DEPARTMENT OF TRANSPORTATION

Funding Highlights:

- Invests a total of $74 billion in discretionary and mandatory budgetary resources for the Department of Transportation, an increase of 2 percent, or $1.4 billion, above the 2012 enacted level. This includes job-creating infrastructure investments as well as savings from reductions to grant programs for larger airports.

- Jump starts job creation in 2012 with $50 billion in immediate investments to support critical infrastructure projects, improving America's roads, bridges, transit systems, border crossings, railways, and runways.

- Proposes an urgently needed six-year, $476 billion surface reauthorization plan to modernize the country's transportation infrastructure, and pave the way for long-term economic growth.

- Pays for these investments with the "peace dividend" from ramping down overseas military operations. Because rebuilding the Nation's transportation infrastructure is an immediate need, the Budget uses near-term savings from reduced overseas operations to support increased investments in the reauthorization proposal.

- Provides $2.7 billion in 2013 and $47 billion over six years to develop high-speed passenger rail corridors and improve intercity passenger rail service to significantly enhance the national rail network.

- Supports a more robust, rigorous, and data-driven pipeline safety program to ensure the highest level of safety for America's pipeline system.

- Invests over $1 billion for 2013 in the Next Generation Air Transportation System, a revolutionary modernization of our aviation system.

- Initiates Transportation Leadership Awards, which will encourage innovation by allowing States to compete for grants to pursue critical transportation policy reforms.

- Reduces funding for airport grants by over $900 million, focusing Federal support on smaller airports, while giving larger airports additional flexibility to raise their own resources.

A well-functioning transportation system is critical to America's economic future. Whether it is by road, transit, aviation, rail, pipeline, or waterway, we rely on our transportation system to move people and goods safely, facilitate commerce, attract and retain businesses, and support jobs. The President's 2013 Budget provides a total of $74 billion in discretionary and mandatory funding plus an additional $50 billion above what has been provided to date in 2012 to jump-start economic growth and job creation. Recognizing the fiscal realities, the Budget again proposes significant reforms to surface transportation programs, including a consolidation of over 55 duplicative, often earmarked highway programs into five streamlined ones.

Invests in Infrastructure Critical for Long-Term Growth. Much of the country's transportation infrastructure was built decades ago and is in desperate need of repairs and upgrades to meet current economic demands. The President's Budget again includes a multi-year reauthorization proposal for critical highway, transit, highway safety, passenger rail, and multimodal programs. This proposal would provide $476 billion over six years, which together with the additional $50 billion requested in 2012, represents an increase of approximately 80 percent above the previous surface transportation reauthorization, plus annual appropriated funding for passenger rail funding in those years. This proposal seeks not only to fill a long overdue funding gap, but also to reform how Federal dollars are spent to ensure that they are directed to the most effective programs. It reflects a need to balance fiscal discipline with efforts to expedite our economic recovery and job creation. It emphasizes fixing existing assets, moving toward cost-benefit analysis of large transportation projects, and consolidating duplicative, often-earmarked highway programs. Consistent with Administration policy, this proposal does not contain earmarks. Additionally, the reauthorization proposal will not add to the deficit as the Budget proposes to use the "peace dividend" from ramping down military operations overseas to offset all costs. After the six-year reauthorization period, the Administration is committed to working with the Congress on a financing mechanism.

Creates Jobs Now. To spur job growth and allow States to initiate sound multi-year investments, the Budget assumes enactment of an additional $50 billion in transportation investments in 2012. Although infrastructure projects take time to get underway, these investments would generate hundreds of thousands of jobs in the first few years—and in industries suffering from protracted unemployment. Not only will job markets and municipal transportation programs access much-needed support in the near-term, but Federal taxpayers will reap the benefits of historically competitive pricing in construction. To help these funds flow into our communities without delay, key Federal agencies have been directed to find ways to expedite permitting and approvals for infrastructure projects.

Provides Dedicated Funding for High Speed Rail Investments. The Budget provides $47 billion over six years to fund the development of high-speed rail and other passenger rail programs as part of an integrated national strategy. This system will provide 80 percent of Americans with convenient access to a passenger rail system, featuring high-speed service, within 25 years. The proposal includes merging Amtrak's stand-alone subsidies into the high-speed rail program as part of a larger, competitive System Preservation initiative.

Helps Communities Become More Livable and Sustainable. Fostering livable communities—places where coordinated transportation, housing, and commercial development gives people access to affordable and environmentally sustainable transportation—is a transformational policy shift. The Administration's reauthorization proposal adopts a multi-pronged approach to help communities achieve this goal. For example, the Administration proposes to permanently authorize the Transportation Investment Generating Economic Recovery (TIGER) program, which has supported projects like multi-modal transportation hubs (where different forms of transportation converge) and streets that accommodate pedestrian, bicycle, and transit access. The proposal also seeks to harmonize State and local planning requirements and facilitate more cooperation—and includes competitive grant funding ($200 million in 2012 and $1.2 billion over six years) to improve those entities' ability to deliver sound, data-driven, and collaboratively-developed transportation plans. The Budget also includes $108 billion for transit programs over six years, more than doubling the commitment to transit in the prior reauthorization for both existing capacity and capacity expansion. This unprecedented increase for buses, subways, and other systems of public transportation will help improve and expand travel options, cut energy use, and help make our communities more livable.

Enhances Pipeline Safety. In order to ensure the highest safety standards for the U.S. pipeline system, the Budget proposes to both enhance and revamp the Department's Pipeline Safety program. The Budget increases the size of the State Pipeline Safety Grant program by 50 percent and institutes several reforms to the Federal program. It funds the first phase of a three-year effort to more than double the number of Federal pipeline safety inspectors to make certain that more pipelines are inspected on a regular basis. In addition, the Budget modernizes pipeline data collection and analysis, improves Federal investigation of pipeline accidents of all sizes, and expands the public education and outreach program.

Modernizes the Air Traffic Control System. The Budget provides over $1 billion for 2013, an increase of more than $99 million from the 2012 enacted level, for the Next Generation Air Transportation System (NextGen). NextGen is the Federal Aviation Administration's multi-year effort to improve the efficiency, safety, capacity, and environmental performance of the aviation system. These funds would continue to support the transformation from a ground-based radar surveillance system to a more accurate satellite-based surveillance system; the development of 21st Century data communications capability between air traffic control and aircraft to improve efficiency; and the improvement of aviation weather information.

Enhances Roadway Safety Research, Data Collection and Data Analysis. The Budget creates an Integrated Highway Safety Program Office to enable best practices in highway safety, and to streamline highway safety research and data collection and analysis, in order to reduce the paperwork burden of grantees and to enhance the Department's approach to safety. In addition, the Budget continues to support a performance-based program to advance commercial motor vehicle safety. It also expands research and development in vehicle safety technology, with a focus on electronic systems, to continue progress towards safer vehicles and safer transportation.

Improves the Way Federal Funds Are Spent

Encourages Innovative Solutions Through Competition. The Administration's six-year reauthorization plan would dedicate approximately $20 billion for a competitive grant program designed to create incentives for State and local partners to adopt critical reforms in variety of areas, including safety, livability, and demand management. Federally-inspired safety reforms such as seat belt and drunk driving laws saved thousands of American lives and avoided billions in property losses. This initiative will seek to repeat the successes of the past across the complete spectrum of transportation policy priorities. Specifically, the Department will work with States and localities to set ambitious goals in different areas—for example, passing measures to continue our successes in distracted driving (safety) or modifying transportation plans to include mass transit, bike, and pedestrian options (livability) —and to tie resources to goal achievement.

Adopts a "Fix It First" Approach for Highway and Transit Grants. Too many elements of the U.S. surface transportation infrastructure—our highways, bridges, and transit assets—fall short of a state of good repair. This can impact the capacity, performance, and safety of our transportation system. At the same time, States and localities have incentives to emphasize new investments over improving the condition of the existing infrastructure. The Administration's reauthorization proposal will underscore the importance of preserving and improving existing assets, encouraging its government and industry partners to make optimal use of current capacity, and minimizing life cycle costs through sound asset management principles. Accountability is a key element of this system: States and localities will be required to report on highway condition and performance measures.

Consolidates Highway Programs. The Administration's proposal would consolidate over 55 duplicative, often earmarked highway programs into five streamlined programs. This would give States and localities greater flexibility to direct resources to their highest priorities. In the interest of taxpayer value and accountability, that flexibility will come with reformed requirements on States to establish and meet performance targets tied to national goals and to move toward rigorous cost-benefit analyses of major new projects before they are initiated.

Pays for the Six-Year Reauthorization Plan Using Real Savings. The President is committed to working with the Congress to ensure that funding increases for surface transportation do not increase the deficit. Because rebuilding our transportation infrastructure is an urgent need, the Budget uses savings from ramping down overseas military operations to fully offset the President's six-year surface transportation proposal. The Budget also proposes closing loopholes in budgetary treatment to make sure that surface transportation programs are transparently reflected in the budget and paid for in both the short- and the long-term. Beyond the reauthorization window, the Budget assumes that the President and the Congress will work together to develop other fiscally responsible solutions.

Reduces Funding in Targeted Areas. In support of the President's call for spending restraint, the Budget lowers funding for the airport grants program to $2.4 billion, a reduction of $926 million, by eliminating guaranteed funding for large and medium hub airports. The Budget focuses Federal grants to support smaller commercial and general aviation airports that do not have access to additional revenue or other outside sources of capital. At the same time, the Budget would allow larger airports to increase non-Federal passenger facility charges, thereby giving larger airports greater flexibility to generate their own revenue. Also, given difficult fiscal circumstances, the Budget reduces the annual grant to the Washington Metropolitan Area Transit Authority by $15 million. The President's surface transportation plan would substantially increase overall transit funding and would benefit both the Washington area and transit systems nationwide.

Department of Transportation
(In millions of dollars)

	Actual	Estimate	
	2011	2012	2013
Spending			
Discretionary Budgetary Authority:			
Federal Aviation Administration	12,417	12,553	12,748
Federal Motor Carrier Safety Administration	—	1	—
National Highway Traffic Safety Administration [1]	3	—	—
Federal Railroad Administration [1]	223	214	152
Federal Transit Administration [1]	150	150	134

Department of Transportation—Continued
(In millions of dollars)

	Actual 2011	Estimate 2012	Estimate 2013
Maritime Administration	366	314	344
Office of the Secretary [1]	295	295	284
Pipeline and Hazardous Materials Safety Administration	167	172	248
Pipeline Fee Offsetting Collections	–90	–91	–167
Proposed Cancellations of Unobligated Balances	—	—	–135
All other	137	140	147
Total, Discretionary budgetary authority	13,668	13,748	13,755
Discretionary Changes in Mandatory Programs *(non-add in 2012):* [2]			
Federal Motor Carrier Safety Administration		*–1*	—
Discretionary Obligation Limitations/Mandatory Budget Authority:			
Federal Aviation Administration	3,515	3,350	2,424
Surface Transportation Reauthorization [3, 4]			
Federal Highway Administration [5]	41,846	39,883	42,569
Federal Motor Carrier Safety Administration	551	554	580
National Highway Traffic Safety Administration	869	800	981
Federal Railroad Administration	1,084	1,418	2,546
Federal Transit Administration	9,865	10,400	10,701
Office of the Secretary	527	500	500
Total, Discretionary obligation limitations/mandatory budget authority	58,257	56,905	60,301
Total, Other mandatory budget authority (incl. 2012 immediate investments)	253	50,253	278
Total, Budget Resources, excluding 2012 immediate investments	72,178	70,906	74,334
Total, Budget Resources, including 2012 immediate investments	72,178	120,906	74,334
Discretionary Cap Adjustment: [6]			
Disaster Relief	—	1,662	—
Total, Discretionary outlays [7]	29,124	25,551	23,987
Mandatory Outlays:			
Federal Aviation Administration	–204	–183	–194
Federal Highway Administration	36,085	38,956	41,484
Federal Motor Carrier Safety Administration	494	571	583
National Highway Traffic Safety Administration	817	905	946
Federal Railroad Administration	1,569	1,670	1,562

Department of Transportation—Continued
(In millions of dollars)

	Actual 2011	Estimate 2012	Estimate 2013
Federal Transit Administration	9,283	10,788	11,361
Office of the Secretary	94	158	400
Immediate Transportation Investments	—	5,690	18,280
All other	40	29	114
Total, Mandatory outlays [7]	48,178	58,584	74,536
Total, Outlays	77,302	84,135	98,523
Credit activity			
Direct Loan Disbursements:			
Transportation Infrastructure Financing and Innovation Program	1,310	1,188	1,935
Railroad Rehabilitation and Improvement Financing Program	107	600	600
Total, Direct loan disbursements	1,417	1,788	2,535
Guaranteed Loan Disbursements by Private Lenders:			
Transportation Infrastructure Financing and Innovation Program	—	40	251
Railroad Rehabilitation and Improvement Financing Program	—	100	100
Minority Business Resource Centers	4	18	22
Maritime Guaranteed Loans	—	1,168	—
Total, Guaranteed loan disbursements by private lenders	4	1,326	373

[1] The 2013 Budget reflects enactment of the Administration's six-year (2013–2018) surface transportation reauthorization proposal, under which a number of General Fund programs are moved into the Transportation Trust Fund. For comparability purposes, 2011 and 2012 budget authority for certain programs in these bureaus have been reclassified as mandatory, and listed in the Obligation Limitation/Mandatory Budget Authority totals.
[2] The 2012 amounts reflect OMB's scoring of the 2012 Appropriations acts (P.L. 112–55 and 112–74) as transmitted to the Congress. These amounts are displayed as non-add entries because they have been rebased as mandatory and are not included in any 2012 discretionary levels in the 2013 Budget.
[3] Amounts include $3.3 billion in 2011 and $4.1 billion in 2012 in rebased mandatory BA for rail, transit, highway safety, and TIGER grant programs.
[4] Requested discretionary obligation limitations for 2012 are equal to Contract Authority proposed in the surface transportation reauthorization bill.
[5] Includes $739 million in contract authority that is exempt from obligation limitations.
[6] The Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA), as amended by the Budget Control Act of 2011, limits—or caps—budget authority available for discretionary programs each year through 2021. Section 251(b)(2) of BBEDCA authorizes certain adjustments to the caps after the enactment of appropriations.
[7] The Administration proposes to reclassify all surface transportation outlays as mandatory, consistent with the recommendations of the National Commission on Fiscal Responsibility and Reform. This reclassification includes outlays from General Fund programs being shifted into the Transportation Trust Fund, as well as outlays from prior obligation limitations. New outlays in 2013 are also classified as mandatory, derived from contract authority.