



DEPARTMENT OF TRANSPORTATION

The President's 2009 Budget will:

- Propose ways to manage the Nation's airspace more effectively to reduce travel delays;
- Advance strategies to curb transportation congestion;
- Ensure solvency of highway and surface transportation programs;
- Take steps to rationalize the Nation's intercity passenger rail system; and
- Improve transportation safety.

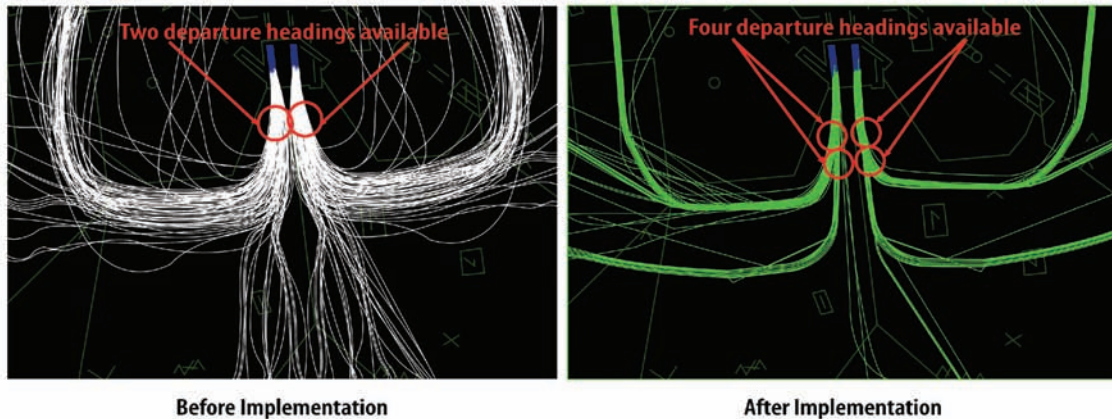
Managing the Nation's Airspace More Effectively

- *Funds the Next Generation Air Transportation System (NextGen).* \$688 million to modernize the Federal Aviation Administration's (FAA's) air traffic control system, enabling the FAA to safely improve capacity and efficiency to reduce congestion and flight delays to help travelers reach their destination on time.
 - Moves from a ground-based radar surveillance system to a more accurate satellite-based surveillance system.
 - Develops more efficient routes through the airspace and improves arrival and departure management at airports.
 - Improves aviation weather information and decision-making.
- *Proposes reforms to FAA.* Resubmits the proposal to reauthorize and strengthen FAA and change its financing structure.
 - Establishes a cost-based system for financing FAA, employs market mechanisms for alleviating delays, and makes the system more accountable to aviation stakeholders.
 - Eliminates the current ticket taxes, which are based on the price of a ticket and have no direct link to FAA's cost of managing aircraft.
 - Generates revenues based on the costs that different flights impose on the air traffic system, whether they are commercial, business, or general aviation.

Curbing Transportation Congestion

- *Targets airline delays in the Nation's most congested regions using market-based mechanisms.*
 - Authorizes FAA to charge higher user fees during peak hours and lower fees during non-peak hours.

FAA is Actively Taking Steps to Reduce Air Traffic Delays



FAA is working to improve the efficiency and capacity of the air transportation system under the NextGen initiative. These images show tracks of aircraft departing from the Dallas-Fort Worth International Airport before and after the implementation of required area navigation procedures. These procedures safely use tightly contained and repeatable departure tracks for aircraft, which increases capacity (adding 11 to 20 departures per hour), saves fuel, reduces aircraft taxi times, and reduces departure delays.

- *Initiates a program to combat highway congestion.* \$175 million to demonstrate alternative strategies for reducing highway congestion through the use of road pricing. Examples could include:
 - Implementing variable charges on toll lanes to maximize traffic flow; or
 - Converting High Occupancy Vehicle lanes into High Occupancy Toll lanes, which charge single-passenger vehicles for access while allowing free access to multi-passenger vehicles.

Ensuring Solvency of Highway and Surface Transportation Programs

- *Fulfills the President's multi-year commitment to invest in surface transportation without raising taxes or subsidizing transportation spending using other tax dollars.* \$39.4 billion for the Federal Aid Highway program.
 - Includes the final installment of the \$286.4 billion in highway, transit, and safety program spending agreed upon in the last surface transportation reauthorization act.
 - Provides new flexibility to manage funds in the Highway Trust Fund so the existing tax structure can continue to support authorized spending for all surface transportation programs.

Taking Steps to Rationalize the Nation's Intercity Passenger Rail System

- *Curtails Federal subsidies.* \$800 million for Amtrak, which represents a significant but necessary cut to the railroad's Federal subsidy.
 - Requires that Amtrak control its operating losses and focus on services that offer the most promise.
 - Reserves the bulk of funds for capital investment so improvements may continue along the heavily trafficked Northeast Corridor.

- Reflects that Amtrak has taken few steps to align its business with the traveling public's demand for intercity rail service and that it consequently continues to hemorrhage taxpayer funds.
- *Provides State matching grants.* \$100 million for State matching grants for intercity passenger rail capital projects to empower States, not Amtrak, to address their transportation goals and priorities.

Improving Transportation Safety

- *Bolsters rail safety.* \$191 million for the Federal Railroad Administration's safety program, which includes the hiring of bridge safety specialists and tank car engineers and the development of technology for detecting track flaws that could lead to derailments.
- *Invests in pipeline safety.* \$93 million for the Pipeline and Hazardous Materials Safety Administration's Pipeline Safety Program, including significant increases for grants to States, pipeline inspection and enforcement staffing, and technical assistance.

Major Savings and Reforms

- Identifies four Department of Transportation programs representing \$2.3 billion for termination or reduction, including:
 - Streamlines Essential Air Service to maintain the program's original goal: providing incentives to airlines to ensure they continue to fly to small communities that were served prior to airline deregulation.

Since 2001, the Department of Transportation has:

- Helped stabilize the airline industry following the September 11, 2001, terrorist attacks.
- Helped improve the physical condition of the Nation's highways and bridges.
 - Vehicle miles traveled on pavements with "good" ride quality rose from 39.4 percent in 1997 to 44.2 percent in 2004.
 - Bridges considered to be structurally deficient dropped from 16.0 percent in 1998 to 13.1 percent in 2004.
- Worked with the Congress to reauthorize and implement highway, public transportation, and highway safety programs that give States more flexibility and target priority matters, such as safety and mobility.
- Reached key highway safety goals, including improving the national safety belt usage rate to a record high and reducing the highway fatality rate.
- Completed the largest competitive sourcing effort undertaken by a Federal agency, which will save taxpayers more than \$2 billion by consolidating FAA facilities and modernizing its technologies.
- Launched the NextGen initiative to transform the Nation's vital air transportation system, improve airline safety, and decrease passenger delays.

Department of Transportation
(Dollar amounts in millions)

	2007 Actual	Estimate	
		2008	2009
Spending			
Discretionary Budgetary Resources:			
Federal Aviation Administration ¹	14,537	14,916	14,644
<i>FAA Operations, Capital, and Research Programs (non-add)</i>	11,022	11,401	11,893
Federal Highway Administration.....	38,013	41,241	35,514
<i>Federal Aid obligation limitation (non-add)</i>	37,990	41,216	39,399
<i>Federal Aid cancellation of unavailable contract authority (non-add)</i>	-3,472	-3,150	-3,150
<i>Federal Aid cancellation of available contract authority (non-add)</i>	—	-1,026	—
<i>Federal Aid cancellation of contract authority for idle projects (non-add)</i>	—	—	-735
Federal Motor Carrier Safety Administration	517	530	541
National Highway Traffic Safety Administration:			
Existing law	821	838	730
Legislative proposal			122
Federal Railroad Administration.....	1,478	1,561	1,091
<i>Intercity Passenger Rail (non-add)</i>	1,294	1,355	900
Federal Transit Administration	9,952	9,491	10,136
Federal Maritime Administration	215	306	314
St. Lawrence Seaway Development Corporation	16	17	32
Pipeline and Hazardous Materials Safety Administration.....	120	126	139
Research and Innovative Technology Administration.....	8	12	12
All other	250	208	147
Total, Discretionary budgetary resources ²	65,927	69,246	63,422
<i>Memorandum:</i>			
<i>Total discretionary budgetary resources without 2009 mandatory savings provisions</i>	65,927	69,246	67,307
<i>Budget authority from enacted supplementals</i>	906	195	—
Total, Discretionary outlays	60,826	67,671	69,921
Mandatory Outlays:			
Federal Aviation Administration.....	-256	-157	-14
Federal Highway Administration.....	979	1,103	1,044
Federal Railroad Administration.....	-1	15	-4
Federal Maritime Administration	221	155	175
Pipeline and Hazardous Materials Administration.....	13	25	29
All other	-83	-150	-47
Total, Mandatory outlays	873	991	1,183
Total, Outlays	61,699	68,662	71,104

Department of Transportation—Continued
(Dollar amounts in millions)

	2007 Actual	Estimate	
		2008	2009
Credit activity			
Direct Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	267	1,389	1,186
Railroad Rehabilitation and Improvement Program	100	600	600
Total, Direct loan disbursements	367	1,989	1,786
Guaranteed Loan Disbursements:			
Transportation Infrastructure Finance and Innovation Program	—	40	80
Railroad Rehabilitation and Improvement Program	—	100	100
Maritime Guaranteed Loans (Title XI)	30	75	75
Minority Resource Business Center	3	18	18
Total, Guaranteed loan disbursements	33	233	273
	Number of Programs		2009 Savings
Major Savings, Discretionary			
Reductions	4		-2,332

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

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