

9. TRANSPORTATION

Table 9-1. Federal Resources in Support of Transportation
(In millions of dollars)

Function 400	2000 Actual	Estimate					
		2001	2002	2003	2004	2005	2006
Spending:							
Discretionary Budget Authority ...	15,172	18,912	16,836	17,790	18,190	18,558	18,970
Mandatory Outlays:							
Existing law	2,107	2,219	1,796	2,046	1,982	1,913	1,890
Credit Activity:							
Direct loan disbursements	323	403	709	1,109	1,542	1,993	2,221
Guaranteed loans	886	634	418	218	218	218	218
Tax Expenditures:							
Existing law	2,090	2,220	2,370	2,520	2,670	2,840	3,010
Discretionary Budgetary Resources .	49,668	57,261	57,736	60,099	61,449	62,790	64,195

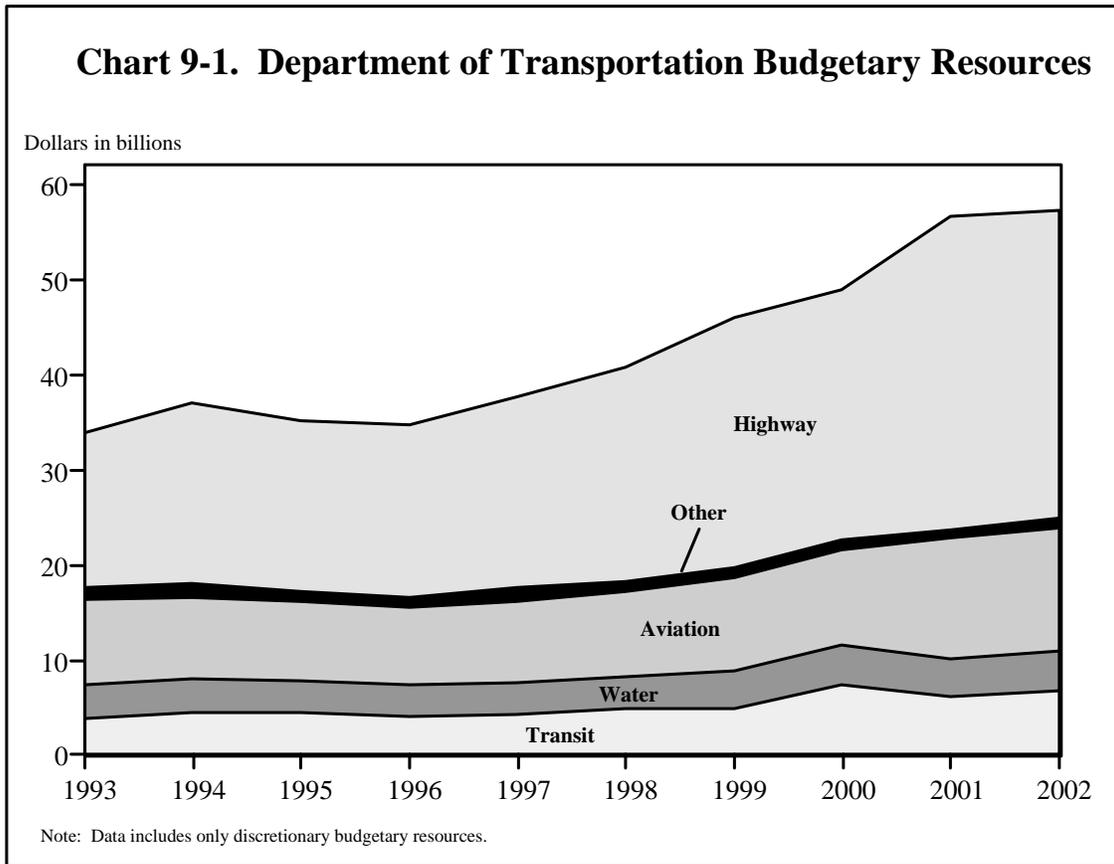
The security, economic prosperity, and social well being of the Nation are dependent on the efficient movement of people and commerce. America's transportation system is an indispensable component in moving people and goods. Our transportation system must enable the Nation to sustain its economic growth and enhance the quality of life for all Americans. In 2002, the Federal Government will invest over \$57 billion on transportation to continue to improve the Nation's transportation system, build and maintain the transportation infrastructure, and ensure safety for the traveling public.

Significant investments have been made in Federal transportation infrastructure in recent years. The challenge the Administration and the Department of Transportation (DOT) now face is how to maximize the effectiveness of new investments and ensure vigilant management and oversight of taxpayer resources. DOT plans to target its efforts on a number of unresolved critical transportation problems over the next year in the areas of tire and truck safety, aviation system modernization, Coast Guard fleet replacement, and highway grant oversight and accountability. (See Chart 9-1.)

Transportation Safety

Ensuring transportation safety is one of the highest priorities of the Federal Government. This budget continues Federal efforts to work with State and local governments and private groups to minimize the safety risks inherent in transportation. DOT leads efforts to regulate motor vehicle design and operation; inspect commercial vehicles; design, build, and operate safer roadways; educate the public regarding safety; direct air and waterway traffic; rescue mariners in danger; monitor railroad safety; and conduct safety research. The budget recommends \$7.3 billion for safety programs to meet this challenge.

A range of Federal programs and activities has helped to reduce the number of deaths and injuries from highway crashes. Federal programs reach out to State and local partners, industry, and health care professionals to identify the causes of crashes and develop new strategies to reduce deaths, injuries, and the resulting medical costs. These partnerships yield results. For example, the partnership against drunk driving helped the Nation hold alcohol related highway fatalities to an estimated 38 percent of all highway deaths in 2000. And, efforts continue to



reduce the roughly 41,000 deaths and three million injuries that occur each year on the Nation's roadways.

Highway and Truck Safety: The budget includes \$196 million for the National Highway Traffic Safety Administration (NHTSA) Operations and Research program. Along with coordinating national traffic safety efforts such as increasing seat belt use, NHTSA regulates the design of motor vehicles, researches design improvements for crash worthiness, and investigates reported safety defects. In 2002, safety defect investigations will continue to focus on improved defect testing, database modernization, and enhanced consumer complaint processing. NHTSA will also concentrate its efforts on updating the tire safety standard and increasing crash data collection to capture information regarding tire failure. In 2002, NHTSA will distribute \$223 million in highway traffic safety grants that target increased seat belt use, decreased alcohol-related fatalities, and efforts to improve State safety data. Additional

programs are designed to reduce drunk and drugged driving, and focus on reducing injuries and fatalities among minorities and youth, and in rural communities.

In partnership with the highway community and NHTSA, the Federal Highway Administration (FHWA) works to identify top roadway and vehicle safety issues and countermeasures. In 2002, safety construction programs will contribute an estimated \$765 million to correct unsafe roadway design, remove roadway hazards, and fund other safety construction programs.

Highway safety programs are targeted to reduce the rate of highway-related fatalities and injuries per 100 million vehicle miles traveled (VMT). In 2000, NHTSA estimated that there were 1.6 fatalities per 100 million VMT, and 119 highway-related injuries per 100 million VMT. The Department's 2002 goal is to:

- Reduce the rate to 1.4 highway-related fatalities per 100 million VMT and 111 highway-related injuries per 100 million VMT.

The Federal Motor Carrier Safety Administration (FMCSA) prescribes motor carrier safety regulations and conducts interstate enforcement efforts to enhance motor carrier safety. FMCSA also collects motor carrier safety data and reviews safety operations. States will continue to receive dedicated funding to heighten oversight of commercial (e.g., large truck and bus) license, vehicle, and driver inspection at roadside locations in an effort to keep unsafe vehicles and drivers off our Nation's highways. The budget includes \$183 million for grants to States to enforce Federal and State standards for commercial motor vehicle safety inspections, traffic enforcement, and compliance reviews.

To ensure that trade between the United States and Mexico, under the North American Free Trade Agreement, is accomplished safely, the budget includes \$88 million for additional inspectors and \$56 million for State funding for construction and operation of border safety inspection facilities. An additional \$17 million is included for information systems and strategic initiatives aimed at improving motor carrier safety and \$5 million is provided to continue a comprehensive study on commercial motor vehicle crash causation initiated in 2001. One of the prime highway safety goals of FMCSA is to:

- Reduce the number of motor carrier fatalities to no more than 4,710 in 2002.

Aviation Safety: Perhaps the Federal Government's most visible transportation safety function involves air traffic control and air navigational systems. The Federal Aviation Administration (FAA) provides air traffic service to over two flights per second, moving 1.8 million passengers safely each day. In 2002, the FAA will perform nearly 325,000 safety-related inspections. The budget includes \$6.9 billion for FAA operations and \$2.9 billion for capital modernization. In total, a 6.7-percent increase over 2001. FAA seeks to:

- Achieve an 80-percent reduction in the fatal accident rate for U.S. commercial air carriers by 2007. The 2002 target is .038 accidents per 100,000 departures. While

FAA's annual targets may fluctuate due to the limited number of accidents, they generally follow a downward slope to the 2007 80-percent reduction goal.

- Reduce the number of runway incursions with a target for 2002 of 236 incursions. In 2000, there were 403 incursions, up from 330 in 1999. To counter the increase in runway incursions, the FAA has identified and established strategies under its Runway Incursion Program 2000 Blueprint.

Coastal Waterway Safety: The Federal Government plays a key safety role on our waterways. On average, Coast Guard efforts result in the rescue of one life every two hours. The Coast Guard works to improve maritime safety by preventing incidents and mitigating the effect of accidents. In 2000, the Coast Guard saved 93 percent of all mariners reported in imminent danger. To accomplish this, the Coast Guard operates radio distress systems, guides vessels through busy ports, and operates reliable and safe navigation systems. It also regulates vessel design and operation, enforces United States and international safety standards, provides boating safety grants to States, and supports a 35,000-member voluntary auxiliary that provides safety education and assistance to regular Coast Guard units. The budget includes more than \$4 billion for Coast Guard operations and capital, a 12-percent increase compared with 2001. With this funding, the Coast Guard seeks to:

- Limit the number of recreational boating fatalities to less than 742 in 2002. In 2000 there were 742 recreational boating fatalities in our coastal regions and inland waterways.

Rail Safety: The budget includes \$154 million in 2002 for Federal railroad safety programs that work in partnership with the rail industry. The Safety Assurance and Compliance program brings together rail labor, management, and the Federal Government to determine causes of safety problems. This partnership has produced results: record low levels in the number and rate of overall rail-related fatalities and injuries. In 2000, the fatality level was the lowest level since 1981. The Federal Railroad Administration seeks to:

- Reduce the rate of rail-related fatalities to 1.20 fatalities per million train miles or less in 2002. In 2000, the rate was estimated to be 1.29 fatalities per million train miles.
- Reduce the grade crossing accident rate in 2002 by 0.35 percent compared with 2000.

Pipeline and Hazardous Material Safety: Similarly, the Federal Government has implemented several important initiatives in its pipeline safety program to reduce the risk of pipeline failures. These include oversight and enforcement of recently strengthened Federal pipeline safety standards, assistance to communities in protecting their citizens from pipeline failures, expanded partnership with States, and research and development efforts. The budget includes \$54 million for pipeline safety programs, a 15-percent increase above 2001. The Research and Special Programs Administration, through its Office of Pipeline Safety, seeks to:

- Reduce the number of natural gas transmission pipeline failures by almost four percent since 1999 to no more than 4,301 failures in 2002.
- Reduce the spillage rate of hazardous liquid materials shipped by pipelines (in tons) per million ton-miles to 0.0142 in 2002. In 2000, the spillage rate was 0.0131.

The Federal Government also develops regulations and standards to ensure the safe transportation of hazardous materials, and enforces those standards for every mode of transportation. The budget includes \$113 million for hazardous materials safety programs, an eight-percent increase over 2001. The Federal Government seeks to:

- Reduce the number of serious hazardous materials incidents in transportation to 391 or fewer in 2002. In 2000, there were an estimated 396 serious hazardous material incidents.

Infrastructure and Efficiency Investment

Mobility as much as any other factor defines us as a Nation. It connects people with work, school, community services, health

care, markets, religious facilities, and other people. The U.S. transportation system carries over 4.6 trillion passenger miles of travel and 3.9 trillion ton miles of freight every year—generated by more than 276 million travelers and six million businesses. The Federal Government helped develop large parts of the system, with funding supported by user fees and transportation taxes. Investment is targeted to maintaining and improving the existing system while at the same time advancing safety, quality, efficiency, accessibility, and the intermodal character of transportation infrastructure. This investment ensures the Nation will meet commerce needs and enhance its efficiency. The budget includes \$42.3 billion in mobility funding to meet this challenge.

Highways and Bridges: More than 958,000 miles of roads and bridges are eligible for Federal support, including the National Highway System (NHS) and Federal lands roads. For 2002, the Transportation Equity Act for the 21st Century (TEA-21) provides \$31.6 billion for the Federal-aid highway program. About 90 percent of these funds are distributed to the States by formula, primarily for highway-related projects, including the preservation and expansion of eligible roads and bridges. This funding comes from Federal motor fuel and truck taxes, mainly the gasoline tax, which is currently 18.4 cents per gallon, of which 15.44 cents goes into the Highway Trust Fund's Highway account to finance grants to States and local governments for highway related repair and improvement.

In aggregate, State and local governments provide 63 percent of highway and bridge infrastructure spending, most of which they generate through their own fuel and vehicle taxes. The average State gasoline tax was approximately 20 cents per gallon in 2000. State and local governments accelerate their infrastructure projects through debt financing, such as bonds and revolving loan funds. FHWA will work with State and local governments in 2002 to:

- Maintain 95 percent or more of NHS miles in a condition that meets pavement performance standards for acceptable ride quality. The NHS carries one trillion, or 43 percent, of all vehicle miles traveled.

The condition of the system affects public safety, wear-and-tear on vehicles, fuel consumption, travel time, congestion, and comfort. In 2000, the estimated percentage was 94 percent.

- Hold the growth in average annual hours of extra travel time due to delays over 30 minutes to a total of 34 hours in 2002. In 1999, the individual urban traveler experienced an average 32 hours of extra travel time due to delays. Without projects that improve traffic flow, this would grow to 35 hours of extra travel time. Clearly, traffic congestion is a problem which DOT will need to devote increasing attention.
- Reduce the percentage of bridges on the NHS that are deficient—from 21.5 percent in 2000 to 21 percent in 2002.

Transit: As with highways, the Federal Government assists State and local governments to improve mass transit. Of the Federal motor fuels tax, 2.86 cents per gallon goes to fund mass transit improvements. Federal capital grants comprise about half of the total spent each year to maintain and expand the Nation's 6,000 bus, rail, trolley, van, and ferry systems. Together, States and localities invest over \$3.5 billion a year on transit infrastructure and equipment.

Federal funding growth has been substantial. In 2002, TEA-21 provides \$6.6 billion for transit infrastructure. The Federal role is especially important in financing new urban bus and rail transit systems, as well as rural bus and van networks. Millions of Americans use transit for their daily commute, easing roadway congestion and reducing air pollution. Many riders depend on public transportation to access employment, schools, healthcare, and social services. Transit can also provide economic opportunity. For example, the Job Access and Reverse Commute program helps provide transportation services in urban, suburban, and rural areas to assist welfare recipients and low-income individuals reach employment opportunities. The Administration proposes to target transit funding to communities with the greatest need. To ensure that local governments play a major role in funding transit "New Starts," the budget recommends a cap on Federal partici-

pation at 50 percent starting in 2004. The Federal Transit Administration seeks to:

- Increase transit ridership to 47.5 billion passenger-miles traveled in 2002. In 2000, transit rider ship was 45.3 billion passenger-miles traveled.

Innovative Financing: There are a number of financing innovations designed to streamline procedures, improve existing programs, and implement new ideas for improving the Nation's transportation infrastructure. In total, these initiatives are helping advance over 200 projects, representing a total capital investment of more than \$20 billion. For example, there is the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, authorized by TEA-21. TIFIA provides Federal credit assistance to major transportation investments of critical national importance, such as: intermodal facilities, border crossing infrastructure, highway trade corridors, and transit and passenger rail facilities with regional and national benefits. In 2000, \$37 million of TIFIA budget authority supported \$637 million in credit assistance. In 2002, an estimated funding level of \$108 million should provide for as much as \$2.4 billion in credit assistance.

Passenger Rail: The budget includes \$521 million in 2002 to support Amtrak capital improvements and equipment maintenance. The Federal Railroad Administration seeks to:

- Increase Amtrak's intercity ridership to 26.7 million passengers in 2002. In 2000, 22.5 million passengers rode Amtrak. Amtrak ridership in 2000 was an all-time annual record, reflecting a 4.7-percent increase over 1999.

Amtrak's financial condition will demand continued oversight by DOT.

Aviation and Airports: The Federal Government seeks to ensure that the aviation system is safe, reliable, accessible, well integrated, and flexible. In 2002, the Administration will continue aggressive modernization of FAA air traffic control equipment, including the development of new technologies and instituting improvements to existing systems to decrease air traffic delays. The Free Flight Phase I program is implementing air traffic automation aids that allow controllers to use airspace and runway capacity more efficiently.

In addition, FAA is developing controller pilot data link and Global Positioning System technologies to improve efficiency in handling aircraft. Ongoing replacement of airport surveillance and beacon radar systems will improve the reliability of equipment used for air traffic control.

About 3,300 airports throughout the country are eligible recipients of Airport Improvement Program (AIP) funding provided in the Aviation Investment and Reform Act for the 21st Century, which reauthorized this program. AIP helps enhance airport capacity, safety, security, and noise mitigation. These funds augment other airport funding sources, such as bond proceeds, State and local grants, and passenger facility charges that airports are permitted to establish. With 98 percent of the population living within 20 miles of a public airport, most people have excellent access to air transportation. The budget includes \$6.9 billion for FAA operations and \$2.9 billion for modernizing air traffic control capital assets—in total \$619 million, or seven percent, more than 2001. To ensure the most “bang-for-the-buck,” the Administration is proposing to modify the Essential Air Service (EAS) program. EAS, which provides subsidies to air carriers serving small airports, would be targeted only to communities with limited transportation alternatives and which face great distances to air carriers. The Federal Government seeks to:

- Reduce the rate of air travel delays to 171 delays per 100,000 activities in 2002. In 2000, the rate of air delays was 250 delays per 100,000 activities.

While the FAA is funded at historically high levels, the Administration recognizes that substantial reform is necessary to make the aviation system more efficient. Current levels of aviation delay are unacceptable. The Administration supports efforts to institute improved business practices, organizational changes, and market-oriented techniques to strengthen FAA’s operations and reduce system delays, recognizing the role of airlines and airports. As part of this effort, over the next year the Administration will work with the aviation community and Congress to develop a plan of action for improving the Nation’s aviation record. In

particular, the Administration will examine the success that various nations, including Canada, have experienced with individual air traffic control systems owned and operated by private companies.

Marine Transportation and Law Enforcement: For our Nation’s commercial shipping infrastructure, the Coast Guard establishes and operates electronic and visual aids-to-navigation infrastructure that enables the safe movement of shipping. This includes ensuring that winter shipments such as fuel oil arrive without delay. The Maritime Administration and the Coast Guard are co-leading a joint cooperative effort with other Federal, State, and local government agencies and the private sector to review the Nation’s Marine Transportation System (MTS). The MTS is faced with growing levels of demand, shifting and competing user requirements, and safety and information system improvements. The Federal Government seeks to:

- Limit the number of days that critical waterways are closed due to ice to no more than two days in an average winter. In 2000, there were no waterway closures due to ice conditions.

As a military service with civil law enforcement missions, the Coast Guard plays an important role in maritime security, through enforcement of a wide range of Federal laws on the Nation’s waters. The budget provides new funding for the Coast Guard to continue implementation of the Western Hemisphere Drug Elimination Act and to recapitalize its fleet of aircraft and ships under an initiative entitled Deepwater. The Coast Guard’s deepwater acquisition plan will be an Administration management and procurement initiative over the coming year. This procurement will be monitored carefully to ensure that Federal funds are efficiently and productively spent. These efforts will enhance drug interdiction efforts and improve the Coast Guard’s capability to:

- Reduce the rate at which illegal drugs successfully enter the United States from the transit and arrival zones by 10 percent as compared to the 1996 base year.

- Hold the flow of undocumented illegal migrants entering the United States via maritime routes to no more than 13 percent of estimated entry attempts.

Research and Development

The Federal Government has a role in developing transportation technology. Federal research helps build stronger roads and bridges, design safer cars, reduce human error in operations, lower barriers to people with disabilities, and improve the efficiency of existing infrastructure.

Smart Roads: The Department's Intelligent Transportation Systems (ITS) program is developing and deploying technologies to help States and localities improve traffic flow and safety on streets and highways. ITS provides cost-effective ways to improve the management of our infrastructure, boosting efficiency and capacity. The Federal Government seeks to:

- Increase the number of metropolitan areas with integrated ITS infrastructure from 52 in 2000 to 61 in 2002.

Aviation Research: The FAA's research, engineering, and development programs help improve safety, security, capacity, and efficiency in the National Airspace System. For example, the development of improved weather forecasting and modeling tools will help reduce delays and prevent accidents and injuries caused by aircraft icing and turbulence. In 2002, the budget includes work on the impact of fatigue on performance and determining the causes of human error that lead to accidents. Work will continue on aircraft safety and fire protection methods that explore new ways to reduce the risk of aircraft fires and new inspection techniques to detect flaws in aging aircraft. Security and explosive detection systems research will develop machines that process baggage more rapidly and provide new technology for passenger and cargo screening. Research will continue on reducing aircraft noise and emissions.

The National Aeronautics and Space Administration (NASA) coordinates closely with FAA to develop new technologies that address challenges to growth in the Nation's air-

aviation system in the areas such as air system safety, aircraft noise and emissions, and airport system congestion. For example, NASA will be undertaking a Virtual Airspace Modeling project to produce an advanced computer-model of the Nation's air traffic aviation system. This model will help the FAA and NASA develop new operational concepts and better understand where the benefits of new technologies will have the greatest leverage in reducing airport crowding and delays, while improving aviation safety.

- DOT, NASA, the Department of Defense, and private industry will work together on research to achieve an 80-percent reduction in the fatal aviation accident rate for commercial air carriers by 2007 (from a 1994–1996 baseline of 0.051 accidents per 100,000 departures). Research will focus on preventing equipment malfunctions, reducing human error, and ensuring the separation between aircraft and potential hazards.

Regulation of Transportation

Federal rules greatly influence transportation and constitute one of the key ways the Federal Government achieves desired transportation safety, mobility, accessibility, equity, and efficiency outcomes. In the past two decades, economic deregulation of the railroad, airline, and interstate and intrastate trucking industries has reduced costs for consumers and shippers, while improving service.

The Federal Government also issues regulations that promote safer, cleaner transportation. The regulations—of cars, trucks, ships, trains, and airplanes—have substantially cut the number of transportation-related deaths and injuries, improved the safe handling of hazardous materials shipments, and helped reduce the number of oil spills.

Where regulations are used to meet our transportation safety, security, equity, and environmental goals, the Government aims for rulemakings that are timely, cost-effective, and make common sense.