70 years ago and cannot fulfill today's increased traffic demands and additional safety requirements, resulting from the 1994 North American Free Trade Agreement (NAFTA), the increasing security requirements after September 11, 2001, and the increasing need for 24-hour operations.

The investment in LPOEs will assist the mission areas of multiple agencies because successful LPOEs operation requires coordination across several agencies: Customs and Border Protection (CBP) is responsible for securing the nation's borders, at and between the official ports of entry, while facilitating the efficient movement of legitimate travel and trade; the GSA maintains and manages the facilities; the FHWA works with the state departments of transportation to oversee the roadways leading to and from the LPOEs accommodating travel and trade; and the FMCSA conducts inspections of truck traffic for safety compliance.

How Do You Know The Program Works?

Existing Cross-Border Infrastructure facilities allow the safe and efficient flow of lawful traffic and commerce while at the same time ensuring security.

Why Do We Want/Need To Fund The Program At The Requested Level?

CBP in coordination with GSA and DOT developed a list of LPOE construction and modernization projects to reflect the most critical needs and was formulated based on available information including Records of Decision, transportation studies of both commercial and passenger traffic flow, existing facility condition, security, and input from State and local partners. Currently there are multiple LPOE locations where the road infrastructure has improved but the border crossing facility, such as available lanes, does not have the capacity to accommodate the traffic flow. Utilizing the full $2.0 billion for LPOE development would address a number of largest border crossings that support high-volume transportation and trade.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE INVESTMENT, RECOVERY ACT

BACKGROUND

The American Recovery and Reinvestment Act (Recovery Act) was signed into law by President Obama on February 17, 2009. It was an unprecedented effort to jumpstart the economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so the country can thrive in the 21st century. The Recovery Act was an extraordinary response to a crisis unlike any since the Great Depression, and includes measures to modernize the nation's infrastructure.

FHWA was provided with $27.5 billion in Recovery Act funding to invest in projects to build, rehabilitate, and make safer roads, highways, bridges and ports. A portion of the appropriation was set aside to make sure that urban, suburban, and rural areas alike all received a share of the funding.

States were under an aggressive deadline to obligate all Recovery Act funding by September 30, 2010, and they met that requirement by obligating all apportioned funding by the deadline.

FHWA will continue to implement the Recovery Act in FY 2012 and continues to take steps to ensure effective coordination and support among its offices, divisions, and other federal agencies. FHWA will ensure that all programs are carried out expeditiously and in compliance with all Recovery Act provisions and requirements.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE INVESTMENT, RECOVERY ACT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0504-01-401		2011 ACTUAL	2012 ENACTED	2013 REQUEST
	Obligations by program by activity:			
00.80	Projects and Activities Oversight	12	14	……
	Credit program obligations:			
07.01	Direct loan subsidy	12	……	……
07.09	Administrative expenses	2	……	……
07.91	Direct program activities, subtotal	14	……	……
09.00	Total new obligations	26	14	……
Budgetary resources				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	26	14	……
Budget authority				
	Appropriations, discretionary:			
	Spending authority from offsetting collections, discretionary:			
17.00	Collected	14	……	……
17.50	Spending authority from offsetting collections, discretionary (total)	14	……	……
19.00	Budget authority (total)	14	……	……
19.30	Total budgetary resources available	40	14	……
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	14	……	……
Change in obligated balance				
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	12,764	4,713	2,706
30.10	Uncollected payments, Federal sources, brought forward, Oct 1	-65	-14	-14
30.20	Obligated balance, start of year (net)	12,699	4,699	2,692
30.30	Obligations incurred, unexpired accounts	26	14	……
30.31	Obligations incurred, expired accounts	14	……	……
30.40	Outlays (gross)	-8,031	-2,021	-1,586
30.51	Change in uncollected payments, Federal sources, expired	51	……	……
30.81	Recoveries of prior year unpaid obligations, expired	-60	……	……
	Obligated balance, end of year (net):			
30.90	Unpaid obligations, end of year (gross)	4,713	2,706	1,120
30.91	Uncollected payments, Federal sources, end of year	-14	-14	-14
31.00	Obligated balance, end of year (net)	4,699	2,692	1,106
Budget authority and outlays, net				
	Discretionary:			
40.00	Budget authority, gross	14	……	……
	Outlays, gross:			
40.11	Outlays from discretionary balances	8,031	2,021	1,586
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
40.30	Federal sources	-51	……	……
40.33	Non-Federal sources	-14	……	……
40.40	Offsets against gross budget authority and outlays (total)	-65	……	……
	Additional offsets against gross budget authority only:			
40.52	Offsetting collections credited to expiring accounts	51	……	……
40.70	Budget authority, net (discretionary)	……	……	……
40.80	Outlays, net (discretionary)	7,966	2,021	1,586
40.90	Outlays, net (total)	7,966	2,021	1,586

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE INVESTMENT - RECOVERY ACT

OBJECT CLASSIFICATION
in millions of dollars

Identification code: 69-0504-01-401		2011 ACTUAL	2012 ENACTED	2013 REQUEST
Direct obligations:				
	Personnel compensation:			
11.1	Full-time permanent	9	11	.....
12.1	Civilian personnel benefits	1	2	.....
21.0	Travel and transportation of persons	1	1	.....
25.3	Other goods and services from federal accounts	2	.....	.....
33.0	Investments and loans	12	.....	.....
99.0	Subtotal, obligation, Direct obligations	25	14	.....
99.5	Below reporting threshold	1	.....	.....
99.9	Total - new obligations	26	14	.....

HIGHWAY INFRASTRUCTURE INVESTMENT - RECOVERY ACT

EMPLOYMENT SUMMARY

Identification code: 69-8083-0-7-401		2011 ACTUAL	2012 ENACTED	2013 REQUEST
	Direct:			
10.01	Civilian full-time equivalent employment	45	31	.....

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
EMERGENCY RELIEF

BACKGROUND

The Emergency Relief program receives $100 million annually in mandatory funds from the Highway Trust Fund in the Federal-aid highways account. SAFETEA–LU authorized the program to receive additional General Fund discretionary funding as needed. $1,662 million was enacted for this account in 2012 to remain available until expended, for necessary expenses resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.).

BUDGETARY RESOURCES

No new budget authority is requested for FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
EMERGENCY RELIEF

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0500-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:			
Obligations by program by activity:			
00.01 Direct program activity	328	1,929	……
09.00 Total new obligations (object class 41.0)	328	1,929	……
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	444	267	……
10.21 Recoveries of prior year unpaid obligations	151	……	……
10.50 Unobligated balance (total)	595	267	……
Budget authority:			
Appropriations, discretionary:			
11.00 Appropriation	……	1,662	……
11.60 Appropriation, discretionary (total)	……	1,662	……
19.30 Total budgetary resources available	595	1,929	……
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	267	……	……
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	786	549	1,612
30.30 Obligations incurred, unexpired accounts	328	1,929	……
30.40 Outlays (gross)	-414	-866	-937
30.80 Recoveries of prior year unpaid obligations, unexpired	-151	……	……
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	549	1,612	675
31.00 Obligated balance, end of year (net):	549	1,612	675
Budget authority and outlays, net:			
Discretionary:			
Outlays, gross:			
40.00 Budget authority, gross	……	1,662	……
40.10 Outlays from new discretionary authority	……	449	……
40.11 Outlays from discretionary balances	414	417	937
40.20 Outlays, gross (total)	414	866	937
40.70 Budget authority, net (discretionary)	……	1,662	……
40.80 Outlays, net (discretionary)	414	866	937
41.80 Budget authority, net (total)	……	1,662	……
41.90 Outlays, net (total)	414	866	937

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0500-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct Obligations:			
14.10 Direct obligations: Emergency Relief Backlog	328	1,929	……

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

BACKGROUND

The Federal Highway Administration received an appropriation of $19.8 million from the General Fund for the Appalachian Development Highway System in FY 2006. In FY 2007, 2008, and 2009 this program received appropriations of $19.8 million, $15.7 million, and $9.5 million, respectively. Obligations and outlays for the Highway Trust Fund account result in part from prior year appropriations. No new budget authority was appropriated in FY 2010.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0640-0-1-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:			
Obligations by program by activity:			
00.01 Appalachian Development Highway System	5	66	.....
09.00 Total new obligations (object class 41.0)	5	66	.....
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance available, start of year	58	66	.....
10.21 Resources available from recoveries of prior year obligations	13	.....	.....
10.50 Unobligated balance (total)	71	66	.....
Budget authority:			
11.60 Appropriation, discretionary (total)	.....	.....	.....
19.30 Total budgetary resources available	71	66	.....
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	66	.....	.....
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	62	32	66
30.30 Obligations incurred, unexpired accounts	5	66	.....
30.40 Outlays (gross)	-22	-32	-35
30.80 Recoveries of prior year obligations, unexpired	-13	.....	.....
30.90 Obligated balance, end of year (net):			
Unpaid obligations, end of year (gross)	32	66	31
31.00 Obligated balance, end of year (net):	32	66	31
Budget authority and outlays, net:			
Discretionary:			
40.11 Outlays, gross			
Outlays from discretionary balances	22	32	35
40.80 Outlays, net (discretionary)	22	32	35
41.80 Budget authority, net (total)	.....	.....	.....
41.90 Outlays, net (total)	22	32	35

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0640-0-1-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct Obligations:			
14.10 Direct obligations: Grants, subsidies, and contributions	5	66	.....

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-8072-0-1-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:			
Obligations by program by activity:			
00.01 Obligations	.....	3	.....
09.00 Total new obligations (object class 41.0)	.....	3	.....
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	1	3	.....
10.21 Recoveries of prior year unpaid obligations	2	.....	.....
10.50 Unobligated balance (total)	3	3	.....
Budget authority:			
Spending authority from offsetting collections, discretionary:			
17.50 Spending auth from offsetting collections, disc (total)	.....	.....	.....
19.30 Total budgetary resources available	3	3	.....
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	3	.....	.....
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	6	3	4
30.30 Obligations incurred, unexpired accounts	.....	3	.....
30.40 Outlays (gross)	-1	-2	-2
30.80 Recoveries of prior year obligations, unexpired	-2	.....	.....
30.90 Obligated balance, end of year (net):			
Unpaid obligations, end of year (gross)	3	4	2
31.00 Obligated balance, end of year (net):	3	4	2
Budget authority and outlays, net:			
Discretionary:			
Outlays, gross:			
40.11 Outlays from discretionary balances	1	2	2
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.80 Outlays, net (discretionary)	1	2	2
41.80 Budget authority, net (total)	.....	.....	.....
41.90 Outlays, net (total)	1	2	2

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-8072-0-1-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct Obligations:			
14.10 Direct obligations: Grants, subsidies, and contributions	.....	3	.....

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS APPROPRIATIONS

BACKGROUND

This account contains miscellaneous appropriations from the General Fund. In FY 2009, $5.7 million was appropriated for the Denali Access system Program and $161.3 million was appropriated for surface transportation priorities identified by Congress. In FY 2010 $292.8 million was appropriated for surface transportation priorities identified by Congress. In FY 2011 and FY2012, no funding was appropriated. Obligations and outlays result in part from prior year appropriations.

BUDGETARY RESOURCES

In FY 2013, no new resources are requested.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS APPROPRIATIONS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9911-01-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:				
	Obligations by program by activity:			
00.02	Surface Transportation Priorities	90	58	58
00.03	Miscellaneous highway projects	26	18	18
00.83	Interest on TIFIA Upward Reestimate	19	5	.....
09.00	Total new obligation (object class 41.0)	135	81	76
Budgetary resources:				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	436	332	256
10.10	Unobligated balance transferred to other accounts [69-9911]	-1	.....	.....
10.11	Unobligated balance transferred from other accounts [69-9911]	1	.....	.....
10.21	Recoveries of prior year unpaid obligations	12	.....	.....
10.50	Unobligated balance (total)	448	332	256
Budget authority:				
	Appropriations, discretionary:			
11.60	Appropriation (total discretionary)	.....	.....	.....
N	Appropriations, mandatory:			
12.00	Appropriation	19	5	.....
12.60	Appropriations, mandatory (total)	19	5	.....
19.00	Budget authority (total)	19	5	.....
19.30	Total budgetary resources available	467	337	256
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	332	256	180
Change in obligated balance:				
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	142	159	136
30.30	Obligations incurred, unexpired accounts	135	81	76
30.40	Outlays (gross)	-106	-104	-86
30.80	Recoveries of prior year obligations, unexpired	-12	.....	.....
	Obligated balance, end of year (net):			
30.90	Unpaid obligations, end of year (gross)	159	136	126
31.00	Obligated balance, end of year (net)	159	136	126
Budget authority and outlays, net:				
	Discretionary:			
	Outlays, gross:			
40.11	Outlays from discretionary balances	87	99	86
40.80	Outlays, net (discretionary)	87	99	86
	Mandatory:			
40.90	Budget authority, gross	19	5	.....
	Outlays, gross:			
41.00	Outlays from new mandatory authority	19	5	.....
41.60	Budget authority, net (mandatory)	19	5	.....
41.70	Outlays, net (mandatory)	19	5	.....
41.80	Budget authority, net (total)	19	5	.....
41.90	Outlays, net (total)	106	104	86

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9911-01-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct obligations:				
14.10	Direct obligations: grants, subsidies, and contributions	135	81	76

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS HIGHWAY TRUST FUNDS

BACKGROUND

This account contains miscellaneous appropriations from the Highway Trust Fund. Obligations and outlays result from prior year appropriations. In FY 2011 no new budget authority was appropriated.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS HIGHWAY TRUST FUNDS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9972-0-7-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:			
Obligations by program activity:			
00.27 Miscellaneous highway projects	13	42	29
09.00 Total new obligations (object class 41.0)	13	42	29
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance available, start of year	106	97	55
10.21 Resources available from recoveries of prior year obligations	6	.....	.....
10.29 Cancellations of expired & no-year accounts	-2	.....	.....
10.50 Unobligated balance (total)	110	97	55
Budget authority:			
Appropriations, discretionary:			
11.60 Appropriations, discretionary (total)	.....	.....	.....
19.30 Total budgetary resources available	110	97	55
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	97	55	26
19.50 Other balances withdrawn	2	.....	.....
Change in obligated balances			
Obligated balance, start of year			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	74	56	62
30.30 Obligations incurred, unexpired accounts	13	42	29
30.40 Outlays (gross)	-25	-36	-39
30.80 Recoveries of prior year obligations, unexpired	-6	.....	.....
30.90 Obligated balance, end of year (net):			
Unpaid obligations, end of year (gross)	56	62	52
31.00 Obligated balance, end of year (net):	56	62	52
Budget authority and outlays net:			
Discretionary:			
40.11 Outlays, gross			
Outlays from discretionary balances	25	36	39
40.80 Outlays, net (discretionary)	25	36	39
40.90 Outlays, net (total)	25	36	39

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9972-0-7-401	FY 2011 ACTUAL	FY 2011 CR ANNUALIZED	FY 2013 REQUEST
Direct Obligations:			
14.01 Direct obligations, discretionary	13	42	29

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRUST FUNDS

BACKGROUND

Funds received by this account come completely from entities (governmental and non-governmental) outside of FHWA. FHWA holds these funds in trust until they outlay. The following programs are included in this fund:

1. Cooperative work, forest highway (Proprietary Receipts) – Contributions are received from States and countries in connection with cooperative engineering, survey, maintenance, and construction projects for forest highways.

2. Technical assistance, U.S. dollars advance from foreign governments (Proprietary Receipts) – The Federal Highway Administration renders technical assistance and acts as agent for the purchase of equipment and materials for carrying out highway programs in foreign countries.

3. Contributions for highway research programs (Governmental Receipts) – Contributions are received from various sources in support of the FHWA Research, Development, and Technology Program. The funds are used primarily in support of pooled-funds projects.

4. Advances from State cooperating agencies (Proprietary Receipts) – Funds are contributed by the State highway departments or local subdivisions for construction and/or maintenance of roads and bridges. The work is performed under the supervision of the Federal Highway Administration.

5. International highway transportation outreach (Proprietary Receipts) – Funds collected to inform the domestic highway community of technological innovations, promote highway transportation expertise internationally, and increase transfers of transportation technology to foreign countries.

BUDGETARY RESOURCES

The budget estimates that $60 million of new authority will be available from non-Federal sources in FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
MISCELLANEOUS TRUST FUNDS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-9971-0-7-999		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:				
	Obligations by program by activity:			
00.01	Cooperative work, forest highways	6	10	10
00.03	Contributions for highway research programs	2	3	3
00.04	Advances from State cooperating agencies	45	71	71
09.00	Total new obligations	53	84	84
Budgetary resources:				
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	43	58	34
10.21	Recoveries of prior year unpaid obligations	4	……	……
10.50	Unobligated balance (total)	47	58	34
Budget authority:				
	Appropriations, mandatory:			
12.01	Appropriation (trust fund)	60	60	60
12.60	Appropriations, mandatory (total)	60	60	60
18.00	Spending authority from offsetting collections mandatory collected	4	……	……
18.50	Spending authority from offsetting collections mandatory (total)	4	……	……
19.00	Budget authority (total)	64	60	60
1930	Total budgetary resources available	111	118	94
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	58	34	10
Change in obligated balance:				
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	39	28	26
30.30	Obligations incurred, unexpired accounts	53	84	84
30.40	Outlays (gross)	-60	-86	-91
30.80	Recoveries of prior year unpaid obligations, unexpired	-4	……	……
	Obligated balance, end of year (net):			
30.90	Unpaid obligations, end of year (gross)	28	26	19
31.00	Obligated balance, end of year (net):	28	26	19
Budget authority and outlays, net:				
	Mandatory:			
40.90	Budget authority, gross	64	60	60
	Outlays (gross)			
41.00	Outlays form new mandatory authority	34	49	49
41.01	Outlays from mandatory balances	26	37	42
41.10	Outlays, gross (total)	60	86	91
41.23	Non-Federal sources offsets against gross budget authority (total)	-4	……	……
41.60	Budget authority, net (mandatory)	60	60	60
41.70	Outlays, net (mandatory	56	86	91
41.80	Budget authority, net (total)	60	60	60
41.90	Outlays, net (total)	56	86	91

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-9971-0-7-999		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct obligations:				
	Personnel compensation:			
11.11	Personnel Compensation: Full-time permanent	1	1	1
12.52	Other services from non-federal sources	52	83	83
99.99	Total new obligations	53	84	84

EMPLOYMENT SUMMARY

Identification code: 69-9971-0-7-999		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
10.01	Direct civilian full-time equivalent employment	6	6	6

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT
FINANCING ACCOUNTS

BACKGROUND

Federal-aid Highways

As required by the Federal Credit Reform Act of 1990, these non-budgetary accounts record all cash flow to and from the Government resulting from credit assistance obligated in 1992 and later years (including modifications of credit assistance resulting from obligations in any year). The amounts in these accounts are a means of financing and are not included in the budget totals. The TIFIA Credit Program utilizes three separate financing accounts, one for each credit instrument offered by the program: direct loan, loan guarantee, and contingent line of credit.

SAFETEA-LU has provided contract authority for the TIFIA Program to assist in the funding of nationally or regionally significant transportation projects. The subsidy costs and administrative expenses associated with this program are included in the Federal-aid Highway schedules.

TIFIA credit assistance is often available on more advantageous terms than in the financial market, making it possible to obtain financing for needed projects when it might not otherwise be possible. In the past several years, there has been an unprecedented level of interest in TIFIA credit assistance and DOT returned to a fixed-date solicitation to help manage demand. In each of the last three years that DOT has issued a Notice of Funding Availability seeking Letters of Interest from project sponsors interested in pursuing TIFIA financing, the program has been oversubscribed by a ratio of more than 10:1. Funding requested in FY 2013 will help DOT finance additional projects and meet the demand for flexible, innovative financing options. DOT will leverage FY 2013 TIFIA program resources to provide almost $5 billion in credit assistance and stimulate more than $15 billion in infrastructure investment.

National Infrastructure Investment

The Office of the Secretary of Transportation (OST) received a FY 2010 appropriation of $600 million into its National Infrastructure Investment (NII) general fund appropriation account (69-0143). In FY 2011, $526.944 million was appropriated for similar purposes. The FY 2010 and FY 2011 appropriations for discretionary grant awards authorized the Department of Transportation to pay subsidy and administrative costs, not to exceed $150 million, for projects eligible for Federal credit assistance under Chapter 6 of Title 23 United States Code. The Office of the Secretary of Transportation (OST) has delegated the authority to negotiate and administer TIFIA loans under this program to the Federal Highway Administration (FHWA).

American Recovery and Reinvestment Act of 2009

The Office of the Secretary of Transportation (OST) received a FY 2009 appropriation of $1.5 billion into its Supplemental Discretionary Grants for a National Surface Transportation System as part of the American Recovery and Reinvestment Act of 2009 (ARRA). The ARRA appropriation authorized the Department of Transportation to pay subsidy and administrative costs not to exceed $200 million, of projects eligible for Federal credit assistance under chapter 6 of title 23, United States Code. The Office of the Secretary of Transportation (OST) has delegated the authority to negotiate and administer TIFIA loans under this program to the Federal Highway Administration (FHWA).

In FY 2011, TIFIA executed loan agreements for two projects that received ARRA discretionary grant awards. In April, a $418.5 million loan for the SH 161 project closed using a $20 million TIGER Award to cover the subsidy and administrative costs of providing the credit assistance. In September, TIFIA closed a $54 million loan for the US 36 Managed Lanes Project. The project received a $10 million TIGER Challenge Grant that was used partially as a grant and partially to cover TIFIA subsidy and administrative costs.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4123-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Program by Activities:			
07.10 Loan obligations	.....	877	4,741
07.13 Interest paid to Treasury	153	249	221
07.42 Downward reestimate	15	71	.....
07.43 Interest on downward reestimate	1	28	.....
09.00 Total new obligations	169	1,225	4,962
Budgetary resources available for obligation:			
10.00 Unobligated balance brought forward	44	30	.....
10.21 Recoveries of prior year unpaid obligations	.....	.....	.....
10.50 Unobligated balance (total)	44	30	0
Financing authority:			
Borrowing authority, mandatory:			
14.00 Borrowing authority	111	1,054	4,780
14.40 Borrowing authority, mandatory (total)	111	1,054	4,780
Spending authority from offsetting collections, mandatory:			
18.00 Collected	199	200	192
18.01 Change in uncollected payments, Federal sources	-99	-37	-10
18.25 Spending Authority from offsetting collections applied to repay debt	-56	-22	.....
18.50 Spending authority from offsetting collections, mandatory (total)	44	141	182
19.00 Financing authority (total)	155	1,195	4,962
19.30 Total budgetary resources available	199	1,225	4,962
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	30	0	0
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	3,992	2,683	2,327
30.10 Uncollected payments, Federal Sources brought forward, Oct 1	-325	-226	-189
30.20 Obligated balance, start of year (net)	3,667	2,457	2,138
30.30 Obligations incurred, unexpired accounts	169	1,225	4,962
30.40 Financing disbursements (gross)	-1,478	-1,581	-1,370
30.50 Change in unclollected payments, Federal sources, unexpired	99	37	10
30.80 Recoveries of prior year unpaid obligations, unexpired	.....	.....	.....
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	2,683	2,327	5,919
30.91 Uncollected payments, Federal sources, end of year	-226	-189	-179
31.00 Obligated balance, end of year (net)	2,457	2,138	5,740
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	155	1,195	4,962
41.10 Financing disbursements, gross	1,478	1,581	1,370
Offsets against gross financing authority and Financing disbursements:			
Offsetting collections (collected) from:			
41.20.01 Federal sources: Subsidy from program account	-98	-102	-117
41.20.02 Federal sources: Payment from program account -- upward restimate	-33	-7	.....
41.20.03 Federal sources: Interest on upward reestimate	-19	-5	.....
41.20-10 Federal sources (total)	-150	-114	-117
41.22.01 Interest on uninvested funds	-17	-24	-34
41.22-10 Interest on uninvested funds (total)	-17	-24	-34
41.23.01 Non-Federal Sources - Interest payments	-30	-40	-41
41.23.02 Non-Federal Sources - Principal payments	-2	-22	.....
41.23-10 Non-Federal soiurces (total)	-32	-62	-41
41.30 Offsets against gross financing authority and disbursements (total)	-199	-200	-192
Additional offsets against financing authority only (total):			
41.40 Change in uncollected payments, Federal Sources, unexpired	99	37	10
41.50 Additional offsets against budget auhtority only (total)	99	37	10
41.60 Financing authority, net (mandatory)	55	1,032	4,780
41.70 Financing disbursements, net (mandatory)	1,279	1,381	1,178
41.80 Financing authority, net (total)	55	1,032	4,780
41.90 Financing disbursements, net (total)	1,279	1,381	1,178

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4123-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Portions with respect to appropriations act limitation on obligations:			
11.31 Direct loan obligations exempt from limitation	……	877	4,741
11.50 Total direct loan obligations	0	877	4,741
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	2,528	3,932	5,160
12.31 Disbursement: Direct loan disbursements	1,310	1,030	1,300
12.51 Repayments: Repayments and Prepayments	-2	-22	……
12.61 Adjustments: Capitalized interest	96	220	221
12.90 Outstanding, end of year	3,932	5,160	6,681
62.00 Net financing disbursements	1,279	1,381	1,178

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - LOAN GUARANTEE

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4145-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Budgetary Resources:			
Unobligated balance:			
10.00 Unobligated balance carried forward, Oct 1	.....	……	4
10.50 Unobligated balance (total)	.....	……	4
Financing authority:			
Spending authority from offsetting collections, mandatory:			
18.00 Collected	……	4	24
18.50 Spending autority from offsetting collections, mandatory (total)	……	4	24
19.30 Total budgetary resources available	……	4	28
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	……	4	28
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	……	4	24
Offsets against gross financing authority and disbursements:			
Offsetting collections (collected) from:			
41.20 Federal Sources	……	-4	-24
41.20-10 Federal sources (total)	……	-4	-24
41.60 Financing authority, net (mandatory)	……	……	……
41.70 Financing disbursements, net (mandatory)	……	-4	-24
41.80 Financing authority, net (total)	……	……	……
41.90 Financing disbursements, net (total)	……	-4	-24

STATUS OF GUARANTEED LOANS
In millions of dollars

Identification code: 69-4145-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Position with respect to appropriations act limitation on commitments:			
21.31 Guarnteed loan commitments exempt from limitation	……	200	211
21.50 Total guaranteed loan commitments	……	200	211
21.99 Guaranteed amount of guaranteed loan commitments	……	200	211
Cummulative balance of guarantee loans outstanding			
22.10 Outstanding, start of year	……	……	40
22.31 Disbursements of new guaranteed loans	……	40	251
22.51 Repayments and Prepayments	.....	.....	……
22.90 Outstanding, end of year	……	40	291
Memorandum			
22.99 Guaranteed amount of guaranteed loans outstanding, end of year	……	40	291
62.00 Net financing disbursements	……	-4	-24

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - LINE-OF-CREDIT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4173-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Program by Activities:			
Obligations by program activity			
07.10 Direct loan obligations	.....	200	207
07.13 Interest Paid to Treasury	.....	1	3
09.00 Total new obligations	.....	201	210
Budgetary resources:			
Financing authority:			
Borrowing authority, mandatory:			
14.00 Borrowing authority	.....	181	190
14.40 Borrowing authority, mandatory (total)	.....	181	190
Spending authority from offsetting collections, mandatory:			
18.00 Collected	.....	4	8
18.01 Change in uncollected payments, Federal sources	.....	16	12
18.50 Spending authority from offsetting collections, mandatory (total)	.....	20	20
19.00 Financing authority (total)	.....	201	210
19.30 Total budgetary resources available	.....	201	210
Change in obligated balance:			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	.....	.....	159
30.10 Uncollected payments, Federal soiurces, brought forward, Oct 1			-16
30.20 Obligated balance, start of year (net)	.....	.....	143
30.30 Obligations incurred, unexpired accounts	.....	201	210
30.40 Financing disbursements (gross)	.....	-42	-64
30.50 Change in uncollected payments, Federal sources, unexpired	.....	-16	-12
30.90 Unpaid obligations, end of year (gross)	.....	159	305
30.91 Uncollected payments, Federal sources, end of year		-16	-28
31.00 Obligated balance, end of year (net)	.....	143	277
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	.....	201	210
Financing disbursements:			
41.10 Financing disbursements, gross	.....	42	64
Offsets against gross financing auhority and disbursements:			
Offsetting collections (collected) from:			
41.20 Federal sources	.....	-4	-8
41.20-10 Federal sources (total)	.....	-4	-8
41.30 Offsets against gross financing authority and disbursements (total)	.....	-4	-8
Additional offsets against financing authority only (total)			
41.40 Change in uncollected payments, Federal sources, unexpired	.....	-16	-12
41.60 Financing authority, net (mandatory)	.....	181	190
41.70 Financing disbursements, net (mandatory)	.....	38	56
41.80 Financing authority, net (total)	.....	181	190
41.90 Financing disbursements, net (mandatory)	.....	38	56

STATUS OF LINE-OF-CREDIT
In millions of dollars

Identification code: 69-4173-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Portions with respect to appropriations act limitation on obligations			
11.31 Limitation on direct loans	.....	200	207
11.50 Total direct loan obligations	.....	200	207
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	.....	.....	40
12.31 Disbursements: Direct loan disbursements	.....	40	61
12.90 Outstanding, end of year	.....	40	101
62.00 Net financing disbursements	.....	38	56

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4347-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Program by Activities:			
07.10 Loan obligations	472	.....	.....
07.13 Payment of Interest to Treasury	.....	.....	.....
09.00 Total new obligations	472	.....	.....
Budgetary resources:			
Financing authority:			
Borrowing authority, mandatory:			
14.00 Borrowing authority	460	.....	.....
14.40 Borrowing authority, mandatory (total)	460	.....	.....
Spending authority from offsetting collections, mandatory:			
18.00 Collected	.....	.....	8
18.01 Change in uncollected payments, Federal sources	12	.....	-8
18.50 Spending authority from offsetting collections, mandatory (total)	12	.....	.....
19.00 Financing authority (total)	472	.....	.....
19.30 Total budgetary resources available	472	.....	.....
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	.....	.....	.....
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	.....	472	472
30.10 Uncollected payments, Federal Sources brought forward, Oct 1	.....	-12	-12
30.20 Obligated balance, start of year (net)	.....	460	460
30.30 Obligations incurred, unexpired accounts	472	.....	.....
30.40 Financing disbursements (gross)	.....	.....	-418
30.50 Change in unclollected payments, Federal sources, unexpired	-12	.....	8
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	472	472	54
30.91 Uncollected payments, Federal sources, end of year	-12	-12	-4
31.00 Obligated balance, end of year (net)	460	460	50
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	472	.....	.....
41.10 Financing disbursements, gross	.....	.....	418
Offsets against gross financing authority and Financing disbursements:			
Offsetting collections (collected) from:			
41.20 Federal sources	.....	.....	-8
Additional offsets against financing authority only (total):			
41.40 Change in uncollected payments, Federal Sources, unexpired	-12	.....	8
41.60 Financing authority, net (mandatory)	460	.....	.....
41.70 Financing disbursements, net (mandatory)	.....	.....	410
41.80 Financing authority, net (total)	460	.....	.....
41.90 Financing disbursements, net (total)	.....	.....	410

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4347-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Portions with respect to appropriations act limitation on obligations:			
11.31 Direct loan obligations exempt from limitation	472	.....	.....
11.50 Total direct loan obligations	472	.....	.....
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	.....	.....	.....
12.31 Disbursement: Direct loan disbursements	.....	.....	418
12.61 Adjustments: Capitalized interest	.....	.....	.....
12.90 Outstanding, end of year	.....	.....	418
62.00 Net financing disbursements	.....	.....	410

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
FINANCING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-4348-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Program by Activities:			
07.10 Loan obligations	.....	592	377
07.13 Payment of Interest to Treasury	.....	4	10
09.00 Total new obligations	.....	596	387
Budgetary resources:			
Financing authority:			
Borrowing authority, mandatory:			
14.00 Borrowing authority	.....	576	338
14.40 Borrowing authority, mandatory (total)	.....	576	338
Spending authority from offsetting collections, mandatory:			
18.00 Collected	.....	5	10
18.01 Change in uncollected payments, Federal sources	.....	15	53
18.50 Spending authority from offsetting collections, mandatory (total)	.....	20	63
19.00 Financing authority (total)	.....	596	401
19.30 Total budgetary resources available	.....	596	401
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	.....	.....	14
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	.....	.....	474
30.10 Uncollected payments, Federal Sources brought forward, Oct 1	.....	.....	-15
30.20 Obligated balance, start of year (net)	.....	.....	459
30.30 Obligations incurred, unexpired accounts	.....	596	387
30.40 Financing disbursements (gross)	.....	-122	-166
30.50 Change in unclollected payments, Federal sources, unexpired	.....	-15	-53
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	.....	474	695
30.91 Uncollected payments, Federal sources, end of year	.....	-15	-68
31.00 Obligated balance, end of year (net)	.....	459	627
Financing authority and disbursements, net:			
Mandatory:			
40.90 Financing authority, gross	.....	596	401
41.10 Financing disbursements, gross	.....	122	166
Offsets against gross financing authority and Financing disbursements:			
Offsetting collections (collected) from:			
41.20 Federal sources	.....	-4	-8
41.20-10 Federal sources (total)	.....	-4	-8
41.22 Interest on uninvested funds	.....	-1	-2
41.22-10 Interest on uninvested funds (total)	.....	-1	-2
41.30 Offsets against gross financing authority and disbursements (total)	.....	-5	-10
Additional offsets against financing authority only (total):			
41.40 Change in uncollected payments, Federal Sources, unexpired	.....	-15	-53
41.60 Financing authority, net (mandatory)	.....	576	338
41.70 Financing disbursements, net (mandatory)	.....	117	156
41.80 Financing authority, net (total)	.....	576	338
41.90 Financing disbursements, net (total)	.....	117	156

STATUS OF DIRECT LOANS
In millions of dollars

Identification code: 69-4348-0-3-401	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Portions with respect to appropriations act limitation on obligations:			
11.31 Direct loan obligations exempt from limitation	.....	592	377
11.50 Total direct loan obligations	.....	592	377
Cumulative balance of direct loans outstanding:			
12.10 Outstanding, start of year	.....	.....	122
12.31 Disbursement: Direct loan disbursements	.....	118	156
12.61 Adjustments: Capitalized interest	.....	4	10
12.90 Outstanding, end of year	.....	122	288
62.00 Net financing disbursements	.....	117	156

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION
TIFIA GENERAL FUND PROGRAM ACCOUNT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0542-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Obligations by program activity:			
Credit program obligations:			
07.01 Direct loan subsidy	……	19	39
07.09 Administrative expenses	……	1	1
09.00 Total new obligations	……	20	40
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	……	20	40
Budget authority:			
Spending authority from offsetting collections, discretionary:			
17.00 Collected	20	40	……
17.50 Spending authority from offsetting collections, discretionary (total)	20	40	……
19.30 Total budgetary resources available	20	60	40
19.41 Memorandum (non-add) entries:			
Unexpired unobligated balance, end of year	20	40	……
Change in obligated balances:			
Obligated balance, start of year (net):			
30.00 Unpaid obligations brought forward, Oct 1 (gross)	……	……	12
30.30 Obligations incurred, unexpired accounts	……	20	40
30.40 Outlays (gross)	……	-8	-12
30.90 Unpaid obligations, end of year (gross)	……	12	40
31.00 Obligated balance, end of year (net)	……	12	40
Budget authority and outlays, net:			
Discretionary:			
40.00 Budget authority, gross	20	40	……
Outlays, gross:			
40.10 Outlays from new discretionary authority	……	4	……
40.11 Outlays from discretionary balances	……	4	12
40.20 Outlays, gross (total)	……	8	12
Offsets against gross budget authority and outlays:			
Offsetting collections (collected) from:			
40.30 Federal sources	-20	-40	……
40.70 Budget authority, net (discretionary)	……	……	……
40.80 Outlays, net (discretionary)	-20	-32	12
41.80 Budget authority, net (total)	……	……	……
41.90 Outlays, net (total)	-20	-32	12

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0542-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct Obligations:			
12.51 Advisory and assistance services	……	1	1
14.10 Grants, subsidies, and contributions	……	19	39
99.99 Total new obligations	……	20	40

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DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
RIGHT-OF-WAY REVOLVING FUND

BACKGROUND

The Federal-Aid Highway Act of 1968 authorized the establishment of a right-of-way revolving fund. This fund was used to make cash advances to States for the purpose of purchasing right-of-way parcels in advance of highway construction and thereby preventing the inflation of land prices from significantly increasing construction costs.

This program was terminated by TEA-21 but will continue to be shown for reporting purposes as loan balances remain outstanding. The purchase of right-of-way is an eligible expense of the Federal-aid program.

BUDGETARY RESOURCES

No new budgetary resources are requested in FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
RIGHT-OF-WAY (ROW) REVOLVING FUND
LIQUIDATING ACCOUNT - DIRECT LOAN

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-8402-0-8-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
	Budgetary resources:			
	Budget authority:			
	Spending Authority from offsetting collections, mandatory:			
18.00	Collected	15	8	25
18.20	Capital transfer of spending authority form offsetting collections to the general fund	-15	-8	-25
18.50	Spending authority from offsetting collections, mandatory (total)	……	……	……
19.30	Total budgetary resources available	……	……	……
	Change in obligated balances:			
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	6	6	6
	Obligated balance, end of year (net)			
30.90	Unpaid obligations, end of year (gross)	6	6	6
31.00	Obligated balance, end of yar (net)	6	6	6
	Budget authority and outlays, net:			
	Mandatory:			
	Offsets against gross budget authority and outlays:			
	Offsetting collections (collected) from:			
41.20	Federal sources	-15	-8	-25
41.60	Budget authority, net (mandatory)	-15	-8	-25
41.70	Outlays, net (mandatory)	-15	-8	-25
41.80	Budget authority, net (total)	-15	-8	-25
41.90	Outlays, net (total)	-15	-8	-25

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
STATE INFRASTRUCTURE BANKS

BACKGROUND

In FY 1997, FHWA received an appropriation of $150 million from the General Fund for the State Infrastructure Banks (SIBs) program. This schedule shows the obligation and outlay of that funding. In FY 1999 and 2002, $6.5 million and $5.75 million of the funds provided for the SIBs program were rescinded, respectively.

All of the funds have been provided to the States to capitalize the infrastructure banks. Because the funding was provided as grants, and not loans, FHWA will not receive reimbursements of amounts expended for the SIBs program.

BUDGETARY RESOURCES

No new budgetary resources are requested in FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
STATE INFRASTRUCTURE BANKS
DIRECT LOAN FINANCING ACCOUNT

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0549-0-1-401		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
	Budgetary Resources:			
	Unobligated balance:			
10.00	Unobligated balance brought forward, Oct 1	1	1	1
19.30	Total budgetary resouces available	1	1	1
	Memorandum (non-add) entries:			
19.41	Unexpired unobligated balance, end of year	1	1	1
	Change in obligated balance:			
	Obligated balance, start of year (net):			
30.00	Unpaid obligations, brought forward, Oct 1 (gross)	1	1	1
	Obligated balance, end of year (net):			
30.90	Unpaid obligations, end of year (gross)	1	1	1
31.00	Obligated balance, end of year (net)	1	1	1
41.80	Budget authority, net (total)	……	……	……
41.90	Outlays, net (total)	……	……	……

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE

BACKGROUND

In FY 2010, the Federal Highway Administration received a General Fund appropriation of $650 million for Highway Infrastructure. The authority for this appropriation is Division A, Title I of P.L. 111-117 (Consolidated Appropriations Act, 2010), Section 122.

BUDGETARY RESOURCES

No new budget authority is requested for FY 2013.

DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
HIGHWAY INFRASTRUCTURE GRANTS

PROGRAM AND FINANCING SCHEDULE
In millions of dollars

Identification code: 69-0548-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
New obligations:			
Obligations by program by activity:			
00.01 Direct program activity	206	213	……
09.00 Total new obligations (object class 41.0)	206	213	……
Budgetary resources:			
Unobligated balance:			
10.00 Unobligated balance brought forward, Oct 1	419	213	……
Budget authority:			
Appropriations, discretionary:			
11.60 Appropriation, discretionary (total)	……	……	……
19.30 Total budgetary resources available	419	213	……
Memorandum (non-add) entries:			
19.41 Unexpired unobligated balance, end of year	213	……	……
Change in obligated balances			
Obligated balance, start of year (net):			
30.00 Unpaid obligations, brought forward, Oct 1 (gross)	143	214	294
30.30 Obligations incurred, unexpired accounts	206	213	……
30.40 Outlays (gross)	-135	-133	-151
Obligated balance, end of year (net):			
30.90 Unpaid obligations, end of year (gross)	214	294	143
31.00 Obligated balance, end of year (net):	214	294	143
Budget authority and outlays, net:			
Discretionary:			
40.11 Outlays form discretionary balances	135	133	151
40.80 Outlays, net (discretionary)	135	133	151
41.80 Budget authority, net (total)	……	……	……
41.90 Outlays, net (total)	135	133	151

OBJECT CLASSIFICATION
In millions of dollars

Identification code: 69-0548-0	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST
Direct Obligations:			
14.10 Direct obligations: Grants, subsidies, and contributions	206	213	……

EXHIBIT IV-1

RESEARCH, DEVELOPMENT & TECHNOLOGY
DEPARTMENT OF TRANSPORTATION
Budget Authority
(in thousands of dollars)

FEDERAL HIGHWAY ADMINISTRATION	FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST	FY 2013 APPLIED	FY 2013 DEVELOP.
Research, Technology & Education Program					
(A) Surface Transportation Research, Development, and Deployment Program	**181,866**	**173,129**			
A. Highway Research and Development 1/			**200,000**	**176,000**	**24,000**
Safety:	**13,601**	**13,013**	**25,000**	**22,000**	**3,000**
1. Safety	*6,120*	*5,856*			
2. Safety (T)	*7,481*	*7,157*			
Infrastructure:	**66,354**	**62,673**	**75,000**	**66,000**	**9,000**
3. Pavements	*29,012*	*27,756*			
4. Pavements (T)	*3,223*	*3,084*			
5. Structures	*22,856*	*21,137*			
6. Structures (T)	*2,539*	*2,349*			
11. Long-Term Pavement Performance	*7,852*	*7,513*			
12. Long-Term Pavement Performance (T)	*872*	*834*			
Planning and Environment (Planning, Environment, and Realty):	**19,363**	**18,525**	**35,000**	**30,800**	**4,200**
7. Planning, Environment, and Realty	*17,427*	*16,673*			
8. Planning, Environment, and Realty (T)	*1,936*	*1,852*			
Operations (Highway Operations):	**8,893**	**7,424**	**25,000**	**22,000**	**3,000**
9. Highway Operations	*7,759*	*6,477*			
10. Highway Operations (T)	*1,134*	*947*			
Policy:	**1,121**	**1,072**	**18,000**	**15,840**	**2,160**
13. International Outreach	*259*	*247*			
Conditions & Performance Report	*862*	*825*			
Next Generation Research & Technology (Corporate):	**40,432**	**38,623**	**22,000**	**19,360**	**2,640**
14. Exploratory Advanced Research	*11,466*	*10,970*			
15. Exploratory Advanced Research (T)	*603*	*577*			
18. Corporate R&T	*26,952*	*25,729*			
19. Corporate R&T (T)	*1,411*	*1,347*			
Other Research:	**32,102**	**31,799**	**0**	**0**	**0**
16. OST, RITA, PHMSA, & FHWA	*32,102*	*31,799*			
17. OST, RITA, PHMSA & FHWA (T)	*0*	*0*			
B. Technology and Innovation Deployment Program (T) 1/	**0**	**0**	**144,000**	**0**	**0**
(B) Future Strategic Highway Research Program-SHRP II 1/	**48,623**	**46,519**	**0**	**0**	**0**
1. *Future Strategic Highway Research Program-SHRP II*	*29,174*	*0*			
2. *Future Strategic Highway Research Program-SHRP II (T)*	*19,449*	*46519*			
C. Training and Education	**24,724**	**23,654**	**40,000**	**0**	**0**
1. *National Highway Institute (T)*	*8,584*	*8,213*	*14,000*		
2. *Local Technical Assistance Program (T)*	*9,925*	*9,496*	*17,000*		
3. *Eisenhower Transportation Fellowship Program (T)*	*1,967*	*1,882*	*3,000*		
4. *Garrett Morgan Program (T)*	*1,118*	*1,069*	*1,250*		
5. *Transportation Education Development Pilot (T)*	*1,677*	*1,604*	*3,075*		
6. *Freight Planning Capacity Building (T)*	*782*	*749*	*900*		
7. *Surface Transportation Congestion Relief Assistance Program (T)*	*671*	*641*	*775*		
8. *Surface Transportation Workforce Development Centers (T)*	*0*	*0*	*0*		
D. Intelligent Transportation Systems 4/	**101,860**	**97,454**	**110,000**	**94,590**	**0**
ITS Multi-Modal Research - Applications:	***51,687***	***57,129***	***70,230***	***70,230***	
1. *IntelliDrive (SM)*	*0*	*0*	*0*	*0*	
IntelliDrive (SM) - V-V and V-I Communications for Safety	*40,121*	*45,563*	*46,020*	*46,020*	
Real-Time Data Capture & Management	*2,045*	*2,045*	*5,460*	*5,460*	
Dynamic Mobility Applications	*2,660*	*2,660*	*15,500*	*15,500*	
8. *Road Weather Research and Development*	*0*	*0*	*0*	*0*	
7. *Clarus/Road Weather Management (Earmark)*	*4,600*	*4,600*	*0*	*0*	
17. *Environment/AERIS*	*2,261*	*2,261*	*3,250*	*3,250*	
ITS Multi-Modal Research Technology:	***11,370***	***8,600***	***9,400***	***9,400***	
Human Factors for IntelliDrive (SM)	*4,230*	*1,460*	*2,900*	*2,900*	
IntelliDrive (SM) Test Environment	*3,640*	*3,640*	*2,500*	*2,500*	
Harmonization of International Standards and Architecture	*490*	*490*	*700*	*700*	
IntelliDrive (SM) Certification	*2,330*	*2,330*	*3,300*	*3,300*	
IntelliDrive (SM) Systems Engineering	*680*	*680*	*0*	*0*	
ITS Multi-Modal Research Policy:	***7,202***	***5,129***	***6,000***	***6,000***	
IntelliDrive (SM) Policy	*7,202*	*5,129*	*6,000*	*6,000*	

EXHIBIT IV-1

RESEARCH, DEVELOPMENT & TECHNOLOGY
DEPARTMENT OF TRANSPORTATION
Budget Authority
(in thousands of dollars)

FEDERAL HIGHWAY ADMINISTRATION		FY 2011 ACTUAL	FY 2012 ENACTED	FY 2013 REQUEST	FY 2013 APPLIED	FY 2013 DEVELOP.
19.	**Short-Term Intermodal:**	***4,210***	***5,076***	***1,000***	***1,000***	
	FHWA - Active Traffic Management	*1,710*	*2,000*	*0*	*0*	
	FTA/FHWA - Multi-Modal Integrated Payment Systems/E-Payment	*1,500*	*3,076*	*0*	*0*	
18.	*Next Generation E-Payment*	*1,000*	*0*	*0*	*0*	
19.	*Mode Specific Research*	*0*	*0*	*1,000*	*1,000*	
	Multi-Modal Mobility	*0*	*0*	*0*	*0*	
	Exploratory Research:	***100***	***2,200***	***670***	***670***	
	Exploratory Solicitation	*100*	*2,200*	*670*	*670*	
	Other ITS Research:	***10,051***	***9,881***	***2,290***	***2,290***	
	Next Generation 911	*0*	*0*	*0*	*0*	
6.	*Mobility Services for All Americans*	*200*	*200*	*0*	*0*	
4.	*Integrated Corridor Management*	*1,100*	*1,000*	*0*	*0*	
	Small Business Innovative Research	*1,644*	*1,574*	*1,640*	*1,640*	
9.	*I-95 Corridor Coalition (T)*	*6,481*	*6,481*	*0*	*0*	
	Legacy ITS Projects (Including Congestion Initiatives)	*626*	*626*	*650*	*650*	
	Technology Transfer and Evaluation:	***12,865***	***4,564***	***15,410***	***0***	
10.	*ITS Architecture and Standards (T)*	*4,045*	*1,664*	*6,750*		
11.	*Professional Capacity Building (PCB) (T)*	*3,250*	*1,000*	*3,160*		
12.	*ITS Program Assessment (T)*	*0*	*0*	*0*		
13.	*ITS Outreach and Policy (T)*	*1,825*	*0*	*2,000*		
	Outreach/Stakeholder Development (T)	*1,105*	*900*	*900*		
	Evaluation (T)	*2,640*	*1,000*	*2,600*		
14.	**ITS Program Support:**	***4,375***	***4,875***	***5,000***	***5,000***	
E.	**Competitive University Transportation Center (UTC) Consortia 4/**	**73,061**	**69,901**	**72,000**	**0**	**0**
1.	*University Transportation Research (T)*	*73,061*	*69,901*	*72,000*		
F.	**Multimodal Innovative Research Program 4/**	**0**	**0**	**20,000**	**10,000**	**10,000**
	Multimodal Research and Technology	*0*	*0*	*20,000*	*10,000*	*10,000*
	Multimodal Research and Technology (T)	*0*	*0*	*0*		
G.	**UTC Multimodal Competitive Research Grants 4/**	**0**	**0**	**20,000**	**10,000**	**10,000**
	UTC Competitive Research Grants	*0*	*0*	*20,000*	*10,000*	*10,000*
	UTC Competitive Research Grants (T)	*0*	*0*	*0*		
H.	**State Planning and Research (SPR) 2/**	**182,985**	**178,828**	**206,398**	**156,202**	**21,300**
1.	*State Planning and Research (SPR)*	*157,367*	*153,792*	*177,502*	*156,202*	*21,300*
2.	*State Planning and Research (SPR) (T)*	*25,618*	*25,036*	*28,896*		
I.	**Administrative Expenses**	**18,740**	**18,932**	**18,932**	**14,327**	**1,954**
1.	*Administrative Expenses*	*16,116*	*16,281*	*16,281*	*14,327*	*1,954*
2.	*Administrative Expenses (T)*	*2,624*	*2,651*	*2,651*		
	Subtotal, Research and Development 5/	447,837	411,464	528,373	461,119	67,254
	Subtotal, Technology Investment (T) 5/	184,023	196,953	302,957		
	Subtotal RD&T Programs	**631,860**	**608,417**	**831,330**	461,119	67,254
	Add: Bureau of Transportation Statistics	27,000	25,206	38,000		
	Less: Adjustment of BTS Obligation Authority to Contract Authority					
	Less: Adjustment of Contract Authority to Obligation Authority					
	Less: Administrative Expenses	-18,740	-18,932	-18,932		
	Less: State Planning and Research (SPR)	-182,985	-178,828	-206,398		
	Less: Future Strategic Highway Research Program-SHRP II	-48,623	-46,519			
	Total Title V Programs 3/	**408,512**	**389,344**	**644,000**		

Footnotes:

1/ All Highway Research and Development (HRD) Technology or "T" programs are now funded from the Technology and Innovation Deployment Program (TIDP). The TIDP also includes funding for the Future Strategic Highway Research Program (SHRP 2), which was shown separately in previous budget requests, and Highways for Life-type activities. SAFETEA-LU program categories are in parenthesis [(A) & (B)].

2/ Title 23 USC 505(b) requires State DOT's to expend no less than 25 percent of their annual SPR funds on RD&T activities. Total SPR funding represents 2 percent of apportioned programs.

3/ In the absence of authorizing legislation for the Federal-aid Highway Program in FY 2013, the amounts in the exhibit are only estimates.

4/ Details for this program are contained in the Office of the Assistant Secretary for Research and Technology FY 2013 budget.

5/ Subtotals for Research and Development and Technology Development may not add due to rounding.